

FORTY-SECOND DAY

St. Paul, Minnesota, Monday, April 22, 1985

The Senate met at 1:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Peter Wykoff.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 17, 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 Act of the 1985 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
	470	23	April 17	April 17

Sincerely,

Joan Anderson Growe
Secretary of State

April 19, 1985

The Honorable Jérôme 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. 177, 635 and 679.

Sincerely,

Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 331: A bill for an act relating to health; permitting the county coroner to remove the pituitary gland from a body under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 390.

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

McEachern, Stanius and Vellenga.

Senate File No. 331 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 18, 1985

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 10: A House concurrent resolution congratulating Minnesota Rural Electric Cooperatives on their 50th Anniversary.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 18, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 191, 576, 839, 654, 766 and 847.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 18, 1985

FIRST READING OF HOUSE BILLS

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

indicated.

H.F. No. 191: A bill for an act relating to local and state government; requiring prompt payment of local government bills; amending Minnesota Statutes 1984, section 16A.124, subdivisions 1, 5, and 8, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 445, now on General Orders.

H.F. No. 576: A bill for an act relating to local government; setting authority to regulate firearms and related matters; amending Minnesota Statutes 1984, sections 624.7132, subdivision 16; and 624.717; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 624.718.

Mr. Lessard moved that H.F. No. 576 be laid on the table. The motion prevailed.

H.F. No. 839: A bill for an act relating to crimes; prohibiting escape from custody by certain mental patients; amending Minnesota Statutes 1984, section 609.485, subdivisions 2, 4, and by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 654: A bill for an act relating to crimes; establishing mandatory minimum terms of imprisonment for the crimes of residential burglary, burglary of an occupied dwelling, aggravated robbery of a pharmacy, and selling cocaine, heroin, and hallucinogens; amending Minnesota Statutes 1984, sections 152.15, by adding subdivisions; 609.245; and 609.582, by adding subdivisions.

Referred to the Committee on Judiciary.

H.F. No. 766: A bill for an act relating to crimes; creating a presumption in favor of the confinement of certain convicted defendants pending imposition of sentence; proposing coding for new law in Minnesota Statutes, chapter 629.

Referred to the Committee on Judiciary.

H.F. No. 847: A bill for an act relating to unemployment compensation; altering the public policy statement; changing the taxable wage base; defining credit week; providing for employer charging; increasing the eligibility requirement; eliminating certain tax rate limitations; changing the weekly benefit amount; capping the maximum weekly benefit; providing for the duration of benefits; increasing the duration of benefits for claimants in counties with high unemployment; providing for seasonal employees; making the waiting week nonreimbursable; amending the benefit offset for severance pay; increasing the period of time and earnings necessary for requalification after disqualification; changing the definition of suitable work; transferring duties to the office of administrative hearings; amending Minnesota Statutes 1984, sections 14.03, subdivision 2; 14.51; 14.53; 43A.18, subdivision 4; 179A.10, subdivision 1; 268.03; 268.04, subdivisions 25 and 29; 268.06, subdivisions 5, 8, 18, 19, and 20; 268.07, subdivisions 2 and 2a; 268.08, subdivisions 1 and 3; 268.09, subdivisions 1 and 2; 268.10, subdivisions 2,

3, 4, 5, 6, and 9; 268.12, subdivisions 8, 9, 10, and 13; and 268.18, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1984, section 268.04, subdivision 30.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 41.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted; with the exception of the reports on H.F. No. 345, S.F. Nos. 352, 1080, 879, 1477, 357 and 928 and reports pertaining to appointments. The motion prevailed.

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

H.F. No. 345: A bill for an act relating to insurance; no-fault automobile; providing mandatory underinsured motorist coverage; clarifying legislative intent concerning stacking of insurance policies; coordinating the priority of applicability of security for the payment of certain benefits; amending Minnesota Statutes 1984, sections 65B.43, by adding subdivisions; 65B.47, by adding a subdivision; 65B.49, subdivision 4, and by adding a subdivision; and 65B.70, by adding a subdivision.

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

Page 1, line 18, delete everything before the period

Page 2, after line 9, insert:

"Sec. 5. Minnesota Statutes 1984, section 65B.43, is amended by adding a subdivision to read:

Subd. 20. "Political subdivision" means any statutory or home rule charter city; county; town; school district; or metropolitan council, board or commission operating under chapter 473."

Page 2, after line 18, insert:

"Sec. 7. Minnesota Statutes 1984, section 65B.48, subdivision 3a, is amended to read:

Subd. 3a. To carry out the purposes of subdivision 3, the commissioner may adopt rules pursuant to chapter 14, including emergency rules. These rules may:

(a) establish reporting requirements;

(b) establish standards or guidelines to assure the adequacy of the financing and administration of self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities that self-insure *other than bonding requirements for self-insuring political subdivisions*; and

(d) establish other reasonable requirements to further the purposes of this section."

Pages 4 and 5, delete section 8 and insert:

"Sec. 10. Minnesota Statutes 1984, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. The supreme court and the several courts of general trial jurisdiction of this state ~~may, on or before January 1, 1975, shall~~ by rules of court or other constitutionally allowable device, provide for the *mandatory* submission to arbitration, ~~upon mutual consent of all parties to the action,~~ of all cases at issue where a claim in an amount of \$5,000 or less is made by a motor vehicle accident victim, whether in an action to recover economic loss or non-economic detriment for the allegedly negligent operation, maintenance, or use of a motor vehicle within this state, or against any reparation obligor for benefits as provided in sections 65B.41 to 65B.71."

Page 5, line 5, before "8" insert "4, 6," and after "8" insert ", and 9"

Page 5, line 9, after the period, insert "*Sections 5 and 7 are effective the day following final enactment.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "removing bonding requirements for self-insuring political subdivisions; providing for mandatory arbitration of certain insurance claims;"

Page 1, line 8, after the second semicolon, insert "65B.48, subdivision 3a;"

Page 1, line 10, delete "65B.70, by adding a subdivision" and insert "65B.525, subdivision 1"

And when so amended the bill do pass. Mr. Freeman questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 580: A bill for an act relating to economic development; providing for the election of certain community development corporation directors; amending Minnesota Statutes 1984, section 116M.04, subdivision 6.

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

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

S.F. No. 879: A bill for an act relating to economic development; adding definitions to the Minnesota energy and economic development authority law; clarifying purposes of the economic development fund; adding development power and authority; restricting the duties of the energy and economic development authority and enlarging the duties of the commissioner of energy and economic development; extending the life of the Minnesota manufacturing growth council; amending Minnesota Statutes 1984, sections 116M.03, subdivisions 10, 11, 13, and by adding subdivisions; 116M.04,

subdivision 1; 116M.06, subdivisions 2, 4, and 11; 116M.07, subdivisions 1, 2, 11, 12, and by adding a subdivision; 116M.08, subdivisions 11, 13, 16, 19, 20, and by adding subdivisions; 116M.10, subdivision 5; 474.01, subdivisions 6, 7b, 8, and 11; and Laws 1984, chapter 654, article 2, section 151, subdivision 5.

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

Page 1, after line 20, insert:

“Section 1. Minnesota Statutes 1984, section 116J.58, subdivision 1, is amended to read:

Subdivision 1. [ENUMERATION.] The commissioner shall:

(1) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;

(2) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;

(3) investigate and study conditions affecting Minnesota business, industry, and commerce and collect and disseminate information, and engage in technical studies, scientific investigations, and statistical research and educational activities necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state;

(4) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;

(5) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;

(6) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;

(7) study trends and developments in the industries of the state and analyze the reasons underlying the trends; study costs and other factors affecting successful operation of businesses within the state; and make recommendations regarding circumstances promoting or hampering business and industrial development;

(8) serve as a clearing house for business and industrial problems of the state; and advise small business enterprises regarding improved methods of accounting and bookkeeping;

(9) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(10) cooperate with other state departments, and with boards, commissions, and other state agencies, in the preparation and coordination of plans

and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(11) assemble and coordinate information relative to the status, scope, cost, and employment possibilities and the availability of materials, equipment, and labor in connection with public works projects, state, county, and municipal; recommend limitations on the public works; gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment; inquire into and report to the governor, when requested by him, with respect to any program of public state improvements and the financing thereof; and request and obtain information from other state departments or agencies as may be needed properly to report thereon;

(12) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(13) confer and cooperate with the executive, legislative, or planning authorities of the United States and neighboring states and of the counties and municipalities of such neighboring states, for the purpose of bringing about a coordination between the development of such neighboring states, counties, and municipalities and the development of this state;

(14) generally, gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other departments of the state for statistical data and results obtained by them and to arrange and compile that statistical information in a manner that seems wise;

(15) advise and assist in the design and implementation of economic adjustment projects and coordinate existing state and federal economic assistance programs for those projects; and

(16) stimulate community development of alternative production design projects."

Page 7, line 35, before "The" insert "Except as otherwise provided in section 116M.07, subdivision 9,"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after "sections" insert "116J.58, subdivision 1;"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 265: A bill for an act relating to insurance; dramshop liability; authorizing annual aggregate policy limits; amending Minnesota Statutes

1984, section 340.11, subdivision 21.

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 65B.43, is amended by adding a subdivision to read:

Subd. 16. "Uninsured motor vehicle" means a motor vehicle or motorcycle for which a plan of reparation security meeting the requirements of sections 65B.41 to 65B.71 is not in effect.

Sec. 2. Minnesota Statutes 1984, section 65B.43, is amended by adding a subdivision to read:

Subd. 17. "Underinsured motor vehicle" means a motor vehicle or motorcycle to which a bodily injury liability policy applies at the time of the accident but its limit for bodily injury liability is less than the amount needed to compensate the insured for his or her actual damages.

Sec. 3. Minnesota Statutes 1984, section 65B.43, is amended by adding a subdivision to read:

Subd. 18. "Uninsured motorist coverage" means coverage for the protection of persons insured under that coverage who are legally entitled to recover damages for bodily injury from owners or operators of uninsured motor vehicles.

Sec. 4. Minnesota Statutes 1984, section 65B.43, is amended by adding a subdivision to read:

Subd. 19. "Underinsured motorist coverage" means coverage for the protection of persons insured under that coverage who are legally entitled to recover damages for bodily injury from owners or operators of underinsured motor vehicles.

Sec. 5. Minnesota Statutes 1984, section 65B.49, subdivision 4, is amended to read:

Subd. 4. [UNINSURED OR HIT-AND-RUN MOTOR VEHICLE COVERAGE AND UNDERINSURED MOTORIST COVERAGES.] (1) No plan of reparation security may be renewed, delivered or issued for delivery, or executed in this state with respect to any motor vehicle registered or principally garaged in this state unless ~~coverage is uninsured and underinsured motorist coverages are provided therein or supplemental thereto, in the amounts. The coverages combined, at a minimum, must provide limits of \$25,000 because of injury to or the death of one person in any accident; and subject to the said limit for one person; \$50,000 because of bodily injury to or the death of two or more persons in any one accident; for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles and hit-and-run motor vehicles because of injury. In the case of injury to, or the death of, two or more persons in any accident, the amount available to any one person must not exceed the coverage limit provided for injury to, or the death of, one person in any accident. For purposes of this subdivision, uninsured motorist coverage and underinsured motorist coverage shall be a single coverage.~~

(2) Every owner of a motor vehicle registered or principally garaged in this state shall maintain uninsured ~~motor vehicle coverage and underinsured motorist coverages~~ as provided in this subdivision.

(3) *"Uninsured motor vehicle" means any motor vehicle or motorcycle for which a plan of reparation security meeting the requirements of sections 65B.41 to 65B.71 is not in effect. No reparation obligor is required to provide limits of uninsured and underinsured motorist coverages in excess of the bodily injury limit provided by the applicable plan of reparation security.*

(4) No recovery shall be permitted under the uninsured ~~motor vehicle provisions~~ and underinsured motorist coverages of this section for basic economic loss benefits paid or payable, or which would be payable but for any applicable deductible.

(5) *Unless the language of the policy provides otherwise, if at the time of the accident the injured person is occupying a motor vehicle, the limit of liability for uninsured and underinsured motorist coverages available to the injured person is the limit specified for that motor vehicle. However, if the injured person is occupying a motor vehicle of which the injured person is not a named insured, the injured person may be entitled to excess insurance protection afforded by a policy in which the injured party is a named insured. The excess insurance protection is limited to the extent of covered damages sustained, and further is available only to the extent by which the limit of liability for like coverage applicable to any one motor vehicle listed on the automobile insurance policy of which the injured person is named insured exceeds the limit of liability of the coverage available to the injured person from the occupied motor vehicle.*

If at the time of the accident the injured person is not occupying a motor vehicle, the injured person is entitled to select any one limit of liability for any one vehicle afforded by a policy under which the injured person is named insured.

(6) *Regardless of the number of policies involved, vehicles involved, persons covered, claims made, vehicles or premiums shown on the policy, or premiums paid, in no event shall the limit of liability for uninsured and underinsured motorist coverages for two or more motor vehicles be added together to determine the limit of insurance coverage available to an injured person for any one accident.*

(7) *The uninsured and underinsured motorist coverages required by this subdivision do not apply to bodily injury of the insured while occupying a motor vehicle owned by the insured, unless the occupied vehicle is an insured motor vehicle.*

(8) *The uninsured and underinsured motorist coverages required by this subdivision do not apply to any bodily injury until the limits of bodily injury liability policies applicable to all insured motor vehicles causing the injury have been exhausted by payment of judgments or settlements and proof of such is submitted to the insurer providing the uninsured and underinsured motorist coverages.*

Sec. 6. Minnesota Statutes 1984, section 65B.49, is amended by adding a subdivision to read:

Subd. 4a. [LIABILITY ON UNDERINSURED MOTOR VEHICLES.]

With respect to underinsured motor vehicles, the maximum liability of an insurer is the lesser of the difference between the limit of underinsured motorist coverage and the amount paid to the insured by or for any person or organization who may be held legally liable for the bodily injury; or the amount of damages sustained but not recovered.

Sec. 7. Minnesota Statutes 1984, section 340.11, subdivision 21, is amended to read:

Subd. 21. [LIABILITY INSURANCE.] Every person licensed to sell at retail intoxicating liquor or nonintoxicating malt liquor at on-sale or off-sale shall, after August 1, 1983, demonstrate proof of financial responsibility with regard to liability imposed by section 340.95, to the authority issuing the license as a condition of the issuance, maintenance, or renewal of his license, provided this subdivision does not apply to licensees who by affidavit establish that they are on-sale nonintoxicating malt liquor licensees with sales of less than \$10,000 of nonintoxicating malt liquor for the preceding year, or off-sale nonintoxicating malt liquor licensees with sales of less than \$20,000 of nonintoxicating malt liquor for the preceding year, or holders of on-sale wine licenses under subdivision 20, with sales of less than \$10,000 of wine for the preceding year. The issuing authority must submit to the commissioner the proof of financial responsibility or exemption affidavit submitted by the license applicant. Proof of financial responsibility may be given by filing:

(a) A certificate that there is in effect for the period covered by the license an insurance policy or pool providing the following minimum coverages;

(1) \$50,000 because of bodily injury to any one person in any one occurrence, and, subject to the limit for one person, in the amount of \$100,000 because of bodily injury to two or more persons in any one occurrence, and in the amount of \$10,000 because of injury to or destruction of property of others in any one occurrence-;

(2) \$50,000 for loss of means of support of any one person in any one occurrence, and, subject to the limit for one person, \$100,000 for loss of means of support of two or more persons in any one occurrence; or

(3) an annual aggregate policy limit for dramshop liability of not less than \$300,000 per policy year may be included in the policy provisions; or

(b) A bond of a surety company with minimum coverages as provided in clause (a)-; or

(c) A certificate of the state treasurer that the licensee has deposited with him \$100,000 in cash or securities which may legally be purchased by savings banks or for trust funds having a market value of \$100,000.

This subdivision does not prohibit a local governing unit from requiring higher insurance or bond coverages, or a larger deposit of cash or securities than is required hereunder, as a condition of issuance or renewal of a retail intoxicating liquor or nonintoxicating malt liquor on-sale or off-sale license.

The commissioner of commerce shall advise licensees and municipalities subject to the financial responsibility requirements of this subdivision of those persons offering insurance coverage. The commissioner of commerce shall establish a program to assist licensees in obtaining insurance coverage.

The program shall include a committee appointed by the commissioner of commerce of a representative group of insurance carriers and producers. The commissioner of commerce shall serve as an ex officio member of the committee. The committee shall review and act upon all properly executed applications requesting liquor liability market assistance. The market assistance program shall be established by the commissioner of commerce by August 1, 1983, and shall continue to function so long as its services are deemed by the commissioner of commerce to be necessary to relieve perceived availability problems in the liquor liability insurance market. If the committee finds that it cannot assist in securing insurance coverage it shall notify the applicant in writing with a full explanation and recommendation for enhancing its ability to secure insurance. The commissioner of commerce shall, if necessary, establish an assigned risk plan pursuant to subdivision 23.

Sec. 8. Minnesota Statutes 1984, section 340.11, is amended by adding a subdivision to read:

Subd. 21a. [NOTIFICATION BY INSURER OF STATUS OF CLAIM.] Upon the request of the insured, an insurer who is providing coverage required by subdivision 21 shall inform the insured of the status of any claims made under the policy. The information must include:

(1) the employees of the insured that may be involved and the nature of their involvement;

(2) any amount the insurer is holding in reserve for payment of a claim or has paid in the disposition of the claim; and

(3) any amount paid in the defense of the claim.

This subdivision does not require disclosure of otherwise nondiscoverable information to an adverse party in litigation.

Sec. 9. Minnesota Statutes 1984, section 340.11, subdivision 23, is amended to read:

Subd. 23. [ASSIGNED RISK PLAN.] (1) The purpose of the assigned risk plan is to provide coverage required by subdivision 21 to persons rejected pursuant to this subdivision.

(2) An insurer that refuses to write the coverage required by subdivision 21 shall furnish the applicant with a written notice of refusal. The rejected applicant shall file a copy of the notice of refusal with the commissioner of public safety and with the assigned risk plan at the time of application for coverage under the plan.

(3) The commissioner of commerce may enter into service contracts as necessary or beneficial to accomplish the purposes of the assigned risk plan including servicing of policies or contracts of coverage, data management, and assessment collections. Services related to the administration of policies or contracts of coverages shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (13) or a qualified vendor of risk management services. A qualified insurer or vendor of risk management services shall possess sufficient financial, professional, administrative, and personnel resources to provide the services required for operation of the plan. The cost of all services contracted for shall be an obligation of the assigned risk plan.

(4) The commissioner of commerce may assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (13) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner of commerce determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of insurance written as reported on page 14 of the annual statement under line 5, commercial multi-peril, and line 17, other liability, during the preceding calendar year by that insurer bears to the total written by all such carriers for such lines.

(5) Policies and contracts of coverage issued pursuant to this subdivision shall contain the usual and customary provisions of liability insurance policies, and shall contain the minimum coverage required by subdivision 21 or the local governing unit.

(6) Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15.

(7) Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan approved by the commissioner of commerce. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner of commerce shall fix the compensation received by the agent of record.

(8) The commissioner of commerce shall adopt rules, including emergency rules, as may be necessary to implement this subdivision. The rules may include:

(a) appeal procedures from actions of the assigned risk plan;

(b) formation of an advisory committee composed of insurers, vendors of risk management services and licensees, to advise the commissioner of commerce regarding operation of the plan; and

(c) applicable rating plans and rating standards.

(9) A liquor vendor may be denied or terminated from coverage through the assigned risk plan if the liquor vendor disregards safety standards, laws, rules, or ordinances pertaining to the offer, sale, or other distribution of liquor.

Sec. 10. Minnesota Statutes 1984, section 340.12, is amended to read:

340.12 [APPLICATION FOR LICENSE.]

Every person desiring a license from the commissioner of public safety, shall file with him a verified written application in the form prescribed by the commissioner. All applicants for manufacturer's and wholesaler's licenses to sell intoxicating liquor shall file with the commissioner of public safety a bond with corporate surety to be approved by the commissioner of public safety before granting the license or cash or United States government bonds in the sum of \$10,000, according to the character of the license, made payable to the state of Minnesota. All applicants for a license to sell intoxicating liquors on any railroad train or other common carrier shall file with the commissioner of public safety a bond with corporate surety to be approved by the commissioner of public safety before granting the license or cash or United States government bonds in the sum of \$1,000. All manufacturers and whole-

salers of wines containing not more than 25 percent of alcohol by weight and manufacturers and wholesalers of beer containing more than 3.2 percent of alcohol by weight shall file with the commissioner of public safety a bond with corporate surety to be approved by the commissioner of public safety before granting the license or cash or United States government bonds in the sum of \$5,000.

Every person desiring a license from a local governing body shall file with the clerk of the municipality, or in the case of a public corporation organized and existing under sections 473.601 to 473.679, with the executive director thereof, a verified written application in the form prescribed by the commissioner with the additional information the local governing body requires. An applicant for an "off sale" license shall file with the clerk of the proper municipality a bond with corporate surety or cash or United States government bonds in a sum not less than \$1,000 and not more than \$3,000 as the local governing body of such municipality determines. The bond shall be approved by the local governing body and the commissioner of public safety.

Every application for the issuance or renewal of a license for the sale of intoxicating or nonintoxicating liquor must include a copy of each summons received by the applicant under section 340.951 during the preceding year.

An applicant for an "on sale" license shall file with the clerk of the proper municipality, or in the case of a public corporation organized and existing under sections 473.601 to 473.679, with the executive director thereof, a bond with corporate surety or cash or United States government bonds in a sum not less than \$3,000 nor more than \$5,000 as the local governing body of such municipality determines. The bond shall be approved by the local governing body.

A liability insurance policy required by section 340.11, subdivision 21 shall provide that it may not be canceled for any cause either by the insured or the insurance company without first giving ten days' notice to the municipality in writing of intention to cancel it, addressed to the city clerk of the municipality, or in the case of a public corporation organized and existing under sections 473.601 to 473.679, to the executive director thereof. The operation of an "off sale" or "on sale" business without having on file at all times with the municipality the liability insurance policy herein referred to shall be grounds for immediate revocation of the license.

Bonds of manufacturers, wholesalers, and common carriers shall run to the state of Minnesota. Bonds of "on sale" and "off sale" retail dealers shall run to the municipality in which the license is issued. The bonds shall be conditioned as follows:

As to manufacturers, wholesalers and common carriers:

(a) That the licensee will obey the law relating to the licensed business;

(b) That the licensee shall pay to the state when due all taxes, license fees, penalties and other charges payable by him under this act or any other law relating to the manufacture, distribution, or sale of intoxicating liquor;

(c) That in the event of any violation of the provisions of law, the bond shall be forfeited to the state of Minnesota as hereinafter provided.

As to "off sale" and "on sale" dealers:

- (a) That the licensee will obey the law relating to the licensed business;
- (b) That the licensee will pay to the municipality when due all taxes, license fees, penalties and other charges provided by law;
- (c) That in the event of any violation of the provisions of any law relating to the retail "off sale" and retail "on sale" of intoxicating liquor, the bond or policy shall be forfeited to the municipality in which the license was issued.

All bonds shall be for the benefit of the obligee and all persons suffering damages by reason of the breach of the conditions thereof. In the event of the forfeiture of any bond for violation of law, the district court of the county wherein the licensed business was carried on may forfeit the penal sum of the bond, or any part thereof, to the state or municipality named as obligee in the bond.

Sec. 11. Minnesota Statutes 1984, section 340.135, is amended to read:

340.135 [LICENSES; REVOCATION; SUSPENSION.]

The authority issuing or approving any license or permit pursuant to the intoxicating liquor act ~~may~~ *shall* either suspend for not to exceed 60 days or revoke such license or permit *or impose a civil fine not to exceed \$2,000 for each violation* upon a finding that the licensee or permit holder has failed to comply with any applicable statute, regulation or ordinance relating to intoxicating liquor. No suspension or revocation shall take effect until the licensee or permit holder has been afforded an opportunity for a hearing pursuant to sections 14.57 to 14.70.

Sec. 12. Minnesota Statutes 1984, section 340.95, is amended to read:

340.95 [INJURIES CAUSED BY INTOXICATION, CIVIL ACTIONS.]

Subdivision 1. [CAUSE OF ACTION.] Every husband, wife, child, parent, guardian, employer, or other person who is injured in person or property, or means of support, or incurs other pecuniary loss by any intoxicated person, or by the intoxication of any person, has a right of action, in his own name, against any person who, by illegally selling or bartering intoxicating liquors or non-intoxicating malt liquors, caused the intoxication of that person, for all damages sustained. All damages recovered by a minor under this section shall be paid either to the minor or to his parent, guardian, or next friend, as the court directs. All suits for damages under this section shall be by civil action in any court of this state having jurisdiction. Actions for damages based upon liability imposed by this section shall be governed by section 604.01. ~~The provisions of section 604.01, as applied under this section, do not apply to actions for injury to person, property, or loss of means of support brought by a husband, wife, child, parent, guardian or other dependent of an intoxicated person.~~

Subd. 2. [SUBROGATION CLAIMS DENIED.] ~~There shall be no recovery by any insurance company against any liquor vendor under subrogation clauses of the uninsured, underinsured, collision, or other first party coverages of a motor vehicle insurance policy as a result of payments made by the company to persons who have claims that arise in whole or part under this section. The provisions of section 65B.53, subdivision 3, do not apply to actions under this section.~~

Sec. 13. Minnesota Statutes 1984, section 340.951, is amended to read:

340.951 [NOTICE OF INJURY; DISCOVERY BEFORE ACTIONS.]

Subdivision 1. [NOTICE REQUIRED.] Every person who claims damages, and every person or his insurer who claims contribution or indemnity, from any municipality owning and operating a municipal liquor store or from the licensee of any licensed establishment for the sale of intoxicating liquor or non-intoxicating malt liquor for or on account of any injury within the scope of section 340.95, shall give a written notice to the governing body of the municipality or the licensee, as the case may be, stating:

(1) The time and date when, and person to whom the liquor was sold or bartered;

(2) The name and address of the person or persons who were injured or whose property was damaged;

(3) The approximate time and date and the place where any injury to person or property occurred. Every municipality or licensee who claims contribution or indemnification from any other licensee or municipality shall give a written notice in the form and manner specified in this section to the other municipality or licensee.

No error or omission in the notice shall void the effect of the notice, if otherwise valid, unless the error or omission is of a substantially material nature.

In the case of claims for contribution or indemnity this notice shall be served within 120 days after the injury occurs, or within 60 days after receiving written notice of a claim for contribution or indemnity, whichever is applicable, and no action for contribution or indemnity therefor shall be maintained unless the notice has been given. In the case of a claim for damages the notice shall be served by the claimant's attorney within 120 days of the date of entering an attorney-client relationship with the person in regard to the claim, and no action for damages shall be maintained unless the notice has been given.

If requested to do so, a municipality or licensee receiving a notice shall promptly furnish claimant's attorney the names and addresses of other municipalities or licensees who sold or bartered liquor to the person identified in the notice, if known.

Actual notice of sufficient facts to reasonably put the governing body of the municipality or the licensee, as the case may be, or its insurer, on notice of a possible claim, shall be construed to comply with the notice requirements herein.

No action shall be maintained for injury under section 340.95 unless commenced within two years after the injury.

Subd. 2. [EARLY DISCOVERY.] To aid claimants in providing accurate notice of claim to a liquor vendor, a person who claims damages pursuant to section 340.95 may subpoena any person or use any discovery method provided for in the Minnesota Rules of Civil Procedure prior to the commencement of an action on behalf of claimants. The discovery is inadmissible in any other pending or subsequent criminal matter, including implied consent hearings.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1985, and apply to all insurance policies providing benefits for injuries arising out of the maintenance or use of a motor vehicle or motorcycle that are executed, issued, issued for delivery, delivered, continued, or renewed in this state after June 30, 1985.

Section 7 is effective the day following final enactment. Section 12 is effective July 1, 1985, and applies to causes of action arising on or after that date."

Delete the title and insert:

"A bill for an act relating to commerce; providing for uninsured and underinsured motorist coverage; authorizing annual aggregate policy limits for dram shop insurance; providing for practices and procedures relating to dram shop actions; amending Minnesota Statutes 1984, sections 65B.43, by adding subdivisions; 65B.49, subdivision 4, and by adding a subdivision; 340.11, subdivisions 21 and 23, and by adding a subdivision; 340.12; 340.135; 340.95; and 340.951."

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. 661: A bill for an act relating to commerce; regulating membership camping; prescribing the powers and duties of the commissioner; proposing coding for new law as Minnesota Statutes, chapter 82A.

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

Delete everything after the enacting clause and insert:

"Section 1. [82A.01] [CITATION.]

This chapter may be cited as the "membership camping practices act."

Sec. 2. [82A.02] [DEFINITIONS.]

Subdivision 1. [ADVERTISEMENT OR ADVERTISING.] "Advertisement" or "advertising" means any written or printed communication or any communication transmitted on radio, television, electronic means, or similar communications media other than telephone, published in connection with the offer or sale of membership camping contracts or to induce prospective purchasers to visit or attend an offer or sales presentation.

Subd. 2. [AMENITY.] "Amenity" means any major recreational building, swimming pool, utility serviced camping sites, or similar facility which is represented as available for use by purchasers now or in the future. "Amenity" does not include a sports court or other minor facility.

Subd. 3. [AFFILIATE.] "Affiliate" of another person means any person directly or indirectly controlling, controlled by, or under common control with the other person.

Subd. 4. [BLANKET ENCUMBRANCE.] "Blanket encumbrance" means any mortgage, deed of trust, option to purchase, vendor's lien or in-

interest under a contract or agreement of sale, judgment lien, federal or state tax lien, or any other material lien or encumbrance which secures or evidences the obligation to pay money or to sell or convey any campground located in this state, or any portion thereof, made available to purchasers by the membership camping operator, and which authorizes, permits, or requires the foreclosure or other disposition of the campground. "Blanket encumbrance" also includes the lessor's interest in a lease of a campground which is located in this state, or any portion thereof, and which is made available to purchasers by a membership camping operator. "Blanket encumbrance" does not include a lien for taxes or assessments levied by any public authority which are not yet due and payable.

Subd. 5. [BROKER.] "Broker" means a person who, for a fee or other valuable consideration, resells a membership camping contract to a new purchaser on behalf of a prior purchaser or who engages in the business of buying and selling membership camping contracts. "Broker" does not include a membership camping operator or a licensed salesperson acting on behalf of a membership camping operator or a licensed broker.

Subd. 6. [CAMPGROUND.] "Campground" means real property owned or operated by a membership camping operator which is available for use by purchasers of membership camping contracts. Campground does not include:

(1) a recreational camping area as defined by section 327.14, subdivision 8, if the operator of the recreational camping area does not offer or sell membership camping contracts, but rather rents or licenses camping sites on the recreational camping area for a per use fee; or

(2) a manufactured home park as defined in section 327.14, subdivision 3.

Subd. 7. [CAMPING SITE.] "Camping site" means a space on a campground designed and promoted for the purpose of locating a trailer, tent, tent trailer, pickup camper, or other similar device used for camping.

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of commerce of the state of Minnesota or his or her authorized delegate.

Subd. 9. [CONTROLLING PERSON.] "Controlling person" of a membership camping operator means each director and officer and each owner of 25 percent or more of stock of the operator, if the operator is a corporation; and each general partner and each owner of 25 percent or more of the partnership or other interests, if the operator is a general or limited partnership or other person doing business as a membership camping operator.

Subd. 10. [MEMBERSHIP CAMPING CONTRACT.] "Membership camping contract" means an agreement offered or sold within this state evidencing a purchaser's right or license to use for more than three years a campground owned or operated by a membership camping operator and includes a membership which provides for this use.

Subd. 11. [MEMBERSHIP CAMPING OPERATOR.] "Membership camping operator" or "operator" means any person, other than one that is tax exempt under section 501(c)(3) of the Internal Revenue Code of 1954, as amended, that owns or operates a campground and offers or sells membership camping contracts paid for by a fee or periodic payments and has as one

of its purposes camping or outdoor recreation including use of camping sites by purchasers. "Membership camping operator" does not include any person who engages in the business of arranging and selling reciprocal programs except to the extent such person owns or operates campgrounds.

Subd. 12. [NONDISTURBANCE AGREEMENT.] "Nondisturbance agreement" means any instrument by which the holder of a blanket encumbrance agrees that:

(1) its rights in any campground located in this state made available to purchasers by the membership camping operator shall be subordinate to the rights of purchasers;

(2) the holder and all successors and assigns, and any person who acquires a campground located in this state through foreclosure or by deed in lieu of foreclosure of the blanket encumbrance, or by default or cancellation of a lease shall take the property subject to the rights of purchasers; and

(3) the holder or any successor acquiring a campground located in this state through the blanket encumbrance shall not use or cause the campground to be used in a manner which would materially prevent the purchasers from using or occupying the campground in the manner contemplated by the purchasers' membership camping contract; provided, however, the holder shall have no obligation or liability to assume the responsibilities or obligations of the membership camping operator under the membership camping contract.

The agreement may be in any form or language that reasonably evidences the foregoing.

Subd. 13. [OFFER.] "Offer" means every inducement, solicitation, or attempt to encourage a person to acquire a membership camping contract.

Subd. 14. [OWN, OWNED, OR OWNERSHIP.] "Own," "owned," or "ownership" means to hold title, either legal or equitable, in real property.

Subd. 15. [PERSON.] "Person" means an individual, corporation, business trust, estate, trust, partnership, unincorporated association, two or more of any of the foregoing having a joint or common interest, or any other legal or commercial entity.

Subd. 16. [PURCHASER.] "Purchaser" means a person who enters into a membership camping contract with a membership camping operator and obtains the right to use the campground owned or operated by the membership camping operator.

Subd. 17. [RECIPROCAL PROGRAM.] "Reciprocal program" means any arrangements allowing purchasers to use campgrounds owned or operated by persons other than the membership camping operator with whom the purchaser has entered into a membership camping contract.

Subd. 18. [SALE OR SELL.] "Sale or sell" means entering into, or other disposition of, a membership camping contract for value. "Value" does not include any fee charged by a membership camping operator to offset the reasonable costs of transfer of a membership camping contract from an existing purchaser to a new purchaser.

Subd. 19. [SALESPERSON.] "Salesperson" means an individual, other than a membership camping operator or broker, who offers or sells member-

ship camping contracts, but does not include individuals who refer persons without receiving compensation of more than \$150 per referral. The limitation of \$150 per referral imposed in this subdivision herein shall increase each year by an amount equal to the increase in the United States city average consumer price index for all urban consumers issued by the United States Bureau of Labor Statistics or comparable index, should that be discontinued.

Sec. 3. [82A.03] [REGISTRATION REQUIREMENT.]

It is unlawful for any person to offer or sell a membership camping contract in this state unless:

(1) the membership camping contract is registered in accordance with the provisions of this chapter; or

(2) the membership camping contract or the transaction is exempted under section 82A.06.

Sec. 4. [82A.04] [APPLICATION FOR REGISTRATION.]

Subdivision 1. [FILING FEE.] A filing fee of \$500 shall accompany the application for registration of membership camping contracts.

Subd. 2. [APPLICATION CONTENTS.] The application for registration shall include:

(1) an irrevocable appointment of the commissioner to receive service of any lawful process as required by section 82A.22, subdivision 1;

(2) the membership camping operator's name and the address of its principal place of business, the form, date of organization, and jurisdiction of its organization; and the name and address of each of its offices in this state;

(3) a copy of the membership camping operator's articles of incorporation, partnership agreement, or joint venture agreement as contemplated or currently in effect;

(4) the name, address, and principal occupation for the past five years of the membership camping operator and of each controlling person of the membership camping operator, and the extent and nature of each such person's interest in the membership camping operator as of a specified date within 30 days prior to the filing of the application;

(5) a statement indicating whether or not the membership camping operator, or any of the persons identified in clause (4), within the past ten years has been:

(i) convicted of a felony; or

(ii) enjoined or received any adverse administrative order relating to the sale of securities, land, or campgrounds or based on violations of any consumer protection statutes. If any of the above has occurred, the name of the person involved, the jurisdiction, offense, and date of the offense shall be listed;

(6) a legal description of each campground owned or operated in this state by the membership camping operator which is represented to be available for use by purchasers, and a map or maps showing the location of all campgrounds, wherever located, which are owned or operated by the membership

camping operator and represented to be available for use by purchasers, and a statement identifying the existing amenities at each such campground and the planned amenities represented as to be available for use by purchasers in the future at each such campground;

(7) the states or jurisdictions in which an application for registration or similar document has been filed by the membership camping operator pursuant to any statute similar to this chapter regulating membership camping contracts and any adverse order, judgment, or decree entered against the operator in connection with membership camping contracts by any regulatory authority in any jurisdiction or by any court;

(8) a statement of the condition of the title to the campground owned or operated in this state by the membership camping operator and represented to be available for use by purchasers, including all encumbrances, deed restrictions, and covenants applicable thereto with data as to recording, as of a specified date within 30 days prior to the date of application, by a title opinion of a licensed attorney, by a title insurance policy, naming the operator or lender as beneficiaries and issued by an insurance company authorized to do business in this state, or by any evidence of title acceptable to the commissioner;

(9) copies of the instruments by which the membership camping operator's interest in the campgrounds in this state was acquired;

(10) copies of all recorded or unrecorded instruments, known to the membership campground operator, that evidence blanket encumbrances that materially adversely affect the campgrounds in this state;

(11) if there is a blanket encumbrance which materially adversely affects the campgrounds located in this state, a legal description of the encumbrance, and a description of the steps taken to protect purchasers, in accordance with section 82A.14, clause (1), in case of failure to discharge the lien or encumbrance;

(12) evidence showing compliance with the zoning and other applicable environmental or land use laws, ordinances, and regulations affecting the use of the campgrounds located in this state;

(13) a statement of the existing and planned provisions for the following with respect to campgrounds located in this state:

(i) purchasers' access to the campgrounds;

(ii) the availability of sewage disposal facilities and other public utilities, including but not limited to water, electricity, gas, and telephone facilities in the campgrounds;

(iii) the proximity of community fire and police protection;

(iv) a statement of the amenities which will be represented to purchasers as guaranteed to be constructed or installed, whether the operator will be responsible for their cost, installation and maintenance and an estimated cost of and schedule for completion of the same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur, and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes,

and other causes outside the reasonable control of the membership camping operator; and assurance that such amenities will be completed by filing a bond or irrevocable letter of credit, depositing funds in an escrow account, or such other provision as the commissioner may by order allow. The amount of the bond or escrow account shall be reduced monthly in proportion to the amount paid for completion of the amenities during such period. The bond, letter of credit, or escrow account shall be issued or held by a bank or insurance or surety company authorized to do business in this state;

(v) a statement of the amenities to be represented to purchasers as planned for construction and installation, but not guaranteed, whether the operator will be responsible for their costs, installation, and maintenance, and an estimated cost of and schedule for completion of the same; provided that the estimated completion dates need not be more precise than the year in which completion is estimated to occur and may be extended for the period of any delays caused by or deferred due to the occurrence of events such as acts of God, strikes, and other causes outside the reasonable control of the membership camping operator.

(14) a copy of each item of advertising materials which has been prepared for public distribution in this state after the effective date of this act. Advertising material for off-site distribution which is pictorial in nature, other than site and conceptual plans which are labeled as such, shall be limited to a depiction of the actual on-site condition of the campgrounds or other areas that are material to the offer or sale of membership camping contracts pursuant to this registration; site and conceptual plans shall disclose which facilities are and are not currently in existence;

(15) the proposed disclosure statement as required by section 82A.05, subdivision 1, and the proposed separate disclosure, if applicable, as required by section 82A.05, subdivision 6;

(16) a financial statement of the membership camping operator as of the end of the membership camping operator's most recent fiscal year, audited by an independent certified public accountant; and, if the fiscal year end of the membership camping operator is in excess of 120 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 120 days of the date of application;

(17) a statement of the applicable material permits, other than building permits, not yet obtained but required to be obtained from various federal, state, and local agencies to operate the campground in this state, stating which have been applied for. If any permit has been refused, the reasons for the refusal and the effect the refusal will have on subsequent development of the campgrounds must be disclosed;

(18) a copy of each type of membership camping contract to be sold in this state, the purchase price of each type and, if the price varies, the reason for the variance;

(19) the number of membership camping contracts proposed to be sold at each campground located in this state and a statement describing the method used to determine the number;

(20) rules or regulations of general applicability governing use and occupancy of the campgrounds; but not including any temporary or emergency

rules or regulations, or any rules or regulations adopted in response to unique local or immediate needs;

(21) copies of applications for and contracts with any reciprocal program entity in which the membership camping operator is to participate and represents as available for use by purchasers;

(22) information concerning purchase or lease costs, rules, forms, and any fees, other than the initial membership fee and annual dues, which are required for purchaser usage of in-park trailers, recreational vehicles, tents, or other overnight accommodations, provided by or through the membership camping operator, for purchasers as an alternative to using the purchaser's own mobile accommodations;

(23) any additional information the commissioner reasonably deems appropriate to administer the provisions of this chapter.

Subd. 3. [SIGNING OF APPLICATION.] The application shall be signed by the membership camping operator, duly authorized signatory, or any person holding a power of attorney for this purpose from the membership camping operator. If the application is signed pursuant to a power of attorney, a copy of the power of attorney shall be included with the application.

Subd. 4. [EFFECTIVE DATE.] Unless an order denying registration under section 82A.12 is in effect, or unless declared effective by order of the commissioner prior thereto, the application for registration shall automatically become effective upon the expiration of 15 business days following filing with the commissioner, but an applicant may consent in writing to the delay of registration until the time the commissioner may issue an order of registration. If the commissioner requests additional information with respect to the application, the application shall become effective upon the expiration of 15 business days following the filing with the commissioner of the additional information unless an order denying registration under section 82A.12 is in effect or unless declared effective by order of the commissioner prior thereto.

Sec. 5. [82A.05] [DISCLOSURE STATEMENT.]

Subdivision 1. [DELIVERY.] A disclosure statement shall be delivered to each person to whom an offer is made before or concurrently with:

- (1) the first written offer other than offer by means of an advertisement; or
- (2) any payment pursuant to a sale, whichever occurs first.

Each person to whom an offer is made must be afforded a reasonable opportunity to examine the disclosure statement and must be permitted to retain the statement. The seller shall obtain a receipt, signed by the person, acknowledging that he or she has received a copy of the disclosure statement prior to the execution by the purchaser of any membership camping contract. All receipts shall be kept in files which are in the possession of the membership camping operator or broker subject to inspection by the commissioner, for a period of three years from the date of the receipt.

Subd. 2. [CONTENTS.] A disclosure statement shall include the following information:

- (1) the name, principal address, and telephone number of the membership camping operator and of its offices in this state;

(2) a brief description of the membership camping operator's experience in the membership camping business, including the number of years the membership camping operator has been in the membership camping business;

(3) a brief description of the campgrounds owned or operated by the membership camping operator and represented as available for use by purchasers, including identification of the amenities then available for use by purchasers, whether amenities will be available to nonpurchasers and, if so, the price to nonpurchasers therefor;

(4) a statement of whether or not the operator has obtained a bond, deposited funds in an escrow account, obtained an irrevocable letter of credit, or provided any other assurance securing the cost of the amenities which are represented as planned to be constructed or installed in the future for use by purchasers and, if so, the identity of the amenities and the year in which completion is estimated to occur;

(5) a description of the nature of the purchaser's title to, interest in, or right or license to use the campgrounds and amenities;

(6) a description of the membership camping operator's ownership of, or other right to use, the campground and amenities represented to be available for use by purchasers, together with a brief description of any material blanket or other material encumbrance on the campground, and the material provisions of any agreements which materially restrict a purchaser's use of the property, and a statement of the consequences to purchasers in the event of any conveyances of the campgrounds or foreclosure or other adverse action which can be taken with respect to the encumbrances.

(7) a statement or summary of what required material discretionary land use permits, the issuance of which is in the discretion of the issuing governmental authority, have not been obtained for each campground located in this state, and a description of the conditions that must be met to obtain the permits that have not yet been obtained;

(8) a summary and copy of the articles, bylaws, rules, restrictions, or covenants regulating the purchaser's use of each campground and amenities on each campground in this state, including a statement of whether and how the articles, bylaws, rules, restrictions, or covenants may be changed; provided that the foregoing need not include any temporary or emergency rules or regulations or any rules or regulations adopted in response to unique local or immediate needs if the rules and regulations are posted at the campground;

(9) a description of all payments required of a purchaser under a membership camping contract, including initial fees and any further fees, charges or assessments, together with any provisions for changing the payments;

(10) a description of any restraints on the transfer of membership camping contracts;

(11) a statement of the assistance, if any, that the membership camping operator will provide to the purchaser in the resale of membership camping contracts;

(12) a description of the policies of the membership camping operator relating to the availability of camping sites and whether reservations are required;

(13) a description of the membership camping operator's right to change or withdraw from use all or a material portion of the campgrounds or amenities and the extent to which the operator is obligated to replace campgrounds or amenities withdrawn;

(14) a description of any grounds for forfeiture of a membership camping contract;

(15) a statement of the person's right to cancel the membership camping contract as provided in section 82A.11;

(16) a statement describing all material terms and conditions of any reciprocal program represented to be available to purchasers, including whether the purchaser's participation in the reciprocal program is dependent upon the continued participation of the membership camping operator in the reciprocal program and whether the membership camping operator reserves the right to terminate the participation; and

(17) such additional information as may be reasonably required by the commissioner to assure full and fair disclosure of all material facts to prospective purchasers.

Subd. 3. [USE.] The disclosure statement shall not be used for any promotional purpose before registration of the membership camping contracts and after registration, when required to be delivered pursuant to subdivision 1 of this section, it shall be used only in its entirety. A person may not advertise or represent that the commissioner has approved or recommended the membership camping contracts or sale thereof. A portion of the disclosure statement may not be underscored, italicized, or printed in larger or heavier or different color type than the remainder of the statement if the effect is to render the statement misleading or deceptive.

Subd. 4. [CONTRACT AS DISCLOSURE STATEMENT.] A membership camping contract which contains all of the information required by subdivision 2 shall be deemed to be a disclosure statement within the meaning of this section. Delivery of such a membership camping contract shall be sufficient compliance with the requirements imposed by this section for delivery of a disclosure statement.

Subd. 5. [OTHER LAW.] Any disclosure statement which complies with the requirements of any federal law or the laws of any other state requiring substantially the same disclosure of information as is required by this section, may by rule or order of the commissioner be deemed to be in full or partial compliance with this section.

Subd. 6. [SEPARATE DISCLOSURE.] If the membership camping operator or that person's salespersons represents to a prospective purchaser that the operator plans to construct or install any amenities in the future, but the operator has not guaranteed to do so and has not provided assurances that the amenities will be installed pursuant to section 82A.04, subdivision 2, clause (13)(iv), the operator shall furnish a separate disclosure to the prospective purchaser. The separate disclosure shall be in 10-point bold type and shall state: NOTICE: PURCHASE THIS MEMBERSHIP CAMPING CONTRACT ONLY ON THE BASIS OF EXISTING AMENITIES. CONSTRUCTION OF PLANNED AMENITIES IS NOT GUARANTEED. CONSTRUCTION MAY BE DEFERRED, REVISED, OR CANCELED

FOR A VARIETY OF REASONS. THE PLANNED AMENITIES FOR THIS CAMPGROUND ARE (Insert list of amenities, including estimated year of completion of each). IF THE SALESPERSON DESCRIBES A SIGNIFICANT AMENITY WHICH IS NOT ON THIS LIST, TELEPHONE COLLECT OR TOLL FREE TO (Insert headquarters telephone number) TO VERIFY THE OPERATOR'S PLAN FOR SUCH A FACILITY.

The separate disclosure shall be delivered to each person to whom an offer is made before or concurrently with:

- (1) the first written offer other than offer by means of an advertisement; or
- (2) any payment pursuant to a sale, whichever is first.

The seller shall obtain a receipt, signed by the person, acknowledging that the person has received a copy of the separate disclosure required herein prior to the execution by the purchaser of any membership camping contract. All receipts shall be kept in files which are in the possession of the membership camping operator or broker subject to inspection by the commissioner for a period of three years from the date of the receipt.

Sec. 6. [82A.06] [EXEMPTIONS.]

Subdivision 1. The following transactions are exempt from the provisions of this chapter:

- (1) an offer, sale, or transfer by any one person of not more than one membership camping contract in any 12-month period; unless the offer, sale, or transfer is effected by or through a broker;
- (2) an offer or sale by a government or governmental agency;
- (3) a bona fide pledge of a membership camping contract; and
- (4) any transaction which the commissioner by rule or order exempts as not being within the purposes of this chapter and the registration of which he or she finds is not necessary or appropriate in the public interest or for the protection of purchasers.

Subd. 2. The following transactions are exempt from the provisions of sections 82A.03; 82A.04; 82A.05; 82A.07; 82A.08; 82A.11, subdivisions 2 and 4; 82A.14; 82A.16; and 82A.17: any sale which is made to a person who is not then physically present in this state, and any offer which invites an offeree to attend a sales presentation in another state if:

- (1) the offeror has given at least ten days prior written notice to the commissioner of its intention to offer or sell membership camping contracts to residents of this state pursuant to this exemption and paid a fee of \$50;
- (2) the offeror has demonstrated that the sales presentation will be made, and the sale will be consummated, in a state which specifically regulates the offer and sale of membership camping contracts;
- (3) the offeror has demonstrated that it will deliver a disclosure statement to offerees who are residents of this state which contains substantially the same or greater disclosure as is required by section 82A.05; and
- (4) the offeror has filed a consent to service of process pursuant to section 82A.22.

Sec. 7. [82A.07] [AMENDMENT OF REGISTRATION.]

A person with a registration in effect, within 30 days after the person becomes aware of, or should have become aware of, the occurrence of any material change in the information on file with the commissioner, including the disclosure statement, which change could adversely affect purchasers, shall notify the commissioner in writing of the change by an application to amend the registration accompanied by a filing fee of \$25. If the amendment is approved by the commissioner, it shall become effective upon the issuance by the commissioner of an order approving the amendment. The amendment shall automatically become effective upon the expiration of 15 business days following filing with the commissioner unless the commissioner has prior thereto issued an order denying or approving the amendment.

Sec. 8. [82A.08] [ANNUAL REPORT.]

Subdivision 1. [REQUIREMENT.] During the period a registration is effective, the membership camping operator shall file an annual report in a format the commissioner may reasonably prescribe. Every annual report shall be due by the 120th day following the end of the operator's fiscal year, unless extended in writing by the commissioner for good cause. The annual report shall:

(1) specify the aggregate number of membership camping contracts sold in this state pursuant to the registration or any amendment thereof;

(2) specify the number of membership camping contracts and aggregate dollar amount of all sales of membership camping contracts in this state by the membership camping operator since the date the registration became effective, or since the last annual report was filed with the commissioner, whatever date is later;

(3) specify any exemption from registration claimed for any sale described in clause (2);

(4) list any changes in the information required to be filed under section 82A.04, subdivision 2, clause (4);

(5) include an audited or unaudited financial statement consisting of a balance sheet for the membership camping operator's last fiscal year end and an income statement for the 12 months next preceding the date of the balance sheet, both prepared by an independent certified public accountant; and

(6) provide such other information as the commissioner may by rule or order reasonably require to administer the provisions of this chapter, including but not limited to, audited financial statements.

Subd. 2. [FEE.] Every annual report filed pursuant to this section shall be accompanied by a fee of \$100.

Subd. 3. [CANCELLATION.] Failure to file the annual report shall be cause for cancellation of the registration. Cancellation shall occur ten days after mailing of the notice of cancellation to the operator or registrant. If canceled, the registration may be reinstated immediately following the filing of the report and payment of the appropriate fees.

Sec. 9. [82A.09] [ADVERTISING.]

Subdivision 1. [REQUIREMENTS.] No person shall publish or cause to be

published in this state any advertisement offering a membership camping contract which is required to be registered pursuant to this chapter, or which is exempt from registration under section 82A.06, subdivision 2, unless an actual copy of a sample of the advertisement has been filed in the office of the commissioner at least ten days prior to the first publication thereof, or at such earlier time as the commissioner by rule or order may allow, or unless the advertisement has been exempted by rule of the commissioner.

Subd. 2. [RESTRICTIONS.] No person shall publish or cause to be published in this state any advertisement concerning any membership camping contract which is required to be registered pursuant to this chapter, or which is exempt from registration under section 82A.06, subdivision 2, after the commissioner has found that the advertisement contains any statement that is false or misleading, or omits to make any statement necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and has so notified the person by written order. The order may be issued without prior notice or hearing. Up to 30 days after the issuance of the order, the person desiring to use the advertisement may in writing request a hearing on the order. Upon receipt of a written request, the matter shall be set for hearing to commence within 15 days after the receipt unless the person making the request consents to a later date. After the hearing, which shall be conducted in accordance with the provisions of chapter 14, the commissioner shall, by written order, either affirm, modify, or vacate the order.

Sec. 10. [82A.10] [INSPECTION OF RECORDS.]

All records of a membership camping operator and broker and their agents pertaining to the advertising or sale of membership camping contracts in this state shall be maintained by the membership camping operator or broker at that person's principal place of business and shall there be subject to inspection by the commissioner during normal business hours. The commissioner shall be promptly notified of any change of address affecting the location of the records of the membership camping operator or broker and that person's agents.

Sec. 11. [82A.11] [SALES CONTRACT; RESCISSION.]

Subdivision 1. [WRITING.] Every membership camping contract shall be in writing.

Subd. 2. [GENERALLY.] Any membership camping contract not exempt under section 82A.06, and entered into after the effective date of this chapter, is voidable at the discretion of the purchaser, for a period of three years from the date of the sale, if the contract was not registered under this chapter at the time of the sale, unless subsequently thereto the contract is registered under this chapter and in connection therewith, the purchaser has received a written offer to repurchase the contract for cash payable on closing of the repurchase, together with interest thereon from the date of the purchase at the legal rate or at the rate charged by the membership camping operator or lender to the purchaser, whichever is higher, and the purchaser has failed to accept the offer in writing within 30 days of its receipt. No offer of repurchase shall be effective unless a duplicate copy thereof has been filed with the commissioner at least 20 days prior to its delivery to the offeree and the commissioner has not objected to the offer within that time. The offer to

repurchase shall be in the form and contain the information the commissioner by rule or order prescribes. If the purchaser no longer owns the membership camping contract, the purchaser shall be entitled to maintain an action at law, and the damages shall be the consideration paid for the membership camping contract, together with interest thereon as specified above from the date of acquisition to the date of disposition, plus costs and reasonable attorney's fees, less the value received by the purchaser upon disposition of the membership camping contract.

Subd. 3. [RIGHT OF RESCISSION.] A purchaser has an unconditional right to rescind any membership camping contract, or revoke any offer, at any time prior to or within three days after the date the purchaser actually receives a legible copy of the binding contract. Predating of a document does not affect the time in which the right to rescind may be exercised.

Subd. 4. [LABELING OF CONTRACT.] Each membership camping contract shall be prominently labeled and captioned that it is a document taken in connection with a sale of membership camping contracts under this chapter.

Subd. 5. [NOTICE.] Each membership camping contract shall contain the following notice which shall be in at least ten-point type, stating:

"You are entitled to rescind this agreement for any reason within three calendar days from the day you actually receive a legible copy of this document signed by all parties. The rescission must be in writing and sent by certified mail to the membership camping operator along with this agreement and any membership card issued to you or your family at the address stated in this document. Upon rescission, you will receive a refund of all money paid within 30 days after the membership camping operator receives notice of your rescission."

The operator or broker may impose a fee of not more than \$25 for processing of a rescission. If the operator or broker does so, it shall add the following clause to the notice: "provided that the membership camping operator (or broker, if the seller is a broker) may retain a processing fee of \$_____", and insert the amount of the charge to be imposed.

In the event the membership camping contract is sold by a broker or the broker's salesperson, the above notice shall be modified to substitute the name of the broker for "membership camping operator."

Subd. 6. [EFFECTIVE DATE.] Rescission occurs when the purchaser gives written notice of rescission, whether or not the membership camping contract or any membership card accompanies the notice, to the membership camping operator or the broker at the address stated in the contract. Notice of rescission, if given by mail, is effective when the purchaser deposits a certified letter properly addressed and postage prepaid in a mailbox. A notice of rescission given by the purchaser need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the purchaser not to be bound by the membership camping contract.

Subd. 7. [NONWAIVER.] No act of a purchaser shall be effective to waive the right to rescind as provided in this section.

Sec. 12. [82A.12] [ENFORCEMENT; POWERS OF COMMISSIONER.]

Subdivision 1. [GENERALLY.] The commissioner may issue a cease and desist order and may issue an order denying, suspending, or revoking any registration, amendment renewal, or exemption if the commissioner finds any of the following:

(1) that the membership camping operator or registrant or any controlling person thereof has materially or intentionally violated or failed to comply with any provision of this chapter or any rule or order of the commissioner;

(2) that the offer or sale of the membership camping contract has constituted or would constitute a material misrepresentation to purchasers, or has operated or would operate as a fraud or deceit upon purchasers;

(3) that the membership camping operator or registrant or any controlling person, agent, or employee thereof, is engaging or about to engage in false, fraudulent, or deceptive practices in connection with the offer and sale of a membership camping contract;

(4) that the membership camping operator or registrant or any controlling person or employee thereof, has engaged in any fraudulent or deceptive practice, whether or not in connection with the offer and sale of membership camping contracts, and the involvement of the person in the business of the membership camping operator or registrant creates a substantial risk of harm to prospective purchasers;

(5) that the financial condition of the membership camping operator materially adversely affects, or would materially adversely affect, the ability of the membership camping operator such that there is a reasonable likelihood that the membership camping operator will not be able to substantially fulfill its obligations under the membership camping contract, and no other financial security or assurance is provided by the membership camping operator to fulfill the obligations;

(6) that the membership camping operator's or registrant's enterprise or method of business with respect to the operation of a campground in this state includes or would include activities which are illegal or not in conformance with applicable statutes, ordinances, or regulations of any governmental entity;

(7) that the membership camping operator or registrant or any controlling person thereof has made material misrepresentations or concealed material facts in an application for registration;

(8) that any fee required by this chapter to be paid by the operator or registrant has not been paid; and

(9) that the membership camping operator or controlling person, agent, or employee thereof, has failed faithfully to perform any stipulation or agreement made with the commissioner as an inducement to grant any registration, to reinstate any registration, or to permit any disclosure statement; provided, however, that this clause shall not be deemed to require any stipulations or agreements.

Subd. 2. [HEARING ON ORDER.] If the commissioner finds that there are reasonable grounds to believe that, unless an order is issued promptly, there is an immediate and significant risk of harm to purchasers, the commissioner may issue an order under subdivision 1 without a prior hearing.

Upon the entry of such an order, the commissioner shall promptly serve a copy of the order upon the subject membership camping operator or other person. The order shall state the reasons for its issuance and shall either order a hearing, which shall be set for no later than 20 days from the date of the order, or specify that upon the written request of the membership camping operator, or other person, the matter will be set for hearing within 15 days after receipt of the request; provided that with the consent of the membership camping operator, or other person, a hearing may be held subsequent to the expiration of either period specified herein. If no hearing is requested within 30 days of service of the order and none is ordered by the commissioner, the order will remain in effect until it is modified or vacated by the commissioner. If a hearing is requested or ordered, the commissioner, after notice and hearing in accordance with the provisions of chapter 14, shall affirm, modify, or vacate the order.

Subd. 3. [ORDER TO SHOW CAUSE.] If there are not grounds to employ the procedure prescribed in subdivision 2, the commissioner may issue an order to show cause setting a hearing on a date not later than ten days after its entry and requiring a membership camping operator or other person to appear and show cause why a cease and desist order should not be issued, or why an order denying, suspending, or revoking a registration, amendment, or exemption should not be issued. The order to show cause shall give reasonable notice of the time and place for hearing thereon, which shall be within ten days after entry of the order, unless the respondent agrees otherwise, and shall state the reasons for the entry of the order. The hearing shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition of the matter as the facts require.

Subd. 4. [BURDEN OF PROOF.] In any proceeding under this chapter, the burden of proving an exemption or an exception from a definition is upon the person claiming it.

Subd. 5. [INVESTIGATIONS.] The commissioner may make necessary public or private investigations within or outside of this state to determine whether any person has violated or is about to violate this chapter or any rule or order hereunder or to aid in the enforcement of this chapter or in the prescribing of rules and forms hereunder. For purposes of any investigation or proceeding under this chapter, the commissioner or any person designated by him or her may require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, setting forth the facts and circumstances concerning the matter to be investigated; administer oaths or affirmations, and upon his or her own motion or upon request of any party may subpoena witnesses, compel their attendance, take evidence, and require the production of any matter which is relevant to the investigation, including the existence, description, nature, custody, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of relevant facts, or any other matter reasonably calculated to lead to the discovery of material evidence. Upon failure to obey a subpoena or to answer questions propounded by the investigating officer and upon reasonable notice to all persons affected thereby, the commissioner may apply to the district court for an order to compel compliance.

Subdivision 1. [UNTRUE STATEMENTS FILED IN DOCUMENTS.] No person shall make or cause to be made any untrue statement of a material fact in an application or other document filed with the commissioner under this chapter, or omit to state in the application or other document any material fact which is required to be stated therein, or fail to notify the commissioner of any material change as required by sections 82A.07 and 82A.16, subdivision 3.

Subd. 2. [FRAUD.] No person shall, in connection with the offer or sale of any membership camping contract, directly or indirectly:

- (1) employ any device, scheme, or artifice to defraud;*
- (2) make any untrue statement of a material fact, or omit to state material facts necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading; or*
- (3) engage in any act, practice, or course of business which operates or would operate as a fraud or deceit upon any person.*

Subd. 3. [MISREPRESENTATIONS.] No person may represent or cause to be represented to any prospective purchaser of a membership camping contract that the filing of any document under this chapter or the registration or exemption from registration of a membership camping contract constitutes a finding by the commissioner that any document filed under this chapter is true, complete, and not misleading, or that the commissioner has passed in any way upon the merits of any membership camping contract, and no person may represent that a membership camping contract is registered or exempted from registration when in fact, such is not the case.

Sec. 14. [82A.14] [UNFAIR PRACTICES.]

No membership camping operator shall:

(1) sell or offer to sell any membership camping contract with respect to a campground located in this state which is subject to a blanket encumbrance unless;

(i) each person holding an interest in a blanket encumbrance shall have executed and delivered a nondisturbance agreement and recorded the agreement in the real estate records of the county in which the campground is located; or

(ii) a bond or irrevocable letter of credit has been issued, or cash or a certified check in an amount sufficient to cover payment of all amounts secured by the blanket encumbrance has been deposited, in the name of the state for the benefit and protection of purchasers of membership camping contracts and subject to terms as approved by the commissioner. Any interest accruing on amounts held in the account shall be payable, as and when earned, to the membership camping operator. Any bond shall be executed by an insurance company authorized to do business in this state, which has sufficient net worth to satisfy the indebtedness and which has given consent to be sued in this state. Any irrevocable letter of credit shall be issued by a bank or savings and loan association which has sufficient net worth to satisfy the indebtedness and which has given its consent to be sued in this state. The bond, cash, certified check, or irrevocable letter of credit shall be in an amount which is not less than 110 percent of the remaining principal balance

of every indebtedness or obligation secured by a blanket encumbrance affecting the campground. The bond or agreement accompanying the cash, certified check, or irrevocable bank letter of credit shall provide for the payment of all amounts secured by the blanket encumbrance, including costs, expenses, and legal fees of the lien holder, if for any reason the blanket encumbrance is enforced. The bond, cash, certified check, or letter of credit may be reduced periodically in proportion to the reductions in the amount secured by the blanket encumbrance; or

(iii) the lender providing the major hypothecation loan to the membership camping operator (the "hypothecation lender"), and having a lien on or security interest in the membership camping operator's interest in the campground, shall have executed and delivered a nondisturbance agreement and recorded the agreement in the real estate records of the county in which the campground is located in this state. Each person holding an interest in a blanket encumbrance superior to the interest held by the hypothecation lender shall have executed, delivered, and recorded an instrument stating that the person shall give the hypothecation lender notice of, and at least 30 days' opportunity to cure, any default under the blanket encumbrance which entitles the person to foreclose upon the campground. The instrument shall state that the notice and opportunity to cure shall be given before the person commences any foreclosure action affecting the campground and in accordance with the instrument. The hypothecation lender shall have guaranteed that it will cure or arrange for the cure of the default. Any holder of a blanket encumbrance inferior to the hypothecation lender who acquires the campground in foreclosure shall take the campground subject to the hypothecation lender's nondisturbance agreement. For purposes of this provision, a "hypothecation lender" is any lender extending a loan or line of credit to a membership camping operator secured by all or substantially all of the contract receivables arising from the membership camping operator's sale of membership camping contracts in this state. For purposes of this provision, "lender" means an insurance company or a federally or state chartered bank, savings and loan association, any other lending institution, the deposits of which are guaranteed or insured, by a federal agency, or any other person which has sufficient net worth to pay the obligations pursuant to this section if there are no reasonable grounds to believe that the lender will not be able to pay these obligations in the future; or

(iv) the operator can provide an alternative plan acceptable to the commissioner;

(2) sell any campground which is located in this state and available for use by purchasers, unless:

(i) the membership camping operator sells the campground to a person who takes the campground subject to all rights and interests of purchasers, and contractually agrees not to compromise the rights and interests of purchasers in regard to future conveyances of, or encumbrances placed on the campground;

(ii) the membership camping operator immediately substitutes for the use of purchasers another campground which is in the same general area and is at least as desirable for the purpose of camping and outdoor recreation as the previous campground. For purposes of this provision, "same general area"

means a location within a 50-mile radius of the previous campground; or

(iii) the membership camping operator immediately substitutes for the use of purchasers another campground and the substitution is approved by two-thirds of all existing purchasers;

(3) substitute any campground located in this state and available for use by purchasers with a different campground, unless the substituted campground is in the same general area and is at least as desirable for the purpose of camping and outdoor recreation as the previous campground. For purposes of this provision, "same general area" means a location within a 50-mile radius of the previous campground;

(4) sell membership camping contracts with respect to any campground located in this state that is not owned by the membership camping operator or leased by the membership camping operator for a lease term at least equal to the term of the membership camping contract with respect to the campground;

(5) fail to disclose the circumstances, if any, under which any reciprocal program that has been offered as an inducement to purchasers may be terminated;

(6) materially modify any campground rules or regulations or modify purchasers' rights to or the scope and nature of an amenity in a manner which significantly degrades or diminishes the material rights of any purchaser without prior notice to purchasers resident in this state; or materially adversely modify any material campground rules or regulations or materially adversely modify purchaser's rights to or the scope and nature of an amenity in a manner which the purchaser proves:

(i) significantly degrades or diminishes any material rights of that purchaser; and

(ii) has no compensating benefit to any other purchaser or groups of purchasers;

(7) terminate or provide for termination of a membership camping contract, except for good cause. "Good cause" shall mean failure of the purchaser to substantially or consistently comply with reasonable requirements imposed upon him or her by the membership camping contract and campground rules and regulations;

(8) terminate a membership camping contract without first giving written notice setting forth all reasons for the termination to the purchaser at least 30 days prior to the termination becoming effective;

(9) increase a purchaser's membership dues after the sale of a contract in such a manner as to result in an increase thereof greater than whichever of the following increases is higher:

(i) the actual increase in costs of services or improvements for which the membership dues are imposed; or

(ii) the increase in the United States city average consumer price index for all urban consumers issued by the United States Bureau of Labor Statistics or such other federally prepared consumer price index or wage earner index as reasonably selected by the operator in its discretion;

(10) require purchaser to certify the absence of any misrepresentation or other violation of this chapter provided, however, that a purchaser's acknowledgment of receipt of a copy of the membership camping contract shall not be deemed to constitute such a certification;

(11) require the purchaser to waive the right to assert against the membership camping operator or any assignee any claim or defense the purchaser may have against the membership camping operator under the membership camping contract; or

(12) materially and repeatedly fail to maintain a campground in this state in the manner contractually agreed upon.

Sec. 15. [82A.15] [PRESERVATION OF PURCHASER'S CLAIMS AND DEFENSES.]

Any assignee of a membership camping contract or obligation relating to membership camping contracts shall be subject to all claims and defenses of the purchaser against the membership camping operator arising from the sale, notwithstanding any agreement to the contrary. An assignee who takes assignment of the membership camping contract without assumption of any obligations thereunder shall have no obligation or liability to assume the obligations or responsibilities of the membership camping operator under the membership camping contract. The assignee's liability under this section shall not exceed the amount owing to the assignee at the time the claim or defense is asserted against the assignee. The rights of the purchaser under this subdivision can only be asserted as a matter of defense to or set off against a claim by the assignee.

Sec. 16. [82A.16] [LICENSURE REQUIREMENT.]

Subdivision 1. [SALESPERSON OR BROKER.] A salesperson or broker may not offer or sell a membership camping contract until duly licensed under this chapter.

Subd. 2. [FEE AND CONTENTS.] A salesperson or broker may apply for a license by filing a fee of \$25 and an application with the commissioner which includes the following information:

(1) the applicant's name, age, residence address, and, in the case of a salesperson, the name and place of business of the membership camping operator or broker on whose behalf the salesperson will be acting;

(2) the applicant's date and place of birth;

(3) a statement whether or not the applicant within the past ten years has been convicted of a misdemeanor or felony involving theft, fraud, or dishonesty or whether or not the applicant within the past ten years has been enjoined from, had any civil penalty assessed for, or been found to have engaged in any violation of any securities, land sales, camping, or consumer protection statutes;

(4) a statement whether or not the applicant is named as a defendant in a pending criminal indictment or proceeding involving fraud, theft, or dishonesty or is a defendant in a pending lawsuit arising out of alleged violations of securities, land sales, camping, or consumer protection statutes. A copy of the charge, complaint, or lawsuit shall be provided to the commissioner;

(5) a statement describing the applicant's employment history for the past five years and whether or not any termination of employment during the last five years was occasioned by a theft, fraud, or act of dishonesty;

(6) an affidavit certifying that the applicant is knowledgeable concerning the provisions of sections 82A.05, 82A.13, 82A.14, and 82A.16 and any rules adopted under those sections;

(7) a statement whether or not the applicant has ever been licensed by this state or its political subdivisions to engage in any other business or profession; whether any such license has been denied, suspended, or revoked and, if so, the circumstances of the denial, suspension, or revocation;

(8) such other information as the commissioner may reasonably deem necessary to administer the provisions of this act, by rule or order.

Subd. 3. [AMENDMENTS.] Each licensee shall, within 15 days after the occurrence of any material change in the information contained in the initial application for license, file with the commissioner an amendment to the application setting forth the facts of change. The following shall be material changes requiring amendment:

(1) any termination of employment with a membership camping operator or broker;

(2) any new employment with a different membership camping operator or broker;

(3) upon any occasion when the salesperson or broker is named as a defendant in any criminal indictment or proceeding involving fraud, theft, or dishonesty or is a defendant in any pending lawsuit arising out of alleged violations of this chapter or any securities, land sales, or consumer protection statutes. A copy of the complaint or lawsuit shall be provided to the commissioner; and

(4) a change of name or address.

Subd. 4. [SALESPERSONS.] A salesperson must be licensed to act on behalf of a registered membership camping operator or licensed broker and may not be licensed to act on behalf of more than one membership camping operator or broker in this state during the same period of time. The license of each salesperson shall be mailed to and remain in the possession of the salesperson until canceled.

Subd. 5. [EXPIRATION.] Every license issued pursuant to this chapter shall expire on the February 28 next following the issuance of the license.

Subd. 6. [RENEWAL.] The license of a salesperson and broker shall be renewed annually by the filing of a form prescribed by the commissioner and payment of a fee of \$10.

Subd. 7. [ALTERNATIVE SYSTEM.] Notwithstanding the provisions of subdivisions 5 and 6, the commissioner may institute a system by rule pursuant to chapter 14 to provide three-year licenses from the date of issuance for any license prescribed by this section.

Subd. 8. [RESPONSIBILITY OF OPERATOR.] Each membership camping operator or broker shall be responsible for any violations of section

82A.13 or 82A.14 by any and all of its salespersons while acting as its agents in connection with the offer or sale of membership camping contracts. Unless the broker is liable for such violations pursuant to section 82A.19, subdivision 2, the operator's or broker's liability under this subdivision shall be limited to rescission and refund of the purchaser's payments for the membership camping contract.

Sec. 17. [82A.17] [DENIAL; SUSPENSION; REVOCATION OF LICENSES.]

Subdivision 1. [GROUNDS.] The commissioner may by order deny a license application, suspend or revoke any license, or may censure a licensee if he or she finds that the order is in the public interest, and that the applicant or licensee:

(1) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(2) has engaged in a fraudulent or deceptive practice;

(3) is permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the membership camping contract business or any other statute designed to protect consumers; or

(4) has materially or intentionally violated or failed to comply with any provision of this chapter or any rule or order under this chapter.

Subd. 2. [ORDER TO SHOW CAUSE.] The commissioner shall issue an order requiring a licensee or applicant for a license to show cause why the license should not be revoked or suspended, or the licensee censured, or the application denied. The order shall be calculated to give reasonable notice of the time and place for hearing thereon, and shall state the reasons for the entry of the order. If the commissioner finds that there are reasonable grounds to believe that, unless an order is issued promptly, there is an immediate and significant risk of harm to purchasers, the commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits shall be held within 30 days of the issuance of the order of suspension. All hearings shall be conducted in accordance with the provisions of chapter 14. After the hearing, the commissioner shall enter an order making such disposition of the matter as the facts require. If the licensee or applicant fails to appear at a hearing of which he or she has been duly notified, the person shall be deemed in default, and the proceeding may be determined against him or her upon consideration of the order to show cause, the allegations of which may be deemed to be true.

Sec. 18. [82A.18] [ENFORCEMENT; PENALTIES AND REMEDIES.]

Subdivision 1. [CIVIL ACTION.] Whenever the commissioner has reasonable cause to believe that any person has engaged or is about to engage in any act or practice constituting a violation of any provisions of this chapter or any rule or order thereunder, he or she may, in addition to all other remedies, institute on behalf of the state of Minnesota a civil action seeking appropriate relief. In addition to all other penalties and remedies provided by this

chapter, whether administrative or judicial in nature, the courts of this state shall have jurisdiction to grant such temporary, interlocutory, or permanent injunctive relief as is necessary to prevent and restrain violations of this chapter and may upon a proper showing appoint a receiver for the property, assets, business, and affairs of a membership camping operator.

Subd. 2. [CIVIL PENALTY.] Any person who materially or repeatedly violates section 82A.03, 82A.05, 82A.09, 82A.13, 82A.14, or 82A.16 shall be subject to a fine of not more than \$1,000 for each violation provided, however, that the total recovery arising from the same failure to comply, but involving different purchasers, shall be limited to \$5,000. A fine authorized by this subdivision may be imposed in a civil action brought by the attorney general on behalf of the state of Minnesota, and shall be deposited into the state treasury.

Subd. 3. [PENALTY FOR UNPAID FEES.] Any person who fails to pay the filing fees required by this chapter and continues to sell membership camping contracts, is liable civilly in an action brought by the attorney general on behalf of the commissioner for a penalty in an amount equal to treble the unpaid fees.

Sec. 19. [82A.19] [CIVIL LIABILITY.]

Subdivision 1. [GENERALLY.] A person who violates any provision of section 82A.05, 82A.13, or 82A.14 or any rule or order thereunder shall be liable to the purchaser who may sue for actual damages caused thereby, for rescission, or other relief as the court may deem appropriate.

Subd. 2. [JOINT AND SEVERAL LIABILITY.] Every person who materially aids in the act or a violation of section 82A.05, 82A.13, or 82A.14 is also liable jointly and severally with and to the same extent as the person, directly committing the violation unless the person who would otherwise be liable hereunder had no knowledge of or reasonable grounds to know of the existence of the facts by reason of which the liability is alleged to exist.

Subd. 3. [COSTS AND DISBURSEMENTS.] The prevailing party, in any suit authorized under this section or brought pursuant to section 82A.11, may recover costs and disbursements plus reasonable attorney's fees, in addition to any other relief granted.

Subd. 4. [REMEDIES ADDITIONAL.] The rights and remedies provided by this chapter shall be in addition to any and all other rights and remedies that may exist at law or in equity.

Subd. 5. [LIMITATIONS ON ACTIONS.] An action shall not be commenced pursuant to this section later than three years from the date the person enters into the contract.

Sec. 20. [82A.20] [RULES AND OPINIONS.]

Subdivision 1. [RULEMAKING POWER.] The commissioner may adopt rules to carry out the provisions of this chapter. For the purpose of rules and forms, the commissioner may classify membership camping contracts, persons, or matters within his or her jurisdiction, and prescribe different requirements for different classes insofar as they are consistent with this chapter. Rules shall be adopted in accordance with chapter 14, and shall not be inconsistent with the provisions of this chapter.

Subd. 2. [OPINIONS.] The commissioner, upon request and upon payment of a fee of \$50, may honor requests for interpretive opinions relating to this chapter.

Sec. 21. [82A.21] [SCOPE.]

The provisions of this chapter concerning offers and sales of membership camping contracts apply when an offer or sale is made in this state.

For the purpose of this chapter, an offer or sale is made in this state when a sales presentation is made in this state. An offer or sale is also made in this state, whether or not either party is then present in this state, when:

(1) the offer originates from this state and is intended to induce the offeree to attend a sales presentation in this state; or

(2) the offer is directed by the offeror to this state, received by the offeree in this state and is intended to induce the offeree to attend a sales presentation in this or another state.

An offer or sale is not made in this state when a publisher circulates or there is circulated on the publisher's behalf in this state any bona fide newspaper or other publication of general, regular, and paid circulation which is not published in this state, or a radio or television program originating outside this state is received in this state.

Sec. 22. [82A.22] [SERVICE OF PROCESS.]

Subdivision 1. [CONSENT TO SERVICE.] Every membership camping operator or broker, on whose behalf an application for registration or exemption is filed, shall file with the commissioner, in such form as the commissioner may prescribe, an irrevocable consent appointing the commissioner and the commissioner's successors in office to be the membership camping operator's or broker's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the membership camping operator or broker or his or her successor, executor, or administrator which arises under this chapter or any rule or order thereunder after the consent has been filed, with the same force and validity as if served personally on the membership camping operator or the operator's successor, executor, or administrator. Service may be made by leaving a copy of the process in the office of the commissioner, but it is not effective unless:

(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by him or her, sends notice of the service and a copy of the process by certified mail to the defendant or respondent at that person's last address on file with the commissioner; and

(2) the plaintiff's affidavit of compliance with this section is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

Subd. 2. [APPOINTMENT OF COMMISSIONER.] When any person, including any nonresident of this state, engages in conduct prohibited or made actionable by this chapter, or any rule or order thereunder, and the person has not filed a consent to service of process under subdivision 1 and personal jurisdiction over this person cannot otherwise be obtained in this state, that conduct shall be considered equivalent to the person's appointment

of the commissioner or the commissioner's successor to be the person's attorney to receive service of any lawful process in any noncriminal suit, action, or proceeding against the person which grows out of that conduct and which is brought under this chapter or any rule or order thereunder, with the same force and validity as if served on the person personally. Service may be made by leaving a copy of the process in the office of the commissioner, and it is not effective unless:

(1) the plaintiff, who may be the commissioner in a suit, action, or proceeding instituted by the commissioner, forthwith sends notice of the service and a copy of the process by certified mail to the defendant or respondent at his or her last known address or takes other steps which are reasonably calculated to give actual notice; and

(2) the plaintiff's affidavit of compliance with this subdivision is filed in the case on or before the return day of the process, if any, or within such further time as the court allows.

Subd. 3. [CONTINUANCES.] When process is served under this section, the court or the commissioner in a proceeding before him or her shall order such continuance as may be necessary to afford the defendant or respondent reasonable opportunity to defend.

Sec. 23. [82A.23] [WAIVERS VOID.]

Any condition, stipulation, or provision purporting to bind any person acquiring any membership camping contract to waive compliance with any provision of this chapter or any rule or order thereunder is void.

Sec. 24. [82A.24] [ADMINISTRATION.]

Subdivision 1. [GENERALLY.] This chapter shall be administered by the commissioner of commerce.

Subd. 2. [RESPONSIBILITIES OF DEPARTMENT.] It is unlawful for the commissioner or any of his or her officers or employees to use for personal benefit any information which is filed with or obtained by the commissioner and which is not generally available to the public. Nothing in this chapter authorizes the commissioner or any of his or her officers or employees to disclose any confidential information except among themselves or to other administrators or regulatory authorities, or when necessary or appropriate in a proceeding or investigation under this chapter. No provision of this chapter either creates any privilege or derogates from any privilege which exists at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the commissioner or any of his or her officers or employees.

Subd. 3. [PUBLIC DOCUMENTS.] All applications and other documents filed with the commissioner under this chapter, except for loan or real estate agreements and building plans and specifications which have not otherwise been made public by the membership camping operator, shall be open to public inspection in accordance with rules prescribed by the commissioner. Loan or real estate agreements and building plans and specifications which have not otherwise been made public by the operator shall be classified as protected nonpublic data or private data on individuals. The commissioner may publish information filed with him or her or obtained by him or her if, in

the judgment of the commissioner; such action is in the public interest.

Subd. 4. [DOCUMENT FILING.] A document is filed when it is received by the commissioner.

Subd. 5. [REGISTER OF FILING.] The commissioner shall keep a register of all filings which are or have ever been effective under this chapter and all denial, suspension, revocation, and other orders which have been entered under this chapter. The register shall be open for public inspection.

Subd. 6. [COPIES.] The commissioner upon request shall furnish to any person at a reasonable charge photostatic or other copies, certified under his or her seal of office if certification is requested, of any entry in the register or any order or other document on file in his or her office except for documents not available to the public pursuant to subdivision 3. Any copy so certified is admissible in evidence under section 600.13.

Subd. 7. [SERVICE OF ORDERS.] Orders of the commissioner shall be served by mailing a copy by certified mail to the most recent address of the recipient of the order as it appears in the files of the commissioner. Subpoenas shall be served in the same manner as provided in civil actions in the district courts.

Sec. 25. [82A.25] [CRIMINAL PENALTIES.]

Any person who willfully violates section 82A.03 by offering or selling unregistered, nonexempt membership camping contracts or section 82A.13 or any order of the commissioner pursuant thereto of which that person has notice, may be fined not more than \$5,000 or imprisoned not more than five years or both. Each of the acts specified shall constitute a separate offense and a prosecution or conviction for any one of the offenses shall not bar prosecution or conviction for any other offense.

Sec. 26. [82A.26.] [NONAPPLICABILITY OF CERTAIN LAW.]

Membership camping contracts registered pursuant to this chapter are exempt from the provisions of chapter 83. To the extent that licensed salespersons and licensed brokers engage in the offer or sale of membership camping contracts, those brokers and salespersons are exempt from the licensing requirements of chapter 82.

Sec. 27. [EFFECTIVE DATE.]

This act is effective January 1, 1986."

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. 801: A bill for an act relating to crimes; authorizing the commissioner of revenue to request the attorney general or a prosecuting authority of a county to assist in criminal tax investigations; proposing coding for new law in Minnesota Statutes, chapter 270.

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

Page 1, after line 8, insert:

"Section 1. [270.062] [ACCESS TO CRIMINAL JUSTICE DATA.]

The commissioner of revenue may enter into an agreement with the commissioner of public safety allowing designated employees of the revenue department to have access to the criminal justice datacommunications network provided in section 299C.46. For purposes of that section, the special investigation unit of the revenue department is considered a criminal justice agency."

Page 1, after line 18, insert:

"Sec. 3. Minnesota Statutes 1984, section 290.53, subdivision 11, is amended to read:

Subd. 11. [ASSISTING IN FRAUD AND FALSE STATEMENTS; CRIMINAL PROVISIONS.] Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this chapter, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, ~~where~~ *whether or not* the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony. Any criminal offense under this subdivision may be prosecuted in the same manner and within the same period of limitations provided in subdivision 4.

Sec. 4. Minnesota Statutes 1984, section 290.92, subdivision 15, is amended to read:

Subd. 15. [PENALTIES.] (1) In the case of any failure to withhold a tax on wages, make and file quarterly returns or make payments to or deposits with the commissioner of amounts withheld, as required by this section, within the time prescribed by law, there shall be added to the tax a penalty equal to ten percent of the amount of tax that should have been properly withheld and paid over to or deposited with the commissioner if the failure is for not more than 30 days with an additional five percent for each additional 30 days or fraction thereof during which the failure continues, not exceeding 25 percent in the aggregate. The amount of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The amount added to the tax shall be collected at the same time and in the same manner and as a part of the tax unless the tax has been paid before the discovery of the negligence, in which case the amount added shall be collected in the same manner as the tax.

(2) If any employer required to withhold a tax on wages, make deposits, make and file quarterly returns and make payments to the commissioner of amounts withheld, as required by sections 290.92 to 290.97, willfully fails to withhold the tax or make the deposits, files a false or fraudulent return, willfully fails to make the payment or deposit, or willfully attempts in any manner to evade or defeat the tax or the payment or deposit of it, there shall also be imposed on the employer as a penalty an amount equal to 50 percent of the amount of tax, less any amount paid or deposited by the employer on the basis of the false or fraudulent return or deposit, that should have been properly withheld and paid over or deposited with the commissioner. The amount

of the tax together with this amount shall bear interest at the rate specified in section 270.75 from the time the tax should have been paid until paid. The penalty imposed by this paragraph shall be collected as a part of the tax, and shall be in addition to any other penalties civil and criminal, prescribed by this subdivision.

(3) If any person required under the provisions of subdivision 7 to furnish a statement to an employee or payee and a duplicate statement to the commissioner, or to furnish a reconciliation of the statements, and quarterly returns, to the commissioner, willfully furnishes a false or fraudulent statement to an employee or payee or a false or fraudulent duplicate statement or reconciliation of statements, and quarterly returns, to the commissioner, or willfully fails to furnish a statement or the reconciliation in the manner, at the time, and showing the information required by the provisions of subdivision 7, or rules prescribed by the commissioner thereunder, there shall be imposed on the person a penalty of \$50 for each act or failure to act, but the total amount imposed on the delinquent person for all such failures during any calendar year shall not exceed \$25,000. The penalty imposed by this paragraph is due and payable within ten days after the mailing of a written demand therefor, and may be collected in the manner prescribed in subdivision 6, paragraph (8).

(4) In addition to any other penalties prescribed, any person required to withhold a tax on wages, make and file quarterly returns and make payments or deposits to the commissioner of amounts withheld, as required by this section, who willfully fails to withhold the tax or truthfully make and file the quarterly return or make the payment or deposit, or attempts to evade or defeat the tax is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony.

(5) In lieu of any other penalty provided by law, except the penalty provided by paragraph (3), any person required under the provisions of subdivision 7 to furnish a statement of wages to an employee and a duplicate statement to the commissioner, who willfully furnishes a false or fraudulent statement of wages to an employee or a false or fraudulent duplicate statement of wages to the commissioner, or who willfully fails to furnish a statement in the manner, at the time, and showing the information required by the provisions of subdivision 7, or rules prescribed by the commissioner thereunder, is guilty of a gross misdemeanor.

(6) Any employee required to supply information to his employer under the provisions of subdivision 5, who willfully fails to supply information or willfully supplies false or fraudulent information thereunder which would require an increase in the tax to be deducted and withheld under subdivision 2a or subdivision 3, is guilty of a gross misdemeanor.

(7) The term "person," as used in this section, includes an officer or employee of a corporation, or a member or employee of a partnership, who as an officer, employee, or member is under a duty to perform the act in respect of which the violation occurs.

(8) All payments received may, in the discretion of the commissioner of revenue, be credited first to the oldest liability not secured by a judgment or lien, but in all cases shall be credited first to penalties, next to interest, and then to the tax due.

(9) In addition to any other penalty provided by law, any employee who furnishes a withholding exemption certificate to his employer which the employee has reason to know contains a materially incorrect statement is liable to the commissioner of revenue for a penalty of \$500 for each instance. The penalty is immediately due and payable and may be collected in the same manner as any delinquent income tax.

(10) In addition to any other penalty provided by law, any employer who fails to submit a copy of a withholding exemption certificate required by subdivision 5a, clause (1)(a), (1)(b), or (2) is liable to the commissioner of revenue for a penalty of \$50 for each instance. The penalty is immediately due and payable and may be collected in the manner provided in subdivision 6, paragraph (8).

(11) Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this section, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, ~~where~~ *whether* or not the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor, unless the tax involved exceeds \$300, in which event he is guilty of a felony.

(12) Notwithstanding the provisions of section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed, upon any criminal offense specified in this subdivision, in the proper court within six years after the commission of the offense.

Sec. 5. Minnesota Statutes 1984, section 297A.39, subdivision 8, is amended to read:

Subd. 8. [PENALTY; FALSE CLAIM.] Any person who willfully aids or assists in, or procures, counsels, or advises the preparation or presentation under, or in connection with any matter arising under this section, of a return, affidavit, claim, or other document, which is fraudulent or false as to any material matter, ~~where~~ *whether* or not the falsity or fraud is with the knowledge or consent of the person authorized or required to present the return, affidavit, claim, or document, is guilty of a gross misdemeanor unless the tax involved exceeds \$300, in which event he is guilty of a felony. Any criminal offense under this subdivision may be prosecuted in the same manner and within the same period of limitations provided in subdivision 4.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day after final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "allowing the revenue department to have access to certain information;"

Page 1, line 5, after the semicolon, insert "conforming preparer penalty with federal law; amending Minnesota Statutes 1984, sections 290.53, subdivision 11; 290.92, subdivision 15; and 297A.39, subdivision 8;"

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. 1329: A bill for an act relating to taxation; clarifying definitions for sales and use tax; clarifying exemptions; imposing civil and criminal penalties for underreporting or failing to report motor vehicle excise tax; repealing certain refund procedures; amending Minnesota Statutes 1984, sections 297A.01, subdivisions 4, 11, and by adding subdivisions; 297A.041; 297A.25, subdivision 1; 297B.10; and 297B.11; repealing Minnesota Statutes 1984, section 297A.35, subdivision 3.

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

Pages 1 and 2, delete section 1

Page 2, after line 25, insert:

"Personal property does not include:

(a) large ponderous machinery and equipment used in a business or production activity which at common law would be considered to be real property;

(b) property which is subject to an ad valorem property tax;

(c) property described in section 272.02, subdivision 1, clause (8), paragraphs (a) to (d);

(d) property described in section 272.03, subdivision 2, clauses (3) and (5)."

Pages 2 and 3, delete sections 3 and 4

Page 3, line 32, strike "shall" and insert "does"

Page 3, line 34, after "show," insert "convention exhibit area," and after "is" insert ":(1)"

Page 3, line 36, after "year" insert ":(1) or (2) conducted by a nonprofit organization annually or less frequently"

Page 12, line 1, after "Minnesota" insert ". Mailing and reply envelopes and cards used exclusively in connection with the advertising and promotional materials are included in this exemption"

Page 13, line 16, after "or" insert "any purchaser"

Page 14, line 30, delete "6" and insert "3"

Page 14, line 31, delete "7" and insert "4" and delete "8" and insert "5"

Page 14, line 32, delete "9" and insert "6"

Page 14, line 33, delete "1986" and insert "1987"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "exemptions;" insert "providing an exemption for

certain mailing materials used for advertising purposes;"

Page 1, line 7, delete everything after "297A.01," and insert "subdivision 11"

Page 1, line 8, delete "subdivisions"

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. 1308: A bill for an act relating to Olmsted county; providing for sales, leases, and conveyances; providing certain exceptions to public bidding requirements.

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

Page 3, delete section 3

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. 1208: A bill for an act relating to the city of Gaylord; authorizing the issuance of general obligation bonds to finance the acquisition and betterment of municipal buildings.

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

Page 2, line 13, delete "*compliance with*" and insert "*final enactment.*"

Page 2, delete lines 14 and 15

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. 1061: A bill for an act relating to taxation; property; clarifying the definition of real property; amending Minnesota Statutes 1984, section 272.03, subdivision 1.

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

Page 2, line 3, reinstate the stricken "clause" and delete "*paragraph*" and strike "(c)"

Page 2, line 5, strike "clauses" and insert "*paragraphs*"

Page 2, line 11, delete "*paragraph (c)*" and insert "clause"

Page 2, line 17, after the period, insert "*This clause shall not be applicable*"

to farm crop dryers or crop dryers later used for grain storage located on a farm."

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. 615: A bill for an act relating to Lake of the Woods county; authorizing the issuance of bonds for the construction of jetties and related public improvements; and authorizing the levy of special assessments.

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. 1477: A bill for an act relating to crimes; prohibiting sale, possession or use of electric weapons; exempting law enforcement agencies and peace officers from the possession and use prohibition; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 624.

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 624.731, is amended to read:

624.731 [TEAR GAS AND TEAR GAS COMPOUNDS; *ELECTRONIC INCAPACITATION DEVICES.*]

Subdivision 1. [DEFINITIONS.] For the purposes of this section:

(a) "authorized tear gas compound" means a lachrymator or any substance composed of a mixture of a lachrymator including chloroacetophenone, alpha-chloroacetophenone, phenylchloromethylketone, orthochlorobenzalmalononitrile or oleoresin capsicum, commonly known as tear gas; and

(b) "electronic incapacitation device" means a portable device which is designed or intended by the manufacturer to be used, offensively or defensively, to temporarily immobilize or incapacitate persons by means of electric pulse or current. "Electronic incapacitation device" does not include cattle prods, electric fences, or other electric devices which are used in agricultural, animal husbandry, or food production activities.

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

(b) A person may possess and use an electronic incapacitation device in the exercise of reasonable force in defense of the person or the person's property only if the electronic incapacitation device is labelled with or accompanied by clearly written instructions as to its use and the dangers involved in its use.

Subd. 3. [PROHIBITED POSSESSION; USE.] (a) No person under the age of 16 ~~shall~~ *may* possess or use an authorized tear gas compound except by written permission of his parent or guardian, *and no person under the age of 18 may possess or use an electronic incapacitation device.*

(b) No person prohibited from possessing a pistol pursuant to section 624.713, subdivision 1, clause (b), ~~shall~~ *may* possess or use an authorized tear gas compound *or an electronic incapacitation device.*

(c) No person prohibited from possessing a pistol pursuant to section 624.713, subdivision 1, clauses (c) to (e), ~~shall~~ *may* possess or use an authorized tear gas compound *or an electronic incapacitation device*, except that the certificate or other proof required for possession of a handgun shall not apply.

(d) No person shall possess or use tear gas or a tear gas compound other than an authorized tear gas compound.

Subd. 4. [PROHIBITED USE.] (a) No person shall knowingly, or with reason to know, use tear gas, a tear gas compound, ~~or~~ an authorized tear gas compound, *or an electronic incapacitation device* on or against a peace officer who is in the performance of his duties.

(b) No person shall use tear gas, a tear gas compound, ~~or~~ an authorized tear gas compound, *or an electronic incapacitation device* except as authorized in subdivision 2 or 6.

(c) Tear gas ~~or~~, a tear gas compound, *or an electronic incapacitation device* shall legally constitute a *dangerous* weapon when it is used in the commission of a crime.

Subd. 5. [PROHIBITED SALE.] Except as permitted by subdivision 6, no person shall knowingly furnish or sell tear gas or a tear gas compound to another person. No person shall knowingly furnish or sell an authorized tear gas compound *or an electronic incapacitation device* to a person prohibited from possessing it by subdivision 3. No person shall knowingly furnish or sell an authorized tear gas compound *or an electronic incapacitation device* which fails to meet the requirements of subdivision 2. No tear gas, tear gas compound ~~or~~, authorized tear gas compound, *or electronic incapacitation device* shall be sold or furnished on premises where non-intoxicating malt liquor as defined in section 340.001, subdivision 2, is sold on an on-sale basis or where intoxicating liquor as defined in section 340.07, subdivision 2, is sold on an on-sale or off-sale basis. No person shall sell tear gas, a tear gas compound ~~or~~, authorized tear gas compound, *or electronic incapacitation device* in violation of local licensing requirements.

Subd. 6. [EXCEPTIONS.] Nothing in this section shall prohibit the possession or use of by, or the sale or furnishing of, tear gas, a tear gas compound, ~~or~~ an authorized tear gas compound, *or electronic incapacitation device* to, a law enforcement agency, peace officer, the national guard or reserves, or a member of the national guard or reserves for use in their official duties, except that counties and municipalities may impose licensing requirements on sellers pursuant to subdivision 9.

Subd. 7. [EXEMPTION.] Tear gas, tear gas compounds, and authorized tear gas compounds shall not be classified as an obnoxious or harmful gas,

fluid, or substance under section 609.60, clause (5).

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

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

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

(3) *The use of an electronic incapacitation device as prohibited in subdivision 4, clause (a).*

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

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

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

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

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

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

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

(6) Selling or furnishing of an authorized tear gas compound *or an electronic incapacitation device* on premises where intoxicating liquor is sold on an on-sale or off-sale basis or where non-intoxicating malt liquor is sold on an on-sale basis.

(7) Selling an authorized tear gas compound *or an electronic incapacitation device* in violation of local licensing requirements.

Subd. 9. [LOCAL LICENSING.] (a) For purposes of this section, "municipality" means statutory or home rule charter city or town.

(b) There is hereby conferred upon the governing body of each county, statutory or home rule charter city and town in the state the authority to license the business of vendors of *tear gas*, tear gas compounds, *authorized*

tear gas compounds, or electronic incapacitation devices within their respective jurisdictions, to impose a license fee therefor, to impose qualifications for obtaining a license, the duration of licenses and to restrict the number of licenses the governing body will issue.

(c) Every person desiring a license from a local governing body shall file with the clerk of the municipality or the county board in the case of application to a county, a verified written application in the form to be prescribed by the local governing body.

(d) The local governing body may establish the grounds, notice and hearing procedures for revocation of licenses issued pursuant to this section. The local governing body may also establish penalties for sale of tear gas, tear gas compounds ~~or~~, authorized tear gas compounds, *or electronic incapacitation devices* in violation of its licensing requirements.

Subd. 10. [LOCAL REGULATION.] This section shall be the exclusive regulation of the possession, use, and furnishing of tear gas, tear gas compounds, ~~and~~ authorized tear gas compounds, *and electronic incapacitation devices* in Minnesota. This section shall supersede and preempt all regulation of the possession, use, and furnishing of tear gas ~~and~~, tear gas compounds, *authorized tear gas compounds, and electronic incapacitation devices* by political subdivisions."

Delete the title and insert:

"A bill for an act relating to crimes; regulating the use, possession and sale of electronic incapacitation devices; imposing penalties; amending Minnesota Statutes 1984, section 624.731."

And when so amended the bill do pass and be re-referred to the Committee on Rules and Administration.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 576: A bill for an act relating to state departments and agencies; regulating initial fees and fee adjustments for agency services; amending Minnesota Statutes 1984, section 16A.128.

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

Page 1, line 16, before "*Fees*" insert "*Unless the commissioner determines that the fee shall be lower,*"

Page 1, line 19, reinstate the stricken language and after the reinstated "plus" insert "*only*"

Page 1, line 20, reinstate the stricken language and after the reinstated "costs" insert "*directly*"

Page 2, line 5, delete everything after "14"

Page 2, lines 6 and 7, delete the new language

Page 2, after line 16, insert:

"Sec. 2. Minnesota Statutes 1984, section 16A.1281, is amended to read:
16A.1281 [REPORT ON LOW OR HIGH FEES.]

~~In even-numbered years,~~ *Each biennium* the commissioner shall review fees collected by agencies. ~~By November 15,~~ The commissioner shall report on the fees to the appropriation and finance committees *not later than the date the governor submits the biennial budget to the legislature.* The report must analyze the fees that the commissioner believes are too low *or too high* for the service provided. The analysis must take into account the cost of collecting the fee."

Amend the title as follows:

Page 1, line 4, delete "section 16A.128" and insert "sections 16A.128 and 16A.1281"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 438: A bill for an act relating to local government; clarifying interest arbitration for firefighters and peace officers in state employment; excluding firefighters and peace officers from the local government job evaluation system and pay equity requirements; amending Minnesota Statutes 1984, section 43A.05, by adding a subdivision; and Laws 1984, chapter 456, section 1; proposing coding for new law in Minnesota Statutes, chapter 471.

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 471.992, is amended to read:

471.992 [EQUITABLE COMPENSATION RELATIONSHIPS.]

Subdivision 1. [ESTABLISHMENT.] Subject to sections 179A.01 to 179A.25 but notwithstanding any other law to the contrary, every political subdivision of this state shall establish equitable compensation relationships between female-dominated, male-dominated, and balanced classes of employees.

Subd. 2. [ARBITRATION.] In all interest arbitration held pursuant to sections 179A.01 to 179A.25, the arbitrator shall ~~follow~~ *consider* the equitable compensation relationship standards established under ~~Laws 1984, chapter 651, sections 1 to 10~~ *section 471.993 together with other standards appropriate to interest arbitration.* The arbitrator shall consider both the results of a job evaluation study and any employee objections to the study.

Subd. 3. [EFFECTIVE DATE.] *This section will become effective August 1, 1987.*

Sec. 2. [471.9966] [EFFECT ON OTHER LAW.]

A political subdivision may specify an amount of funds to be used solely to correct inequitable compensation relationships as well as an amount of funds to be used for general salary increases. The provisions of sections 471.991 to 471.999 do not diminish a political subdivision's duty to bargain in good faith under chapter 179A or sections 179.35 to 179.39.

Sec. 3. [REPEALER.]

Minnesota Statutes 1984, section 471.9965, is repealed."

Delete the title and insert:

"A bill for an act relating to local government; clarifying the correction of inequitable compensation relationships; amending Minnesota Statutes 1984, section 471.992; proposing coding for new law in Minnesota Statutes, chapter 471; repealing Minnesota Statutes 1984, section 471.9965."

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

H.F. No. 1236: A bill for an act relating to licensed occupations; requiring a certified signature on final documents prepared by certain licensed professionals; amending Minnesota Statutes 1984, section 326.12, subdivision 3.

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

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

H.F. No. 730: A bill for an act relating to petroleum products; setting standards for heating fuel, diesel fuel, and kerosene; providing testing authority for the weights and measures division of the department of public service; amending Minnesota Statutes 1984, sections 296.01, subdivision 4, and by adding subdivisions; and 296.05, subdivisions 2 and 4; repealing Minnesota Statutes 1984, section 296.05, subdivision 3a.

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

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

S.F. No. 896: A bill for an act relating to energy; providing for the method of calculating the payback of certain energy conservation investments; amending Minnesota Statutes 1984, section 116J.37, subdivision 1.

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

Page 1, line 23, delete "prior to January 1, 1986"

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

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

S.F. No. 352: A bill for an act relating to taxation; providing for an annual compressed natural gas user permit; establishing compressed natural gas user permit fees in lieu of gas taxes; amending Minnesota Statutes 1984, sections 296.01, by adding a subdivision; 296.02, subdivision 1a; and 296.025, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 296.

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

Page 2, line 17, delete "An"

Page 2, delete lines 18 to 20

Page 2, line 22, after "are" insert "*based on each vehicle's mileage in the preceding year and are*"

Page 2, line 25, delete "\$ 92" and insert "\$9 per 1,000 miles"

Page 2, line 26, delete "\$128" and insert "\$16 per 1,000 miles"

Page 2, line 27, delete "\$160" and insert "\$23 per 1,000 miles"

Page 2, line 28, delete "\$192" and insert "\$27 per 1,000 miles"

Page 2, line 29, delete "\$240" and insert "\$34 per 1,000 miles"

Page 2, after line 30, insert:

"The maximum fee for an annual compressed natural gas user permit for vehicles in all gross vehicle weight classes shall not exceed the fee charged for 22,000 actual miles driven. If no true cumulative mileage figures are available for the preceding year, the fee charged under this section shall be based on 15,000 miles driven."

Page 3, line 8, delete "and"

Page 3, after line 8, insert:

"(3) the true cumulative mileage registered on the odometer; and"

Renumber the clauses in sequence

Page 4, line 10, before "and" insert "*the true cumulative mileage registered on the odometer,*"

Page 4, after line 20, insert:

"Sec. 5. [296.027] [PENALTY.]

Any person who provides false information, including but not limited to false odometer readings, or who otherwise fails to comply with the provisions of section 4, subdivisions 3 and 6, is guilty of a misdemeanor.

Sec. 6. [296.028] [REPORT TO THE LEGISLATURE.]

The commissioner of public safety, in cooperation with the commissioner of revenue, the commissioner of transportation, and the director of the department of public service, shall report to the legislature by October 1, 1988, on the number of annual compressed natural gas user permits issued; the impact of fees collected under section 4 on the highway user tax distribution fund; the percentage of usage of compressed natural gas and gasoline by

vehicles utilizing both fuels; the impact of consumption of compressed natural gas on natural gas rates charged by regulated public utilities; and the costs to utilities of expenses incurred for equipment and marketing compressed natural gas as a motor vehicle fuel."

Page 4, line 22, delete "4" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring a report to the legislature; providing a penalty;"

And when so amended the bill do pass. Mr. Johnson, D.J. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 94: A bill for an act relating to state government; providing for the status of seasonal employees of the department of revenue; amending Minnesota Statutes 1984, sections 43A.08, subdivision 1; and 43A.081, by adding a subdivision.

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

Page 3, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1984, section 43A.15, is amended by adding a subdivision to read:

Subd. 13. [REVENUE SEASONAL EMPLOYEES.] The commissioner may authorize the administration of a qualifying selection process for the filling of seasonal positions in the department of revenue used in the processing of returns and providing information during the tax season. The commissioner of revenue may consider any candidate found qualified through this process for probationary appointment.

Sec. 3. Minnesota Statutes 1984, section 352.01, subdivision 2B, is amended to read:

Subd. 2B. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of state employee:

(1) elective state officers;

(2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board or the state board for community colleges, as the case may be;

(3) employees who are eligible to membership in the state teachers retirement association except employees of the department of education who have elected or may elect to be covered by the Minnesota state retirement system instead of the teachers retirement association;

(4) employees of the University of Minnesota who are excluded from cov-

erage by action of the board of regents;

(5) officers and enlisted men in the national guard and the naval militia and such as are assigned to permanent peacetime duty who pursuant to federal law are or are required to be members of a federal retirement system;

(6) election officers;

(7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;

(8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;

(9) all courts and court employees, referees, receivers, jurors, and notaries public, except employees of the appellate courts and referees and adjusters employed by the department of labor and industry;

(10) patient and inmate help in state charitable, penal and correctional institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) operators and drivers employed pursuant to section 16.07, subdivision 4;

(15) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service therefor is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless he is also its full time secretary;

(16) state troopers;

(17) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of the same year; and persons employed at any time or times by the state fair administration for special events held on the fairgrounds;

(18) emergency employees in the classified service except emergency employees who within the same pay period become provisional or probationary employees on other than a temporary basis, shall be deemed "state employees" retroactively to the beginning of the pay period;

(19) persons described in section 352B.01, subdivision 2, clauses (b) and (c) formerly defined as state police officers;

(20) all temporary employees in the classified service, all temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one year period

and all seasonal help in the ~~unclassified~~ *classified* service employed by the department of revenue;

(21) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2A, clause (10);

(22) persons whose compensation is paid on a fee basis;

(23) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) labor service employees employed as a laborer 1 on an hourly basis;

(27) examination monitors employed by departments, agencies, commissions, and boards for the purpose of conducting examinations required by law;

(28) members of appeal tribunals, exclusive of the chairman to which reference is made in section 268.10, subdivision 4;

(29) persons appointed to serve as members of fact finding commissions, adjustment panels, arbitrators, or labor referees under the provisions of chapter 179;

(30) temporary employees employed for limited periods of time under any state or federal program for the purpose of training or rehabilitation including persons employed for limited periods of time from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) full time students employed by the Minnesota historical society who are employed intermittently during part of the year and full time during the summer months;

(32) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, the members of which board are appointed by the metropolitan council;

(33) persons employed in positions designated by the department of employee relations as student workers;

(34) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days following his appointment that he desires coverage;

(35) tradesmen employed by the metropolitan waste control commission with trade union pension plan coverage pursuant to a collective bargaining agreement first employed after June 1, 1977; and

(36) persons employed in subsidized on-the-job training, work experience

or public service employment as enrollees under the federal comprehensive employment and training act from and after March 30, 1978, unless the person has as of the later of March 30, 1978 or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal comprehensive employment and training act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution.

Sec. 4. [TRANSITION FOR CURRENT EMPLOYEES.]

The commissioner of revenue shall appoint to the classified service, without a probationary period, current seasonal employees of the department of revenue who have worked a total of at least six months for the department since January 1, 1982. The commissioner shall appoint to the classified service, with a probationary period, people who are seasonal employees of the department of revenue on April 15, 1985, who have not worked a total of six months for the department since January 1, 1982."

Page 3, line 10, delete "Sections 1 and 2 are" and insert "This act is" and delete "their" and insert "its"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "and 43A.081" and insert "43A.15" and before the period insert "; and 352.01, subdivision 2B"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

H.F. No. 786: A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; abolishing the cable communications board and the telecommunications council; amending Minnesota Statutes 1984, sections 1.22; 4.31, subdivision 5; 14.02, subdivision 4; 16B.20, subdivision 2; 16B.33, subdivision 2; 35.02, subdivision 1; 40.03, subdivision 1; 84B.11, subdivision 1; 115.74, subdivision 1; 116C.41, subdivision 2; 116L.03; 121.82, subdivision 1; 121.83; 129B.01, subdivision 1; 144A.19, subdivision 1; 147.01, subdivisions 1 and 2; 148.03; 148.181; 148.52; 148.90, subdivision 2; 150A.02, subdivision 1; 151.03; 153.02; 154.22; 156.01, subdivisions 1 and 2; 161.1419, subdivision 2; 250.05, subdivision 2; 254A.04; 270.41; 326.04; 326.17; 326.241, subdivision 1; 343.01, subdivision 3; 386.63, subdivision 1; 611.215, subdivision 1; and 626.841; amending Laws 1984, chapter 654, article 2, section 151, subdivision 2; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.01; 238.02, subdivision 4; 238.04 to 238.06; 238.08, subdivision 2; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3;

and 238.13 to 238.17.

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 1.22, is amended to read:

1.22 [COMMISSIONERS.]

In pursuance of Article IV of the compact, there shall be five commissioners on the Great Lakes commission from this state. Two shall be members of the house of representatives and two shall be members of the state senate. One member shall be appointed by and serve at the pleasure of the ~~governor~~ *commissioner of transportation*. The house members shall be appointed by the speaker of the house and the members of the senate shall be appointed by the committee on committees. The commissioners shall exercise all voting rights conferred by the compact on the commissioners from the party state as provided in Article IV, (B and C) of the compact.

Sec. 2. Minnesota Statutes 1984, section 4.31, subdivision 5, is amended to read:

Subd. 5. The ~~governor~~ *commissioner of administration* shall appoint an advisory committee of not more than 21 members, at least one member from each economic development region, to advise and make recommendations to him and the director of volunteer services. Notwithstanding this numerical limitation, members currently serving on an advisory group to the ~~governor's~~ office of volunteer services shall complete their prescribed terms of office; thereafter, appointments of successors shall be made so as to be consistent with the numerical limitation contained in this section. Membership terms, compensation, removal and filling of vacancies of members and expiration of the advisory committee shall be as provided in section 15.059; provided, that members shall not be eligible for a per diem.

Sec. 3. Minnesota Statutes 1984, section 14.02; subdivision 4, is amended to read:

Subd. 4. [RULE.] “Rule” means every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by it or to govern its organization or procedure. It does not include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; (b) rules of the commissioner of corrections relating to the internal management of institutions under the commissioner's control and those rules governing the inmates thereof prescribed pursuant to section 609.105; (c) rules of the division of game and fish published in accordance with section 97.53; (d) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs; (e) opinions of the attorney general; (f) the systems architecture plan and long range plan of the state education management information system provided by section 121.931; (g) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932; (h) the comprehensive statewide plan of the crime

control planning board provided in section 299A.03; (i) ~~special terms and conditions for an interim certificate of confirmation of the Minnesota cable communications board provided in section 238.09;~~ (j) occupational safety and health standards provided in section 182.655; or ~~(k)~~ (j) rules of the commissioner of public safety adopted pursuant to section 169.128.

Sec. 4. Minnesota Statutes 1984, section 16B.20, subdivision 2, is amended to read:

Subd. 2. [ADVISORY COUNCIL.] A small business procurement advisory council is created. The council consists of 13 members appointed by the ~~governor~~ commissioner of administration. A chairperson of the advisory council shall be elected from among the members. The appointments are subject to the appointments program provided by section 15.0597. The terms and removal of members are as provided in section 15.059, but members do not receive per diem or expenses.

Sec. 5. Minnesota Statutes 1984, section 84B.11, subdivision 1, is amended to read:

Subdivision 1. The ~~governor shall appoint, except for the legislative members;~~ a citizen's council on Voyageurs National Park; ~~consisting consists of 17 15~~ members as follows:

Four residents of Koochiching county, *two to be appointed by the commissioner of natural resources and two to be appointed by the commissioner of energy and economic development;*

Four residents of St. Louis county, *two to be appointed by the commissioner of natural resources and two to be appointed by the commissioner of energy and economic development;*

~~Five~~ *Three* residents of the state at large from outside Koochiching and St. Louis counties *to be appointed by the governor;*

Two members of the state senate to be appointed by the committee on committees;

Two members of the state house of representatives to be appointed by the speaker of the house.

The governor shall designate one of the appointees to serve as chairman and the committee may elect such other officers as it deems necessary. Members shall be appointed so as to represent differing viewpoints and interest groups on the facilities included in and around the park. Legislator members shall serve for the term of the legislative office to which they were elected. The terms, compensation and removal of nonlegislator members shall be as provided in section 15.059. This section is repealed June 30, 1987.

Sec. 6. Minnesota Statutes 1984, section 116C.41, subdivision 2, is amended to read:

Subd. 2. [SOUTHERN MINNESOTA RIVERS BASIN.] The board shall guide the creation and implementation of a comprehensive environmental conservation and development plan for the southern Minnesota rivers basin. The board shall coordinate state and local interests with respect to the study in southwestern Minnesota under Public Law Number 87-639. The board

shall appoint an advisory council to advise the board concerning its responsibilities under this subdivision. The council shall consist of 11 members who are residents of the basin and appointed by the ~~governor chair of the environmental quality board with the board's concurrence~~. The council is subject to the provisions of section 15.059, except that the council shall expire June 30, 1987. The council shall make recommendations to the board by June 30, 1985, concerning the establishment of a statewide advisory council to advise the board on water resources planning, regulation, and management.

Sec. 7. Minnesota Statutes 1984, section 121.82, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT OF MEMBERS.] Legislative members of the education commission established in article III (A) are appointed as follows: One member of the house of representatives appointed by the speaker of the house for a term coinciding with the term of office of the member; one member of the senate appointed by the committee on committees for a two year term. *The commissioner of education shall make the four remaining appointments described in article III(A) of the compact.* Members of the education commission appointed by the ~~governor commissioner~~ are appointed for a term which coincides with the term of the appointing ~~governor commissioner~~. Members appointed from the legislature and members appointed by the ~~governor commissioner~~ serve until their successors are appointed and qualified.

Sec. 8. Minnesota Statutes 1984, section 121.83, is amended to read:

121.83 [MINNESOTA EDUCATION COUNCIL.]

There is hereby established the Minnesota education council composed of the members of the education commission of the states representing this state, and ~~46~~ *two* other persons; ~~two~~ from each congressional district of which one shall be a legislator, ~~appointed by the governor~~. *Four representatives shall be appointed by the speaker of the house and four senators shall be appointed by the committee on committees. Legislative members shall serve terms coinciding with the term their respective terms of the appointing governor office. Persons other than legislators shall be selected so as to be broadly representative of* The commissioner of education shall appoint one member from each congressional district, for terms coinciding with the term of the commissioner, who broadly represent professional and lay interests within this state having the responsibilities for, knowledge with respect to, and interest in educational matters. The ~~chairman shall be designated by the governor commissioner~~ shall designate a chairman from among its the council members. The council shall meet on the call of the ~~governor commissioner~~, but in any event the council shall meet not less than twice in each year. The council may consider any and all matters relating to recommendations of the education commission of the states and the activities of the members representing this state thereon, shall serve as a forum for major education policies, and shall serve to exchange information about important education activities of interest to all parties. Members of the council shall serve without salary, but shall be reimbursed for actual expenses incurred in attendance at meetings of the council.

Sec. 9. Minnesota Statutes 1984, section 161.1419, subdivision 2, is

amended to read:

Subd. 2. The commission shall be composed of ten members of which ~~three~~ *one* shall be appointed by the ~~governor~~ *commissioner of transportation*, *one* ~~shall be appointed by the commissioner of natural resources~~, *one* ~~shall be appointed by the commissioner of energy and economic development~~, three shall be members of the senate to be appointed by the committee on committees, and three shall be members of the house of representatives to be appointed by the speaker. The tenth member shall be the secretary appointed pursuant to subdivision 3. The members of the commission shall be selected immediately after final enactment of this act and shall serve for a term expiring at the close of the next regular session of the legislature and until their successors are appointed. Successor members shall be appointed at the close of each regular session of the legislature by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota historical society shall be ex officio members, and shall be in addition to the ten members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River parkway commission, hereinafter called the national commission, giving the names and addresses of the members so appointed.

Sec. 10. Minnesota Statutes 1984, section 238.02, subdivision 4, is amended to read:

Subd. 4. "~~Board Commissioner~~" shall mean the ~~cable communications board created by section 238.04~~ *commissioner of administration*.

Sec. 11. Minnesota Statutes 1984, section 238.05, is amended to read:

238.05 [DUTIES OF THE ~~BOARD~~ COMMISSIONER.]

Subdivision 1. The ~~board~~ *commissioner* shall develop and maintain a statewide plan for development of cable communications services, setting forth the objectives which the ~~board~~ *commissioner* deems to be of regional and state concern.

Subd. 2. The ~~board~~ *commissioner* shall, to the extent permitted by, and not contrary to, applicable federal and state law, rules and regulations:

(a) prescribe procedures and practices which municipalities shall follow in granting franchises, including those providing for issuance of a public invitation to compete for the franchise, said invitation containing the outlines for the municipality's cable system and the desired services, as well as the criteria and priorities the municipality has developed to review franchise applications;

(b) prescribe minimum standards for inclusion in franchises, including maximum initial, renegotiation and renewal periods; length of residential subscriber contracts; provisions for municipal purchase; prohibitions against the invasion of privacy through a cable communications system; provisions covering construction, operation and abandonment of cable communications systems; and a requirement that no such franchise may be exclusive. Taking into account the size of the cable communications system, the ~~board~~ *commissioner* shall also prescribe minimum standards for performance bond re-

quirements; for channel capacity; for two-way capability; for access to, and facilities to make use of, channels for education, government, and the general public; and for construction and operation of the cable communications system;

(c) prescribe standards for: franchises awarded in the twin cities metropolitan area which designate a uniform regional channel; the interconnection of all cable systems within this area; and the designation of a single entity to schedule programs and facilitate use of this channel;

(d) designate the entity referred to in clause (c) and prescribe rules for its operation and practice which rules shall insure that priority is given to public use of the uniform regional channel.

Subd. 3. The ~~board~~ *commissioner* shall provide advice and assistance to the cable communications industry; federal, state and local governments; members of the citizenry not commercially involved in cable communications activities; community organizations; and other private and public agencies interested in matters relating to cable communications and services.

Subd. 4. The ~~board~~ *commissioner* shall issue certificates of confirmation in accordance with the standards prescribed by the ~~board~~ *commissioner*.

Subd. 5. The ~~board~~ *commissioner* shall represent the interests of the people of the state before the federal communications commission.

Subd. 6. The ~~board~~ *commissioner* shall adopt, after consulting with either the metropolitan council or regional development commissions of the state as appropriate, a set of minimum standards for the establishment of cable territories within which a franchise may be awarded, and procedures to be followed for alteration of cable service territory boundaries.

Subd. 7. The ~~board~~ *commissioner* shall approve or reject boundaries for specific territories upon receipt of proposals from municipalities or cable communications operator applicants, after consultation with the metropolitan council or the affected regional planning commission. If the proposed boundaries, in whole or part, are within the seven county metropolitan area, the metropolitan council shall be allowed 45 days to review and comment on the proposed boundaries.

Subd. 8. The ~~board~~ *commissioner* shall prohibit invasion of privacy.

Subd. 9. The ~~board~~ *commissioner* shall insure that minorities and all other groups have the fullest access to cable communications at all levels, including the establishment of an affirmative action regulation and compliance mechanism consistent with Federal Executive Order No. 11246, of the President, as amended by Executive Order No. 11375 and Executive Order No. 11478.

Subd. 10. The ~~board~~ *commissioner* shall establish standards pertaining to transfer, renewal, termination or amendment of franchises.

Subd. 11. The ~~board~~ *commissioner* shall establish standards pertaining to ownership and control of cable communications companies.

Subd. 12. The ~~board~~ *commissioner* shall prescribe standards for interconnection and compatibility of cable communications systems.

Subd. 13. The ~~board~~ *commissioner* shall establish provisions pertaining to

liability for obscenity and defamation.

Subd. 14. The ~~board~~ *commissioner* shall encourage experimental, innovative approaches to the building and operation of cable communications systems.

Subd. 15. The ~~board~~ *commissioner* shall encourage the establishment of nonprofit corporations to facilitate production for the access channels.

Subd. 16. The ~~board~~ *commissioner* shall establish standards covering the construction, operation and abandonment of cable communications systems.

Subd. 17. The ~~board~~ *commissioner* shall also promulgate rules pertaining to cable transmission line extension by cable communications companies.

Subd. 18. The ~~board~~ *commissioner* shall adopt rules to ensure that all cable communications systems as defined in section 238.02, subdivision 3, and all systems which would meet that definition but for the number of subscribers served, provide adequate access for educational and governmental programming. In adopting the rules, the ~~board~~ *commissioner* shall give consideration to both the needs of the community and the capability of the system.

Subd. 19. The ~~board~~ *commissioner* may adopt rules to ensure reasonable access by cable systems to multiple unit dwellings and any site, lot, field, or tract of land and water upon which two or more occupied mobile or immobile dwelling units are located.

Sec. 12. Minnesota Statutes 1984, section 238.06, is amended to read:

238.06 [POWERS OF ~~BOARD~~ COMMISSIONER.]

Subdivision 1. The ~~board~~ *commissioner* may promulgate, issue, amend, rescind, and provide for the enforcement of such rules and regulations as it may find necessary or appropriate to carry out the provisions of this chapter in accordance with chapter 14. The ~~board~~ *commissioner* may also issue any necessary and appropriate orders. Such orders, rules and regulations may classify persons and matters within the jurisdiction of the ~~board~~ *commissioner* and prescribe different requirements for different classes of persons or matters. A copy of any order, rule or regulation promulgated hereunder shall be subject to public inspection during reasonable business hours.

Subd. 2. The ~~board~~ *commissioner* or other aggrieved party shall have the right to institute or to intervene as a party in any action in any court of competent jurisdiction seeking mandamus, injunctive or other relief to compel compliance with any provision of sections 238.01 to 238.17 or any rules, regulations or orders issued thereunder.

Subd. 3. The ~~board~~ *commissioner* may subpoena witnesses, administer oaths, take testimony, and require the production of such books, records, papers, or documents as are material in a contested case and designated in the subpoena. The ~~board~~ *commissioner* may authorize hearing officers to exercise the authority conferred by this subdivision. Disobedience of a subpoena issued by the ~~board~~ *commissioner* or a hearing officer pursuant to this subdivision shall be punishable in like manner as a contempt of the district court in proceedings instituted upon application of the ~~board~~ *commissioner* or a hearing officer made to the district court of Ramsey county or the county in which the person who was subpoenaed resides or has his principal place of

business.

Subd. 4. The ~~board~~ *commissioner* may by rule prescribe a schedule of filing fees for matters heard by it pursuant to section 238.14, provided the amount of the fee charged may not exceed the fee charged by the district court for hearings on a similar matter.

Subd. 5. The ~~board~~ *commissioner* may, upon a suitable showing of need in individual instances, order the interconnection of cable communications systems.

Subd. 6. The ~~board~~ *commissioner* may require from a cable communications system granted a certificate of confirmation information and supporting documentation in the form the ~~board~~ *commissioner* deems appropriate on an annual basis, or on sale, transfer or other major activity within a cable communications company. The ~~board~~ *commissioner* shall not release economic data of the cable communications company, including operating revenues and profitability, to the general public or to other cable communication companies except in furtherance of specific duties or obligations of the ~~board~~ *commissioner*.

Sec. 13. Minnesota Statutes 1984, section 238.08, subdivision 2, is amended to read:

Subd. 2. Nothing in this chapter shall be construed to prevent franchise requirements in excess of those prescribed by the ~~board~~ *commissioner*, unless such requirement is inconsistent with this chapter or any ~~regulation~~ *rule* of the ~~board~~ *commissioner*.

Sec. 14. Minnesota Statutes 1984, section 238.08, subdivision 3, is amended to read:

Subd. 3. Nothing in this chapter shall be construed to limit any municipality from the right to construct, purchase, and operate a cable communications system. Any municipal system shall be subject to the laws, rules and regulations of the ~~board~~ *commissioner* to the same extent as would any nonpublic cable communications system.

Sec. 15. Minnesota Statutes 1984, section 238.09, is amended to read:

238.09 [CERTIFICATE OF CONFIRMATION.]

Subdivision 1. Except as provided in subdivisions 4, 5 and 10, after May 24, 1973, no person shall exercise a franchise, and no such franchise shall be effective, until the ~~board~~ *commissioner* has confirmed such franchise.

Subd. 3. Any cable communications company which, pursuant to an existing franchise was lawfully engaged in actual operations on May 24, 1973, may continue to exercise said franchise pursuant to the terms thereof, provided such company files with the ~~board~~ *commissioner* by such date as the ~~board~~ *commissioner* shall set, an application in such form and containing such information and supporting documentation as the ~~board~~ *commissioner* may require. The ~~board~~ *commissioner* shall issue a certificate of confirmation to such a cable communications company valid for five years without further proceedings.

Subd. 4. Cable communications companies which have been granted a franchise prior to April 1, 1973, and which were not in operation prior to May

24, 1973, shall be given a ten year certificate of confirmation provided such company files with the ~~board~~ commissioner by such date as the ~~board~~ commissioner shall set, an application in such form and containing such information and supporting documentation as the ~~board~~ commissioner may require, and further provided such companies have commenced substantial construction, indicated by erection of the "head end" and stringing of no less than five miles of trunk and distribution cable, by January 1, 1974.

Subd. 5. Notwithstanding the provisions of subdivision 6, a municipality may issue a franchise by September 15, 1973, if done so pursuant to a municipal enabling ordinance on cable communications enacted by April 1, 1973, containing detailed specifications for the construction and operation of a cable communications system. Any cable communications company so franchised may exercise its franchise pursuant to the terms thereof, provided such company files with the ~~board~~ commissioner an application in such form and containing such information and supporting documentation as the ~~board~~ commissioner may require. The ~~board~~ commissioner shall issue a certificate of confirmation to such a cable communications company valid for ten years.

Subd. 6. Except as provided in subdivision 3, a cable communications company shall secure a certificate of confirmation from the ~~board~~ commissioner before becoming operational. Except as provided in subdivisions 3, 4, 5 and 9, a certificate issued after the effective date of subdivision 4 may be granted after full ~~board~~ commissioner proceedings and shall be for the same number of years as the franchise to be confirmed. A renewal certificate of confirmation may be issued prior to the expiration of an existing certificate.

Subd. 7. A renewal of a certificate of confirmation shall be for the same number of years as the renewal franchise period. A renewal certificate of confirmation may be issued prior to the expiration of an existing certificate.

Subd. 8. Nothing in this section shall be deemed to validate a franchise not granted in accordance with law or affect any claims in litigation on May 24, 1973. No confirmation under this section shall preclude invalidation of any franchise illegally obtained.

Subd. 9. Notwithstanding the provisions of subdivision 6, the ~~board~~ commissioner may issue an interim certificate of confirmation after its acceptance of an application in a form containing the information and supporting documentation the ~~board~~ commissioner requires, the certificate to be valid for not more than five years, to an operating company having a franchise approved by the ~~board~~ commissioner to erect a community antenna and establish cable television service for any municipality having a population not greater than 15,000 according to the 1970 latest federal census; provided that the system shall be constructed and ready for operation by July 1, 1975, in full compliance with all applicable regulations of the federal communications commission and with any special terms or conditions set by the Minnesota ~~board~~ commissioner to apply in any individual situation to include stipulations regarding minimum channel capacity; extent of two-way capability; means for interconnection; and availability of facilities for public access cablecasting and for local program origination. The special terms and conditions are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the ~~board~~ commissioner may use the provisions of section 14.38, subdivisions 5 to 9.

Subd. 10. Any cable communications company which, pursuant to an existing franchise was lawfully engaged in actual operations and which was providing extension of service to an area or areas outside of its franchise boundaries on May 1, 1977 may, notwithstanding any other law to the contrary, continue to provide such extension of service until May 1, 1978, or such time as the ~~commission~~ commissioner adopts line extension rules, whichever date is earlier.

Subd. 11. Upon expiration of the certificate issued pursuant to subdivisions 3, 4, 5 and 9, or upon the renewal of a certificate prior to its expiration pursuant to subdivision 7, a certificate shall not be renewed unless the franchise is, or is amended to be, in compliance with the franchise requirements and procedures prescribed by the ~~board~~ commissioner.

Sec. 16. Minnesota Statutes 1984, section 238.11, subdivision 1, is amended to read:

Subdivision 1. The ~~board~~ commissioner may not promulgate any ~~regulation rule~~ or condition which would interfere with the right of free speech by means of cable communications.

Sec. 17. Minnesota Statutes 1984, section 238.12, subdivision 3, is amended to read:

Subd. 3. The ~~board~~ commissioner shall provide assistance regarding rates and related economic matters to interested municipalities and their citizens. The ~~board~~ commissioner shall study, or cause to be studied, the desirability of regulation of all rates and charges of cable communications system.

Sec. 18. Minnesota Statutes 1984, section 238.13, is amended to read:

238.13 [POLES, DUCTS AND CONDUITS.]

The ~~board~~ commissioner may adopt appropriate rules specifying necessary regulations for contractual agreements between cable communications operators and any public utilities with respect to the use of poles, ducts, conduits, and other appurtenances related to the cable communications transmission lines.

Sec. 19. Minnesota Statutes 1984, section 238.14, is amended to read:

238.14 [APPEALS TO THE ~~BOARD~~ COMMISSIONER.]

Any franchised cable communications company, who is aggrieved by action of any franchise authority in modifying, suspending, cancelling, revoking, or declaring forfeited the franchise, may appeal to the ~~board~~ commissioner within 30 days following notice of such action by a petition in writing, setting forth all the material facts in the case. Any municipality which is aggrieved by the failure of its franchisee to perform according to the municipal ordinance may appeal to the ~~board~~ commissioner for assistance in gaining franchisee compliance with the municipal ordinance by a petition in writing, setting forth all the material facts in the case.

The ~~board~~ commissioner at its discretion shall hold a hearing upon such appeals requiring due notice to be given to all interested parties.

If the ~~board~~ commissioner approves the action of the municipality it shall issue notice to it to that effect, but if the ~~board~~ commissioner disapproves of

its action it shall issue a decision in writing advising the municipality of the reasons for its decision and ordering the municipality to conform with such decision. If the ~~board~~ *commissioner* approves the action of the cable communications company it shall issue notice to it to that effect, but if the ~~board~~ *commissioner* disapproves of its action it shall issue a decision in writing advising the cable communications company of the reasons for its decision and ordering the cable communications company to conform with the decision.

Upon request, or upon its own initiative, the ~~board~~ *commissioner* may investigate the renewal or assignment of such franchise or the conduct of the business being done thereunder, and may, after hearing, modify, suspend, revoke or cancel such license for cause.

If the municipality fails to suspend, revoke, cancel or declare forfeited a license or to perform any other disciplinary act when lawfully ordered so to do by the ~~board~~ *commissioner* upon appeal or otherwise, within such reasonable time as it may prescribe, the ~~board~~ *commissioner* may itself revoke such license or perform such act with the same force and effect as if performed by the municipality.

Sec. 20. Minnesota Statutes 1984, section 238.15, is amended to read:

238.15 [FINANCIAL INTEREST OF MEMBERS.]

No ~~member employee~~ of the ~~board~~ or person appointed pursuant to section 238.04, ~~subdivision 7~~ *department of administration engaged in enforcing this chapter* shall be employed by, or shall knowingly have any financial interest in any cable communications company or its subsidiaries, major equipment or programming suppliers, or in any broadcasting company holding an operating license issued by the federal communications commission or its subsidiaries. Members of any elected body granting franchises and employees of any franchising body who would be directly involved in the granting or administration of franchises for cable communications and who are employed by or who knowingly have any financial interest in any cable communications company, bidding on such franchise, or the cable communications company granted the franchise, or their subsidiaries, major equipment or program suppliers shall abstain from participation in the franchising of a cable communications company or the administration of such franchise.

Sec. 21. Minnesota Statutes 1984, section 238.16, subdivision 1, is amended to read:

Subdivision 1. The ~~board~~ *commissioner* may seek such injunctive relief as is necessary to prevent violations of the orders, rules or regulations of the ~~board~~ *commissioner*.

Sec. 22. Minnesota Statutes 1984, section 238.17, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS FOR EXTENSIONS.] Notwithstanding the provisions of section 238.09 or any other law to the contrary, a cable communications system may extend service outside the boundaries of a core service unit if: (1) the extension area is not within the seven county metropolitan area, as defined in section 473.121, subdivision 4; (2) the ~~board~~ *commissioner* first approves, in accordance with procedures set forth in the

~~board's~~ *commissioner's* rules, the inclusion of the extension area in the same cable service territory which contains the core service unit; and (3) the cable communications system obtains and files with the ~~board~~ *commissioner* an extension permit issued by the municipality or municipalities which have jurisdiction over the extension area.

Sec. 23. Minnesota Statutes 1984, section 238.17, subdivision 5, is amended to read:

Subd. 5. [EXCESS EXTENSION PERMITS.] Nothing in this section shall be construed to prevent a municipality having jurisdiction over an extension area from prescribing extension permit requirements which are in excess of those required by this section, unless such requirements are inconsistent with this chapter or with any rule of the ~~board~~ *commissioner*.

Sec. 24. Minnesota Statutes 1984, section 238.17, subdivision 6, is amended to read:

Subd. 6. [WAIVER OR MODIFICATION.] The ~~board~~ *commissioner* shall liberally construe this section and may, upon petition by either of the parties to an extension permit, waive or modify requirements to abide by the terms of the franchise of the core service unit if the terms are found to be unique to the core service unit and either inapplicable or inoperable in the extension area.

Sec. 25. Minnesota Statutes 1984, section 238.17, subdivision 8, is amended to read:

Subd. 8. [RULES.] The ~~board~~ *commissioner* may promulgate such rules as it deems necessary to effectuate the purposes and provisions of this section.

Sec. 26. Minnesota Statutes 1984, section 250.05, is amended to read:

Subdivision 1. There is hereby established as a public corporation in the executive branch of state government the Gillette *children's* hospital board. The purpose of the board shall be to govern the operation of Gillette children's hospital ~~in conjunction with the Ramsey county hospital~~ in such manner as to obtain a maximum of efficiency and economy in the performance of and training in medical and surgical care of ~~crippled~~ *children with handicaps or disabilities*.

Subd. 2. The Gillette *children's* hospital shall be governed by a board of directors consisting of ~~nine up to 19~~ *nine up to 19* members. Not more than ~~four~~ *nine* of those ~~appointed by the governor~~ shall be residents of Ramsey county. The commissioner of health and the commissioner of economic security shall each designate a senior employee of their respective departments to represent them as voting members of the board. The designee of the commissioner of economic security shall be the person having authority over the administration of federally recognized vocational rehabilitation programs. Notwithstanding the provisions of subdivision 2a, the term of office of a designee shall be coterminous with the term of office of the designating commissioner. Of the ~~seven~~ remaining members, at least four shall be consumers as defined in section 145.833, and one member shall be a member of the medical staff, to be ~~recommended~~ *elected* by the medical staff of the hospital. Members other than the designees shall be ~~appointed~~ *elected* by the ~~governor~~ *current members*. ~~No member of the board shall be an employee of or have any direct~~

or immediate family financial interest in a business entity that provides goods or services to the hospital. No member of the board may be an employee of the hospital or employed by have any direct or immediate family financial interest in a business entity that provides goods or services to the hospital within the past five years.

Subd. 2a. The membership terms, compensation, and removal of members, filling of vacancies on the board shall be as provided in section 15.0575.

Subd. 3. The board shall organize by electing a ~~chairman~~ chairperson and other officers as may be required. The Gillette children's hospital board shall employ an administrator and other professional, technical, and clerical personnel as may be required. The administrator shall serve at the pleasure of the board. The Gillette children's hospital board ~~may~~ shall employ a certified public accountant to annually audit and examine its financial records. The report of an examination or audit by a certified public accountant shall be submitted on request to the legislative auditor who shall review the audit report and accept it or make additional examinations as he deems to be in the public interest. The working papers of the certified public accountant relating to the Gillette children's hospital board shall be made available to the legislative auditor upon request.

The Gillette children's hospital board may contract for the services of individuals who perform medical, technical, or other services of a professional nature, and may contract for the purchase of necessary supplies, services, and equipment. Except as it determines, the Gillette children's hospital board shall not be subject to the provisions of chapter 16, concerning budgeting, payroll, and the purchase of goods or services. Any department of state government is authorized, within the limits of its functions and appropriations, to assist the Gillette children's hospital board upon request.

Subd. 3a. All employees of the Gillette children's hospital who are in the classified service of the state on March 28, 1974 shall be continued as employees of the Gillette children's hospital board without loss of status, seniority, or benefits. The departments of administration and personnel shall endeavor to assist in the transfer elsewhere within state service of any classified employee who desires such assistance. Classified personnel may, with their individual approval and the approval of the Gillette children's hospital board, enter the unclassified service. Employees who remain in the classified service of the state under the provisions of this section, may do so as long as they continue to occupy the position occupied on March 28, 1974. If such an employee at a subsequent date is appointed, transferred, promoted, or demoted to a different position under the Gillette children's hospital board, that position and employee shall be in the unclassified service. All other employees of the Gillette children's hospital board shall be in the unclassified service. The Gillette children's hospital board may prescribe all terms and conditions of employment of unclassified employees, including but not limited to the fixing of classification and compensation, without regard to the provisions of chapter 15A. Full time employees of the Gillette children's hospital board shall may be members of the Minnesota state retirement system for classified employees, to which the Gillette children's hospital board shall make employer's contributions.

Subd. 4. The Gillette children's hospital board, acting through its board of

directors, may contract with the governing body and the owners of the *St. Paul Ramsey county hospital medical center* and of any other hospital or institution, for the joint maintenance and operation of the Gillette children's hospital ~~in conjunction with existing or contemplated facilities at the Ramsey county hospital~~. Contracts may include agreements for the joint employment and utilization of personnel, the joint purchase of supplies and equipment, and joint construction, acquisition, or leasing of space for offices, outpatient facilities, operating rooms, and other medical facilities for use in training in the care and treatment of ~~crippled disabled~~ and handicapped children, the operation of a ~~brace shop~~ *an orthotic/prosthetic laboratory*, and the conduct of patient education programs. No contract shall, however, provide for the expenditure of funds for additional patient bed capacity.

Subd. 5. The Gillette *children's* hospital board shall have the power to accept gifts and grants, to sue and be sued, and to establish a schedule of charges for ~~medical, hospital, and rehabilitative~~ *all* services furnished. All funds received by the Gillette *children's* hospital board from any source are hereby annually appropriated to the Gillette *children's* hospital board, which shall be responsible for their management and control. An annual report shall be submitted to the legislature by the Gillette *children's* hospital board not later than November 15 of each year. The report shall summarize the activities of the board and the hospital over the preceding fiscal year, shall evaluate whether the statutory structure for the board results in effective administration of the hospital and whether statutory changes are necessary. The report shall be submitted together with the audit report required by subdivision 3.

Subd. 6. The Gillette children's hospital shall seek reimbursement for costs of care and treatment provided, from parents to the extent of their ability to pay, from insurance policies covering care and treatment, and from other sources, including any federally financed medical aids for which the child is eligible. To the extent of appropriations available therefor, the department of human services shall continue to provide financial assistance to the Gillette *children's* hospital board to pay for costs of care otherwise unmet which are beyond the ability of parents to provide. Children from other states who can benefit from the services of the hospital may be accepted upon the referral of a medical doctor. Reimbursement for full costs for care provided non-resident patients shall be obtained from parents, from insurance policies covering care and treatment, or from any sources other than the state of Minnesota which may be available to the child and his family.

Sec. 27. Minnesota Statutes 1984, section 254A.04, is amended to read:

254A.04 [CITIZENS ADVISORY COUNCIL.]

There is hereby created an alcohol and other drug abuse advisory council to advise the department of human services concerning the problems of alcohol and other drug dependency and abuse, composed of ~~11~~ *ten* members ~~appointed by the governor~~. At least Five members shall be individuals whose interests or training are in the field of alcohol dependency and abuse; and ~~at least~~ *at least* five members whose interests or training are in the field of dependency and abuse of drugs other than alcohol. The council shall expire and the terms, compensation and removal of members shall be as provided in section 15.059. *The commissioner of human services shall appoint members whose terms end in even-numbered years. The commissioner of health shall appoint*

members whose terms end in odd-numbered years.

Sec. 28. Minnesota Statutes 1984, section 611.215, subdivision 1, is amended to read:

Subdivision 1. [CREATION; MEMBERSHIP.] There is created a state board of public defense as a part of, but not subject to the administrative control of, the judicial branch of government. The state board of public defense shall consist of seven members appointed by the ~~governor~~ *supreme court* including:

(a) A district, county or county municipal court trial judge;

(b) Four attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not publicly employed as a prosecutor or defense counsel; and

(c) Two public members.

All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. In making the four appointments of attorneys at law, the ~~governor~~ *supreme court* shall first consider a list of at least three nominees for each position submitted to the ~~governor~~ *supreme court* by the state bar association. The terms, compensation and removal of members shall be as provided in section 15.0575. The chairman shall be elected by the members from among the membership for a term of two years.

Sec. 29. [MOTION PICTURE AND TELEVISION ADVISORY COUNCIL; APPOINTING AUTHORITY TRANSFERRED.]

Notwithstanding Laws 1983, chapter 301, section 28, the commissioner of energy and economic development shall appoint the members of the motion picture and television advisory council and designate one appointee as chairperson and liaison to the commissioner.

Sec. 30. [TRANSFER OF POWERS OF CABLE COMMUNICATIONS BOARD TO COMMISSIONER OF ADMINISTRATION.]

The responsibilities of the cable communications board are transferred to the commissioner of administration as provided in section 15.039, except that the positions for board members are abolished. The board as constituted before the effective date of this section is abolished.

Sec. 31. [TERMS OF TELECOMMUNICATIONS COUNCIL MEMBERS.]

Notwithstanding Minnesota Statutes, sections 15.059 or 16C.01, the terms of all present members of the telecommunications council shall expire on July 31, 1985.

Sec. 32. [REPEALER.]

Minnesota Statutes 1984, sections 3.29, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 16C.01; 238.04; and 238.17, subdivision 7; and Laws 1984, chapter 654, article 2, section 151, subdivision 2; are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 10 to 25 are effective January 1, 1986."

Delete the title and insert:

"A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; transferring the duties of the cable communications board to the commissioner of administration; abolishing the telecommunications council; abolishing the manufacturers growth council; transferring the duties of the public employment relations board to the bureau of mediation services; amending Minnesota Statutes 1984, sections 1.22; 4.31, subdivision 5; 14.02, subdivision 4; 16B.20, subdivision 2; 84B.11, subdivision 1; 116C.41, subdivision 2; 121.82, subdivision 1; 121.83; 161.1419, subdivision 2; 238.02, subdivision 4; 238.05; 238.06; 238.08, subdivisions 2 and 3; 238.09; 238.11, subdivision 1; 238.12, subdivision 3; 238.13; 238.14; 238.15; 238.16, subdivision 1; 238.17, subdivisions 1, 5, 6, and 8; 250.05; 254A.04; and 611.215, subdivision 1; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.04; and 238.17, subdivision 7; and Laws 1984, chapter 654, article 2, section 151, subdivision 2."

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

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

H.F. No. 213: A bill for an act relating to the maltreatment of minors or vulnerable adults in certain licensed facilities; providing for notification of parents or guardians after reports of alleged abuse; clarifying certain provisions; amending Minnesota Statutes 1984, sections 626.556, subdivisions 10b, 11, and by adding a subdivision; and 626.557, subdivision 12, and by adding a subdivision.

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 13.46, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIVE DATA.] Data on persons, including data on vendors of services *and data on licensees*, that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute and relating to the enforcement of rules or law, is confidential data on individuals pursuant to section 13.02, subdivision 3, or protected non-public data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

- (a) pursuant to section 13.05;
- (b) pursuant to statute or valid court order;
- (c) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense; *or*
- (d) to provide the notices required by sections 3, 4, and 6.

The data referred to in this subdivision shall be classified as public data

upon its submission to an administrative law judge or court in an administrative or judicial proceeding.

Sec. 2. Minnesota Statutes 1984, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] All data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered under the authority of the commissioner of human services, except for personal and personal financial data about applicants and licensees under the family day care program and the family foster care program *and data generated in the course of licensing investigations that are in response to a complaint of a rule or statutory violation*, are public data. Personal and personal financial data on family day care program and family foster care program applicants and licensees are private data pursuant to section 13.02, subdivision 12. *Data generated in the course of licensing investigations that are in response to a complaint of a rule or statutory violation are investigative data pursuant to section 13.46, subdivision 3.*

Sec. 3. Minnesota Statutes 1984, section 626.556, subdivision 10b, is amended to read:

Subd. 10b. [DUTIES OF COMMISSIONER; NEGLECT OR ABUSE IN A FACILITY.] (a) If the report alleges that a child in the care of a facility as defined in subdivision 2 is neglected, physically abused, or sexually abused by an individual in that facility, the commissioner shall immediately investigate. The commissioner shall arrange for the transmittal to him of reports received by local agencies and may delegate to a local welfare agency the duty to investigate reports. In conducting an investigation under this section, the commissioner has the powers and duties specified for local welfare agencies under this section. *The commissioner or local welfare agency may interview any children who are or have been in the care of the facility under investigation and their parents, guardians, or legal custodians.*

(b) *Prior to any interview, the commissioner or local welfare agency shall provide the following information to the parent, guardian, or legal custodian of a child who will be interviewed: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed. If reasonable efforts by the commissioner or local welfare agency to reach the parent, guardian, or legal custodian of a child in an out-of-home placement have failed, the child may be interviewed if there is reason to believe the interview is necessary to protect the child or other children in the facility. The commissioner or local agency must provide the information required in this subdivision to the parent, guardian, or legal custodian of a child interviewed without parental notification as soon as possible after the interview.*

Sec. 4. Minnesota Statutes 1984, section 626.556, is amended by adding a subdivision to read:

Subd. 10c. [NOTIFICATION OF NEGLECT OR ABUSE IN A FACIL-

ITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a child while in the care of a facility required to be licensed pursuant to sections 245.781 to 245.812, the commissioner or local welfare agency investigating the report shall provide the following information to the parent, guardian, or legal custodian of a child alleged to have been neglected, physically abused, or sexually abused: the name of the facility; the fact that a report alleging neglect, physical abuse, or sexual abuse of a child in the facility has been received; the nature of the alleged neglect, physical abuse, or sexual abuse; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) The commissioner or local welfare agency may also provide the information in paragraph (a) to the parent, guardian, or legal custodian of any other child in the facility if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred. The facility shall be notified whenever the commissioner or local welfare agency exercises this discretionary authority. In determining whether to exercise this authority, the commissioner or local welfare agency shall consider the seriousness of the alleged neglect, physical abuse, or sexual abuse; the number of children allegedly neglected, physically abused, or sexually abused; the number of alleged perpetrators; and the length of the investigation.

(c) When the commissioner or local welfare agency has completed its investigation, every parent, guardian, or legal custodian notified of the investigation by the commissioner or local welfare agency shall be provided with the following information in a written memorandum: the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigation findings; a statement whether the report was found to be substantiated, inconclusive, or false; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the child and shall not contain the name, or to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation. The commissioner or local welfare agency shall also provide the written memorandum to the parent, guardian, or legal custodian of each child in the facility if the report is substantiated or inconclusive.

Sec. 5. Minnesota Statutes 1984, section 626.556, subdivision 11, is amended to read:

Subd. 11. [RECORDS.] All records concerning individuals maintained by a local welfare agency under this section, including any written reports filed under subdivision 7, shall be private data on individuals, except insofar as copies of reports are required by subdivision 7 to be sent to the local police department or the county sheriff, and except as otherwise provided in sections 3 and 4. Report records maintained by any police department or the county sheriff shall be private data on individuals except the reports shall be made available to the investigating, petitioning, or prosecuting authority. The welfare board shall make available to the investigating, petitioning, or prosecuting authority any records which contain information relating to a

specific incident of neglect or abuse which is under investigation, petition, or prosecution and information relating to any prior incidents of neglect or abuse involving any of the same persons. The records shall be collected and maintained in accordance with the provisions of chapter 13. An individual subject of a record shall have access to the record in accordance with those sections, except that the name of the reporter shall be confidential while the report is under assessment or investigation. After the assessment or investigation is completed, the name of the reporter shall be confidential but shall be accessible to the individual subject of the record upon court order.

Notwithstanding section 138.163, records maintained by local welfare agencies, the police department or county sheriff under this section shall be destroyed as described in clauses (a) to (c):

(a) If upon assessment or investigation a report is found to be ~~unsubstantiated false~~, notice of intent to destroy records of the report shall be mailed to the individual subject of the report. At the subject's request the records shall be maintained as private data. If no request from the subject is received within 30 days of mailing the notice of intent to destroy, the records shall be destroyed.

(b) All records relating to reports which, upon assessment or investigation, are found to be substantiated shall be destroyed seven years after the date of the final entry in the case record.

(c) All records of reports which, upon initial assessment or investigation, cannot be substantiated or disproved to the satisfaction of the local welfare agency, local police department or county sheriff may be kept for a period of one year. If the local welfare agency, local police department or county sheriff is unable to substantiate the report within that period, each agency unable to substantiate the report shall destroy its records relating to the report in the manner provided by clause (a).

Sec. 6. Minnesota Statutes 1984, section 626.557, is amended by adding a subdivision to read:

Subd. 10a. [NOTIFICATION OF NEGLECT OR ABUSE IN A FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed pursuant to section 144A.02 or sections 245.781 to 245.812, the local welfare agency investigating the report shall notify the guardian or conservator of the person of a vulnerable adult under guardianship or conservatorship of the person who is alleged to have been abused or neglected. The local welfare agency shall notify the person, if any, designated to be notified in case of an emergency by a vulnerable adult not under guardianship or conservatorship of the person who is alleged to have been abused or neglected, unless consent is denied by the vulnerable adult. The notice shall contain the following information: the name of the facility; the fact that a report of alleged abuse or neglect of a vulnerable adult in the facility has been received; the nature of the alleged abuse or neglect; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed. The local welfare agency may also provide this information to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guard-

ianship or conservatorship of the person and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred.

(b) When the investigation required under subdivision 10 is complete, the local welfare agency shall provide a written memorandum containing the following information to every guardian or conservator of the person or other person notified by the agency of the investigation under paragraph (a): the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigative findings; a statement of whether the report was found to be substantiated, inconclusive, or false; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the alleged victim and shall not contain the name or, to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation. The local welfare agency may also provide the written memorandum to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the report is substantiated or inconclusive.

(c) In determining whether to exercise the discretionary authority granted under paragraphs (a) and (b), the local welfare agency shall consider the seriousness and extent of the alleged neglect, physical abuse, or sexual abuse and the impact of notification on the residents of the facility. Whenever the local welfare agency exercises this authority, the facility shall be notified.

(d) Where federal law specifically prohibits the disclosure of patient identifying information, the local welfare agency shall not provide any notice under paragraph (a) or any memorandum under paragraph (b) unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 7. Minnesota Statutes 1984, section 626.557, subdivision 12, is amended to read:

Subd. 12. [RECORDS.] (a) Each licensing agency shall maintain summary records of reports of ~~suspected~~ alleged abuse or neglect and ~~suspected~~ alleged violations of the requirements of this section with respect to facilities or persons licensed or credentialed by that agency. As part of these records, the agency shall prepare an investigation memorandum. Notwithstanding section 13.46, subdivision 3, the investigation memorandum shall be accessible to the public pursuant to section 13.03 and a copy shall be provided to any public agency which referred the matter to the licensing agency for investigation. It shall contain a complete review of the agency's investigation, including but not limited to: the ~~facility's~~ name of any facility investigated; ~~if any,~~ a statement of the nature of the ~~suspected~~ alleged abuse or neglect or other violation of the requirements of this section; pertinent in-

formation obtained from medical or other records reviewed; the investigator's name; a summary of the investigation's findings; ~~and a statement of any determination made or whether the report was found to be substantiated, inconclusive, or false; and a statement of any action taken by the agency.~~ The investigation memorandum shall be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the name or, to the extent possible, the identity of the alleged perpetrator or of those interviewed during the investigation. During the licensing agency's investigation, all data collected pursuant to this section shall be classified as investigative data pursuant to section 13.39. After the licensing agency's investigation is complete, the data on individuals collected and maintained shall be private data on individuals. All data collected pursuant to this section shall be made available to prosecuting authorities and law enforcement officials, local welfare agencies, and licensing agencies investigating the alleged abuse or neglect. Notwithstanding any law to the contrary, the name of the reporter shall be disclosed only upon a finding by the court that the report was false and made in bad faith.

(b) Notwithstanding the provisions of section 138.163:

(1) All data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, ~~the licensing agency finds are found to be false~~ may be destroyed two years after the finding was made;

(2) All data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, ~~the licensing agency finds are found to be unsubstantiated inconclusive~~ may be destroyed four years after the finding was made;

(3) All data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, ~~the licensing agency finds are found to be substantiated~~ may be destroyed seven years after the finding was made."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 6, after "sections" insert "13.46, subdivisions 3 and 4;"

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 referred

S.F. No. 1080: A bill for an act relating to animals; prohibiting transfer of certain animals for use in research or experimentation; providing a penalty; amending Minnesota Statutes 1984, section 35.71.

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

Page 5, line 5, delete everything after "establishment" and insert ". No operator of a pound or establishment may receive more compensation from the sale of dogs or cats for research or education purposes than the operator

would have received upon redemption of the animal by the owner."

Page 5, delete lines 6 to 36

Page 6, delete lines 1 to 3

Renumber the subdivisions in sequence

And when so amended the bill do pass. Mr. Benson questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 656: A bill for an act relating to local government; allowing for an increase in the appropriation a county may make for a county humane society in any year; authorizing the Otter Tail county board to adopt an ordinance for the control of dogs and cats; amending Minnesota Statutes 1984, section 343.11.

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

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

S.F. No. 1249: A bill for an act relating to horse racing; making certain technical and clarifying amendments; providing for certain name changes; modifying certain license revocation and suspension procedures; modifying the amounts deducted by the licensee for purses; amending Minnesota Statutes 1984, sections 240.01, subdivision 10; 240.02, subdivision 5; 240.03; 240.04; 240.05, subdivision 2; 240.06, subdivision 2; 240.08, subdivisions 1 and 5; 240.09, subdivisions 2, 3, and 6; 240.13, subdivisions 5 and 6; 240.15, subdivision 6; 240.16, subdivisions 1 and 6; 240.18; 240.22; 240.25, subdivisions 1 and 4; and 240.29.

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

Page 1, line 27, strike the first "the" and strike "on the"

Page 1, line 28, strike "secretary of state" and insert ", in the manner provided in Minnesota rules of court,"

Page 1, line 29, strike everything after the period

Page 2, lines 1 to 7, strike the old language

Page 2, line 6, delete "director"

Page 2, line 8, strike "changes in it."

Page 4, line 13, after "of" insert "racing"

Page 8, after line 19, insert:

"Sec. 14. Minnesota Statutes 1984, section 240.14, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNMENT OF RACING DAYS.] The commission

shall assign racing days to each racetrack licensee authorized to conduct racing with pari-mutuel betting, and a licensee may conduct racing with pari-mutuel betting only on a racing day assigned by the commission. The commission may assign racing days for up to three years beyond the year in which the assignment is made. Assignments of racing days in any year must be made by ~~July 1~~ *December 31* of the previous year, except that days may be assigned after that date to a licensee whose license is issued after that date.

Sec. 15. Minnesota Statutes 1984, section 240.15, subdivision 5, is amended to read:

Subd. 5. [UNREDEEMED TICKETS.] Not later than 100 days after the end of a racing meeting a licensee who sells pari-mutuel tickets must remit to the commission or its representative an amount equal to the total value of unredeemed tickets from the racing meeting. The remittance must be accompanied by a detailed statement of the money on a form the commission prescribes.

Notwithstanding any provision to the contrary in chapter 345, unredeemed pari-mutuel tickets shall not be considered unclaimed funds and shall be handled in accordance with the provisions of this subdivision. Any person claiming to be entitled to the proceeds of any unredeemed ticket who fails to claim said proceeds prior to their being remitted to the commission, may within one year after the date of remittance to the commission file with the commission a verified claim for such proceeds on such form as the commission prescribes along with the pari-mutuel ticket. Unless the claimant satisfactorily establishes the right to the proceeds, the claim shall be rejected. If the claim is allowed, the commission shall pay the proceeds without interest to the claimant. There is hereby appropriated from the general fund to the commission an amount sufficient to make payment to persons entitled to such proceeds."

Page 11, after line 3, insert:

"Sec. 21. Minnesota Statutes 1984, section 240.24, is amended to read:

240.24 [MEDICATION.]

Subdivision 1. [RULES.] 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. 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. [FEES.] The commission shall establish by rule a fee or schedule of fees to recover the costs of medical testing of horses running at racetracks licensed by the commission. Fees charged for the testing of horses shall not exceed \$30 per horse. Fee receipts shall be deposited in the state treasury and credited to the equine drug testing account in the special revenue fund."

Page 12, after line 3, insert:

"Sec. 25. Minnesota Statutes 1984, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. *For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, or gambling authorized under chapter 349.*

Sec. 26. Minnesota Statutes 1984, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. *The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to chapter 240.*

Sec. 27. [REPEALER.]

Minnesota Statutes 1984, section 624.02, is repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 13 and 15 to 27 are effective the day following final enactment. Section 14 is effective August 1, 1985."

Renumber the sections in sequence

Amend the title as follows:

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

Page 1, line 11, after the second semicolon, insert "240.14, subdivision 1;"

Page 1, line 11, delete "subdivision" and insert "subdivisions 5 and"

Page 1, line 12, after "240.22;" insert "240.24;"

Page 1, line 13, delete the second "and" and before the period, insert "541.20; and 541.21; repealing Minnesota Statutes 1984, section 624.02"

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

H.F. No. 143: A bill for an act relating to utilities; providing that gas and electric utilities may not seek compensation from landlords for delinquent

bills incurred through a service agreement solely with the tenant; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Page 2, line 1, after "not" insert ":(1) recover or" and before "from" insert "payment" and after "landlord" insert ", property owner or manager,"

Page 2, line 3, delete "nor" and insert "who has not contracted for the service; (2)"

Page 2, line 4, delete "to another, subsequent customer upon the" and insert "on"

Page 2, line 6, delete "delinquent" and insert "previous"

Page 2, line 7, delete "where" and insert "when" and delete "said" and insert "of the" and delete "customer or"

Page 2, line 8, after "property" insert ":(3) obtain a lien for an outstanding bill or charge whether created by local ordinance or otherwise"

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

H.F. No. 1254: A bill for an act relating to local government; permitting insurance and indemnification of certain municipal electric power personnel; correcting a statutory cross reference; amending Minnesota Statutes 1984, section 453.55, subdivision 11.

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

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

H.F. No. 1037: 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.

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

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

S.F. No. 1258: A bill for an act relating to natural resources; grants to counties to aid in timber development; amending Minnesota Statutes 1984, section 282.38.

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 282.38, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT.] In any county where the county board by proper resolution sets aside funds for timber development pursuant to section 282.08, clause (3)(a), or section 459.06, subdivision 2, the ~~Commissioner~~ *commissioner of Iron Range natural resources* may upon request of the county board assist ~~said~~ *the county* in carrying out any project for the long range development of its timber resources through matching of funds or *other resources. otherwise, provided that any such project shall first be approved by the commissioner of natural resources* *The commissioner of natural resources shall provide funds that are appropriated for timber development as prescribed under sections 2 and 3.*

Sec. 2. Minnesota Statutes 1984, section 282.38, is amended by adding a subdivision to read:

Subd. 4. [COUNTIES ELIGIBLE FOR GRANTS.] (a) *The commissioner shall allocate a timber development appropriation to counties that submit:*

(1) a statement of the amount of set-aside funds under subdivision 1; and

(2) an annual work plan describing timber management and development programs with management targets and the projected costs of each major program category.

(b) A county is not eligible for a grant under this section unless previous grants have been properly spent, or the county returns the unexpended grant money to the commissioner.

(c) A county that receives a grant must submit a report annually to the commissioner of natural resources and the legislative commission on Minnesota resources. The report must show how the grant was used to implement the annual work plan.

Sec. 3. Minnesota Statutes 1984, section 282.38, is amended by adding a subdivision to read:

Subd. 5. [ALLOCATION OF GRANTS.] *The commissioner shall make grants to eligible counties for up to 80 percent of the projected costs. If the appropriation is insufficient, the commissioner shall allocate the appropriation among the eligible counties in proportion to the percentage of the county's eligible land area to the total eligible land area of all eligible counties. The eligible land area of each county is determined by the area of other natural resources land defined under section 477A.12, that is administered by the county. The county auditor must certify the area of land administered by July 31 of each year.*

Sec. 4. [REPEALER.]

Minnesota Statutes 1984, section 282.38, subdivision 3, is repealed."

Amend the title as follows:

Page 1, line 2, before "grants" insert "providing"

Page 1, line 4, before the period, insert ", subdivision 1, and by adding subdivisions; repealing Minnesota Statutes 1984, section 282.38, subdivision 3"

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

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

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; ratifying the Minneapolis/St. Paul housing finance board established under a joint powers agreement; clarifying tax status of public housing property managed by the Minneapolis community development agency; 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.

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

Page 12, line 2, delete "273.68" and insert "272.68"

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. 172: A bill for an act relating to education; providing for aids for education and for libraries, tax levies and the distribution of tax revenues; granting certain powers and duties to school boards, school districts, state board of education, board of teaching, and higher education coordinating board; modifying certain aspects of foundation aid; providing for payment of certain obligations to employees by school districts; providing for open enrollment among school districts with certain limitations; establishing the Minnesota arts resource center; providing for certain programs relating to teachers and pupils; amending Minnesota Statutes 1984, sections 120.03, subdivision 1, and by adding a subdivision; 120.06, subdivision 1; 120.10, subdivision 1; 120.11; 120.15; 120.17, subdivisions 1, 2, 3, 3a, and by adding subdivisions; 121.151; 121.608; 121.609; 121.612, subdivision 3, and by adding a subdivision; 121.88; 121.882; 121.904, subdivisions 4a, 4c, and by adding subdivisions; 121.912, subdivision 1; 121.931, subdivision 7; 121.936, subdivisions 1 and 2; 122.531, subdivisions 5 and 6; 122.86, subdivision 1; 123.36, subdivision 1; 123.39, by adding subdivisions; 123.705, subdivision 1; 123.742, subdivisions 1, 3, 5, and by adding subdivisions; 123.7431; 124.09; 124.14, by adding a subdivision; 124.17, subdivision 1; 124.175; 124.19, subdivisions 1 and 5; 124.195, subdivisions 7, 8, 9, 10, and 11; 124.223; 124.225, subdivisions 1, 3, 4b, 7a, 7b, 8a, 8b, and 10; 124.245; 124.247, subdivision 3; 124.26; 124.271, subdivision 2b, and by adding a subdivision; 124.2711; 124.32, subdivisions 1b, 1d, 2, 5, 7, 10, and by adding a subdivision; 124.573; subdivisions 2 and 3a; 124.574, subdivision 2b; 124.76, subdivision 2; 124A.02, subdivisions 7, 8, and 9; 124A.03, subdivision 4; 124A.033, subdivisions 2, 3, and 5; 124A.036, by adding

subdivisions; 124A.06, subdivision 1, and by adding subdivisions; 124A.10, subdivision 1, and by adding a subdivision; 124A.12, subdivision 1; 124A.14, subdivisions 1, 3, and 4, and by adding subdivisions; 124A.16; 125.03, by adding a subdivision; 125.05, subdivision 1, and by adding a subdivision; 125.12, by adding a subdivision; 125.182, subdivision 1; 125.185, subdivision 4; 125.60, subdivision 3; 129B.04, by adding a subdivision; 129B.17; 129B.20; 129B.21; 129B.34, subdivisions 2 and 3; 129B.35; 129B.36, subdivisions 1, 4, and 5; 129B.37, subdivision 1; 129B.38; 129B.39; 129B.40; 134.35; 134.351, subdivision 1; 136D.27; 136D.74, subdivision 2; 136D.87; 275.125, subdivisions 5b, 5c, 5d, 8, 8b, 11a, and by adding subdivisions; 298.24, subdivision 3; 298.28, subdivision 1; 354.092; 354.094, subdivision 1; 354.43, subdivision 3; 354.53, subdivision 1; 354.66, subdivisions 3 and 4; 354A.094, subdivision 2; 354A.12, subdivision 2; 355.208; 355.209; 355.287; 355.288; 355.46, subdivision 3; amending Laws 1973, chapter 683, section 26, as amended; Laws 1973, chapter 683, section 26, subdivision 17, as amended; Laws 1983, chapter 314, article 8, section 11; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 126; 129B; 134; and 136A; repealing Minnesota Statutes 1984, sections 120.03, subdivisions 2, 3, and 4; 120.68; 121.11, subdivision 7a; 121.601; 122.531, subdivision 3a; 122.89; 123.35, subdivision 14; 123.705, subdivision 2; 123.742, subdivision 2; 123.80, subdivisions 2 and 3; 124.225, subdivisions 4a, 8c, 8d, 8e, 8f, 8g, and 8h; 124.245, subdivision 1; 124.247, subdivision 6; 124.271, subdivisions 2, 2a, and 2c; 124.272; 124.32, subdivision 9a; 124A.02, subdivisions 4a, 17, and 18; 124A.03, subdivision 5; 125.05, subdivision 5; 126.60, subdivision 4; 126.64, subdivision 1; 129B.03; 129B.10; 129B.18; 129B.19; 129B.33, subdivisions 2, 3, 4, and 6; 129B.34; 129B.36, subdivisions 2 and 3; 275.125, subdivision 8a; 354.43, subdivisions 4 and 5; 354.66, subdivision 4a; 354A.12, subdivision 3; 355.46, subdivisions 1, 2, and 5; and 355.47.

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

Page 5, line 7, delete "shall be .0235" and after "levies" insert "and thereafter"

Page 5, line 8, before the period, insert "and thereafter shall be established according to section 7"

Page 6, after line 1, insert:

"Sec. 7. Minnesota Statutes 1984, section 124A.03, is amended by adding a subdivision to read:

Subd. 1a. [ESTABLISHMENT OF BASIC MAINTENANCE MILL RATE.] The commissioner of revenue shall establish the basic maintenance mill rate by August 1 of each year for levies payable in the following year and shall certify the rate to the commissioner of education. The mill rate shall be a rate, rounded up to the nearest tenth of a mill that, when applied to the adjusted assessed valuation of all school districts under section 124A.03, subdivision 1 or 3, as applicable, raises the total amount specified in this subdivision. The amount levied by a school district to replace aids subtracted pursuant to section 124A.037 shall not be included when computing the mill rate. After the mill rate has been certified to the commissioner of education, it shall not be recomputed for changes or corrections to a district's adjusted

assessed valuation. The basic maintenance mill rate for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year shall be established at a rate that raises a total of \$717,000,000."

Page 28, line 2, delete "34" and insert "35" and delete "20" and insert "21"

Page 28, line 3, delete "30" and insert "31"

Renumber the sections of article I in sequence

Page 54, line 27, after "*disability*" insert "*or an emotional/behaviorial disorder*" and delete the second "a"

Page 54, line 28, delete "*condition*" and insert "*conditions*"

Page 54, line 29, after "*disability*" insert "*and emotional/behaviorial disorder*"

Page 65, line 27, delete "(4)" and insert "(5)"

Page 69, line 18, delete "(4), *as amended*" and insert "(5)"

Page 86, lines 18 and 20, delete "*between*" and insert "*among*"

Page 88, line 11, delete "*sections*" and insert "*section 2 and Minnesota Statutes, section*"

Page 88, line 12, delete "*and 2*"

Page 92, line 24, reinstate the stricken "For the"

Page 92, line 25, after the stricken "1983-1984" insert "1985-1986" and reinstate the stricken "school year"

Page 92, line 29, after the period, insert "*For the 1986-1987 school year and thereafter, the state shall pay a school district the difference by which an amount equal to \$50 per pupil unit exceeds the amount raised by four mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.*"

Page 94, line 6, after "to" insert "*chapter 136D,*"

Page 94, line 7, delete "*136D,*"

Page 96, line 4, after "to" insert "*chapter 136D,*"

Page 96, line 5, delete "*136D,*"

Page 101, line 28, delete "*, subdivision*"

Page 101, line 29, delete "9,"

Pages 103 and 104, delete section 14 and insert:

"Sec. 14. Minnesota Statutes 1984, section 275.125, subdivision 11b, is amended to read:

Subd. 11b. [SPECIAL PURPOSE CAPITAL EXPENDITURE LEVY.] In addition to the levy authorized in subdivision 11a, each year a school district may levy an amount not to exceed the amount equal to ~~\$25~~ \$50 per total pupil unit. No levy under this clause shall exceed ~~two~~ four mills times the adjusted assessed valuation of the property in the district for the preceding year. The

proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for the following:

(a) for energy audits on district-owned buildings, and for funding those energy conservation and renewable energy measures which the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent that the projected energy cost savings will amortize the cost of the conservation measures within a period of ten years or less;

(b) for capital expenditures for the purpose of reducing or eliminating barriers to or increasing access to school facilities by handicapped persons;

(c) for capital expenditures to bring district facilities into compliance with the uniform fire code adopted pursuant to chapter 299F;

(d) for expenditures for the removal of asbestos from school buildings or property ~~or for~~, asbestos encapsulation, *or asbestos-related repairs*;

(e) for expenditures for the cleanup and disposal of polychlorinated biphenyls *found in school buildings or property*; ~~and~~

(f) to pay principal and interest on loans from the state authorized by sections 116J.37 and 298.292 to 298.298; *and*

(g) for capital improvements and repairs of school sites, buildings, and attached fixtures."

Page 107, line 10, delete "\$57,600" and insert "\$94,500"

Page 107, line 15, delete "\$50,700" and insert "\$87,600"

Page 107, line 18, delete "\$59,600" and insert "\$103,000"

Page 107, line 28, delete "\$57,000" and insert "\$6,300"

Page 107, line 33, delete everything after "1987" and insert a period

Page 107, delete line 34

Page 107, line 36, delete "and \$59,600 for fiscal year 1987"

Page 117, line 1, delete the second "subdivision" and insert "subdivisions" and after "8a" insert "and 11c"

Page 117, line 6, delete "subdivision" and insert "subdivisions" and after "1" insert "and 4"

Page 117, line 7, delete "is" and insert "are"

Pages 129 to 135, delete sections 24 to 28

Page 136, line 27, delete "29" and insert "24"

Page 136, delete lines 29 to 36

Page 137, delete line 1

Renumber the sections of article 7 in sequence

Page 175, after line 5, insert:

"Subd. 28. [PROJECT GRANT.] For a one-time grant to independent school district No. 621, Mounds View, for the purpose of the WICAT project there is appropriated:

\$12,000_____1986;

\$12,000_____1987.

The grant shall be used for costs of a service contract and a portion of the coordinator's salary."

Page 175, line 6, delete "28" and insert "29"

Page 176, line 8, delete "23" and insert "24"

Page 185, after line 8, insert:

"Sec. 11. Laws 1984, chapter 462, article 9, section 9, is amended to read:

Sec. 9. [EDUCATION AIDS INCREASE ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] There is established an education aids increase account in the general fund of the state treasury for the deposit of funds to insure adequate funding for increases in aids to school districts for the biennium beginning July 1, 1985 education.

Subd. 2. [INITIAL TRANSFER.] The commissioner of finance shall transfer \$23,000,000 to the education aids increase account on July 1, 1984.

Subd. 3. 2. [CONTINGENT TRANSFERS.] If forecasts of general fund revenues and expenditures prepared by the commissioner of finance pursuant to chapter 16A prior to December 1, 1984, indicate a projected general fund balance for the biennium ending June 30, 1985, the commissioner shall transfer the amount of the balance to the education aids increase account; however, in no case shall the cumulative total of all transfers according to this subdivision exceed \$27,000,000. Transfers to the education aids increase account shall remain in the account until expended appropriated.

Subd. 4. 3. [EXPIRATION OF ACCOUNT.] The education aids increase account shall expire on June 30, 1987. Any unexpended moneys in the education aids increase account on June 30, 1987, shall be transferred to the general fund.

Sec. 12. [APPROPRIATION FOR EDUCATION AIDS INCREASE.]

\$50,000,000 is appropriated from the education aids increase account to the general fund for the purpose of paying education aids for fiscal years 1986 and 1987."

Renumber the sections of article 10 in sequence

Amend the title as follows:

Page 1, line 36, after "subdivision 4" insert ", and by adding a subdivision"

Page 2, line 5, after "11a," insert "11b,"

Page 2, line 14, after the semicolon, insert "Laws 1984, chapter 462, article 9, section 9;"

Page 2, lines 22 and 29, delete "subdivision" and insert "subdivisions"

Page 2, line 23, before the first semicolon, insert "and 4"

Page 2, line 30, after "8a" insert "and 11c"

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

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

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; limiting the use of transit assistance funds; extending unclassified coverage to certain employees; giving the transit board condemnation authority; making various changes in contract transit programs; authorizing issuance of bonds by the board; giving the board authority over regular route fares; regulating management contracts; prohibiting certain persons from receiving remuneration from certain suppliers; providing for various standards and procedures of metropolitan commissions; requiring reports and plans; regulating duties of the regional transit board; providing for the audit of certain metropolitan commissions; appropriating money; amending Minnesota Statutes 1984, sections 15.0591, subdivision 2; 15A.081, subdivision 1, and by adding a subdivision; 174.32, subdivisions 1, 2, and 3; 473.129, by adding a subdivision; 473.141, subdivisions 9 and 13, and by adding a subdivision; 473.163, by adding a subdivision; 473.245; 473.373, subdivisions 2, 4, and 7; 473.375, subdivisions 1 and 16, and by adding a subdivision; 473.38, subdivision 1; 473.375, subdivision 4; 473.384, subdivision 6; 473.386, subdivision 2; 473.39, by adding a subdivision; 473.405, subdivision 12; and 473.435, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Page 15, line 7, delete "23" and insert "24"

Page 15, line 8, delete "35" and insert "36"

Page 16, line 31, delete "[473.3956]" and insert "[473.3955]"

Page 17, line 4, delete "[473.3957]" and insert "[473.3956]"

Page 17, line 12, delete "[473.3958]" and insert "[473.3957]"

Page 17, line 19, delete "[473.3959]" and insert "[473.3958]"

Page 17, line 23, delete "[473.396]" and insert "[473.3959]"

Page 17, line 30, delete "[473.3961]" and insert "[473.396]"

Page 17, line 34, delete "[473.3962]" and insert "[473.3961]"

Page 17, line 35, delete "24" and insert "25" and delete "31" and insert "32"

Page 19, after line 23, insert:

"Sec. 39. Minnesota Statutes 1984, section 473.446, subdivision 1, is amended to read:

473.446 [TRANSIT TAX LEVIES.]

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the regional transit board shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) An amount up to two mills times the assessed value of all such property, based upon the level of transit service provided for the property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, to which property taxes under this section have been pledged; and

(c) An additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, or other obligations issued or to be issued pursuant to section under sections 473.39 and 473.436 for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the commission or board has specifically pledged tax levies under this clause.

The county auditor shall reduce the tax levied pursuant to this subdivision on all property within *statutory and home rule charter cities* ~~or~~ and towns that receive full peak service and limited off-peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.5 mills on the property. The county auditor shall reduce the tax levied pursuant to this subdivision on all property within *statutory and home rule charter cities* ~~or~~ and towns that receive limited peak service by an amount equal to the tax levy that would be produced by applying a rate of 0.75 mills on the property. The amounts so computed by the county auditor shall be submitted to the commissioner of revenue as part of the abstracts of tax lists required to be filed with the commissioner under section 275.29. Any prior year adjustments shall also be certified in the abstracts of tax lists. The commissioner shall review the certifications to determine their accuracy. He may make changes in the certification as he may deem necessary or return a certification to the county auditor for corrections. The commissioner shall pay to the regional transit board the amounts certified by the county auditors on the dates provided in section 273.13, subdivision 15a, clause (3). There is annually appropriated from the general fund in the state treasury to the department of revenue the amounts necessary to make these payments in fiscal year 1987 and thereafter.

For the purposes of this subdivision, "full peak and limited off-peak service" means peak period service, plus weekday midday service ~~with a frequency of more at intervals longer~~ than 60 minutes on the route with the greatest frequency; and "limited peak period service" means peak period service only.

Sec. 40. Minnesota Statutes 1984, section 473.446, subdivision 1a, is amended to read:

Subd. 1a. [TAXATION WITHIN TRANSIT AREA.] For the purposes of sections 473.401 to 473.451, and the metropolitan transit system, the ~~metro-~~

~~metropolitan transit commission~~ *regional transit board* shall levy upon all taxable property within the metropolitan transit area but outside of the metropolitan transit taxing district, defined in subdivision 2, a transit tax, which shall be equal to ten percent of the sum of the levies provided in subdivision 1, clauses (a) to (c). The proceeds of this tax shall be used only for paratransit services or ride sharing programs designed to serve persons located within the transit area but outside of the transit taxing district.

Sec. 41. Minnesota Statutes 1984, section 473.446, subdivision 2a, is amended to read:

Subd. 2a. [PROTECTION OF RIGHTS OF HOLDERS OF OUTSTANDING INDEBTEDNESS.] The provisions of subdivisions 1 and 2 or any other law changing the boundaries of the metropolitan transit taxing district or reducing the levy otherwise required to be levied within the district shall not be deemed to impair the rights of holders of outstanding indebtedness of the ~~commission~~ to require the ~~certification to the transit board~~ levy of property taxes, if necessary to provide for any deficiency in accordance with the conditions of such indebtedness, on all property within the limits of the metropolitan transit taxing district as such limits were in effect at the date of issuance of such indebtedness.

Sec. 42. Minnesota Statutes 1984, section 473.446, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION AND COLLECTION.] On or before October 10 in each year the ~~commission~~ *regional transit board* shall certify the total amount of the tax levied pursuant to subdivision 1 to the auditor of each metropolitan county. Each county auditor shall then assess and extend upon the tax rolls in his county that proportion of the tax which the assessed value of taxable property in his county bears to the assessed value of all taxable property in the metropolitan area. Each county treasurer shall collect and make settlement of such taxes with the treasurer of the ~~commission~~ *board*. The levy of transit taxes pursuant to this section shall not affect the amount or rate of taxes which may be levied by any county or municipality or by the ~~commission~~ *board* for other purposes authorized by law and shall be in addition to any other property tax authorized by law."

Page 18, line 3, delete "[473.3963]" and insert "[473.3962]"

Page 18, line 7, delete "[473.3965]" and insert "[473.3963]"

Page 19, line 32, delete "for transfer to the metropolitan taxicab"

Page 19, line 33, delete "commission" and delete "23" and insert "24" and delete "35" and insert "36" and delete "39" and insert "43"

Page 19, line 34, delete "commission" and insert "board"

Page 21, after line 27, insert:

"Sec. 47. [REPEALER.]

Minnesota Statutes 1984, section 473.446, subdivision 6, is repealed."

Page 21, line 29, delete "22, 36 to 38, 41, and" and insert "23, and 37 to"

Page 21, line 30, delete "23" and insert "24" and delete "35, 39, and 40" and insert "36"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 31, delete "and"

Page 1, line 32, before "proposing" insert "and 473.446, subdivisions 1, 1a, 2a, and 3;"

Page 1, line 33, before the period, insert "; repealing Minnesota Statutes 1984, section 473.446, subdivision 6"

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

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

S.F. No. 1104: A bill for an act relating to taxation; making administrative and technical changes to income tax and property tax refund provisions; amending Minnesota Statutes 1984, sections 80A.09, subdivision 1; 136D.28, subdivision 4; 136D.741, subdivision 7; 136D.89, subdivision 4; 270.67, by adding a subdivision; 270.75, subdivision 4; 290.06, subdivision 3d; 290.069, subdivision 5; 290.08, subdivision 8; 290.09, subdivision 4; 290.095, subdivisions 3 and 10; 290.101, subdivision 1; 290.172; 290.18, subdivision 2; 290.42; 290.50, subdivision 2; 290.523, subdivision 2; 290.92, subdivisions 5a, 6, 19, and 28; 290.97; 290.9726, subdivision 2; 290A.03, subdivisions 3 and 11; 290A.11, subdivision 2, and by adding a subdivision; 290A.19; repealing Laws 1983, chapters 213, section 2; and 247, section 122; and Laws 1984, chapter 514, article 2, section 13.

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

Page 1, after line 22, insert:

"Section 1. Minnesota Statutes 1984, section 60A.13, subdivision 1a, is amended to read:

Subd. 1a. In addition, on or before March 1 of each year, an insurance company, including ~~fraternal beneficiary associations~~ and reciprocal exchanges, doing business in Minnesota shall file with the commissioner of revenue a copy of the annual statement required by subdivision 1. A company that fails to file a copy of the statement with the commissioner is subject to the penalties in section 72A.061."

Page 3, line 9, after "appeal" insert "to the tax court"

Page 5, delete section 9

Page 9, line 3, after "filed" insert "; provided that the commissioner and the taxpayer may agree to extend this period beyond four years"

Page 16, line 4, after "individual" insert "by the same person"

Page 17, lines 35 and 36, delete the new language

Page 18, line 1, delete the new language

Page 18, line 28, delete "For purposes of this"

- Page 18, line 29, delete "*chapter,*"
- Page 20, line 11, delete "*commission*" and insert "*commissioner*"
- Page 20, line 20, delete "*1 to 4, 7*" and insert "*2 to 5, 8*"
- Page 20, line 21, delete "*5*" and insert "*6*"
- Page 20, line 22, delete "*6*" and insert "*7*"
- Page 20, line 24, delete "*8*" and insert "*9*"
- Page 20, line 28, delete everything after the period
- Page 20, line 29, delete everything before "*Section*"
- Page 20, line 30, delete "*the day after final enactment, and applies to*" and insert "*for*"
- Page 20, line 31, delete "*within two*" and insert "*after January 1, 1983.*"
- Page 20, line 32, delete everything before "*Section*"
- Renumber the sections of article 1 in sequence
- Page 21, line 6, delete the new language
- Page 21, line 7, delete "*are allowed to*" and insert "*may not*"
- Page 23, line 15, reinstate the stricken "*The alternate shall be*"
- Page 23, line 16, after the stricken "*in*" insert "*an employee of*" and reinstate the stricken "*the department of revenue.*"
- Page 25, line 30, delete "*a tax imposed*" and insert "*an understatement of liability.*"
- Page 25, delete line 31
- Page 27, line 7, begin a new paragraph with "*In*"
- Amend the title as follows:
- Page 1, line 5, after "*sections*" insert "*60A.13, subdivision 1a;*"
- Page 1, line 10, delete "*subdivisions 3 and*" and insert "*subdivision*"
- 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. 1220: A bill for an act relating to the city of Wadena; permitting the establishment of a port 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. 616: A bill for an act relating to the city of Warroad; permitting the establishment of a port 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. 904: A bill for an act relating to the city of Red Wing; granting the city of Red Wing the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

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. 639: A bill for an act relating to local government; providing for the conduct of the business of towns; providing for certain town debt; authorizing certain towns to provide certain services; revising various other town laws; amending Minnesota Statutes 1984, sections 160.17, subdivision 1; 160.25, subdivision 3; 163.11, subdivision 5a, and by adding a subdivision; 164.06; 365.10; 365.37; 365.44; 366.095; 367.03, subdivision 2; 367.10; 367.23; 444.075; and 471.56, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 379; repealing Minnesota Statutes 1984, section 375.18, subdivisions 4, 5, and 6.

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

Page 8, line 7, after "city" insert "*wherever located, except a city of the first class,*"

Page 8, line 10, strike "home rule charter city,"

Page 8, line 11, strike the language before "may" and insert "*municipality*"

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. 1447: A bill for an act relating to the city of Breckenridge; 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. 721: A bill for an act relating to the city of Plymouth; permitting the establishment of a port authority; amending Laws 1984, chapter 397, section 1.

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

H.F. No. 58: A bill for an act relating to the town of Moorhead; allowing the town certain powers.

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

Page 1, line 8, delete "of a town" and delete "368.01," and insert "444.075."

Page 1, delete line 9

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. 1087: A bill for an act relating to drainage; authorizing the construction of roads rather than crossings in certain instances; proposing coding for new law in Minnesota Statutes, chapter 106.

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

Delete everything after the enacting clause and insert:

"Section 1. [106.272] [CONSTRUCTION OF ROAD INSTEAD OF BRIDGE OR CULVERT.]

If the drainage authority finds that constructing a private road would be more cost effective or practical than constructing a bridge or culvert, the drainage authority may order that a private road be constructed. The private road must be constructed and maintained in the same manner as a bridge or culvert. The private road must be constructed in a manner suitable for farm vehicles, but may not have a right-of-way wider than 33 feet. The drainage authority has jurisdiction over the land required for the private road and the road is part of the drainage system.

Sec. 2. Minnesota Statutes 1984, section 106.471, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION; MAINTENANCE OF BRIDGES.] (a) The term "repair" as used in this section means restoring all or a part of a ditch system as nearly as practicable to the same condition as when originally constructed or subsequently improved, including resloping of open ditches and leveling of waste banks if deemed essential to prevent further deterioration, and routine operations as may be required from time to time to remove obstructions and preserve the efficiency of the ditch.

(b) After construction, all highway bridges and culverts on any ditch system established by proceedings instituted on or after March 25, 1947, shall be maintained by the municipality or public authority charged with the duty of maintaining the same as set forth in section 106.271. Private bridges and culverts, constructed as a part of any ditch system established by proceedings instituted on or after March 25, 1947, shall be maintained by the ditch authority as a part of the ditch system. Private bridges or culverts constructed as a part of any ditch system established by proceedings instituted before March 25, 1947, may be maintained, repaired, or rebuilt, as a part of the ditch by the ditch authority at the option of the ditch authority and the cost may be paid in whole or part by the ditch system.

(c) In proceedings for the repair of a public drainage ditch in which a redetermination of benefits is made as set forth in section 106.465, the drainage authority may direct that any existing bridge or culverts constructed as part of the ditch system which serve as township or city roadways, be repaired or rebuilt as a part of the ditch by the ditch authority, and the cost may be paid in whole or in part by the ditch system.

(d) In a repair proceeding under this section, if the drainage authority finds that constructing a private road is more cost-effective or practical than constructing a bridge or culvert, a drainage authority may order a private road to be constructed under section 1 instead of a bridge or culvert."

Amend the title as follows:

Page 1, line 3, delete "crossings" and insert "bridges or culverts" and after the semicolon, insert "amending Minnesota Statutes 1984, section 106.471, subdivision 1;"

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

H.F. No. 521: A bill for an act relating to counties; allowing counties to dispose of interests in land without reserving mineral rights under certain circumstances; amending Minnesota Statutes 1984, section 373.01, 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. [WINONA COUNTY; CONVEYANCE OF ERRONEOUSLY ACQUIRED HIGHWAY RIGHT OF WAY.]

Notwithstanding Minnesota Statutes, section 373.01, subdivision 1, or any other law to the contrary, the county board of Winona county may convey to a private person by private sale, free of any public purposes requirement or limitation, any interests in real property, including minerals and mineral rights, acquired by error for highway purposes and described as follows: A strip of land 66 feet wide and 2166 feet long located in the East Half of the Northeast Quarter of Section 19, Township 105 North, Range 8 West, as

more particularly described in that warranty deed to Winona county dated June 21, 1929, which was filed for record on July 26, 1929, as document number 89426, and recorded in Book 151 of Deeds, page 141.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to Winona county; authorizing the conveyance of certain erroneously acquired highway right of way."

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

H.F. No. 231: A bill for an act relating to St. Louis county; authorizing a private sale of certain tax-forfeited land.

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

Delete everything after the enacting clause and insert:

"Section 1. [ST. LOUIS COUNTY CONVEYANCE.]

(a) Notwithstanding the public sale requirements of Minnesota Statutes, section 282.01, St. Louis county may sell and convey tax-forfeited land described in paragraph (b) to Daniel and Candy Solowiej of Duluth, Minnesota, at private sale, but otherwise in the manner provided for appraisal, sale and conveyance of tax-forfeited land by Minnesota Statutes, chapter 282.

(b) The land that may be sold is in St. Louis county and described as:

that portion of the southeast quarter of the northwest quarter of Section 18, Township 51, Range 17, lying north and east of the existing Duluth, Mesabi and Iron Range Railroad right of way, consisting of approximately 7.4 acres.

The county may provide a more accurate legal description.

(c) The property was not surveyed before the Solowiejs purchased adjoining property. The Solowiejs built a house on an existing foundation that is partially located on the property described in paragraph (b)."

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

H.F. No. 18: A bill for an act relating to game and fish; authorizing resident licenses for trainees at Camp Ripley during open seasons; amending Minnesota Statutes 1984, section 98.47, subdivision 3.

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 98.47, is amended by adding a subdivision to read:

Subd. 3a. The commissioner shall issue a resident license to take fish to a person who is in the military and in training at Camp Ripley."

Amend the title as follows:

Page 1, delete line 3

Page 1, line 4, delete "seasons" and insert "fishing license for military persons training at Camp Ripley"

Page 1, line 5, after the comma, insert "by adding a" and delete "3"

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

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

S.F. No. 1398: A bill for an act relating to deposit and investment of public funds; modifying the collateral requirements for public deposits; amending Minnesota Statutes 1984, sections 118.005, subdivision 1; 118.01; 475.66, subdivision 1; and 475.76, subdivision 1.

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

Page 1, lines 11 and 13, reinstate the stricken language

Page 1, lines 11, 12, and 14, delete the new language

Page 1, line 16, reinstate the stricken language and delete the new language and after the period, insert "*The governing body may authorize the treasurer or chief financial officer to exercise the powers of the governing body in designating a depository of the funds.*"

Page 3, line 6, reinstate the stricken "governing body of the municipality"

Page 3, line 7, after the stricken "designation" insert "*may sell or authorize the*" and strike "shall have"

Page 3, line 8, strike "full power and authority"

Page 4, line 23, after "*by the*" insert "*governing body of the municipality or the*"

Page 4, line 24, after "*officer*" insert "*, if approval authority is designated to the treasurer or chief financial officer*"

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.

H.F. No. 701: A bill for an act relating to human services; allowing the county boards to serve as the community mental health center boards;

amending Minnesota Statutes 1984, section 245.66.

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

Delete everything after the enacting clause and insert:

“ARTICLE I

Section 1. [PURPOSE.]

The legislature finds that profound changes in the state economy and in the availability and nature of federal support have created new needs among the people of this state for assistance in their quest for jobs, for training to fill those jobs, for income maintenance programs, and for a wide array of other human services. At the same time, those changes have altered the role of state government in the planning, development, and delivery of all human services, creating a need for coordinating all the agencies that share responsibilities for those services. Accordingly, the legislature finds that in order to maximize productivity of human resources and economic opportunity within the state of Minnesota, it is necessary to streamline and coordinate the state's employment, training, and public assistance programs and to set new priorities so that state government might better meet its duty to help its citizens realize the dignity of a paycheck and achieve economic independence. Further, the legislature finds it necessary to act swiftly and decisively to achieve the dual goal of lowering the unemployment rate among the people of this state and decreasing the welfare caseload that is at once a reflection of the difficulties challenging some and a burden that must be borne by all.

Sec. 2. Minnesota Statutes 1984, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

	Salary Range Effective July 1, 1983
Commissioner of education;	\$57,500-\$70,000
Commissioner of finance;	
Commissioner of transportation;	
Commissioner of human services;	
Chancellor, community college system;	
Chancellor, state university system;	
Director, vocational technical education;	
Executive director, state board of investment;	
Coordinator of full productivity and opportunity;	
Commissioner of administration;	\$50,000-\$60,000
Commissioner of agriculture;	
Commissioner of commerce;	
Commissioner of corrections;	
Commissioner of economic security employ-	

ment and training;

Commissioner of employee relations;

Commissioner of energy and economic development;

Commissioner of health;

Commissioner of labor and industry;

Commissioner of natural resources;

Commissioner of revenue;

Commissioner of public safety;

Chairperson, waste management board;

Chief administrative law judge; office of administrative hearings;

Director, pollution control agency;

Director, state planning agency;

Executive director, higher education coordinating board;

Executive director, housing finance agency;

Executive director, teacher's retirement association;

Executive director, state retirement system;

Commissioner of human rights;

\$40,000-\$52,500

Director, department of public service;

Commissioner of veterans' affairs;

Director, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board;

Director, zoological gardens.

Sec. 3. Minnesota Statutes 1984, section 86.33, is amended by adding a subdivision to read:

Subd. 2. [PROJECT COORDINATION.] Prior to submitting projects to the governor, the commissioner of natural resources shall consult with the full productivity and opportunity coordinator and shall develop a biennial plan which establishes: a priority for unemployed individuals who are economically disadvantaged as defined in Public Law 97-300; the ways in which participants will be assisted in gaining ongoing employment or training upon completing the projects; and how specific projects are coordinated with other publicly authorized or subsidized programs.

Sec. 4. Minnesota Statutes 1984, section 86.33, is amended by adding a subdivision to read:

Subd. 3. [REPORTING.] The commissioner of natural resources shall cooperate with the full productivity and opportunity coordinator in developing and implementing any evaluation and reporting systems for employment and training programs.

Sec. 5. Minnesota Statutes 1984, section 116J.035, is amended by adding a subdivision to read:

Subd. 3. [BIENNIAL PLAN.] The commissioner shall prepare a biennial plan which must cover the community development corporation program and which must be available to the full productivity and opportunity coordinator for use in developing a biennial statewide employment and training plan.

Sec. 6. Minnesota Statutes 1984, section 116L.03, subdivision 7, is amended to read:

Subd. 7. [OFFICES.] The commissioner of ~~administration~~ *employment and training* shall *upon request* provide office space and support services for the board ~~within the capitol area complex~~.

Sec. 7. Minnesota Statutes 1984, section 116L.04, is amended by adding a subdivision to read:

Subd. 3. [BIENNIAL PLANS.] *The board shall prepare a biennial plan which must be available to the full productivity and opportunity coordinator for use in developing a biennial statewide employment and training plan.*

Sec. 8. Minnesota Statutes 1984, section 129A.02, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER.] The commissioner is the chief executive officer of the department of *employment and training* and is the successor to the powers and duties of the former assistant commissioner of vocational rehabilitation. ~~The commissioner shall be appointed by the governor and serve under the provisions of section 15.06. The commissioner shall be a person having substantial experience in the administration and financing of vocational rehabilitation programs.~~

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.*

Sec. 11. Minnesota Statutes 1984, section 178.03, is amended by adding a subdivision to read:

Subd. 5. [COORDINATION AND PLANNING.] *The commissioner of labor and industry shall consult with the full productivity and opportunity coordinator and, in conjunction with the apprenticeship advisory council and the apprenticeship committees, shall develop a biennial plan for preparing, recruiting, and the successful participation of economically disadvantaged, chronically unemployed, minority, and female individuals in apprenticeship programs.*

Sec. 12. Minnesota Statutes 1984, section 245.87, is amended to read:

245.87 [ALLOCATIONS.]

For the purposes of section 245.84, subdivision 2, 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 migrant day care services, administrative costs and statewide projects. At least ten percent of the total program allocation under section 245.84, subdivision 1 shall be designated for interim financing. The commissioner is further instructed that the allocation in each area be based on a need and population basis.

Sec. 13. Minnesota Statutes 1984, section 248.07, is amended to read:

248.07 [COMMISSIONER OF HUMAN SERVICES EMPLOYMENT AND TRAINING, DUTIES.]

Subdivision 1. [COOPERATION.] It shall be the duty of the commissioner of *human services employment and training* to cooperate with state and local boards and agencies, both public and private, in preventing loss of sight, in alleviating the condition of blind persons and persons of failing sight, in extending and improving the education, advisement, training, placement, and conservation of the blind, and in promoting their personal, economic, social, and civic well being. *In furtherance of this duty, the commissioner shall create a distinct division with its own activity budget within the department of employment and training to provide and coordinate the services to the blind.*

Subd. 2. [STATISTICS.] The commissioner of *human services employment and training* shall collect statistics of the blind, including their present physical and mental condition, causes of blindness, capacity for education and industrial training, and any further information looking toward the improvement of their condition that may be desired.

Subd. 3. [SPECIAL ATTENTION.] The commissioner of *human services employment and training* shall give special attention to the cases of handicapped youth who are eligible to attend the Minnesota Braille and sight-saving school, the Minnesota school for the deaf, or the public school classes for handicapped children, but are not in attendance thereat, or are not receiving adequate instruction elsewhere. The commissioner shall report all such cases to the school district of the individual's residence and to the state board of education.

Subd. 4. [VOCATIONAL TRAINING.] The commissioner of *human services employment and training* shall endeavor to secure for the adult blind of the state and youths of legal working age such vocational training, labor, and employment as may be adapted to their respective capacity, and shall so far as may be feasible aid such persons in securing any provisions which may be made by the school for the blind or other state agencies for the betterment of their lot. When vocational training under the division of vocational rehabilitation is secured, such aid may take the form of payments for the maintenance of persons in training, under rules to be adopted by the commissioner of human services. Any person who shall be entitled to training under this subdivision shall have the right to choose from available programs such training as in his opinion would be suitable and practical for him.

Subd. 5. [AIDS.] The commissioner of ~~human services employment and training~~ shall further be empowered to aid the blind: (1) By home instruction and training; (2) by assisting them in securing tools, appliances, and supplies; (3) by aid in marketing the products of their labors; (4) by care and relief for blind persons who are not capable of self-support; and, (5) in any other practicable means of alleviating their condition.

Subd. 7. [BLIND, VENDING STANDS AND MACHINES ON GOVERNMENTAL PROPERTY.] For the rehabilitation of blind persons the commissioner of ~~human services employment and training~~ shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by any department of the state of Minnesota except the department of natural resources properties operated directly by the Division of State Parks and not subject to private leasing. The merchandise to be dispensed by such vending stands and machines may include soft drinks, (except 3.2 beer), milk, food, candies, tobacco, souvenirs, notions and related items. Such vending stands and vending machines herein authorized shall be operated on the same basis as other vending stands for the blind established and supervised by the commissioner of human services. The commissioner of ~~human services employment and training~~ may waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

Subd. 8. [USE OF REVOLVING FUND, LICENSES FOR OPERATION OF VENDING MACHINES.] The revolving fund created by Laws 1947, Chapter 535, Section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal grants due to the operation thereof shall also be paid into the fund. All equipment, supplies, and expenses for setting up these stands shall be paid for from the fund. Authority is hereby given to the commissioner of ~~human services employment and training~~ to use the moneys available in the revolving fund for the establishment, operation and supervision of vending stands by blind persons for the following purposes: (1) purchase, upkeep and replacement of equipment; (2) purchase of initial and replacement stock of supplies and merchandise; (3) expenses incidental to the setting up of new stands and improvement of old stands; (4) purchase of general liability insurance as deemed advisable for any vending stand by the commissioner; (5) reimbursement to individual blind vending operators for reasonable travel and maintenance expenses incurred in attending supervisory meetings as called by the commissioner of ~~human services employment and training~~; (6) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each blind vending operator information on all matters relevant to the fringe benefits. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual stand.

The commissioner shall issue each license for the operation of a vending

stand or vending machine for an indefinite period but he may terminate any license in the manner provided. In granting licenses for new or vacated stands preference on the basis of seniority of experience in operating stands under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the stand is located.

Subd. 9. [TRAINING OF SELECTED APPLICANTS.] Each applicant selected by the commissioner for a license to operate a vending stand or vending machine shall be given training in the operation and conduct of such vending stand or vending machine.

Subd. 10. [REVOCATION OF LICENSES; HEARING.] The commissioner shall not revoke any license except for good cause shown. An opportunity for a fair hearing shall be afforded any operator within 30 days after revocation of license.

Subd. 11. [POLICY CHANGES; NOTICE AND HEARING.] Any major changes in policies made by the commissioner in the conduct of this program will be preceded by a public hearing. Each operator shall be given 30 days notice of such hearing.

Subd. 12. [REIMBURSEMENT OUT OF STATE DISTRIBUTION OF BRAILLE AND TALKING BOOKS.] The commissioner of *human services employment and training* shall obtain reimbursement from other states for the estimated cost of handling of Braille books and talking books for the blind distributed by the department of human services to users in such other states and may contract with the appropriate authorities of such states to effect such reimbursement. All money received hereunder shall be paid to the state treasurer and placed in the general fund.

Subd. 13. [REHABILITATION FACILITIES.] From the funds appropriated for vocational rehabilitation of the blind and matching federal funds available for the purpose, the commissioner of *human services employment and training* may make grants, upon such terms as he may determine, to public or nonprofit organizations for the establishment, maintenance or improvement of rehabilitation facilities or sheltered workshops for the blind.

Subd. 14. [TRAINING OF WORKERS FOR REHABILITATION OF BLIND.] From funds provided by the state or the United States for the rehabilitation of blind persons, the commissioner of *human services employment and training* may make provision for:

(1) Specialized supplementary training of professional workers employed by services for the blind, which shall consist of selected courses of study designed to improve worker techniques in providing assistance with adjustment to blindness, guidance, training and vocational placement services to blind children and adults;

(2) The employment of student trainees enrolled in graduate school programs. Such trainees to be employed on a one-third time basis during the regular school term and on a full time basis during the extra school term. Student trainees shall not be counted against the regular staff complement and shall not exceed eight in number employed concurrently.

Subd. 14a. [RULES.] The commissioner of *human services employment*

and training shall, no later than February 1, 1985, adopt rules to set standards for the provision of rehabilitative services to blind and visually handicapped persons. The rules shall, at a minimum, contain program definitions and set standards for basic eligibility, including financial need eligibility and definitions of legal blindness.

The rules shall provide for the development of formal rehabilitation plans for eligible clients and shall govern the provision of direct rehabilitative services to clients, including placement in training programs, and providing tools and equipment. In addition, the rules shall set standards for appeals filed under subdivision 15, and include specific requirements for timely responses by the agency.

Subd. 15. [APPEALS FROM AGENCY ACTION.] An applicant for or recipient of rehabilitation service who is dissatisfied with an agency's action with regard to the furnishing or denial of services may:

(1) File a request for an administrative review and redetermination of that action to be made by a ~~member or members of the supervisory staff of the state agency~~ *the commissioner*.

(2) ~~When an individual is dissatisfied with the findings of this administrative review, he shall be granted an opportunity for a fair hearing before the state administrator or his designee.~~

(3) If further appeal is deemed necessary by the applicant or recipient, his grievance shall be considered and relief if any recommended by an appeal committee. The committee shall be composed of one person nominated by the applicant or recipient, one person nominated by the agency, and a third person nominated jointly by the applicant or recipient and the agency. If the third person cannot be mutually agreed upon within ten days of the applicant's or recipient's request for a committee hearing, the judge of the district court in the applicant's or recipient's county of residence shall make the third appointment.

Sec. 14. Minnesota Statutes 1984, section 248.08, is amended to read:

248.08 [PAYMENTS BY COMMISSIONER OF HUMAN SERVICES EMPLOYMENT AND TRAINING.]

The commissioner of ~~human services~~ *employment and training* is hereby authorized to defray the necessary expenses of the work from the appropriation for the current expenses of the commissioner of ~~human services employment and training~~; provided, that in any county of this state now or hereafter having a population of over 150,000, and an assessed valuation of over \$200,000,000, including money and credits, the county board is hereby authorized to defray part or all of the necessary expenses of maintaining the work within the county from the general revenue fund of the county, not exceeding the total sum of \$3,600, in any one calendar year; and, in carrying on this work, may appoint and employ an assistant to the regular field agent for the blind in the county, who shall work under the direction of the agent in the county. The portion of the salary of the field agent, and of any assistant to be paid by the county, shall be fixed by the county board at its first meeting in January in each year; and such salary of the field agent and assistant shall be paid in the same manner as the salary of other county officers and employees are paid. All necessary expenses of the agent and assistant in carrying on this

work in the county, not paid by the commissioner of human services employment and training, shall be paid by the county board as other claims against the county are paid.

Sec. 15. Minnesota Statutes 1984, section 256.736, is amended to read:

256.736 [WORK INCENTIVE EMPLOYMENT AND TRAINING PROGRAM.]

Subdivision 1. [CREATION.] There is hereby established a program to help appropriate recipients of aid to families with dependent children become self-supporting members of society.

Subd. 1a. [COMMISSIONER.] The commissioner of employment and training shall administer, on behalf of the commissioner of human services, those aspects of the aid to families with dependent children program, excluding categorical and financial eligibility, which directly relate to:

- (1) recipients' participation in employment and training programs;
- (2) requirements for and conditions of participating in employment and training programs;
- (3) the design and administration of such programs; and
- (4) the supervision of county boards in carrying out responsibilities related to employment and training programs.

The commissioner of employment and training and the commissioner of human services are authorized to implement those programs and authorities, including supported work programs and other demonstration projects which are authorized under federal regulations to increase services or federal reimbursement available for providing employment and training services for recipients of aid to families with dependent children.

Subd. 2. [DUTIES OF THE COMMISSIONER OF ECONOMIC SECURITY.] The commissioner of economic security shall develop a training and employment program for each appropriate relative and dependent child receiving aid to families with dependent children, with the objective of assuring, to the maximum extent possible, that the relative and child will enter the labor force, accept reasonable employment, and become self-sufficient.

Subd. 3. [OPERATION OF PROGRAM.] To determine who shall be designated as an appropriate individual for certification to the commissioner of economic security, the commissioner of human services employment and training shall provide, by rule, standards for county welfare agencies boards and human services boards consistent with the standards promulgated by the secretary of health and human services. County welfare agencies boards shall certify appropriate individuals to the commissioner of economic security employment and training and shall require that every individual, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is:

- (1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;

- (2) a person who is ill, incapacitated or of advanced age;
- (3) a person so remote from a ~~work incentive~~ *an employment and training* project that his effective participation is precluded;
- (4) a person whose presence in the home is required because of illness or incapacity of another member of the household;
- (5) a parent or other caretaker relative of a child under the age of six who personally provides full-time care for the child;
- (6) a parent or other caretaker if another adult relative in the house is registered and has not, without good cause, failed or refused to participate or accept employment; or
- (7) *a pregnant woman in the last trimester of pregnancy; or*
- (8) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to ~~(6)~~ (7).

Any individual referred to in ~~clause~~ *clauses* (5) to (8) shall be advised of the option to register for employment services, training *services*, and employment if the individual so desires, and shall be informed of the child care *and other services*, ~~if any~~, which will be available if the individual decides to register.

If, after planning with a recipient, a decision is made that the recipient must register for employment services, training, and employment, the county ~~welfare department~~ *boards* shall give notice in writing to the recipient stating that he or she must register with the commissioner of ~~economic security~~ *employment and training* for participation in a ~~work incentive~~ *an employment and training* program and that the recipient has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

- (1) Arrange for or provide any relative or child certified to the commissioner of ~~economic security~~ *employment and training* pursuant to this section with child-care services, *transportation*, and other necessary family services;

- (2) Pay ten percent of the cost of ~~programs of training and employment established by the commissioner of economic security for persons certified hereunder the work incentive program and of other costs that are required by federal regulation for employment and training programs for recipients of the aid to families with dependent children program;~~

- (3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of ~~economic security~~ *employment and training* is disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination *to the extent permitted by federal regulations*; and

- (4) Provide that when it has been certified by the commissioner of ~~economic security~~ *employment and training*, certification to be binding upon the commissioner of human services, that a relative or child certified under the ~~work incentive~~ *employment and training* program to the commissioner of economic security has been found by the commissioner, after a hearing con-

ducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, to have refused without good cause to participate under a ~~work incentive~~ *an employment and training* program or to have refused without good cause to accept a bona fide offer of public or other employment, the county welfare departments shall provide that:

(a) If the relative makes the refusal, the relative's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of *protective or vendor payments except that when protective payments are made, the local agency may continue payments to the relative if a protective payee cannot reasonably be found.*

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and his *or her* needs will not be taken into account in making the grant determination.

(d) If the assistance unit's eligibility is based on the *nonexempt* principal earner's unemployment and the principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87, *if the family is subject to requirements of the work incentive program. Otherwise, the nonexempt principal wage earner's failure or refusal to participate or to accept employment will result only in that person's needs not being taken into account in making the grant determination.*

Subd. 5. [EXTENSION OF WORK INCENTIVE EMPLOYMENT AND TRAINING OPPORTUNITIES.] The commissioner of human services shall cooperate with the commissioner of ~~economic security~~ *employment and training* to ~~promote~~ *extend* the availability of training and employment opportunities on a state wide basis.

Subd. 6. [PROTECTION FROM GARNISHMENT.] Earnings of a recipient while participating in full or part-time employment or training shall be protected from garnishment. This protection shall extend for a period of six months from the date of termination of a recipient's grant of assistance.

Subd. 7. [COMPLIANCE WITH FEDERAL CHANGES RULEMAKING.] The commissioner of human services ~~is and the commissioner of employment and training are authorized to promulgate such coordinated rules and regulations~~ *as are necessary to qualify for any federal funds available under this section and to carry out the provisions of this section.*

Subd. 8. *The commissioner of human services shall amend the state plan for aid to families with dependent children to provide as special needs payments funds for the costs of child care, transportation, tuition, and items associated with education or seeking employment to the extent allowed under federal regulations and state appropriations.*

Subd. 9. [CHANGES IN STATE PLAN AND RULES; WAIVERS.] *The commissioner of human services shall make changes in the state plan and rules or seek any waivers or demonstration authority necessary to minimize*

barriers to participation in the employment and training programs or to employment. Changes must be sought in at least the following areas: allowances, child care, work expenses, the amount and duration of earnings incentives, medical care coverage, limitations on the hours of employment, and administrative standards and procedures. The commissioner shall implement each change as soon as possible.

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.

Sec. 16. Minnesota Statutes 1984, section 256.737, is amended to read:

256.737 [COMMUNITY WORK EXPERIENCE PROGRAM.]

In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, the commissioner of human services may continue the pilot community work experience demonstration programs that were approved by January 1, 1984. No new pilot community work experience demonstration programs may be established. The commissioner shall: (a) assist counties in the design, implementation, and evaluation of these demonstration programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until the termination of the demonstration programs; and (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law. The commissioner shall prohibit use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1983. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the community work experience program. Concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

Projects, except those in Morrison, Otter Tail, and Itasca counties, shall end no later than June 30, 1985, and a preliminary report shall be made to the legislature by February 15, 1985, on the feasibility of permanent implementation and on the cost effectiveness of each of the demonstration programs. Projects in Morrison, Otter Tail, and Itasca counties must end no later than June 30, 1986, and a preliminary report made to the legislature on those projects by February 15, 1986.

Sec. 17. Minnesota Statutes 1984, section 256C.24, is amended to read:

256C.24 [REGIONAL SERVICE CENTERS.]

Subdivision 1. [LOCATION.] The commissioner of ~~economic security~~

human services shall establish up to eight regional service centers for hearing impaired persons. The centers shall be ~~co-located with existing vocational rehabilitation field offices~~ and be distributed regionally to provide access for hearing impaired persons in all parts of the state. The center shall maintain a current registry of those persons having or suspected of having a hearing impairment who live in that region. A special task of the registry is to assure that referrals and follow-up services are completed with respect to persons in the register:

Subd. 2. [RESPONSIBILITIES.] The regional service center shall:

(a) Serve as the central entry point for hearing impaired persons in need of human services and make referrals to the services needed;

(b) Employ staff trained to work with hearing impaired persons;

(c) Provide to all hearing impaired persons interpreter services which are necessary to help them obtain human services;

(d) Serve as the regional interpreter referral center for hearing impaired persons and human services agencies;

(e) Loan equipment and resource materials to hearing impaired persons; and

(f) Cooperate with the department of ~~human services~~ *employment and training* to provide access for hearing impaired persons to services provided by state, county and regional human services agencies.

Subd. 3. [ADVISORY COMMITTEE.] The commissioner of ~~economic security, in consultation with the commissioner of~~ *human services* shall appoint an advisory committee of eight persons for each regional service center. Members shall include four persons who are hearing impaired persons or who are the parents of a hearing impaired child and four representatives of county and regional human services, including representatives of private service providers. Members shall serve without payment by the state of per diem or expense. The commissioner of ~~economic security~~ *human services* shall designate one member as chairperson. The ~~commissioners of economic security and commissioner of~~ *human services* shall assign staff to serve as ex officio members of the committee.

Sec. 18. Minnesota Statutes 1984, section 256C.25, is amended to read:

256C.25 [INTERPRETER SERVICES.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of ~~economic security~~ *human services* shall supervise the development and implementation of a statewide interpreter referral service. The commissioner of ~~economic security~~ *human services* shall contract with appropriate organizations to provide this centralized service.

Subd. 2. [DUTIES.] The central interpreter referral service shall:

(a) Establish and maintain a statewide directory of interpreters who have received appropriate training and certification;

(b) Provide technical assistance to the regional service centers in implementing the interpreter referral service; and

(c) Assess the present and projected supply and demand for interpreting

services statewide.

Sec. 19. Minnesota Statutes 1984, section 256C.26, is amended to read:

256C.26 [EMPLOYMENT SERVICES.]

The commissioner of ~~economic security~~ *employment and training* shall ~~develop and implement a~~ *include in the biennial plan under section 45, subdivision 3, clause (9), a method* to deal with the underemployment of hearing impaired persons. The plan shall provide for training regarding the nature of hearing handicaps for department staff who consult with prospective employers or who provide job placement services.

Sec. 20. Minnesota Statutes 1984, section 256D.02, subdivision 13, is amended to read:

Subd. 13. "Suitable employment" means an appropriate income producing job including, but not limited to, all ~~public~~ *publicly* subsidized jobs procured through the ~~work equity program~~ *programs administered by or coordinated with the commissioner of employment and training*. "Suitable employment" *does not mean employment in a community investment program under section 51.*

Sec. 21. Minnesota Statutes 1984, section 256D.03, subdivision 2, is amended to read:

Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1, and according to procedures established by the commissioner. *After October 1, 1985, state aid shall be paid to local agencies for 60 percent of the cost of wages paid to individuals who are eligible for and were receiving general assistance prior to their placement in a part-time publicly subsidized job in a community investment program under section 51, up to the standards of section 256D.01, subdivision 1, plus 100 percent of the amounts established by the commissioner of employment and training to account for employment expenses and necessary equipment costs.*

After June 30, 1986, state aid shall be paid to local agencies for 25 percent of general assistance grants paid to individuals who are not exempt from work requirements under section 256D.111, subdivision 2, or who are not employed in a permanent job subsidized by grant diversion pursuant to section 256D.09, subdivision 3, if the county does not have an approved and operating community investment program.

Any local agency may, from its own resources, make payments of general assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or, (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, but for whom the aid would further the purposes established in the general assistance program in accordance with rules promulgated by the commissioner pursuant to the administrative procedure act.

Sec. 22. Minnesota Statutes 1984, section 256D.09, subdivision 3, is amended to read:

Subd. 3. [EMPLOYMENT ~~PAYMENTS FUNDED BY GRANT DIVERSION.~~] Notwithstanding the provisions of subdivision 1, the commissioner

may of employment and training shall establish by rule or emergency rule a grant diversion program for payment of all or a part of a recipient's grant to a private, nonprofit, or public employer who agrees to employ the recipient in a permanent job. The commissioner of employment and training shall design the program to provide, to the extent possible, employment or employment-related training that will enable recipients to become self-supporting. A recipient shall be eligible for general assistance medical care during the term of the grant diversion contract to the extent that medical care coverage is not provided by the employer. Any rule adopted by the commissioner of employment and training:

(a) Shall require the local agencies to administer and deliver the grant diversion program directly or to ~~delegate administration contract for the delivery of the program to~~ with another unit of government or service provider certified by the full productivity and opportunity coordinator;

(b) Shall require that grants paid to employers be paid pursuant to a written grant diversion contract;

(c) Shall determine the amount of the grant to be paid to the employer and the term of the grant diversion contract;

(d) Shall establish standards to ensure that recipients hired pursuant to grant diversion contracts do not displace other workers;

(e) Shall provide for the amount of the wage to be paid to the recipient, which shall not be less than the minimum wage for jobs with nonprofit and public employers and shall be the usual and customary wage for similar jobs with private the employers;

(f) Shall provide for the minimum number of hours per month the recipient must work job must provide, which shall be sufficient to provide a net monthly wage equal to or exceeding the difference between the amount of the grant retained by the recipient and 150 175 percent of the recipient's monthly grant; and

(g) May establish other terms and conditions for the operation of the grant diversion program.

Sec. 23. Minnesota Statutes 1984, section 256D.09, is amended by adding a subdivision to read:

Subd. 4. [PART-TIME EMPLOYMENT PAYMENTS.] If an individual who is not exempt from work requirements is not placed in permanent employment, in training, or in an employment and training program, the individual must be advised after he or she has received public assistance for six months of the option to receive part-time employment in a community investment program under section 51, if such a program is approved and operating.

The recipient must be offered a community investment program job, commensurate with his or her skills, at the wage rate paid to employees doing similar work, plus amounts for work expenses and necessary equipment costs as established by the commissioner of human services.

Eligibility for general assistance medical care continues during the time of employment.

Sec. 24. Minnesota Statutes 1984, section 256D.111, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] A recipient is not required to register with the department of ~~economic security~~ *employment and training* and comply with the other requirements of subdivision 1 if he is:

(a) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;

(b) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;

(c) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;

(d) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(e) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 4.40, but only if that person is enrolled as a full-time student;

(f) a person not described in clause (a) or (c) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(g) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(h) a person who is unable to obtain or retain employment because his advanced age significantly affects his ability to seek or engage in substantial work;

(i) a person completing a secondary education program or one who has been referred to, has applied for, or is in a work training, work experience, vocational rehabilitation, or other vocational or technical training program, *including those persons receiving grants from the higher education coordinating board as part-time students*; however, the period of time that the person is exempted under this clause waiting for acceptance into the program shall not be more than two months;

(j) an adult member of a household with children in which another adult is employed full time or has registered for employment services with the department of economic security or been accepted in a work training program;

(k) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of economic se-

curity; or

(l) a person who is certified by the commissioner of economic security as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of economic security in consultation with the commissioner.

The exemption of a person described in clause (k) or (l) shall be reassessed annually.

Sec. 25. Minnesota Statutes 1984, section 268.04, is amended by adding a subdivision to read:

Subd. 34. [COORDINATOR.] "Coordinator" means the full productivity and opportunity coordinator.

Sec. 26. Minnesota Statutes 1984, section 268.04, is amended by adding a subdivision to read:

Subd. 35. [LOCAL SERVICE UNIT.] "Local service unit" means a county, joint power agreement, city of the first class, or service delivery area.

Sec. 27. [268.041] [COUNCIL FOR THE BLIND.]

Subdivision 1. [MEMBERSHIP.] There is created the Minnesota council for the blind within the department of employment and training. The council consists of seven members appointed by the commissioner. At least four of the council members shall be blind or visually handicapped. Council 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, two for terms ending December 31, 1989, and two for terms ending December 31, 1988.

Subd. 1a. [REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the council shall be as provided in section 15.0575.

Subd. 2. [DUTIES.] The council 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.

Sec. 28. Minnesota Statutes 1984, section 268.08, is amended by adding a subdivision to read:

Subd. 10. [APPROVED TRAINING.] (a) [CREATION.] There is created

a training program for structurally unemployed workers in Minnesota under which individuals may be enrolled in an on-the-job training program, and an additional 1,000 individuals may be enrolled in classroom training in accordance with the provisions of this subdivision. Nothing in this subdivision shall be considered to limit or adversely affect the approved training provisions applicable to an individual under section 268.08, subdivision 1, clause (3). An individual approved under this subdivision shall be eligible for tuition aid under the provisions of chapter 136A. The commissioner shall report to the legislature annually regarding the status of the training program under this subdivision.

(b) [APPROVAL OF TRAINING.] An individual's enrollment in a training course shall be approved for the purposes of this subdivision if the commissioner finds that:

(1) the individual is not unemployed due to the seasonal nature of the work or a temporary work shortage;

(2) the individual's separation from most recent employment was caused by job obsolescence, plant shutdown, regional decline in the individual's customary occupation, or industry slowdown;

(3) the individual has received a notice of layoff and is unlikely to return to work for that employer or in that occupation within the 12-month period immediately following the separation;

(4) reasonable and suitable work opportunities for which the individual is fitted by training, experience, and physical capabilities do not exist within the local labor market;

(5) the training course is designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;

(6) the training is conducted by an agency, education institution, or employing unit which has been approved by the department of education or state board for vocational technical education or higher education coordinating board to conduct training programs; except that any agency, education institution, or employing unit which is not subject to regulation and approval by one of the above agencies may be approved by the commissioner if it is determined that the curriculum, facilities, staff, and other essentials are adequate to achieve the training objective;

(7) the training consists of a full course load, as defined by the institution, necessary to achieve the approved training objective, and the individual is making satisfactory progress in the course. The department may require the training institution to periodically certify to the individual's attendance and progress.

(c) [ON-THE-JOB TRAINING.] An individual who meets the criteria set forth under paragraph (b) shall be eligible for participation in a full-time on-the-job training program provided that:

(1) the on-the-job training position is in an occupation for which the commissioner has determined a demand exists or will exist. In making this determination, the commissioner shall consider labor market information as contained in state and national occupational outlook publications, as well as

other generally accepted authoritative sources with verifiable validity;

(2) the employer pays an hourly wage during training of at least the state minimum wage;

(3) the employer guarantees to provide at least 12 months of employment to the trainee after the completion of training at the prevailing area labor market wage for a trained individual in that occupation;

(4) the employer will not terminate the trainee during the period of training or guaranteed employment except for misconduct or demonstrated substandard performance;

(5) the employer may not terminate, lay off, or reduce the hours of any employee for the purpose of hiring an individual with funds available, and may not hire an individual if any other person is on layoff from the same or substantially equivalent job.

(d) [TRAINING ALLOWANCE.] During participation in an approved on-the-job training program, the trainee shall maintain both satisfactory progress and attendance. During the period of training specified in the agreement between the commissioner and the employer, individuals participating in an approved on-the-job training program shall be paid with respect to each week claimed during the benefit year and prior to exhaustion a benefit in an amount equal to the weekly benefit amount, less that part of the earnings, including holiday pay, which is in excess of \$100. The benefit shall be computed by rounding down to the nearest dollar amount. Notwithstanding any other provision, an individual participating in on-the-job training on a full-time basis shall not be considered employed for purposes of benefit eligibility.

(e) [EMPLOYER PENALTY.] An employer who enters into an on-the-job training agreement with the department and terminates the trainee in a manner other than provided in this subdivision shall repay 70 percent of the amount of unemployment insurance benefits paid to the individual while in the training program with that employer if terminated during the training period. If terminated during the 12-month period of guaranteed employment, the employer shall receive a proportional reduction in the amount it must repay. 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.

(f) [FUNDING.] In arranging for training, existing federal and state financed job training service deliverers and Wagner-Peyser mechanisms and funds shall be utilized in the most efficient and effective manner.

Sec. 29. Minnesota Statutes 1984, section 268.31, is amended to read:

268.31 [DEVELOPMENT OF YOUTH EMPLOYMENT OPPORTUNITIES.]

To the extent of available funding, the commissioner of ~~economic security~~ employment and training shall ~~hire~~ establish a program to employ individuals from the ages of 14 years up to 22 years. The commissioner shall allocate 80 percent of available funds to youths from families with household incomes of less than 125 percent of the poverty guidelines established by the federal office of management and budget and 20 percent of available funds to youths

from families with household incomes no greater than 150 percent of the federal poverty guidelines. Funds must be used to support employment under this section for a maximum of 12 weeks, not to exceed 40 hours per week per individual, during the summer for the purpose of placing such individuals in service with the department of economic security and with community investment programs under section 50 or with other departments, agencies and instrumentalities of the state, county, local governments, school districts and with nonprofit organizations and for support services for eligible youths placed in private-sector summer employment. Priority for employment shall be given to those young individuals between the ages of 16 years up to 22 years. The commissioner shall determine and make use of the most effective means to assure that income earned under the program is not included as family income for aid to families with dependent children purposes.

Sec. 30. Minnesota Statutes 1984, section 268.32, is amended to read:

268.32 [RATE OF PAY.]

Persons ~~hired~~ employed pursuant to sections 268.31 to 268.36 shall be compensated at the federal minimum wage rate. Persons hired in a supervisory capacity shall be compensated at a rate according to criteria established by the commissioner in rules.

Sec. 31. Minnesota Statutes 1984, section 268.33, is amended to read:

268.33 [ELIGIBILITY FOR EMPLOYMENT AND PLACEMENT.]

~~Subdivision 1.~~ The department of economic security commissioner of employment and training shall promulgate rules determining the priority and eligibility for employment and placement pursuant to sections 268.31 to 268.36. The ~~department~~ commissioner shall have emergency powers and permanent rulemaking authority to implement rules for carrying out sections 268.31 to 268.36.

~~Subd. 2.~~ The department of economic security commissioner of employment and training shall, for the purposes of sections 268.31 to 268.36, be exempt from complying with any law relating to hiring by departments, agencies or instrumentalities of the state.

Sec. 32. Minnesota Statutes 1984, section 268.34, is amended to read:

268.34 [EMPLOYMENT CONTRACTS.]

The commissioner ~~may~~ shall enter into arrangements with existing public and private nonprofit organizations and agencies with experience in administering summer youth employment programs for the purpose of providing employment opportunities in furtherance of sections 268.31 to 268.36 and to advance up to 20 percent of a summer youth employment contract to any participating organization or agency. The department of economic security employment and training shall retain ultimate responsibility for the administration of this employment program, including but not limited to, approval of summer job opportunities, ~~review~~ eligibility of applicants therefor, placement of youth in jobs and the disbursement of funds.

Sec. 33. Minnesota Statutes 1984, section 268.35, is amended to read:

268.35 [ALLOCATION OF FUNDS.]

The commissioner shall allocate funds *proportionally* to recipient organi-

zations and agencies throughout the state taking into account in making such allocations the youth population of the county adjusted to eliminate the influence of post secondary educational institutions located in the county, on the basis of the unemployment rate in the county unemployment rate and the number of families children living below 125 percent of the poverty level in the county in which the recipient organization or agency is located, as determined by the most recent special census.

Sec. 34. Minnesota Statutes 1984, section 268.36, is amended to read:

268.36 [REPORT TO THE GOVERNOR COORDINATOR AND THE LEGISLATURE.]

The commissioner, after consultation with the CETA prime sponsors counties and providers of employment and training services, shall evaluate the effectiveness of the youth employment program programs, taking into account the extent of other all programs which are providing summer employment opportunities for youth covered under sections 268.31 to 268.36, and shall report to the governor coordinator and the legislature no later than January 15 of each even even-numbered year with an evaluation of the program this and other programs and any recommendations for improvements.

Sec. 35. Minnesota Statutes 1984, section 268.672, subdivision 6, is amended to read:

Subd. 6. [ELIGIBLE JOB APPLICANT.] "Eligible job applicant" means a person who: (1) has been a resident of this state for at least one month, (2) is unemployed, (3) is not receiving and is not qualified to receive unemployment compensation or workers' compensation, and (4) is determined by the employment administrator to be likely to be available for employment by an eligible employer for the duration of the job.

~~In addition, For the purposes of this subdivision, a farmer who resides in a county qualified under Federal Disaster Relief and or any member of a farm family household who can demonstrate severe household financial need may shall be considered to be unemployed under this subdivision.~~

Sec. 36. 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).

Sec. 37. Minnesota Statutes 1984, section 268.686, is amended to read:

268.686 [SUNSET SUSPENSION.]

Laws 1983, chapter 312, article 7, sections 1 to 18 are ~~repealed~~ *suspended* January 1, 1986.

Sec. 38. [267.01] [PURPOSE.]

The legislature finds that changes in the state economy and the structure of federal support have altered the role of state government in the planning, development, and delivery of employment, job training, job creation, income maintenance, and human service programs; that the proliferation of these programs, coupled with the rapidly changing characteristics and requirements of people who seek public assistance, has produced a need for the state to coordinate the delivery of services and programs; that there exists no office of sufficient interagency and intergovernmental focus to develop a plan to achieve full economic productivity and opportunity in Minnesota and effectively coordinate the delivery of services and programs for the purpose of simultaneously reducing unemployment rates and welfare caseloads.

Sec. 39. [267.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 38 to 42, the following terms have the meanings given them.

Subd. 2. [BIENNIAL PLAN.] "Biennial plan" means the plan submitted by the coordinator to the governor in accordance with section 267.03, subdivision 6.

Subd. 3. [COORDINATOR.] "Coordinator" means the full productivity and opportunity coordinator.

Subd. 4. [EMPLOYMENT PROGRAMS.] "Employment programs" means programs related to job training, job placement, job creation, and job-related counseling, including but not limited to job service programs, job training partnership act programs, wage subsidy programs, work incentive programs, community work experience programs, displaced homemaker programs, disadvantaged job training programs, grant diversion, youth employment programs, conservation corps, apprenticeship programs, and community investment programs, supported work programs, and opportunities industrialization centers.

Subd. 5. [INCOME MAINTENANCE AND SUPPORT SERVICES.] "Income maintenance and support services" means programs through which the state or its subdivisions provide direct financial or in-kind support to unemployed or underemployed persons; including but not limited to aid to families with dependent children, general assistance, food stamps, energy assistance, disability determination unit, and child care; but not including medical assistance; aging, and deaf services; social services; community social services; mental health services; or services for the emotionally disturbed, the mentally retarded, or residents of nursing homes.

Subd. 6. [LOCAL SERVICE UNIT.] "Local service unit" means a county, joint power agreement, city of the first class, or service delivery

area.

Subd. 7. [SERVICE PROVIDER.] "Service provider" means a public, private, or nonprofit agency that is capable of providing one or more of the services or administering one or more of the programs for which the full productivity and opportunity coordinator has responsibility under the scope of this section.

Subd. 8. [WAGE SUBSIDIES.] "Wage subsidies" means subsidizing of wages and fringe benefits for eligible employees. All wage subsidies are subject to the restrictions in sections 268.672, subdivisions 3 to 7, and 9; 268.676, subdivision 1; 268.677, clauses (a), (c), (d), (e), and (f); 268.68; 268.681, subdivision 1, clauses (c), (d), and (f), and subdivisions 2, 3, and 4; and 268.682.

Sec. 40. [267.03] [OFFICE OF FULL PRODUCTIVITY AND OPPORTUNITY; COORDINATOR.]

Subdivision 1. [OFFICE OF FULL PRODUCTIVITY AND OPPORTUNITY.] The office of full productivity and opportunity is created in the executive branch.

Subd. 2. [FULL PRODUCTIVITY AND OPPORTUNITY COORDINATOR.] The governor, with the advice and consent of the senate, shall appoint a full productivity and opportunity coordinator to serve at the pleasure of the governor in the unclassified service. The salary of the coordinator is set under section 15A.081. The coordinator is head of the office of full productivity and opportunity and chairs the full productivity and opportunity council. The coordinator shall administer the provisions of sections 38 to 41.

Subd. 3. [POWERS.] The coordinator of full productivity and opportunity is authorized to:

(1) appoint a deputy and a confidential secretary, who shall serve at the coordinator's pleasure in the unclassified service;

(2) appoint other employees under chapter 43A;

(3) issue, revoke, and amend rules under the administrative procedure act;

(4) enter into contracts;

(5) where it would further the purposes of the biennial plan, recommend to the governor interdepartmental transfer of programs included in section 39, subdivisions 4, 5, and 8, which the commissioner of administration, if so ordered by the governor, shall carry out as provided in section 16B.37, subdivisions 1, 2, and 3, and implement so as not to lead to a reduction of federal funds to the state or its political subdivisions;

(6) where it would further the purposes of the biennial plan, recommend to the governor transfer of one or more programs included in section 39, subdivisions 4 and 8, to a service provider other than a state agency;

(7) initiate and oversee wage subsidies;

(8) require the department of employment and training, the department of human services, the department of energy and economic development, and the state planning agency to furnish such assistance as the coordinator may deem necessary to fulfill the duties of his or her office;

(9) require agencies to submit any emergency or permanent rule that relates to programs or activities included in section 39, subdivisions 4, 5, and 8, for the coordinator's approval or disapproval before the publication of the notice of intent required by sections 14.22 or 14.30, and prevent any rule disapproved by the coordinator taking effect;

(10) based on performance related to standards established by the coordinator for the reduction of unemployment rates and welfare caseloads, the coordinator with the approval of the governor may increase or decrease the county share of payments for general assistance, under section 256D.03, subdivision 2, by as much as five percent; aid to families with dependent children, under section 256.82, subdivision 1, by as much as three percent; and state reimbursements, under section 256D.22, by as much as ten percent;

(11) certify competent service providers and decertify service providers that fail to comply with performance criteria developed by the commissioner; and

(12) 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 contract with another service provider for employment and training programs in that local service unit.

Sec. 41. [267.04] [DUTIES AND RESPONSIBILITIES.]

Subdivision 1. [DUTIES.] The coordinator of full productivity and opportunity shall:

(1) coordinate the delivery of income maintenance and support services under the laws of the state;

(2) coordinate the delivery of employment programs under the laws of the state;

(3) review the operating performance, effectiveness, and degree of integration of income maintenance and employment programs;

(4) consult with the governor on the subjects of income maintenance and employment, provide assistance to the governor related to income maintenance and employment, and recommend to the governor improvements in delivery of employment and income maintenance services;

(5) confer with and advise state agencies and local service units that are responsible for income maintenance and employment programs;

(6) ensure coordination and cooperation among state and federal agencies, county and local government, and private service providers serving on a contract basis;

(7) prepare and oversee the implementation of the biennial plan;

(8) review criteria established by the department of employment and training and the department of human services for receipt of state funds designated for employment, training, and income maintenance programs included in section 39, subdivisions 4, 5, and 8;

(9) review the performance of local service units and obtain from them the reports necessary to monitor and evaluate the success of their employment

and training programs;

(10) report to the legislature regarding changes needed to more adequately serve the needs of those who are unemployed, underemployed or untrained;

(11) design and monitor the development and administration of the intake, referral, and inventory system;

(12) oversee and monitor the coordination of programs and the sharing of responsibility for employment and training by the department of employment and training and the department of human services;

(13) review and make recommendations concerning plans of the department of employment and training and the department of human services for federally sponsored programs and demonstration projects;

(14) develop guidelines governing the contents, submission, and updating of biennial plans by state agencies and local service units;

(15) establish performance objectives for individual local service units that include realistic goals for reducing or managing unemployment rates and welfare caseloads;

(16) work with the commissioner of administration to coordinate databases and information systems among state agencies, including, but not limited to, the departments of energy and economic development, employment and training, human services, transportation, natural resources, and the state planning agency; and

(17) seek input from representatives of local service units, business, and labor on the delivery and development of employment and training programs.

Subd. 2. [BIENNIAL PLAN.] The coordinator shall submit a biennial plan to the governor by July 1 of each even-numbered year. Upon approval by the governor, the plan serves as a basis for the development of the governor's budget proposal for employment, training, and income maintenance. After the legislature has acted, and before July 1 of each odd-numbered year, the coordinator shall revise the biennial plan to incorporate legislative action. Upon approval by the governor, the revised plan governs the administration and delivery of all employment programs and income maintenance and support services.

The plan must provide at least the following:

(1) a strategy for achieving full productivity and opportunity in Minnesota that specifies priorities among employment, income maintenance and support services, and economic development programs;

(2) unemployment reduction goals;

(3) welfare caseload reduction goals;

(4) a review and comment on the vocational programs administered by the vocational technical education system and the community colleges;

(5) a strategy for efficient integration of federal, state, local, and private resources;

(6) a strategy to encourage local and private involvement in the full productivity and opportunity program; and

(7) suggestions to maximize the effectiveness of appropriated funds.

Subd. 3. [INTAKE, REFERRAL, AND INVENTORY SYSTEM.] Within 30 days of appointment, the coordinator shall develop guidelines and a timetable for the development of an intake, referral, and inventory system (IRIS). The system must provide for localized, single-point client intake with direct access to a statewide database. The system must include information on all available public and private programs for employment and income maintenance. The system must emphasize methods to match client needs with employment opportunities, appropriate services, programs, providers, funding sources, and other sources of assistance. The system must be coordinated with other state databases. Access to the system, within federal and state data practices provisions, must be available in each public assistance office. Employees in public assistance offices shall actively use the system to assist clients.

Subd. 4. [DUTIES WITH RESPECT TO COMMUNITY INVESTMENT PROGRAMS.] The coordinator shall:

(1) confer with the commissioners of employment and training, energy and economic development, human services, education, agriculture, public safety, natural resources, and health, and representatives of local governments to determine the type of activities valuable to the state and local communities and the type of jobs that would provide valuable training, skills, and work experience to part-time program employees;

(2) adopt emergency and permanent rules governing plan content, criteria for approval, and administrative standards;

(3) refer community investment program administrators to the appropriate state agency for technical assistance to aid in developing and administering community investment programs;

(4) develop monitoring and evaluation criteria and institute ongoing methods for overseeing the administration and results of community investment programs;

(5) establish the method by which community investment programs will be approved or disapproved by the state and approve or disapprove county plans, which have been submitted on a timely basis, by November 1 of each even-numbered year;

(6) report to the governor and legislature, semiannually, on the operation and performance of the community investment programs; and

(7) inform the commissioners of human services and employment and training of those counties which do not have an approved plan.

Subd. 5. [ALLOCATION OF WAGE SUBSIDY FUNDS.] The coordinator shall allocate wage subsidy funds twice each fiscal year 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.

Where federal and state law allow, wage subsidy funds may be pooled and used in combination with funds from other employment and training or income maintenance programs for the purpose of enhancing clients' opportunities to obtain full-time employment and achieve economic independence.

Subd. 6. [SPECIAL WAGE SUBSIDY PROGRAMS.] (a) *The coordinator shall monitor local and statewide unemployment rates. If the coordinator determines that an economic emergency exists in one or more local service units, he may recommend to the governor to increase the wage subsidy funding received by service providers for the affected area or areas. For the purposes of this paragraph, the governor shall designate that these funds come from either the general fund or the budget reserve account established in section 16A.15, subdivision 6.*

(b) When the unemployment rate for the state of Minnesota equals or exceeds nine percent, the coordinator shall recommend to the governor to increase statewide wage subsidy funding. For the purposes of this paragraph, the governor may designate that these funds come from the budget reserve account established in section 16A.15, subdivision 6.

These funds shall be distributed to local service units in a proportion equal to the number of unemployed people in each local service unit divided by the total number of unemployed people in the state at the end of the most recent quarter.

Sec. 42. [267.05] [FULL PRODUCTIVITY AND OPPORTUNITY COUNCIL.]

Subdivision 1. [MEMBERSHIP.] *The full productivity and opportunity council consists of the following members: the commissioners of education, economic security, finance, energy and economic development, and human services, the president of the board for community colleges, the directors of the state planning agency, the job skills partnership, and the vocational technical education system, a representative of organized labor, and a representative of the president of the University of Minnesota.*

Subd. 2. [DUTIES.] *The council shall provide information and advise the coordinator in the preparation of the biennial plan.*

Sec. 43. [267.06] [COOPERATION OF STATE AGENCIES AND COUNTY AND LOCAL GOVERNMENTS.]

All state agencies, counties, and units of local government shall cooperate fully with the plans and directives of the full productivity and opportunity coordinator.

Sec. 44. [268A.01] [CREATION.]

Subdivision 1. *There is created the department of employment and training with broad responsibility to increase the economic independence of Minnesotans with special effort toward those who are currently unemployed or who face special disadvantages in the labor market.*

The department shall develop employment policies and shall link training and employment-related services with temporary income replacement and income maintenance programs, veterans' programs, workers' compensation, vocational and post-secondary education, federal income insurance programs, and economic development programs.

Subd. 2. The department shall be supervised and controlled by the commissioner, appointed by the governor with the advice and consent of the senate under section 15.06. The commissioner serves at the pleasure of the governor.

Subd. 3. (a) The commissioner may establish positions in the unclassified service in accordance with section 43A.08. The commissioner shall appoint a deputy commissioner and may appoint and define the duties of other subordinate officers and employees as he or she deems necessary to discharge the functions of the department.

(b) The commissioner may delegate any powers or duties subject to his or her control to officers and employees in the department. Notwithstanding any other law, the commissioner may delegate the execution of specific contracts or specific types of contracts to his deputies, an assistant commissioner, or a program director if the delegation has been approved by the commissioner of administration and filed with the secretary of state.

(c) The commissioner may accept gifts, bequests, grants, payments for services, and other public and private funds to help finance the activities of the department.

Sec. 45. [268A.02] [POWERS AND DUTIES.]

Subdivision 1. [STATE AGENCY.] The commissioner of employment and training is designated the "state agency" as defined by United States Code 1976, title 29, sections 49 et seq., the Wagner-Peyser Act of the United States, as amended and the laws of this state.

Subd. 2. [SPECIFIC POWERS.] The commissioner of employment and training shall:

(1) administer and supervise all forms of unemployment insurance provided for by federal and state laws that are vested in the commissioner;

(2) administer and supervise all employment and training programs assigned to the department of employment and training by federal or state law;

(3) establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department;

(4) supervise the county boards of commissioners and any other units of government designated in federal or state law as responsible for employment and training programs;

(5) have authority to conduct and administer demonstration projects to test methods and procedures for providing employment and training services. The demonstration must provide alternative methods and procedures of administration and must not conflict with the basic purposes, coverage, or benefits provided by law;

(6) establish administrative standards and payment conditions for providers

of employment and training services; and

(7) have authority to make emergency and permanent rules to carry out the purposes of this chapter.

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

(1) administer the unemployment insurance laws and related programs;

(2) administer those aspects of the aid to families with dependent children, general assistance, and food stamp programs which are related to providing employment and training services, subject to the limitations of federal regulations;

(3) administer wage subsidy programs;

(4) administer a national system of public employment offices as prescribed by United States Code 1976, title 29, sections 49 et seq., the Wagner-Peyser Act, as amended and other federal employment and training programs;

(5) cooperate with the federal government and its employment and training agencies in any reasonable manner as may be necessary to qualify for federal aid for employment and training programs and funds;

(6) enter into agreements with other departments of the state and local units of government as necessary;

(7) administer all programs for which it is responsible or for which it coordinates with other state agencies so that the state provides consistent, integrated employment and training services across the state;

(8) develop and administer a method for providing current state and sub-state labor market information and forecasts, in cooperation with other agencies;

(9) prepare and submit a biennial plan to the coordinator on or before July 1 of each even-numbered year for the succeeding biennium;

(10) submit to the governor, the coordinator, the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semiannual report which:

(a) reports by client type, an unduplicated count of the types and number of services furnished through each program administered or supervised by the department or coordinated with it;

(b) reports on the number of job openings listed, developed, available, and obtained by clients of the department;

(c) identifies the number of cooperative agreements in place and the number of individuals being served and the types of service;

(d) evaluates the performance of special state programs, such as the wage subsidy, community investment, and grant diversion programs;

(e) explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance and aid to families with dependent children caseloads and program expenditures;

(11) with the advice and consultation of the coordinator prescribe the form, nature, and method of information collected by counties and providers of service; and

(12) under the plan and timetable issued by the coordinator, develop and maintain the intake, inventory, and referral system required under section 36, subdivision 3.

Sec. 46. [268A.03] [GENERAL DUTIES WITH RESPECT TO APPLICANTS FOR AND RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN, GENERAL ASSISTANCE, AND FOOD STAMPS.]

Subdivision 1. The commissioner may develop grant diversion processes for both aid to families with dependent children and general assistance recipients. In selecting employers, priorities shall be given to small businesses, businesses which have the potential for offering new jobs on a long-term basis, and businesses which make use of Minnesota resources and which operate primarily in Minnesota. Businesses shall be subject to the terms and conditions of sections 268.681, subdivision 3, and 268.682.

Subd. 2. Under the direction of the coordinator, the commissioner shall supervise the counties in the administration of the community investment programs to meet the needs and circumstances of public assistance recipients.

Subd. 3. (a) The department shall register clients within time limits necessary to avoid delaying a client's receipt of assistance, denying benefits, or reducing the amounts of benefits.

(b) The department shall assure that a client's employment status is appraised within 30 days and that a written employability development plan is prepared for each participating recipient in consultation with the recipient within 90 days of the referral from the local agency.

The plan must be designed to aid the recipient in obtaining suitable permanent employment, training, or work skills necessary to secure suitable employment, and may include an arrangement with another service provider or agency for specialized employment, education, training, or support services.

A copy of the plan must be given to the recipient at the time it is prepared; an additional copy must be given to the local agency for its files.

(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.

Subd. 4. The commissioner has emergency and permanent rulemaking authority to implement this section.

Sec. 47. [268A.04] [SERVICE PRIORITIES FOR EMPLOYMENT AND TRAINING PROGRAMS, GRANT DIVERSION, AND WAGE SUBSIDIES.]

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, re-

ardless of whether or not they are required to register, must also be given preference to avoid the effects of long-term unemployment or 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) will be provided with child care, transportation, or other support services as necessary and in relation to their eligibility and the availability of funds.

Sec. 48. [268A.05] [EMPLOYMENT AND TRAINING PROGRAMS FOR APPLICANTS FOR AND RECIPIENTS OF AID TO FAMILIES WITH DEPENDENT CHILDREN, GENERAL ASSISTANCE, AND FOOD STAMPS.]

Subdivision 1. The commissioner shall develop and administer employment and training programs to assist appropriate recipients of aid to families with dependent children, food stamps, and general assistance to become economically independent. The programs shall have as their objective improving clients' opportunities for economic independence through permanent employment. The programs shall provide sufficient employment and training options to allow local service units to effectively meet the support services, educational, and training needs of their public assistance clients.

Subd. 1a. Under agreements necessary to comply with federal regulations, the commissioner shall administer employment and training programs for applicants for or recipients of aid to families with dependent children and food stamps on behalf of the commissioner of human services. The commissioner shall administer employment and training services and programs for general assistance recipients in consultation with the commissioner of human services.

Subd. 2. The commissioner shall establish, by rule, the conditions under which individuals participate in programs, their rights and responsibilities while participating, and the standards by which the programs must be administered, and shall provide fair hearings procedure governing participation.

Subd. 3. In administering the work incentive program under section 256.736, the commissioner shall assure that no later than July 1, 1986, at least 25 percent of all state and federal funds appropriated to that program must be spent for direct client services, including child care, transportation, institutional training, and on-the-job training. Seventy-five percent or less of the funds must be spent for services provided directly by state or county staff.

Subd. 4. In developing employment and training programs and services,

the commissioner shall identify and incorporate, to the extent possible, funding from both federal and state income maintenance, employment and training, and educational programs.

Sec. 49. [268A.06] [LOCAL DELIVERY OF EMPLOYMENT AND TRAINING PROGRAMS AND SERVICES FOR PUBLIC ASSISTANCE RECIPIENTS.]

Subdivision 1. Unless otherwise determined by the coordinator, the counties are responsible for the delivery of employment and training programs for public assistance recipients. In carrying out the employment and training programs in sections 44 to 58, counties shall contract with an established and certified public, nonprofit, or private employment and training agency or capable post-secondary education institution and, unless the county already operates the job training partnership act program, shall not develop new administrative bodies or assign responsibilities to existing county departments. In contracting, counties must give preference, whenever possible, to state employment and training providers, including, but not limited to, job service, opportunities industrialization centers, displaced homemaker programs, work incentive programs, and job training partnership act programs.

Subd. 1a. The counties are responsible for enforcing employment and training requirements for recipients of aid to families with dependent children, food stamps, and general assistance, and must include provisions for enforcement of these requirements in any contracts with providers under subdivision 1.

Subd. 2. In establishing a contract, the county shall agree to out-station income maintenance and social service staff as necessary to accept applications and determine eligibility, monitor ongoing client eligibility, and authorize services and grants available under programs administered by the county social service or income maintenance agencies that are related to employment and training or the client's successful participation in employment and training activities.

Subd. 3. The commissioner of employment and training shall furnish sufficient co-located staff as are necessary to make the services provided through the department of employment and training and the programs it administers or supervises available to clients being served by the contract agency.

Subd. 4. The commissioner shall have emergency and permanent rule-making authority to implement this section.

Sec. 50. [268A.07] [JOBS TRAINING PARTNERSHIP ACT; ADMINISTRATION.]

Subdivision 1. [COORDINATION OF STATE AND FEDERAL PROGRAMS.] The commissioner shall act as the governor's agent in administering the federal jobs training partnership act. To the extent permitted under federal regulation, this program shall be administered in conjunction with a comprehensive state employment and training strategy and its resources used in coordination with state programs and to further state objectives.

Subd. 2. The commissioner shall recommend to the governor the priorities, performance standards, and special projects which are consistent with the

coordinator's biennial plan.

Subd. 3. Strong consideration for income maintenance recipients must be included in the goals, objectives, and criteria of the governor's coordination and special services plan under section 121 of Public Law 97-300. Local service delivery area plans and job service plans must describe methods of complying with the coordination criteria under the governor's coordination and special services plan as required under section 104 of Public Law 97-300 and under United States Code 1976, title 29, as amended.

Sec. 51. [268A.08] [COMMUNITY INVESTMENT PROGRAMS.]

Subdivision 1. In order to improve its use of natural, human, and economic resources, the state shall encourage the establishment of community investment programs. These programs shall hire people who are experiencing prolonged unemployment and economic hardship and who have been receiving public assistance for six months. The community investment programs shall be directed toward improving or maintaining the state's social and physical environment.

Subd. 2. [SCOPE OF ACTIVITIES.] Community investment programs shall consist of one or more projects. These projects must be beneficial to the state and the communities in which they are located and must provide program employees with training and work experience. The projects must include activities which:

(1) expand or improve public services, including, but not limited to, education, health, social services, recreation, and safety;

(2) improve or maintain natural resources, including, but not limited to, rivers, streams and lakes, forest lands and roads, and soil conservation;

(3) make permanent improvements to public lands and buildings; or

(4) weatherize public buildings and private residential dwellings.

Subd. 3. [ACCESS TO EMPLOYMENT.] In developing community investment plans, counties shall consult with the exclusive representatives of their employees. In order to gain state approval, counties must incorporate into their community investment plans, at a minimum, sufficient jobs to provide part-time employment for 50 percent of the individuals who have for six months received general assistance pursuant to sections 256D.01 to 256D.18, and aid to families with dependent children pursuant to sections 256.72 to 256.879, who are not exempt from work requirements or not otherwise engaged in employment or training related activities, and who volunteer for the employment. Concurrence with respect to job slots filled under the community investment programs must be obtained from a review panel established by the coordinator that includes the coordinator, a statewide public employee representative as a permanent member, and the appropriate exclusive bargaining representative. Community investment programs which include other funding sources or authorized programs may provide employment for the groups eligible for the included programs. These programs include, but are not limited to: the Minnesota conservation corps, Minnesota summer youth program, county emergency jobs program, and the jobs training partnership act.

Subd. 4. [EMPLOYMENT CONDITIONS.] (a) An eligible nonprofit or

public employer may not terminate, lay off, or reduce the regular working hours of an employee for the purpose of hiring an individual with funds available under this program. An eligible employer may not hire an individual with funds available through this program if any other person is on layoff from the same or a substantially equivalent job.

(b) Community investment program participants are employees of the project site or the county within the meaning of workers' compensation laws, personal income tax, and the federal insurance contribution act, but not retirement or civil service laws.

(c) Each project and job shall be in compliance with all applicable affirmative action, fair labor, health, safety, and environmental standards.

(d) Individuals employed under the community investment program shall be paid a wage at the same wage rates as work site or employees doing comparable work in that locality, unless otherwise specified in law.

(e) Each general assistance recipient must have available no fewer hours of employment than are necessary to meet general assistance standards. Recipients of the aid to families with dependent children program who are eligible on the basis of an unemployed parent, shall not have available more than 100 hours per month. All employees shall be limited to a maximum of 32 hours or four days per week, so that they can continue to seek full-time private sector employment, unless otherwise specified in law.

(f) The commissioner shall establish, by rule, the terms and conditions governing the voluntary participation of public assistance recipients. The rules shall, at a minimum, establish the procedures by which the minimum and maximum number of work hours and maximum allowable travel distances are determined, the amounts and methods by which work expenses will be paid, the manner in which support services will be provided, and periodic reviews of clients continuing employment in community investment programs.

Subd. 5. [COUNTY BOARDS OF COMMISSIONERS.] (a) The county boards of commissioners shall:

(1) be encouraged to establish community investment programs that are administered jointly according to section 471.59, or through multi-county human service boards, pursuant to chapter 402;

(2) plan community investment programs by involving nonprofit organizations and other governmental units, community action agencies, community-based organizations, local union representatives, and representatives of client groups;

(3) give preference to individual community investment projects which are administered under contract by nonprofit organizations and other governmental units, including departments and agencies of cities, towns, school districts, state and federal agencies, park reserve districts, and other special districts;

(4) submit plans which incorporate identified local human and environment needs, jobs requiring skills at the level found among the area's unemployed, including public assistance recipients;

(5) submit reports and meet administrative standards established by rule;

(6) monitor the performance of entities under contract to administer individual community investment projects;

(7) enter into contracts with other governmental and private bodies to jointly fund or jointly administer approvable projects when agreements expand the resources available, the scope of people employed, or further recognized public purposes; and

(8) submit the first biennial plan between October 1, 1985, and May 1, 1986, and subsequent plans no later than September 1 of each odd-numbered year.

(b) The plan must be in the format prescribed by the coordinator.

Subd. 6. [STATE FINANCIAL PARTICIPATION.] The statutorily established state rates of financial participation or available state appropriations or grants shall not be affected by their incorporation into a community investment program.

Subd. 7. [RULEMAKING.] The commissioner shall have emergency and permanent rulemaking authority to implement this section.

Subd. 8. [VOLUNTARY PARTICIPATION.] Participation in the community investment program by any recipient of aid to families with dependent children shall be voluntary.

Sec. 52. [268A.09] [STATE FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.]

Subdivision 1. Any administrative aid for employment and training programs administered under sections 43 to 57 must be paid to the counties by the commissioner according to the formula established in rules by the commissioner. The rules must provide that 50 percent of the funds are allocated among counties based on general assistance caseloads of individuals not exempt from work requirements as forecast by the department of human services and that 50 percent are allocated in a way that encourages full-time, private-sector job placement, program completion by public assistance clients, and other performance characteristics.

Subd. 2. The commissioner has emergency and permanent rulemaking authority to implement this section.

Sec. 53. [268A.10] [OFFICE OF INDIVIDUAL ENTERPRISE.]

Subdivision 1. The commissioner shall establish an office of individual enterprise that shall be responsible for coordinating state activities related to self-employment enterprises, including, but not limited to, home-based businesses, individual self-employment initiatives, and collective and cooperative efforts as involve individual entrepreneurs.

Subd. 2. The commissioner shall undertake activities to expand the marketing of goods or services produced by the state's independent entrepreneurs in public facilities and in conjunction with other state-funded activities and may establish a council or committee to select products and services to be included.

Subd. 3. The commissioner shall provide or arrange information, technical assistance, and support as necessary to help individuals determine whether

they wish to become self-employed, to obtain needed training, to develop business plans and financing, and to sustain the initiatives.

Subd. 4. The commissioner of energy and economic development shall develop resources for a pilot program, in cooperation with the commissioners of employment and training and human services to enable low-income persons to start or expand self-employment opportunities or home-based businesses which are designed to make the individual entrepreneurs economically independent. The commissioner of human services shall seek necessary waivers from federal regulations to allow recipients of aid to families with dependent children to participate and retain eligibility while establishing a business.

Subd. 5. The commissioner shall conduct a study of the needs of individual entrepreneurs and beginning businesses and recommend to the governor how state programs and resources can provide further assistance.

Subd. 6. [RULEMAKING.] The commissioner shall have emergency and permanent rulemaking authority to implement this section.

Sec. 54. [268A.11] [FIRST SOURCE AGREEMENTS.]

Subdivision 1. Any business or private enterprise receiving grants or loans from the state in amounts over \$50,000 per year, shall as part of the grant or loan agree to list any vacant or new positions with the job services of the department of employment and training. An agreement obligates the employer to consider qualified applicants but does not establish an obligation to hire individuals referred by the department.

Subd. 2. The commissioner of energy and economic development shall incorporate the provisions of this section into grant and loan instruments and assist the commissioner of employment and training in promoting private sector listings with job services and in evaluating their effect on employers and individuals who are referred.

Subd. 3. [RULEMAKING.] The commissioner shall have emergency and permanent rulemaking authority to implement this section.

Sec. 55. [268A.12] [CHILD CARE SLIDING FEE PROGRAM.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section the following terms have the meanings given.

(a) "Child care services" means family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, play groups, head start, parent cooperatives, and in-home child care as defined in the Minnesota plan for social services to families and children.

(b) "Child" means any person 14 years of age or younger.

(c) "Commissioner" means the commissioner of employment and training.

Subd. 2. [DUTIES OF COMMISSIONER.] The commissioner shall develop standards for county boards and certified service providers regarding the provision of child care services to enable eligible families to participate in employment or training programs. The commissioner shall establish a program to allocate available appropriations to counties for the purpose of re-

ducing the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. The commissioner shall require counties to collect and report data that the commissioner deems necessary to evaluate the effectiveness of the program in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children. The commissioner shall report to the full productivity and opportunity coordinator no later than January 15 of each even-numbered year on the effectiveness of the program.

Subd. 3. [ALLOCATION.] (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.

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) receive aid to families with dependent children under sections 256.72 to 256.87; or

(2) have household income below the eligibility levels for aid to families with dependent children;

(3) have household income within a range established by the commissioner.

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. Services to families whose incomes are below the threshold for eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.

(c) Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must not be less than 70 percent, and must not be more than 90 percent, of the state median income for a family of four, adjusted for family size.

Subd. 5. [EMPLOYMENT OR TRAINING ELIGIBILITY.] (a) Persons

who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of one month of child care.

(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.

Persons eligible under this section for child care assistance for education or training shall receive assistance for the length of the program or 24 months, whichever is shorter. Any education or training program approved by the department of education and accredited by the appropriate agency is an eligible program, including but not limited to high school or an equivalent program, an English competency program, technical or vocational training, or a four-year or associate degree program.

Subd. 6. [COUNTY CONTRIBUTION.] In addition to payments from parents, the program must be funded by county contributions. Counties shall contribute five percent of the cost of the program in the program's first year and 15 percent in the second and subsequent years. By rule, the commissioner may require each county to pay to the state treasurer the portion of sliding fee allocations paid by the state for which the county is responsible. The county shall advance its portion of sliding fee costs, based upon allocations made by the commissioner for that county for expenditures in the succeeding month. Adjustments of any overestimate or underestimate based on actual expenditures shall be made by the state agency by adjusting the estimate for any succeeding month.

Subd. 7. [SLIDING FEE SCALE.] In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility, an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. The fee schedule must be designed to use any available tax credits and to progress smoothly from appropriated assistance to tax-related assistance.

Subd. 8. [LIMITS ON USE OF STATE FUNDS.] The state's payment is limited to the difference between the fee set by the commissioner and the provider's charge for care. When the provider of child care services charges more than 125 percent of the median charge for similar care arrangements in the geographic area defined by the commissioner of human services for the purpose of ascertaining the median charge, the state's payment is limited to the difference between 125 percent of the median charge for similar care arrangements in the geographic area and the parents' fee.

Subd. 9. [EXTENSION OF WORK INCENTIVE OPPORTUNITIES.] The county board shall ensure that child care services available to county residents are well advertised and that everyone who receives or applies for aid to families with dependent children is informed of training and employment opportunities and programs, including child care services.

Subd. 10. [ADMINISTRATIVE EXPENSES.] A county must not use more than seven percent of its allocation for its administrative expenses under this section.

Sec. 56. [TRANSFER OF POWERS.]

The department of economic security as now constituted is abolished. The

responsibilities of the department of economic security are transferred to the department of employment and training and the department of human services as specified in sections 1 to 55. Responsibilities of the department of human services specified in sections 13, 14, 15, and 22, together with designated support functions, are transferred to the department of employment and training. Section 15.039 governs the transfer of powers, except that positions in the unclassified service established under section 268.011, subdivision 2, are abolished. Commencing with the passage and signing of this act, the commissioners of economic security, human services, administration, finance, and employee relations shall cooperate in assuring a smooth transfer of the designated personnel, equipment, and supplies to carry out the purposes of this act.

Sec. 57. [REVISOR'S INSTRUCTION; NAME CHANGES.]

In Minnesota Statutes 1986 and later editions of the statutes, the revisor shall change the words "economic security" to "employment and training," except as otherwise specified by sections 1 to 55.

Sec. 58. [REVISOR'S INSTRUCTION; RENUMBERING.]

In Minnesota Statutes 1986 and later editions of the statutes, the revisor shall renumber each section listed in column A with the number in column B. The revisor shall also make necessary cross-reference changes consistent with renumbering. In the renumbered sections, the revisor shall change the words "economic security" to "employment and training."

A	B
268.014	268A.13
268.021	268A.14
268.026	268A.15
268.03	268A.16
268.04	268A.17
268.05	268A.18
268.06	268A.19
268.061	268A.2
268.07	268A.21
268.071	268A.22
268.072	268A.23
268.08	268A.24
268.081	268A.25
268.09	268A.26
268.10	268A.27
268.11	268A.28
268.12	268A.29
268.121	268A.3
268.13	268A.31
268.14	268A.32
268.15	268A.33
268.16	268A.34
268.17	268A.35
268.18	268A.36
268.20	268A.37
268.21	268A.38
268.22	268A.39
268.23	268A.4, subdivision 1

268.231	268A.4, subdivision 2
268.24	268A.4, subdivision 3
268.25	268A.4, subdivision 4
268.31	268A.4, subdivision 5
268.32	268A.4, subdivision 6
268.33	268A.401
268.34	268A.402
268.35	268A.41
268.36	268A.411
268.37	268A.412
268.38	268A.42
268.52	268A.43
268.53	268A.44
268.54	268A.45
268.60	268A.46
268.61	268A.47
268.62	268A.48
268.63	268A.49
268.64	268A.5
268.671	268A.51
268.672	268A.52
268.673	268A.53
268.674	268A.54
268.675	268A.55
268.676	268A.56
268.677	268A.57
268.678	268A.58
268.679	268A.59
268.68	268A.6
268.681	268A.61
268.682	268A.62
268.683	268A.63
268.685	268A.64
268.82	268A.65
268.83	268A.66
268.84	268A.67

Sec. 59. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the office of full productivity and opportunity for the purposes indicated, to be available for the fiscal year ending June 30 in the years indicated. The unencumbered balance remaining in the first year does not cancel but is available for the second year.

	1986	1987
(a) For administration	\$_____	\$_____
(b) For an information and referral system	_____	_____
(c) For staff training	_____	_____
(d) For wage subsidy programs	_____	_____
(e) For general assistance	_____	_____
(f) For aid to families with dependent children	_____	_____
(g) For day care programs	_____	_____

- (h) For day care sliding fee programs _____
- (i) For employment and training programs _____
- (j) For job service programs _____
- (k) For job skills partnership programs _____
- (l) For heating assistance grants _____
- (m) For training and community programs _____
- (n) For job training partnership act matching funds _____
- (o) For community development corporations _____
- (p) For opportunities industrialization centers _____
- (q) For the displaced homemaker program _____

Sec. 60. [REPEALER.]

Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 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; 268.80; and 268.81 are repealed.

Sec. 61. [EFFECTIVE DATE.]

Section 56 and all transfers of responsibility in sections 1 to 37 are effective January 1, 1986. Sections 12; 15, subdivision 4; and 55 are effective July 1, 1985.

ARTICLE II

Section 1. Minnesota Statutes 1984, section 245.66, is amended to read:

245.66 [COMMUNITY MENTAL HEALTH CENTER BOARDS.]

Subdivision 1. [BOARD REQUIRED; MEMBERSHIP AND RESPONSIBILITIES.] Every city, county, town, combination thereof or nonprofit corporation establishing a community mental health center shall establish a community mental health center board. The community mental health center board may include county commissioner representatives from each participating county and shall be representative of the local population, including at least health and human service professions and advocate associations, other fields of employment, and the general public. Each community mental health center board shall be responsible for the governance and performance of its center.

Subd. 2. [COUNTY OPERATED COMMUNITY MENTAL HEALTH CENTER BOARDS.] Notwithstanding subdivision 1, a county board of commissioners that operates a community mental health center with county employees shall designate itself as the governing board of that center.

If the county board elects to be the community mental health center board, it may establish advisory committees to assist it to plan, set priorities, and evaluate the services which the board provides or purchases.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to employment, economic opportunity and human services; 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; creating the board for the blind; 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 rule-making 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; allowing the county boards to serve as the community mental health center boards; appropriating money; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 86.33, by adding subdivisions; 116J.035, by adding a subdivision; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 129A.02, subdivision 2; 136.63, by adding a subdivision; 136C.06; 178.03, by adding a subdivision; 245.66; 245.87; 248.07; 248.08; 256.736; 256.737; 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; 268.04, by adding subdivisions; 268.08, by adding a subdivision; 268.31; 268.32; 268.33; 268.34; 268.35; 268.36; 268.672, subdivision 6; 268.676, subdivision 1; and 268.686; proposing coding for new law in Minnesota Statutes, chapter 268; 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; 256.736, subdivisions 1 and 2; 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; 268.80; and 268.81."

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 re-referred

S.F. No. 357: A bill for an act relating to Pine county; permitting the county to participate separately in the community health services system.

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

Delete everything after the enacting clause and insert:

"Section 1. [PINE COUNTY COMMUNITY HEALTH SERVICES.]

Subdivision 1. [REQUIREMENTS.] Notwithstanding the population requirement of Minnesota Statutes, section 145.917, subdivision 1, paragraph (a), Pine county shall be eligible for a subsidy pursuant to section 145.921, effective July 1, 1985, provided:

(a) the county meets all other requirements of sections 145.913 and

145.917; and

(b) the county meets the population requirement of section 145.917, subdivision 1, paragraph (a), on or before January 1, 1986; and

(c) sufficient funds are appropriated for this purpose.

Subd. 2. [PAYMENT.] Payment of the subsidy authorized by this special law shall begin on the last day of the month following the month in which the county complies with the provisions of subdivision 1. Subsidy for the period July 1, 1985, through December 31, 1985, shall be provided in a single payment. Subsequent payment shall be made as prescribed in section 145.921.

Sec. 2. [REPEALER.]

Section 1 is repealed effective January 2, 1986.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective without local approval the day following final enactment."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 928: A bill for an act relating to occupations and professions; providing for licensure of persons engaged in the sale of hearing instruments; appropriating money; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 153A.

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

Page 1, line 18, delete "Cochlear implants" and insert "Surgically implanted hearing instruments" and before the period, insert "for purposes of sections 1 to 15. Assistive listening devices not requiring testing, fitting, or the use of ear molds, and which devices or their attachments are not worn within the ear canal, are not hearing instruments"

Page 2, line 32, delete the period and insert " ; and "

Page 2, after line 32, insert:

"(6) ensure that hearing instruments are dispensed in compliance with requirements of the federal Food and Drug Administration."

Page 2, line 33, delete "(5)" and insert "(6)"

Page 3, line 31, delete "and"

Page 3, line 33, after "injury" insert " ; and (10) knowledge of the federal and state laws regarding hearing instrument dispensing "

Page 3, line 36, after "with" insert "otolaryngologists,"

Page 4, line 26, after "members," insert "including consumers, hearing instrument dispensers, audiologists and otolaryngologists,"

Page 5, delete line 23 and insert "person is licensed under sections 1 to 15 or employs a person licensed under sections 1 to 15;"

Page 5, line 26, delete "or" and insert a comma and after "audiologist" insert ", or person licensed under chapter 147"

Page 5, lines 35 and 36, after "DISPENSER" insert "OR PHYSICIAN"

Page 6, line 1, after "include" insert ", upon patient authorization,"

Page 7, line 3, delete "to persons"

Page 7, line 4, delete "licensed under chapter 147 or"

Page 7, line 8, after the period, insert "Sections 1 to 15 do not apply to persons licensed under chapter 147. The board of medical examiners may regulate the dispensing of hearing instruments by persons licensed under chapter 147."

Page 7, after line 8, insert:

"Sec. 17. [CREDENTIALING STUDY.]

The commissioner of health shall reconsider the application of speech language pathologists and audiologists for credentialing. The reconsideration must be conducted according to section 214.13 and must be conducted prior to consideration of any other applications received after July 1, 1984. The commissioner of health shall include a study of hearing instrument dispensing by physicians, audiologists, and hearing instrument dispensers in connection with the foregoing application. The commissioner of commerce shall cooperate with the commissioner of health with respect to the study of the dispensing of hearing instruments.

Sec. 18. [REPEALER.]

Sections 1 to 16 are repealed effective July 1, 1987."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the first semicolon, insert "requiring the commissioner of health to reconsider the application of speech language pathologists and audiologists for credentialing;"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

H.F. No. 1382 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1382	1371				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1382 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1382 and insert the language after the enacting clause of S.F. No. 1371, further, delete the title of H.F. No. 1382 and insert the title of S.F. No. 1371.

And when so amended H.F. No. 1382 will be identical to S.F. No. 1371, and further recommends that H.F. No. 1382 be given its second reading and substituted for S.F. No. 1371, and that the Senate File be indefinitely postponed.

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

Mr. Vega from the Committee on Energy and Housing, to which was referred the following appointment as reported in the Journal for February 7, 1985:

MINNESOTA HOUSING FINANCE AGENCY
J. Mark Wedel

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Vega from the Committee on Energy and Housing, to which were referred the following appointments as reported in the Journal for January 31, 1985:

MINNESOTA HOUSING FINANCE AGENCY
Demetrius G. Jelatis
Shirley Van Dyck
Robert A. Worthington

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on Veterans and General Legislation, to which were referred the following appointments as reported in the Journal for February 14, 1985:

BOARD OF THE ARTS
Leonard J. Nadasdy
James Nardone
Bunny (Isabelle) Robinson

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred the following appointment as reported in the Journal for February 7, 1985:

METROPOLITAN WASTE CONTROL COMMISSION
CHAIRMAN
Peter E. Meintsma

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which were referred the following appointments as reported in the Journal for April 17, 1985:

METROPOLITAN WASTE CONTROL COMMISSION

Bruce Baumann
George Dahlvang
Judith Fletcher
JoEllen Hurr
Susan E. Kimberly
Carol Kummer
Mark Mahon
Paul McCarron

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred the following appointment as reported in the Journal for February 21, 1985:

METROPOLITAN COUNCIL CHAIRMAN

Sandra S. Gardebring

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Schmitz from the Committee on Local and Urban Government, to which were referred the following appointments as reported in the Journal for January 31, 1985:

METROPOLITAN COUNCIL

Mary Elizabeth Anderson
Leon F. Cook
Dirk deVries
Mary M. Hauser
Mary Martin
Josephine D. Nunn
Dottie Rietow
Donald E. Stein
Charles Wiger

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the

table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 661, 801, 1329, 1308, 1208, 1061, 615, 438, 896, 1249, 1190, 1104, 1220, 616, 904, 639, 1447, 721, 1087 and 1398 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 580, 265, 1236, 730, 786, 213, 656, 143, 1254, 1037, 58, 521, 231, 18 and 1382 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Willet moved that the name of Mr. Samuelson be added as a co-author to S.F. No. 295. The motion prevailed.

Mr. Benson moved that the name of Mrs. Kronebusch be added as a co-author to S.F. No. 378. The motion prevailed.

Mr. Lessard moved that the name of Mr. Dahl be added as a co-author to S.F. No. 868. The motion prevailed.

CONFIRMATION

Mr. Merriam moved that the reports from the Committee on Agriculture and Natural Resources, reported March 18, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Merriam moved that in accordance with the reports from the Committee on Agriculture and Natural Resources, reported March 18, 1985, the Senate, having given its advice, do now consent to and confirm the appointments of:

MINNESOTA WATER RESOURCES BOARD

Marlin A. Rieppel, Rt. 2, Box 78, Appleton, Swift County, effective May 3, 1984, for a term expiring the first Monday in January, 1988.

Erika Sitz, 6521 - 154th Ln. N.W., Anoka, Anoka County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

Mr. Berg requested that the appointment of Erika Sitz be divided out.

The question was taken on the motion of Mr. Merriam to confirm the appointment of Marlin A. Rieppel. The motion prevailed. So the appointment was confirmed.

The question was taken on the motion of Mr. Merriam to confirm the appointment of Erika Sitz.

The roll was called, and there were yeas 46 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Freeman	Langseth	Peterson, D.C.	Sieloff
Berglin	Hughes	Lantry	Peterson, R.W.	Solon
Bernhagen	Johnson, D.E.	Lessard	Petty	Spear
Brataas	Johnson, D.J.	Luther	Pogemiller	Storm
Dahl	Jude	Merriam	Purfeerst	Waldorf
Davis	Knaak	Moe, R.D.	Ramstad	Willet
Dicklich	Knutson	Nelson	Reichgott	
Diessner	Kroening	Novak	Renneke	
Dieterich	Kronebusch	Pehler	Samuelson	
Frank	Laidig	Peterson, C.C.	Schmitz	

Those who voted in the negative were:

Anderson	Berg	Isackson	Mehrkens	Stumpf
Belanger	Bertram	Kamrath	Olson	Taylor
Benson	Frederickson	McQuaid	Peterson, D.L.	Wegscheid

The motion prevailed. So the appointment was confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Solon moved that the report from the Committee on Economic Development and Commerce, reported March 18, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Solon moved that in accordance with the report from the Committee on Economic Development and Commerce, reported March 18, 1985, the Senate, having given its advice, do now consent to and confirm the appointments of:

WORLD TRADE CENTER BOARD

Biorn Biornstad, 5653 Woodcrest Dr., Edina, Hennepin County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

Ronald M. Bosrock, 1814 Hillcrest, St. Paul, Ramsey County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

Willis R. Eken, Twin Valley, Norman County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

Martha R. Firling, 21 Don Avon St., Duluth, St. Louis County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

Thomas A. Foster, 332 Westwood Dr. N., Golden Valley, Hennepin County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

Richard M. Nolan, 370 Selby Ave., St. Paul, Ramsey County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

Pete R. Petrafeso, 2624 Joppa Ave. S., St. Louis Park, Hennepin County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

Irving M. Stern, 5901 Laurel Ave., Golden Valley, Hennepin County,

effective June 23, 1984, for a term expiring the first Monday in January, 1987.

Paul Rexford Thatcher, 15 S. 1st St., Minneapolis, Hennepin County, effective June 23, 1984, for a term expiring the first Monday in January, 1987.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Dieterich moved that the reports from the Committee on Public Utilities and State Regulated Industries, reported March 14, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Dieterich moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Dieterich moved that in accordance with the reports from the Committee on Public Utilities and State Regulated Industries, reported March 14, 1985, the Senate, having given its advice, do now consent to and confirm the appointment of:

PUBLIC UTILITIES COMMISSION

Robert J. O'Keefe, 1845 Juliet Ave., St. Paul, Ramsey County, effective January 2, 1985, for a term expiring January 2, 1991.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Dieterich moved that the reports from the Committee on Public Utilities and State Regulated Industries, reported March 14, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Dieterich moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Dieterich moved that in accordance with the reports from the Committee on Public Utilities and State Regulated Industries, reported March 14, 1985, the Senate, having given its advice, do now consent to and confirm the appointments of:

CABLE COMMUNICATIONS BOARD

Janna King, Rt. 1, Box 216C, Browerville, Todd County, effective December 27, 1984, for a term expiring the first Monday in January, 1989.

Eugene F. Trumble, 2025 Audubon Dr., Chaska, Carver County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

Mr. Knaak requested that the appointment of Janna King be divided out.

The question was taken on the motion of Mr. Dieterich to confirm the appointment of Eugene F. Trumble. The motion prevailed. So the appointment was confirmed.

The question was taken on the motion of Mr. Dieterich to confirm the appointment of Janna King. The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Merriam moved that the report from the Committee on Agriculture and Natural Resources, reported March 21, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Merriam moved that in accordance with the report from the Committee on Agriculture and Natural Resources, reported March 21, 1985, the Senate, having given its advice, do now consent to and confirm the appointment of:

WASTE MANAGEMENT BOARD

Mary A. Robinson, 422 Oak Ave., Delano, Wright County, effective January 21, 1985, for a term expiring 90 days after site selection.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Merriam moved that the report from the Committee on Agriculture and Natural Resources, reported April 2, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Merriam moved that in accordance with the report from the Committee on Agriculture and Natural Resources, reported April 2, 1985, the Senate, having given its advice, do now consent to and confirm the appointment of:

WASTE MANAGEMENT BOARD

Ernest Lund, Box 149A, Gheen, St. Louis County, effective September 19, 1984, for a term expiring 90 days after site selection.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Merriam moved that the report from the Committee on Agriculture and Natural Resources, reported April 1, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Merriam moved that in accordance with the report from the Committee on Agriculture and Natural Resources, reported April 1, 1985, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA POLLUTION CONTROL AGENCY

Bill Walker, Itasca Star Rt., Park Rapids, Becker County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Merriam moved that the report from the Committee on Agriculture and

Natural Resources, reported March 28, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Merriam moved that in accordance with the report from the Committee on Agriculture and Natural Resources, reported March 28, 1985, the Senate, having given its advice, do now consent to and confirm the appointment of:

MINNESOTA POLLUTION CONTROL AGENCY

Carol Lee Baudler, 309 - 4th Ave. N.W., Austin, Mower County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Freeman	Langseth	Novak	Ramstad
Berglin	Hughes	Lantry	Pehler	Reichgott
Dahl	Jude	Luther	Peterson, C.C.	Samuelson
Davis	Knaak	Merriam	Peterson, D.C.	Spear
Diessner	Kroening	Moe, D. M.	Peterson, R.W.	Vega
Dieterich	Kronebusch	Moe, R. D.	Petty	Willet
Frank	Laidig	Nelson	Pogemiller	

Those who voted in the negative were:

Anderson	Chmielewski	Johnson, D.E.	Mehrrens	Sieloff
Belanger	Dicklich	Johnson, D.J.	Olson	Storm
Benson	Frederick	Kamrath	Peterson, D.L.	Wegscheid
Berg	Frederickson	Knutson	Purfeerst	
Bernhagen	Gustafson	Lessard	Renneke	
Bertram	Isackson	McQuaid	Schmitz	

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Purfeerst moved that the report from the Committee on Transportation, reported April 3, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Purfeerst moved that in accordance with the report from the Committee on Transportation, reported April 3, 1985, the Senate, having given its advice, do now consent to and confirm the appointment of:

REGIONAL TRANSIT BOARD CHAIR

Elliott Perovich, 863 River Ln., Anoka, Anoka County, effective July 17, 1984, for a term expiring the first Monday in January, 1987.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Pehler moved that the reports from the Committee on Education, reported April 18, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Pehler moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Pehler moved that in accordance with the reports from the Committee on Education, reported April 18, 1985, the Senate, having given its advice, do now consent to and confirm the appointments of:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Archie D. Chelseth, 509 Chestnut St., Cloquet, Carlton County, effective January 28, 1985, for a term expiring the first Monday in January, 1989.

Mona J. Hintzman, 4018 - 58th Ave. N., Brooklyn Center, Hennepin County, effective February 11, 1985, for a term expiring the first Monday in January, 1986.

Maureen A. Johnson, 407 N. Grant, Minnetonka, Lyon County, effective January 28, 1985, for a term expiring the first Monday in January, 1991.

Orrin V. Rinke, 819 N. 2nd Ave., Sauk Rapids, Benton County, effective January 28, 1985, for a term expiring the first Monday in January, 1991.

STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Patricia Allinder, 801 W. 17th St., Willmar, Kandiyohi County, effective December 27, 1984, for a term expiring the first Monday in January, 1989.

Alan Olson, 5710 Upper 182nd St., Farmington, Dakota County, effective December 27, 1984, for a term expiring the first Monday in January, 1989.

Jane Preston, 2145 Lakeview Ave., White Bear Lake, Ramsey County, effective December 27, 1984, for a term expiring the first Monday in January, 1989.

STATE UNIVERSITY BOARD

James B. Lund, 519 N. 2nd St., Mankato, Blue Earth County, effective January 19, 1985, for a term expiring the first Monday in January, 1987.

Rodney N. Searle, Rt. 1, Box 44, Waseca, Waseca County, effective January 19, 1985, for a term expiring the first Monday in January, 1989.

Russell P. Stanton, 1004 N. 4th, Marshall, Lyon County, effective January 19, 1985, for a term expiring the first Monday in January, 1989.

The motion prevailed. So the appointments were confirmed.

CONFIRMATION

Mr. Hughes moved that the report from the Committee on Elections and Ethics, reported March 18, 1985, pertaining to appointments, be taken from the table. The motion prevailed.

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

Mr. Hughes moved that in accordance with the report from the Committee on Elections and Ethics, reported March 18, 1985, the Senate, having given its advice, do now consent to and confirm the appointments of:

STATE ETHICAL PRACTICES BOARD

Martin J. McGowan, Rt. 1, Box 41, Kimball, Stearns County, effective September 10, 1984, for a term expiring the first Monday in January, 1987.

Ellen G. Sampson, 1415 Bayard Ave., St. Paul, Ramsey County, effective January 16, 1985, for a term expiring the first Monday in January, 1989.

The motion prevailed. So the appointments were confirmed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 221: A bill for an act relating to highways; designating the George Mann Memorial Highway; amending Minnesota Statutes 1984, section 161.14, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

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

Ms. Olson voted in the negative.

So the bill passed and its title was agreed to.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the General Orders Calendar a Special Orders Calendar to be heard immediately.

SPECIAL ORDER

S.F. No. 761: A bill for an act relating to drivers' licenses; requiring certain notice on uniform traffic ticket; providing penalty for failure to respond to summons and complaint on uniform traffic ticket; prohibiting issuance of

warrants for failure to pay fines for parking violations; establishing system for collecting unpaid fines; allocating driver's license reinstatement fees; amending Minnesota Statutes 1984, sections 169.99, by adding a subdivision; 171.16, subdivision 3, and by adding subdivisions; 171.20, subdivision 1; and 171.29; 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 14 and nays 48, as follows:

Those who voted in the affirmative were:

Bertram	DeCramer	Hughes	Pehler	Reichgott
Dahl	Diessner	Luther	Peterson, D. C.	Spear
Davis	Gustafson	Merriam	Peterson, R. W.	

Those who voted in the negative were:

Adkins	Frank	Kroening	Nelson	Solon
Anderson	Frederick	Kronebusch	Novak	Storm
Belanger	Frederickson	Laidig	Olson	Stumpf
Benson	Freeman	Langseth	Peterson, C. C.	Taylor
Berg	Isackson	Lantry	Peterson, D. L.	Vega
Berglin	Johnson, D. E.	Lessard	Pogemiller	Waldorf
Bernhagen	Johnson, D. J.	McQuaid	Ramstad	Wegscheid
Brataas	Jude	Mehrken	Samuelson	Willet
Chmielewski	Kamrath	Moe, D. M.	Schmitz	
Dieterich	Knaak	Moe, R. D.	Sieloff	

So the bill failed to pass.

Mr. Knaak raised a point of order as to the designation of Special Orders pursuant to Rule 10.

The President ruled that the point of order was not well taken.

Mr. Knaak appealed the decision of the President.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The roll was called, and there were yeas 42 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Novak	Spear
Berglin	Diessner	Kronebusch	Peterson, C. C.	Stumpf
Bernhagen	Dieterich	Lantry	Peterson, D. C.	Vega
Bertram	Frank	Lessard	Peterson, R. W.	Waldorf
Brataas	Freeman	Luther	Pogemiller	Wegscheid
Chmielewski	Hughes	Merriam	Reichgott	Willet
Dahl	Johnson, D. E.	Moe, D. M.	Samuelson	
Davis	Johnson, D. J.	Moe, R. D.	Schmitz	
DeCramer	Jude	Nelson	Solon	

Those who voted in the negative were:

Anderson	Frederickson	Knaak	Peterson, D. L.	Taylor
Belanger	Gustafson	Laidig	Ramstad	
Benson	Isackson	McQuaid	Sieloff	
Berg	Kamrath	Olson	Storm	

So the decision of the President was sustained.

CALL OF THE SENATE

Mr. Stumpf imposed a call of the Senate for the proceedings on H.F. No. 151. The Sergeant at Arms was instructed to bring in the absent members.

SPECIAL ORDER

H.F. No. 151: A bill for an act relating to education; prohibiting a school district from commencing the school year prior to Labor Day; amending Minnesota Statutes 1984, section 126.12.

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 36 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.J.	Peterson, C.C.	Storm
Anderson	Diessner	Kroening	Pogemiller	Stumpf
Belanger	Dieterich	Laidig	Purfeerst	Vega
Berglin	Frank	Langseth	Reichgott	Willet
Chmielewski	Freeman	Lantry	Samuelson	
Dahl	Gustafson	Lessard	Sieloff	
Davis	Hughes	Moe, D. M.	Solon	
DeCramer	Johnson, D.E.	Pehler	Spear	

Those who voted in the negative were:

Bernhagen	Jude	Mehrkens	Peterson, D.C.	Waldorf
Bertram	Kamrath	Merriam	Peterson, D.L.	Wegscheid
Brataas	Knaak	Moe, R. D.	Peterson, R.W.	
Frederick	Kronebusch	Nelson	Ramstad	
Frederickson	Luther	Novak	Schmitz	
Isackson	McQuaid	Olson	Taylor	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 241: A bill for an act relating to commerce; modifying certain motor vehicle sale and distribution regulations; amending Minnesota Statutes 1984, sections 80E.04, subdivision 4; 80E.06, subdivision 1; 80E.10, subdivision 5; 80E.12; and 80E.14, subdivision 1; repealing Minnesota Statutes 1984, section 80E.03, subdivision 11.

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 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mrs. Brataas voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 94: A bill for an act relating to agriculture; changing certain soil and water conservation priorities; amending Minnesota Statutes 1984, section 40.036, subdivisions 1 and 3; repealing Minnesota Statutes 1984, sections 40.036, subdivisions 4, 5, and 6; and 40.038, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

Mr. Merriam moved to amend H.F. No. 266, as amended pursuant to Rule 49, adopted by the Senate March 28, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 527.)

Page 2, after line 2, insert:

"Sec. 3. Minnesota Statutes 1984, section 97.50, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] The commissioner, director, game refuge patrolmen, and conservation officers are authorized to:

(1) execute and serve all warrants and processes issued by any court having jurisdiction under any law relating to wild animals, wild rice, use of water, conservation, protection or control of public waters, state-owned dams or other works affecting public waters or water pollution, in the same manner as a constable or sheriff;

(2) arrest, without a warrant, any person detected in the actual violation of

any provisions of chapters 84, 97 to 102, 105 and 106 84A, 85, 86A, 88 to 106, 361, and sections 18.341 to 18.436; 609.66, subdivision 1, clauses (1), (2), (5), and (7); and ~~section~~ 609.68; and

(3) take the person before any court in the county in which the offense was committed and make proper complaint.

When a person who is arrested for any violation of the provisions of law listed in clause (2), which is punishable as a misdemeanor, is not taken into custody and immediately taken before a court, the arresting officer shall prepare, in quadruplicate, written notice to appear before a court. The notice shall be in the form and has the effect of a summons and complaint. It shall contain the name and address of the person arrested, the offense charged, and the time and the place he is to appear before the court. This place must be before a court which has jurisdiction within the county in which the offense is alleged to have been committed.

In order to secure release, without being taken into custody and immediately taken before the court, the arrested person must give his written promise to appear before the court by signing, in quadruplicate, the written notice prepared by the arresting officer. The officer shall retain the original of the notice and deliver the copy marked "SUMMONS" to the person arrested. The officer shall then release the person from custody.

On or before the return day, the officer shall return the notice or summons to the court before whom it is returnable. If the person summoned fails to appear on the return day, the court shall issue a warrant for his arrest. Upon his or her arrest, proceedings shall be had as in other cases."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the first semicolon insert "97.50, subdivision 1;"

The motion prevailed. So the amendment was adopted.

H.F. No. 266 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 267: A bill for an act relating to local government; authorizing

certain political subdivisions to enter into certain joint insurance agreements.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

Mr. Merriam moved to amend H.F. No. 247, as amended pursuant to Rule 49, adopted by the Senate March 28, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 505)

Page 2, after line 23, insert:

"Sec. 3. Minnesota Statutes 1984, section 462.357, subdivision 2, is amended to read:

Subd. 2. [GENERAL REQUIREMENTS.] At any time after the adoption of a land use plan for the municipality, the planning agency, for the purpose of carrying out the policies and goals of the land use plan, may prepare a proposed zoning ordinance and submit it to the governing body with its recommendations for adoption. Subject to the requirements of subdivisions 3, 4 and 5, the governing body may adopt and amend a zoning ordinance by a two-thirds vote of all its members. *If the comprehensive municipal plan is in conflict with the zoning ordinance, the zoning ordinance supersedes the plan.*

Sec. 4. Minnesota Statutes 1984, section 473.858, subdivision 1, is amended to read:

Subdivision 1. Within three years following the receipt of the metropolitan system statement, every local governmental unit shall have prepared a comprehensive plan in accordance with Laws 1976, Chapter 127, Sections 1 to 23 and the applicable planning statute and shall have submitted the plan to the metropolitan council for review pursuant to section 473.175. The provisions of Laws 1976, Chapter 127, Sections 1 to 23 shall supersede the provisions of the applicable planning statute wherever a conflict may exist. *If the comprehensive municipal plan is in conflict with the zoning ordinance, the zon-*

ing ordinance supersedes the plan."

Renumber the remaining section

Amend the title as follows:

Page 1, line 4, after the semicolon insert "providing for resolution of conflicts between a zoning ordinance and the comprehensive municipal plan;" and delete "section" and insert "sections"

Page 1, line 5, after "3" insert "; 462.357, subdivision 2; and 473.858, subdivision 1"

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend H.F. No. 247, as amended pursuant to Rule 49, adopted by the Senate March 28, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 505.)

Page 2, after line 23, insert:

"Sec. 3. [REPEALER.]

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

Page 2, line 24, delete "3" and insert "4"

Page 1, line 5, before the period, insert "; repealing Laws 1984, chapter 644, section 83"

Mr. Luther questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Berg appealed the decision of the Chair.

The question was taken on "Shall the decision of the Chair be the judgment of the Senate?"

The roll was called, and there were yeas 39 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Langseth	Pehler	Schmitz
Berglin	Frank	Lantry	Peterson, C.C.	Solon
Bertram	Freeman	Lessard	Peterson, D.C.	Spear
Chmielewski	Hughes	Luther	Peterson, R.W.	Stumpf
Dahl	Johnson, D.J.	Merriam	Pogemiller	Vega
Davis	Jude	Moe, R.D.	Purfeerst	Waldorf
DeCramer	Kroening	Nelson	Reichgott	Willet
Dicklich	Kronebusch	Novak	Samuelson	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Olson	Storm
Belanger	Diessner	Kamrath	Peterson, D.L.	Taylor
Benson	Frederickson	Knaak	Ramstad	
Berg	Gustafson	McQuaid	Renneke	
Bernhagen	Isackson	Mehrkens	Sieloff	

The motion prevailed. So the decision of the Chair was sustained.

H.F. No. 247 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

H.F. No. 186: A bill for an act relating to mental health services; authorizing interstate contracts for mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 295: A bill for an act relating to counties; authorizing a special levy for park and recreation purposes for Hubbard county; authorizing a special levy for support of the Clearwater county hospital; authorizing a special levy for tourism and agriculture promotion in Cass county; requiring a reverse referendum under certain circumstances; authorizing county regulation of pawnbrokers, second-hand, and junk dealers; authorizing political subdivisions to accept certain grants, loans, or advances of money; amending Minnesota Statutes 1984, section 471.65; proposing coding for new law in Minnesota Statutes, chapter 471.

Mr. Johnson, D.E. moved to amend S.F. No. 295 as follows:

Page 6, line 36, strike "in the sixth"

Page 7, line 1, before "after" strike "year" and insert "*at the time specified in the resolution adopted by the municipality under subdivision 9, but not more than 5 years*"

Amend the title as follows:

Page 1, line 11, after the semicolon, insert "allowing municipalities to accelerate repayment of principal of energy loans;"

The motion prevailed. So the amendment was adopted.

Mr. Kamrath moved to amend S.F. No. 295 as follows:

Pages 5 to 7, delete section 8

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 15, delete "sections 116J.36, subdivision" and insert "section"

Page 1, line 16, delete "6; and"

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

Mr. Sieloff moved to amend S.F. No. 295 as follows:

Pages 7 and 8, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 13, delete everything after the semicolon

Page 1, line 14, delete everything before "amending"

Page 1, line 15, delete "sections" and insert "section"

Page 1, line 16, delete "and 471.65;"

CALL OF THE SENATE

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

Mr. Peterson, R.W. requested division of the Sieloff amendment as follows:

First portion:

Page 7, lines 20 to 31, delete subdivision 1 of section 9

Amend the title accordingly

Second portion:

Page 7, lines 32 to 36, and page 8, lines 1 and 2, delete subdivision 2 of section 9

Amend the title accordingly

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 46 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dieterich	Knaak	Novak	Sieloff
Anderson	Frank	Kroening	Olson	Spear
Belanger	Frederickson	Kronebusch	Pehler	Storm
Benson	Freeman	Laidig	Peterson, C.C.	Taylor
Berg	Gustafson	Langseth	Peterson, D.C.	Waldorf
Bernhagen	Hughes	Lantry	Peterson, D.L.	Wegscheid
Bertram	Isackson	Luther	Purfeerst	
Brataas	Johnson, D.E.	McQuaid	Ramstad	
Dahl	Jude	Mehrkins	Renneke	
Diessner	Kamrath	Moe, R.D.	Schmitz	

Those who voted in the negative were:

Chmielewski	Dicklich	Merriam	Pogemiller	Willet
Davis	Johnson, D.J.	Nelson	Stumpf	
DeCramer	Lessard	Peterson, R.W.	Vega	

The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment.

The roll was called, and there were yeas 54 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Nelson	Schmitz
Anderson	Diessner	Knaak	Novak	Sieloff
Belanger	Frank	Kroening	Olson	Spear
Benson	Frederickson	Kronebusch	Pehler	Storm
Berg	Freeman	Laidig	Peterson, C.C.	Stumpf
Bernhagen	Gustafson	Langseth	Peterson, D.C.	Taylor
Bertram	Hughes	Lessard	Peterson, R.W.	Vega
Brataas	Isackson	Luther	Purfeerst	Waldorf
Chmielewski	Johnson, D.E.	McQuaid	Ramstad	Wegscheid
Dahl	Johnson, D.J.	Mehrkins	Reichgott	Willet
DeCramer	Jude	Moe, R.D.	Renneke	

Messrs. Davis, Dieterich, Mrs. Lantry and Mr. Merriam voted in the negative.

The motion prevailed. So the second portion of the amendment was adopted.

S.F. No. 295 was then progressed.

SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Moe, D.M.	Ramstad
Anderson	Dieterich	Knaak	Moe, R.D.	Reichgott
Belanger	Frank	Kronebusch	Nelson	Renneke
Berg	Frederickson	Laidig	Novak	Schmitz
Bernhagen	Freeman	Langseth	Olson	Sieloff
Bertram	Gustafson	Lantry	Pehler	Storm
Brataas	Hughes	Lessard	Peterson, C.C.	Stumpf
Chmielewski	Isackson	Luther	Peterson, D.C.	Taylor
Davis	Johnson, D.E.	McQuaid	Peterson, D.L.	Vega
DeCramer	Johnson, D.J.	Mehrkins	Peterson, R.W.	Wegscheid
Dicklich	Jude	Merriam	Purfeerst	Willet

Messrs. Kroening, Spear and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 379: A bill for an act relating to elections; qualifying certain persons to be election judges; amending Minnesota Statutes 1984, section 204B.19, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Novak	Spear
Anderson	Dieterich	Kroening	Olson	Storm
Belanger	Frank	Kronebusch	Peterson, C.C.	Stumpf
Benson	Frederickson	Laidig	Peterson, D.C.	Taylor
Berg	Freeman	Langseth	Peterson, D.L.	Vega
Bernhagen	Gustafson	Lantry	Peterson, R.W.	Waldorf
Bertram	Hughes	Lessard	Purfeerst	Wegscheid
Brataas	Isackson	Luther	Ramstad	Willet
Chmielewski	Johnson, D.E.	McQuaid	Reichgott	
Dahl	Johnson, D.J.	Mehrkins	Renneke	
Davis	Jude	Merriam	Schmitz	
DeCramer	Kamrath	Moe, R.D.	Sieloff	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 415: A bill for an act relating to elections; permitting certain reports to be made by certified mail; amending Minnesota Statutes 1984, section 10A.20, subdivision 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 91: A bill for an act relating to elections; providing for the preparation and availability of correct precinct lists; amending Minnesota Statutes 1984, section 201.091, subdivision 2.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 535: A bill for an act relating to health; restricting the use of lead in pipes, solders, and flux; requiring schools to flush certain pipes; amending Minnesota Statutes 1984, section 123.36, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Langseth moved that H.F. No. 58, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Frederickson moved the adoption of the following resolution:

House Concurrent Resolution No. 10: A House concurrent resolution congratulating Minnesota Rural Electric Cooperatives on their 50th Anniversary.

WHEREAS, fifty years ago virtually all of rural Minnesota did not have central station electric service available to farmers and homes; and

WHEREAS, President Franklin D. Roosevelt signed the executive order creating the Rural Electrification Administration on May 11, 1935; and

WHEREAS, the REA program, through Minnesota's Rural Electric Cooperatives, has brought the benefits of electricity to some 425,000 rural Minnesota farms and homes; and

WHEREAS, May 11, 1985, is the 50th Anniversary of the REA program; NOW, THEREFORE,

BE IT RESOLVED by the House of Representatives of the State of Minnesota, the Senate concurring, that it congratulates the Rural Electric Cooperatives of Minnesota for the outstanding contribution they have made to the economic development and improved living standards of Minnesota citizens.

BE IT FURTHER RESOLVED that the Chief Clerk of the House of Representatives is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and those of the Speaker, the President of the Senate, and the Secretary of the Senate, and present it to the Minnesota Rural Electric Association.

The motion prevailed. So the resolution was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Messrs. Samuelson, Solon and Mrs. Brataas introduced—

S.F. No. 1503: A bill for an act relating to insurance; life; providing for the payment of a fee to the commissioner for valuing policies; amending Minnesota Statutes 1984, section 60A.14, subdivision 1.

Referred to the Committee on Economic Development and Commerce.

MEMBERS EXCUSED

Mr. Knutson was excused from the Session of today at 2:00 p.m. Ms. Berglin was excused from the Session of today at 4:00 p.m.

The following member was excused from today's Session for a brief period of time: Mr. Frederick.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Tuesday, April 23, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate