

SIXTIETH DAY

St. Paul, Minnesota, Tuesday, May 14, 1985

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

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Bernie Schreiner.

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.	Mehrkins	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.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 756 at 1:00 p.m.:

Messrs. Johnson, D.J.; Novak; Peterson, C.C.; Merriam and Petty. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mrs. Lantry moved that the following members be excused for a Conference Committee on H.F. No. 1639 at 1:00 p.m.:

Messrs. Schmitz, Purfeerst, Langseth, Mehrkins and Mrs. Lantry. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1641 at 1:00 p.m.:

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 88 at 1:30 p.m.:

Messrs. Nelson; Pehler; Peterson, R.W.; Ms. Peterson, D.C. and Mr. Peterson, D.L. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

April 15, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of the Arts is hereby respectfully submitted to the Senate for confirmation as required by law:

Allegra W. Parker, 785 N. Ferndale Rd., Wayzata, Hennepin County, has been appointed by me, effective April 17, 1985, for a term expiring the first Monday in January, 1986.

(Referred to the Committee on Veterans and General Legislation.)

Sincerely,
Rudy Perpich, Governor

May 9, 1985

The Honorable David Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1985 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1985	Date Filed 1985
86		93	May 9	May 9
143		94	May 9	May 9
921		95	May 9	May 9
994		96	May 9	May 9

1071

362
119997
98
99May 9
May 9
May 9May 9
May 9
May 9

Sincerely,
Joan Anderson Growe
Secretary of State

May 14, 1985

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 1308.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 71, 207, 901 and 1254.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. President:

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

S.F. No. 43: A bill for an act relating to transportation; regulating motor carriers; establishing gross vehicle weight limits for courier service vehicles; providing that hours of service rules do not apply to farm vehicles; exempting certain farm vehicles from the vehicle identification rule; providing for rescission of canceled permits if a carrier has insurance coverage; excluding modular home movers from regulation as building movers; amending Minnesota Statutes 1984, sections 168.013, subdivision 1e; 174A.06; 221.011, subdivisions 13 and 25; 221.025; 221.031, subdivisions 2 and 6; 221.131, by adding a subdivision; 221.161, subdivision 1; 221.185, subdivision 4, and by adding a subdivision; 221.231; 221.291, subdivision 1; 221.65; 221.67; 221.68; 221.81, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1984, sections 221.296, subdivision 2; 221.61; 221.62; 221.63; 221.64; and 221.66.

Senate File No. 43 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Langseth moved that the Senate do not concur in the amendments by the House to S.F. No. 43, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 583: A bill for an act relating to crimes; making certain trespasses and assaults a gross misdemeanor; providing for the admissibility of certain evidence in domestic abuse prosecutions; amending Minnesota Statutes 1984, sections 609.224 and 609.605; proposing coding for new law in Minnesota Statutes, chapter 634.

Senate File No. 583 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 583 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 583 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McQuaid	Renneke
Anderson	DeCramer	Jude	Moe, R.D.	Sieloff
Belanger	Dicklich	Kamrath	Nelson	Spear
Benson	Diessner	Knaak	Olson	Storm
Berg	Dieterich	Knutson	Pehler	Stumpf
Berglin	Frank	Kroening	Peterson, D.C.	Taylor
Bernhagen	Frederickson	Kronebusch	Peterson, D.L.	Wegscheid
Bertram	Freeman	Laidig	Peterson, R.W.	Willet
Chmielewski	Hughes	Lessard	Ramstad	
Dahl	Isackson	Luther	Reichgott	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 676: A bill for an act relating to towns; authorizing the conduct of town business at places located outside the town; amending Minnesota Statutes 1984, sections 365.51 and 365.52; proposing coding for new law in Minnesota Statutes, chapter 365.

Senate File No. 676 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Chmielewski moved that the Senate do not concur in the amendments by the House to S.F. No. 676, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 954: A bill for an act relating to veterans; reestablishing the board of governors of the Big Island Veterans Camp; providing for its appointment and duties; transferring certain state land to the board; providing for the possible disposition of the land by the board; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1984, sections 197.13; 197.15; 197.16; 197.17; 197.18; and 197.19.

Senate File No. 954 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

CONCURRENCE AND REPASSAGE

Mr. Jude moved that the Senate concur in the amendments by the House to S.F. No. 954 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 954 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Laidig	Ramstad
Anderson	Davis	Isackson	Lessard	Renneke
Belanger	DeCramer	Johnson, D.E.	Luther	Sieloff
Benson	Dicklich	Johnson, D.J.	McQuaid	Spear
Berg	Diessner	Jude	Merriam	Storm
Berglin	Dieterich	Kamrath	Moe, R.D.	Stumpf
Bernhagen	Frank	Knaak	Novak	Taylor
Bertram	Frederickson	Knutson	Olson	Waldorf
Brataas	Freeman	Kroening	Peterson, C.C.	Wegscheid
Chmielewski	Gustafson	Kronebusch	Petty	Willet

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 952: A bill for an act relating to occupations and professions; providing for licensing of alarm and communication contractors and in-

stallars by the board of electricity; amending Minnesota Statutes 1984, sections 326.01, by adding subdivisions; 326.241; 326.242, subdivisions 7 and 8, and by adding subdivisions; 326.243; 326.244, subdivisions 4 and 5; and 326.246.

Senate File No. 952 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Waldorf moved that the Senate do not concur in the amendments by the House to S.F. No. 952, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 196: A bill for an act relating to crimes; requiring the county attorney to prosecute failure to report child abuse or neglect; providing for the reporting of child abuse or neglect; defining certain terms; clarifying immunity from liability for reporting child abuse or neglect; providing for concise summaries of disposition of reports; making technical changes; prescribing penalties; amending Minnesota Statutes 1984, sections 388.051, subdivision 2; and 626.556, subdivisions 1, 2, 3, 4, 4a, 5, 6, 9, and 11.

Senate File No. 196 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Moe, R.D. moved that S.F. No. 196 be laid on the table. The motion prevailed.

Mr. President:

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

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

Senate File No. 623 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

Mr. Moe, R.D. moved that S.F. No. 623 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 558:

H.F. No. 558: A bill for an act relating to metropolitan government; pro-

viding conditions for the disposal of certain sports facilities property; requiring the metropolitan mosquito control district to establish a research program to evaluate the effects of its control program on other fauna; amending Minnesota Statutes 1984, sections 473.556, subdivision 6; and 473.704, by adding a subdivision.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Blatz, Ozment and Long have been appointed as such committee on the part of the House.

House File No. 558 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

Mr. Freeman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 558, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 729:

H.F. No. 729: A bill for an act relating to retirement; providing for an increased redemption benefit option for participants in the Hennepin county supplemental retirement program; allowing withdrawal from the program; amending Laws 1969, chapter 950, sections 1, subdivision 1, as amended; and 4, as amended; and Laws 1983, chapter 100, section 1.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Scheid, Knickerbocker, Gutknecht, Sviggum and Sarna have been appointed as such committee on the part of the House.

House File No. 729 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

Mr. Pogemiller moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 729, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 633:

H.F. No. 633: A bill for an act relating to traffic regulations; providing for a temporary definition of school bus; providing for book racks and "MN" designation on school buses; amending Minnesota Statutes 1984, section

169.44, by adding subdivisions.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Valan, Dempsey and Quist have been appointed as such committee on the part of the House.

House File No. 633 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

Mr. Johnson, D.E. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 633, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 986: A bill for an act relating to workers' compensation; providing for miscellaneous changes; amending Minnesota Statutes 1984, sections 176.021, subdivision 3b; 176.101, subdivision 3e; 176.102, subdivisions 3 and 8; 176.103, subdivision 3; 176.136, by adding a subdivision; 176.138; 176.191, subdivision 3; 176.511, subdivisions 1 and 2; and 176.66, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1984, sections 176.081, subdivision 4; and 176.134.

Senate File No. 986 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1985

CONCURRENCE AND REPASSAGE

Mr. Chmielewski moved that the Senate concur in the amendments by the House to S.F. No. 986 and that the bill be placed on its repassage as amended.

CALL OF THE SENATE

Mr. Chmielewski imposed a call of the Senate for the balance of the proceedings on S.F. No. 986. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Frank moved that the Senate do not concur in the amendments by the House to S.F. No. 986, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 27 and nays 34, as follows:

Those who voted in the affirmative were:

Berglin	Freeman	Moe, D.M.	Peterson, R.W.	Vega
Dahl	Hughes	Moe, R.D.	Pogemiller	Waldorf
Davis	Johnson, D.J.	Nelson	Reichgott	Willet
Dicklich	Kroening	Novak	Samuelson	
Diessner	Luther	Peterson, C.C.	Solon	
Frank	Merriam	Peterson, D.C.	Spear	

Those who voted in the negative were:

Adkins	Brataas	Isackson	Laidig	Ramstad
Anderson	Chmielewski	Johnson, D.E.	Lessard	Renneke
Belanger	DeCramer	Jude	McQuaid	Sieloff
Benson	Dieterich	Kamrath	Olson	Storm
Berg	Frederick	Knaak	Pehler	Stumpf
Bernhagen	Frederickson	Knutson	Peterson, D.L.	Taylor
Bertram	Gustafson	Kronebusch	Petty	

The motion did not prevail.

The question recurred on the motion of Mr. Chmielewski.

The roll was called, and there were yeas 37 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Kamrath	Olson	Storm
Anderson	DeCramer	Knaak	Pehler	Stumpf
Belanger	Dieterich	Kronebusch	Peterson, D.L.	Taylor
Benson	Frederick	Laidig	Petty	Wegscheid
Berg	Frederickson	Langseth	Ramstad	Willet
Bernhagen	Gustafson	Lessard	Renneke	
Bertram	Isackson	McQuaid	Schmitz	
Brataas	Johnson, D.E.	Mehrkins	Sieloff	

Those who voted in the negative were:

Berglin	Freeman	Merriam	Peterson, R.W.	Spear
Dahl	Johnson, D.J.	Moe, D.M.	Pogemiller	Vega
Davis	Jude	Moe, R.D.	Purfeerst	Waldorf
Dicklich	Kroening	Nelson	Reichgott	
Diessner	Lantry	Novak	Samuelson	
Frank	Luther	Peterson, D.C.	Solon	

The motion prevailed.

S.F. No. 986: A bill for an act relating to workers' compensation; excluding certain injuries from coverage; providing the conditions for organization of certain insurance associations; providing for the workers' compensation benefits; transferring certain duties from the department of commerce to the department of labor and industry; providing for miscellaneous changes; amending Minnesota Statutes 1984, sections 66A.08, subdivision 4; 79.37; 176.021, by adding subdivisions; 176.101, subdivisions 3e, 3i, and 3t; 176.102, subdivisions 3 and 8; 176.103, subdivision 3; 176.136, by adding a subdivision; 176.138; 176.191, subdivisions 3 and 5; 176.511, subdivisions 1 and 2; 176.66, subdivision 10; and 352E.03; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1984, sections 176.081, subdivision 4; and 176.134.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Mehrkens	Renneke
Anderson	DeCramer	Kamrath	Moe, R.D.	Schmitz
Belanger	Dieterich	Knaak	Olson	Sieloff
Benson	Frederick	Knutson	Pehler	Storm
Berg	Frederickson	Kronebusch	Peterson, D.L.	Stumpf
Bernhagen	Gustafson	Laidig	Petty	Taylor
Bertram	Hughes	Langseth	Purfeerst	Wegscheid
Brataas	Isackson	Lessard	Ramstad	Willet
Chmielewski	Johnson, D.E.	McQuaid	Reichgott	

Those who voted in the negative were:

Berglin	Freeman	Merriam	Peterson, D.C.	Spear
Dahl	Johnson, D.J.	Moe, D.M.	Peterson, R.W.	Vega
Dicklich	Kroening	Nelson	Pogemiller	Waldorf
Diessner	Lantry	Novak	Samuelson	
Frank	Luther	Peterson, C.C.	Solon	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 229, 607, 1369, 1589 and 857.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1985

FIRST READING OF HOUSE BILLS

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

H.F. No. 229: A bill for an act relating to retirement; early retirement without reduction in annuities; amending Minnesota Statutes 1984, section 356.70, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 607: A bill for an act relating to retirement; authorizing municipalities to establish and finance defined contribution plans for municipal ambulance and rescue volunteers; amending Minnesota Statutes 1984, sections 356.24; and 356.25; proposing coding for new law as Minnesota Statutes, chapter 424B.

Referred to the Committee on Governmental Operations.

H.F. No. 1369: A bill for an act relating to retirement; Moorhead police and firefighters relief associations; clarifying receipt of amortization state aid; consolidation into the public employees police and fire fund; terminating the special fund of the Moorhead firefighters relief association; transferring of assets and records; amending Minnesota Statutes 1984, section 423A.02; repealing Laws 1945, chapter 277; Laws 1951, chapter 499; Laws 1955, chapter 75; Laws 1965, chapter 190; Laws 1967, chapter 775; Laws 1969, chapter 138; Laws 1975, chapter 120; Laws 1978, chapter 563, section 8; Laws 1979, chapter 216, sections 27 to 43; Laws 1980, chapter 600, section 16; Laws 1981, chapter 224, section 236; and Laws 1982, chapter 578, article 3, section 18.

Referred to the Committee on Governmental Operations.

H.F. No. 1589: A bill for an act relating to collection and dissemination of

data; classifying government data as confidential, private, nonpublic, protected nonpublic, and public; clarifying issues relating to classifications of data, access to data, the effect of death of individuals on classifications, and classifications of inactive investigative data; refining provisions of the data practices act; authorizing a court to order the release of certain information; amending Minnesota Statutes 1984, sections 13.03, subdivision 3, and by adding subdivisions; 13.08, subdivision 1, and by adding a subdivision; 13.09; 13.32, subdivision 1; and by adding a subdivision; 13.39, by adding a subdivision; 13.43, subdivision 4; 13.46, subdivisions 1, 2, 3, 7, and 10; 13.65, subdivision 1; 13.71; 13.72, by adding subdivisions; 13.82, subdivisions 1 and 5, and by adding subdivisions; 13.83, by adding a subdivision; 13.84, subdivisions 1 and 6; 144.335, subdivision 2; and 254A.09; repealing Minnesota Statutes 1984, sections 13.73 and 13.81; proposing coding for new law in Minnesota Statutes, chapters 13 and 144.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1013, now on General Orders.

H.F. No. 857: A bill for an act relating to insurance; authorizing the receiver of an insolvent insurer to accelerate the distribution of available assets in payment of claims against the insurer; establishing priority of certain claims; providing for recoupment of assessments; amending Minnesota Statutes 1984, sections 60B.44, subdivisions 1 and 4; 60B.46, by adding subdivisions; 60C.05, subdivision 1; 60C.18; and 61B.07, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 905, now on General Orders.

MOTIONS AND RESOLUTIONS

Mr. Ramstad moved that the name of Mr. Petty be added as a co-author to S.F. No. 348. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 89: A Senate resolution congratulating the girls track and field team from Rosemount High School for winning the 1984 Class AA State High School Girls Track and Field Championship.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1235, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1235 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1235

A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; amending Laws 1981, chapter 190, section 3.

May 9, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 1235, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 1235 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Laws 1981, chapter 190, section 3, is amended to read:

Sec. 3. [CONVEYANCE OF RIGHT-OF-WAY.]

The commissioner of natural resources, in the name of the state, may convey to adjoining property owners by quitclaim deed, at not less than the appraised value, the following described real property, *which is part of the Heartland Trail identified in Minnesota Statutes, section 85.015, subdivision 12*, when the state's title has been clarified either through litigation or land exchange:

A strip of land 100 feet in width extending over and across Government Lots Four (4) and Five (5), the Northeast Quarter of the Southwest Quarter (NE 1/4 SW 1/4) and the Southeast Quarter of the Northwest Quarter (SE 1/4 NW 1/4) of Section Nine (9); Government Lots One (1), Two (2), Three (3), Four (4) and Five (5) and the Southwest Quarter of the Southwest Quarter (SW 1/4 SW 1/4) of Section Sixteen (16); Government Lots One (1) and Two (2) and the Southwest Quarter of the Northeast Quarter (SW 1/4 NE 1/4) of Section Twenty (20); Government Lot One (1), of Section Twenty-one (21); said strip of land being 50 feet in width on each side of the center line of the main track, now removed, of the former Saint Paul, Minneapolis and Manitoba Railway Company, now Burlington Northern Incorporated, as originally located and established over and across said Sections Nine (9), Sixteen (16), Twenty (20) and Twenty-one (21), Township One Hundred Forty-three (143) North, Range Thirty-one (31) West, *and any other lands which are not needed for trail purposes.*

The ~~deed~~ conveyances shall be in a form approved by the attorney general.

Sec. 2. [REPEALER.]

Laws 1984, chapter 502, article 13, section 15, is repealed, and notwithstanding Minnesota Statutes, section 645.35, is void from the time of its

enactment.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state lands; authorizing conveyance of certain state trail lands no longer needed for trails; repealing a prior land conveyance; amending Laws 1981, chapter 190, section 3; repealing Laws 1984, chapter 502, article 13, section 15."

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

House Conferees: (Signed) Maurice J. Zaffke, Paul M. Thiede

Senate Conferees: (Signed) Gerald L. Willet, Gene Merriam, John Bernhagen

Mr. Willet moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1235 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 1235 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 274, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 274 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 274

A bill for an act relating to crimes; defining "dangerous weapon" to include flammable liquids; amending Minnesota Statutes 1984, section 609.02, subdivision 6.

May 9, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 274, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 274 be further amended as follows:

Page 1, after line 14, insert:

"As used in this subdivision, "flammable liquid" means Class I flammable liquids as defined in section 9.108 of the Uniform Fire Code, but does not include intoxicating liquor as defined in section 340.07."

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

House Conferees: (Signed) Dennis Ozment, David T. Bishop, Ken Nelson

Senate Conferees: (Signed) Don Frank, Darril Wegscheid, Dean E. Johnson

Mr. Frank moved that the foregoing recommendations and Conference Committee Report on H.F. No. 274 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 274 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

Mr. Knaak voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 889, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 889 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 889

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.

May 9, 1985

The Honorable David M. Jennings
Speaker of the House of Representatives
The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 889, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 889 be further amended as follows:

Page 3, after line 10, insert:

"Sec. 6. Minnesota Statutes 1984, section 204C.05, subdivision 1, is amended to read:

Subdivision 1. [OPENING AND CLOSING TIMES.] Except as otherwise provided in this section, at the state primary and the state general election the hours for voting in every precinct in the state shall begin at 7:00 a.m. and shall extend continuously until 8:00 p.m.

Subd. 2. [ELECTIONS; ORGANIZED TOWN.] *The governing body of a town with less than 500 inhabitants according to the most recent federal decennial census, which is located outside the metropolitan area as defined in section 473.121, subdivision 2, may fix a later time for voting to begin at state primary, special, or general elections, if approved by a vote of the town*

electors at the annual town meeting. The question of shorter voting hours must be included in the notice of the annual town meeting before the question may be submitted to the electors at the meeting. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The town clerk shall either post or publish notice of the changed hours and notify the county auditor of the change 30 days before the election.

Subd. 3. [ELECTIONS; UNORGANIZED TERRITORY.] An unorganized territory or unorganized territories which constitute a voting district may have shorter voting hours if at least 20 percent of the registered voters residing in the voting district sign a petition for shorter hours and present it to the county auditor. The later time may not be later than 10:00 a.m. for special, primary, or general elections. The county auditor shall either post or publish notice of the changed hours, within the voting district, 30 days before the election."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "allowing certain municipalities to set shorter voting hours;"

Page 1, line 8, after "164.06;" insert "204C.05, subdivision 1;"

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

House Conferees: (Signed) Dennis C. Frederickson, Loren Solberg, Sylvester Uphus

Senate Conferees: (Signed) Joe Bertram, Gary M. DeCramer, Doran L. Isackson

Mr. Bertram moved that the foregoing recommendations and Conference Committee Report on H.F. No. 889 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 889 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McQuaid	Reichgott
Anderson	DeCramer	Isackson	Moe, R.D.	Samuelson
Belanger	Dicklich	Johnson, D.E.	Novak	Sieloff
Benson	Diessner	Jude	Olson	Spear
Berg	Dieterich	Kamrath	Peterson, D.C.	Storm
Bernhagen	Frank	Knaak	Peterson, D.L.	Stumpf
Bertram	Frederick	Kronebusch	Peterson, R.W.	Taylor
Brataas	Frederickson	Laidig	Petty	Waldorf
Chmielewski	Freeman	Lessard	Pogemiller	Wegscheid
Dahl	Gustafson	Luther	Ramstad	Willet

Ms. Berglin, Messrs. Merriam; Moe, D.M. and Vega voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, 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

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.

Mr. Luther moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 5, after line 32, insert:

"This subdivision does not prohibit an insurer from providing the coverage required by this subdivision in combination with other insurance coverage."

Page 6, line 3, strike "of a" and insert "that is" and strike "group"

Page 6, line 4, before the period insert "*liquor vendors, and the public. No less than one-half of the committee members shall represent casualty insurers and surplus lines agents or brokers*"

Page 6, line 4, after "commerce" insert "*or the commissioner's designated representative*"

Page 6, line 7, strike "requesting liquor liability market assistance"

Page 6, line 9, strike everything after "commerce"

Page 6, strike lines 10 and 11

Page 6, line 12, strike everything before the period

Page 7, line 3, after "insurer" insert "*who offers liquor liability insurance*"

Page 7, lines 6 and 7, strike "and with the assigned risk plan"

Page 7, line 8, strike "under the plan" and insert "*to the assigned risk plan and the market assistance program*"

Page 7, after line 8, insert:

"A written notice of refusal must be provided to any applicant who has requested only liquor liability insurance if the insurer chooses to only offer liquor liability insurance in combination with other types of insurance."

A written notice of refusal must be provided by an insurer to any applicant who receives an offer of coverage from that insurer that is in excess of the rate charged by the assigned risk plan for similar coverage and risk. A notice

is not required if the rate for the coverage offered is less than 20 percent in excess of the assigned risk plan rates, provided that the offered rate is the rate that the insurer has filed with the commissioner of commerce if the insurer is required to file its rates with the commissioner. If the insurer is not required to file its rates with the commissioner, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

A notice of refusal is not required to be filed if there is not an insurer offering liquor liability insurance in the state.

To be eligible to participate in the assigned risk plan an applicant must apply for coverage through the market assistance program. Application to the market assistance program must be made no later than the time of application to the assigned risk plan. If the market assistance program is unable to secure coverage then coverage may be extended by the assigned risk plan."

Page 8, after line 10, insert:

(8) The rating plan may be amended by rule pursuant to chapter 14 or by the following expedited procedures:

(a) Any person may, by written petition served upon the commissioner, request that a hearing be held to amend the rating plan.

(b) The commissioner shall forward a copy of the petition to the chief administrative law judge within three business days of its receipt. The chief administrative law judge shall, within three business days of receipt of the copy of the petition or a request for a hearing by the commissioner, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the administrative law judge assigned to hear the matter. The hearing date must be set no less than 60 days nor more than 90 days from the date of receipt of the petition by the commissioner.

(c) The commissioner of commerce shall publish a notice of the hearing in the state register at least 30 days before the hearing date. The notice should be similar to that used for rulemaking under the administrative procedures act. Approval by the administrative law judge of the notice prior to publication is not required.

(d) The hearing and all matters taking place after the hearing are a contested case under chapter 14. Within 45 days from the commencement of the hearing and within 15 days of the completion of the hearing the administrative law judge shall submit a report to the commissioner of commerce. The parties, or the administrative law judge, if the parties cannot agree, shall adjust all time requirements under the contested case procedure to conform with the 45-day requirement.

(e) The commissioner shall render a decision within ten business days of the receipt of the administrative law judge's report.

(f) If all parties to the proceeding agree, any of the previous requirements may be waived or modified.

(g) A petition for a hearing to amend the rating plan received by the commissioner within 180 days of the date of the commissioner's decision in a

prior proceeding to amend the rating plan is invalid and requires no action.

(9) A liquor vendor shall 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.

The commissioner may by rule establish other conditions for denial or termination from coverage through the assigned risk plan."

Page 8, line 11, strike "(8)" and insert "(10)" and strike the comma

Page 8, line 12, strike "including emergency rules,"

Page 8, delete lines 21 to 24

Page 14, line 4, delete "Section 7 is" and insert "Sections 7 and 9 are"

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "modifying provisions relating to the assigned risk plan;"

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 13, delete lines 26 to 33 and insert:

"Subd. 2. [BAD FAITH NOTICE.] A claimant who in bad faith gives notice to a licensee who did not sell or barter liquor to the alleged intoxicated person is subject to liability for actual damages, which shall include the reasonable out-of-pocket attorney fees incurred by the licensee in the defense of the bad faith notice."

CALL OF THE SENATE

Mr. Diessner imposed a call of the Senate for the balance of the proceedings on H.F. No. 265. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 53 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Sieloff voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 11, line 28, strike "or incurs"

Page 11, line 29, strike "other pecuniary loss"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 35, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Jude	McQuaid	Stumpf
Anderson	Dieterich	Kamrath	Mehrkens	Taylor
Belanger	Frederick	Knaak	Peterson, D.L.	Vega
Benson	Frederickson	Knutson	Renneke	Wegscheid
Berg	Gustafson	Kronebusch	Samuelson	
Bernhagen	Isackson	Laidig	Sieloff	
Bertram	Johnson, D.E.	Lessard	Storm	

Those who voted in the negative were:

Berglin	Frank	Luther	Pehler	Ramstad
Brataas	Freeman	Merriam	Peterson, C.C.	Reichgott
Dahl	Hughes	Moe, D.M.	Peterson, D.C.	Schmitz
Davis	Johnson, D.J.	Moe, R.D.	Peterson, R.W.	Solon
DeCramer	Kroening	Nelson	Petty	Spear
Dicklich	Langseth	Novak	Pogemiller	Waldorf
Diessner	Lantry	Olson	Purfeerst	Willet

The motion did not prevail. So the amendment was not adopted.

Mr. Stumpf moved to amend H.F. No. 265, the unofficial engrossment, as follows:

Page 11, line 28, strike " , or incurs"

Page 11, line 29, strike "other pecuniary loss"

Page 12, after line 15, insert:

"Subd. 3. [PRESUMED DAMAGES IN CASE OF DEATH.] *In the case of an individual who is deceased and where a person is found liable under this section for a person's death, the individual or those claiming damages on the person's behalf, shall be conclusively presumed collectively to be damaged in the amount of \$20,000; provided, however, that nothing herein shall prevent a claimant from recovering a greater amount of damages to the extent allowable and proven under this section.*"

The question was taken on the adoption of the amendment.

Mr. Chmielewski moved that those not voting be excused from voting. The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 43 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	McQuaid	Sieloff
Anderson	DeCramer	Jude	Mehrkens	Storm
Belanger	Diessner	Kamrath	Olson	Stumpf
Benson	Dieterich	Knaak	Peterson, C.C.	Taylor
Berg	Frank	Knutson	Peterson, D.L.	Vega
Bernhagen	Frederick	Kronebusch	Purfeerst	Wegscheid
Bertram	Frederickson	Laidig	Renneke	Willet
Brataas	Gustafson	Langseth	Samuelson	
Chmielewski	Isackson	Lessard	Schmitz	

Those who voted in the negative were:

Berglin	Kroening	Novak	Pogemiller	Waldorf
Dahl	Lantry	Pehler	Ramstad	
Dicklich	Luther	Peterson, D.C.	Reichgott	
Freeman	Merriam	Peterson, R.W.	Solon	
Hughes	Moe, R.D.	Petty	Spear	

The motion prevailed. So the amendment was adopted.

H.F. No. 265 was then progressed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on S.F. No. 1525 at 3:00 p.m.:

Messrs. Samuelson, Knutson, Solon, Spear and Ms. Berglin. The motion prevailed.

SPECIAL ORDER

H.F. No. 1045: 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 60A.13, subdivision 1a; 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, subdivision 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.

Ms. Reichgott moved to amend H.F. No. 1045 as amended pursuant to Rule 49, adopted by the Senate May 3, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 1104.)

Page 14, line 2, delete the new language

Page 14, delete lines 3 to 5

Page 15, line 11, before "Any" insert "*Effective with payments made after April 1, 1988,*"

Page 17, line 1, after "which" insert "(1)" and strike "pursuant to section 8 of the"

Page 17, strike lines 2 and 3

Page 17, line 4, strike "for low and moderate income families" and insert "to, or for, the claimant based on the income of the claimant or the claimant's family, or (2) a subsidy is paid to a public housing authority that owns or operates the claimant's rental unit, pursuant to United States Code, title 42, section 1437c"

Page 17, line 6, after the period insert "For purposes of this subdivision, 'rent subsidy' does not include any housing assistance received under aid to families with dependent children, general assistance, Minnesota supplemental assistance, supplemental security income, or similar income maintenance programs."

Page 19, line 33, after "Sections" insert "I,"

Page 20, line 7, delete "1984" and insert "1985"

Page 20, line 16, after "chapter" insert "which"

The motion prevailed. So the amendment was adopted.

H.F. No. 1045 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kamrath	Novak	Storm
Anderson	Diessner	Knaak	Olson	Stumpf
Belanger	Dieterich	Kroening	Pehler	Taylor
Benson	Frank	Kronebusch	Peterson, C.C.	Vega
Berg	Frederick	Laidig	Peterson, D.C.	Waldorf
Bernhagen	Frederickson	Lessard	Peterson, R.W.	Wegscheid
Bertram	Gustafson	McQuaid	Petty	Willet
Chmielewski	Hughes	Merriam	Ramstad	
Dahl	Isackson	Moe, D.M.	Reichgott	
Davis	Johnson, D.E.	Moe, R.D.	Renneke	
DeCramer	Jude	Nelson	Sieloff	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 968: A bill for an act relating to education; authorizing post-secondary boards to award scholarships based on academic achievement; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; authorizing state universities to adopt and enforce parking rules on their property; permitting payroll deductions for employees of state universities and the state university board for an eligible nonprofit university foundation; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 135A and 136.

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 48 and nays 0; as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Moe, R.D.	Renneke
Anderson	Dicklich	Knaak	Nelson	Sieloff
Belanger	Diessner	Kroening	Novak	Storm
Benson	Dieterich	Kronebusch	Olson	Stumpf
Berg	Frank	Laidig	Pehler	Taylor
Bernhagen	Frederickson	Lessard	Peterson, D.C.	Vega
Bertram	Gustafson	Luther	Peterson, D.L.	Waldorf
Chmielewski	Hughes	McQuaid	Peterson, R.W.	Willet
Dahl	Isackson	Merriam	Petty	
Davis	Johnson, D.E.	Moe, D.M.	Ramstad	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 850: A bill for an act relating to elections; making changes in registration, caucuses, ballots, affidavits of candidacy and withdrawal, nominations, election certificates, and election judge qualifications; amending Minnesota Statutes 1984, sections 201.018, subdivision 2; 201.095; 201.12, subdivision 2; 201.15, subdivision 1; 202A.16, subdivision 1; 204B.03; 204B.06, subdivision 1; 204B.07, subdivision 4; 204B.09, subdivision 1; 204B.10, by adding a subdivision; 204B.12, subdivision 3; 204B.35, subdivision 2; 204C.40, subdivision 1; 204D.11, subdivisions 3, 5, and 6; 206.71, by adding a subdivision; and 208.03; repealing Minnesota Statutes 1984, sections 204B.19, subdivision 3; and 201.061, subdivision 2.

Mr. Hughes moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 6, after line 14, insert:

“Sec. 13. [204B.45] [MAIL BALLOTING.]

A town having fewer than 400 registered voters and not located in a metropolitan county as defined by section 473.121 may apply to the county auditor to provide balloting by mail at a county or state election with no polling place other than the office of the auditor or clerk. The county board may provide for balloting by mail in unorganized territory. Notice of the election and the special mail procedure must be given at least six weeks before the election. No earlier than 20 days or later than 18 days before the election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the town or unorganized territory. Eligible voters not registered at the time the ballots are mailed may apply for ballots under chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The costs of the mailing must be paid by the election jurisdiction in which the voter resides. A ballot received by 8:00 p.m. on the day of the election must be counted. The Minnesota election law applies to mail balloting except as provided by this section or by rules adopted by the secretary of state, but only paper ballots may be used. The secretary of state shall adopt rules for the conduct of mail balloting; including instructions to voters, procedures for challenge of voters, public obser-

vation of the counting of ballots, and procedures for proper handling and safeguarding of ballots to ensure the integrity of the election."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "providing for town mail elections;"

Page 1, line 13, after the second semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 204B;"

The motion did not prevail. So the amendment was not adopted.

Mr. Benson moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 9, line 26, delete "and" and after "2" insert "; and 204B.36, subdivision 5"

Amend the title as follows:

Page 1, line 14, delete "and"

Page 1, line 15, after "2" insert "; and 204B.36, subdivision 5"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Isackson	Laidig	Renneke
Belanger	Bertram	Johnson, D.E.	McQuaid	Storm
Benson	Brataas	Kamrath	Olson	Taylor
Berg	Gustafson	Kronebusch	Peterson, D.L.	

Those who voted in the negative were:

Chmielewski	Frank	Kroening	Pehler	Sieloff
Dahl	Frederickson	Lessard	Peterson, D.C.	Stumpf
Davis	Freeman	Luther	Peterson, R.W.	Vega
DeCramer	Hughes	Merriam	Petty	Waldorf
Diessner	Jude	Moe, R.D.	Ramstad	Wegscheid
Dieterich	Knaak	Nelson	Reichgott	

The motion did not prevail. So the amendment was not adopted.

Mr. Knaak moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 7, after line 7, insert:

"Sec. 14. Minnesota Statutes 1984, section 204D.03, subdivision 1, is amended to read:

Subdivision 1. [STATE PRIMARY.] The state primary shall be held on the first Tuesday after the second Monday in ~~September~~ June in each even numbered year to select the nominees of the major political parties for partisan offices and the nominees for nonpartisan offices to be filled at the state

general election, other than presidential electors.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Hughes questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mr. Pogemiller moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 1, after line 17, insert:

“Section 1. [10A.241] [TRANSFER OF FUNDS AND DEBTS FROM ONE PRINCIPAL CAMPAIGN COMMITTEE TO ANOTHER.]

Notwithstanding any provisions of this chapter to the contrary, a candidate may:

(1) terminate his principal campaign committee for one state office by transferring all funds and debts of that committee to his principal campaign committee for another state office, provided that any outstanding unpaid bills or loans from the committee being terminated are assumed and continuously reported by the committee to which the transfer is being made until paid or forgiven.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 13, after the second semicolon, insert “proposing coding for new law in Minnesota Statutes, chapter 10A;”

Mr. Knaak questioned whether the amendment was germane.

The Chair ruled that the amendment was not germane.

Mrs. Kronebusch moved to amend H.F. No. 850, as amended pursuant to Rule 49, adopted by the Senate April 2, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 673.)

Page 6, after line 14, insert:

“Sec. 13. Minnesota Statutes 1984, section 204C.04, is amended to read:
204C.04 [EMPLOYEES; TIME OFF TO VOTE.]

Every employee who is eligible to vote at a state general election in Minnesota or at an election to fill a vacancy in the office of United States senator or United States representative has the right to be absent from work for the purpose of voting in the election in this state during the morning of election day, without penalty or deduction from salary or wages because of the absence. An employer who refuses, abridges or interferes with this right shall be subject to the penalty provisions of section 210A.141.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon insert "clarifying the provision of time off to vote;"

Page 1, line 11, after "2;" insert "204C.04;"

The motion prevailed. So the amendment was adopted.

H.F. No. 850 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 38 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Isackson	Moe, R.D.	Sieloff
Anderson	Davis	Johnson, D.E.	Olson	Storm
Belanger	DeCramer	Jude	Peterson, D.C.	Stumpf
Benson	Diessner	Kamrath	Peterson, D.L.	Vega
Berg	Frederick	Kronebusch	Petty	Wegscheid
Bernhagen	Frederickson	Lessard	Ramstad	Willet
Bertram	Gustafson	McQuaid	Reichgott	
Chmielewski	Hughes	Moe, D.M.	Renneke	

Those who voted in the negative were:

Brataas	Frank	Knaak	Laidig	Merriam
Dieterich	Freeman	Kroening	Luther	Peterson, R.W.

So the bill, as amended, passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Hughes moved that S.F. No. 987, No. 11 on General Orders, be stricken and re-referred on the Committee on Elections and Ethics. The motion prevailed.

Mr. Hughes moved that S.F. No. 1086, No. 18 on General Orders, be stricken and returned to its author. The motion prevailed.

SPECIAL ORDER

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.

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on H.F. No. 576. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Lessard moved to amend H.F. No. 576, the unofficial engrossment, as follows:

Page 1, delete lines 18 to 21

Page 1, line 22, delete "(2)" and insert "(a)"

Page 1, line 24, delete "(3)" and insert "(b)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Moe, R.D.	Schmitz
Anderson	Davis	Kamrath	Olson	Sieloff
Belanger	DeCramer	Knutson	Pehler	Stumpf
Benson	Dicklich	Kronebusch	Peterson, D.L.	Taylor
Berg	Frederick	Laidig	Purfeerst	Wegscheid
Bernhagen	Frederickson	Langseth	Ramstad	Willet
Bertram	Isackson	Lessard	Renneke	
Chmielewski	Johnson, D.E.	Mehrkins	Samuelson	

Those who voted in the negative were:

Berglin	Freeman	Lantry	Nelson	Reichgott
Brataas	Gustafson	Luther	Peterson, D.C.	Solon
Diessner	Hughes	McQuaid	Peterson, R.W.	Spear
Dieterich	Knaak	Merriam	Petty	Storm
Frank	Kroening	Moe, D.M.	Pogemiller	Vega

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 576, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. [471.633] [FIREARMS.]

Subdivision 1. [DEFINITION.] For purposes of this section, “Morton Grove ordinance” means an ordinance, order, or other regulation that prohibits the possession of pistols, as defined in section 624.712, subdivision 2, within the geographic limits of a governmental subdivision.

Subd. 2. [MORTON GROVE ORDINANCE PROHIBITED.] Notwithstanding any contrary provision of sections 624.711 to 624.718 or any other law, a home rule charter or statutory city, including a city of the first class, a county, town, municipal corporation, or other governmental subdivision, or any of their instrumentalities, may not adopt a Morton Grove ordinance.”

Delete the title and insert:

“A bill for an act relating to local government; prohibiting local governments from adopting Morton Grove ordinances; proposing coding for new law in Minnesota Statutes, chapter 471.”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 43, as follows:

Those who voted in the affirmative were:

Berglin	Freeman	Luther	Pehler	Reichgott
Brataas	Gustafson	Merriam	Peterson, D.C.	Spear
Diessner	Hughes	Moe, D.M.	Peterson, R.W.	Vega
Dieterich	Kroening	Nelson	Petty	
Frank	Lantry	Novak	Pogemiller	

Those who voted in the negative were:

Adkins	Davis	Kamrath	Moe, R.D.	Sieloff
Anderson	DeCramer	Knaak	Olson	Solon
Belanger	Dicklich	Knutson	Peterson, C.C.	Storm
Benson	Frederick	Kronebusch	Peterson, D.L.	Stumpf
Berg	Frederickson	Laidig	Purfeerst	Taylor
Bernhagen	Isackson	Langseth	Ramstad	Wegscheid
Bertram	Johnson, D.E.	Lessard	Renneke	Willet
Chmielewski	Johnson, D.J.	McQuaid	Samuelson	
Dahl	Jude	Mehrkins	Schmitz	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 576 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 48 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Olson	Schmitz
Anderson	Dicklich	Knaak	Pehler	Sieloff
Belanger	Dießner	Knutson	Peterson, C.C.	Solon
Benson	Frederick	Kronebusch	Peterson, D.L.	Storm
Berg	Frederickson	Laidig	Peterson, R.W.	Stumpf
Bernhagen	Gustafson	Langseth	Purfeerst	Taylor
Bertram	Isackson	Lessard	Ramstad	Wegscheid
Chmielewski	Johnson, D.E.	McQuaid	Reichgott	Willet
Dahl	Johnson, D.J.	Mehrkins	Renneke	
Davis	Jude	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Berglin	Freeman	Luther	Novak	Spear
Brataas	Hughes	Merriam	Peterson, D.C.	Vega
Dieterich	Kroening	Moe, D.M.	Petty	
Frank	Lantry	Nelson	Pogemiller	

So the bill, as amended, passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 866: A bill for an act relating to solid waste and sewage sludge management; restricting land disposal of solid waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by counties and the metropolitan council; changing provisions relating to designation plans, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county ordinances; granting and clarifying the powers which may be exercised by a county located outside the metropolitan area if it enters into an agreement with a metropolitan county for solid waste or resource recovery purposes; defining terms; allocating and appropriating money from the metropolitan landfill contingency action and abatement funds; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27; 115A.84, subdivisions 3 and 4; 115A.919; 400.04, subdivision 1; 473.153, subdivisions 5, 6b, and 7; 473.801, subdivision 1; 473.811, subdivisions 5 and 5a; 473.823, subdivision 6; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.843, subdivision 7; and 473.844, subdivisions 2 and 5; Laws 1984, chapter 644, section 81, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 473;

repealing Laws 1984, chapter 644, section 83.

Mr. Dicklich moved to amend S.F. No. 866 as follows:

Page 4, after line 22, insert:

“Sec. 6. [116C.715] [DISPOSAL SITE PROHIBITION.]

Subdivision 1. [HIGH LEVEL RADIOACTIVE WASTE.] No high level radioactive waste may be disposed of on a site located over, or in a manner that may reasonably be expected to contaminate, potable water.

Subd. 2. [HAZARDOUS WASTE.] No hazardous waste may be disposed of on a site located over, or in a manner that may reasonably be expected to contaminate, potable water.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Merriam requested division of the amendment as follows:

First portion:

Page 4, after line 22, insert:

“Sec. 6. [116C.715] [HIGH LEVEL RADIOACTIVE WASTE DISPOSAL SITE PROHIBITION.]

No high level radioactive waste may be disposed of on a site located over, or in a manner that may reasonably be expected to contaminate, potable water.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Second Portion:

Page 4, after line 22, insert:

“Sec. 6. [HAZARDOUS WASTE DISPOSAL SITE PROHIBITION.]

No hazardous waste may be disposed of in an underground site located over, or in a manner that may reasonably be expected to contaminate, potable water.”

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the first portion of the amendment.

The motion prevailed. So the first portion of the amendment was adopted.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on S.F. No. 866. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the second portion of the

Dicklich amendment.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 25 and nays 26, as follows:

Those who voted in the affirmative were:

Benson	Dicklich	Johnson, D.E.	Lessard	Renneke
Bernhagen	Frederick	Johnson, D.J.	McQuaid	Schmitz
Bertram	Frederickson	Jude	Olson	Stumpf
Chmielewski	Gustafson	Kamrath	Purfeerst	Vega
Dahl	Isackson	Kronebusch	Ramstad	Willet

Those who voted in the negative were:

Adkins	DeCramer	Laidig	Moe, R.D.	Storm
Anderson	Dieterich	Langseth	Novak	Taylor
Belanger	Frank	Lantry	Petty	
Berg	Freeman	Luther	Pogemiller	
Brataas	Knaak	Merriam	Reichgott	
Davis	Kroening	Moe, D.M.	Sieloff	

The motion did not prevail. So the second portion of the Dicklich amendment was not adopted.

Mr. Stumpf moved to amend S.F. No. 866 as follows:

Page 13, after line 25 insert:

“Sec. 24. [PENNINGTON COUNTY; RESOURCE RECOVERY.]

Subdivision 1. [LEASE OR SALE OF PROPERTY.] Pennington county may sell or lease any facilities or property or property rights to accomplish the purposes specified in chapter 400. The property may be sold or leased in the manner provided by section 400.14, or may be sold or leased in the manner and on the terms and conditions determined by the county board.

Subd. 2. [APPLICATION.] This section is effective in Pennington county the day after compliance with Minnesota Statutes, section 645.021, subdivision 3.”

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend the Dicklich amendment to S.F. No. 866, adopted by the Senate May 14, 1985, as follows:

Page 1, line 5, after “be” insert “permanently”

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 866 as follows:

Page 13, after line 25, insert:

“Sec. 24. [ITASCA COUNTY; GRANT, ADVANCE, OR LOAN FROM FEDERAL OR STATE GOVERNMENT.]

Itasca county may by ordinance accept from the government of the United

States or the state of Minnesota, grants, loans, or advances of money for energy improvements to heating facilities under chapter 116J or sections 298.292 to 298.298, and may make agreements to repay any such loans or advances without submitting the proposal to a vote of the people."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 16, after the semicolon, insert "permitting Itasca county to accept loans, advances, or grants from federal or state government;"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 866 as follows:

Page 16, delete section 29

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 30, delete everything after "473"

Page 1, line 31, delete everything before the period

The question was taken on the adoption of the amendment.

Mr. Storm moved that those not voting be excused from voting. The motion did not prevail.

Mr. Belanger moved that those not voting be excused from voting. The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting. The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting.

The question was taken on the adoption of the motion.

The roll was called.

Mr. Sieloff moved to close the roll on the Luther motion to excuse those not voting on the Luther amendment.

The roll was called and there were yeas 48 and nays 5, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson	Kroening	Novak	Samuelson
Belanger	Freeman	Kronebusch	Olson	Sieloff
Benson	Gustafson	Laidig	Peterson, D.C.	Storm
Berg	Isackson	Lessard	Peterson, D.L.	Stumpf
Davis	Johnson, D.E.	Luther	Peterson, R.W.	Taylor
DeCramer	Johnson, D.J.	McQuaid	Petty	Vega
Dicklich	Jude	Merriam	Pogemiller	Waldorf
Diessner	Kamrath	Moe, D.M.	Purfeerst	Willet
Dieterich	Knaak	Moe, R.D.	Ramstad	
Frederick	Knutson	Nelson	Reichgott	

Those who voted in the negative were:

Adkins	Bertram	Chmielewski	Dahl	Pehler
--------	---------	-------------	------	--------

The motion prevailed. So the vote on the Luther motion to excuse those not

voting from voting was closed.

The roll was called, and there were yeas 33 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lessard	Peterson, D.C.	Spear
Berglin	Diessner	Luther	Peterson, R.W.	Stumpf
Bertram	Frank	Merriam	Petty	Vega
Chmielewski	Freeman	Moe, D.M.	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Moe, R.D.	Purfeerst	Willet
Davis	Jude	Nelson	Samuelson	
DeCramer	Kroening	Pehler	Solon	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Laidig	Renneke
Belanger	Frederick	Kamrath	McQuaid	Sieloff
Benson	Frederickson	Knaak	Olson	Storm
Berg	Gustafson	Knutson	Peterson, D.L.	Taylor
Bernhagen	Isackson	Kronebusch	Ramstad	

The motion did not prevail.

Mr. Luther moved that those not voting be excused from voting. The motion prevailed.

The roll was called on the Luther amendment, and there were yeas 33 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Lessard	Peterson, C.C.	Spear
Berglin	Diessner	Luther	Peterson, D.C.	Stumpf
Bertram	Frank	Merriam	Peterson, R.W.	Vega
Chmielewski	Freeman	Moe, D.M.	Petty	Waldorf
Dahl	Johnson, D.J.	Moe, R.D.	Purfeerst	Willet
Davis	Jude	Nelson	Samuelson	
DeCramer	Kroening	Pehler	Solon	

Those who voted in the negative were:

Anderson	Dieterich	Kamrath	Novak	Renneke
Belanger	Frederick	Knaak	Olson	Sieloff
Benson	Frederickson	Knutson	Peterson, D.L.	Storm
Berg	Gustafson	Kronebusch	Pogemiller	Taylor
Bernhagen	Isackson	Laidig	Ramstad	
Brataas	Johnson, D.E.	McQuaid	Reichgott	

The motion prevailed. So the amendment was adopted.

RECONSIDERATION

Having voted on the prevailing side, Mr. Storm moved that the vote whereby the second portion of the Dicklich amendment to S.F. No. 866 was not adopted on May 14, 1985, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 28 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Jude	Lessard	Sieloff
Belanger	Frederick	Kamrath	McQuaid	Storm
Benson	Frederickson	Knaak	Olson	Stumpf
Berg	Gustafson	Knutson	Peterson, D.L.	Taylor
Bernhagen	Isackson	Kronebusch	Ramstad	
Brataas	Johnson, D.E.	Laidig	Renneke	

Those who voted in the negative were:

Adkins	Diessner	Moe, D.M.	Peterson, R.W.	Spear
Berglin	Dieterich	Moe, R.D.	Petty	Vega
Bertram	Frank	Nelson	Pogemiller	Waldorf
Chmielewski	Freeman	Novak	Purfeerst	Willet
Dahl	Kroening	Pehler	Reichgott	
Davis	Luther	Peterson, C.C.	Samuelson	
DeCramer	Merriam	Peterson, D.C.	Solon	

The motion did not prevail.

S.F. No. 866 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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Pehler	Sieloff
Anderson	Dieterich	Kronebusch	Peterson, C.C.	Solon
Berg	Frank	Lessard	Peterson, D.C.	Spear
Berglin	Frederick	Luther	Peterson, R.W.	Stumpf
Bertram	Frederickson	McQuaid	Petty	Taylor
Brataas	Freeman	Merriam	Pogemiller	Vega
Chmielewski	Gustafson	Moe, D.M.	Purfeerst	Waldorf
Dahl	Isackson	Moe, R.D.	Ramstad	Willet
Davis	Johnson, D.E.	Nelson	Reichgott	
DeCramer	Jude	Novak	Renneke	
Dicklich	Kamrath	Olson	Samuelson	

So the bill, as amended, passed and its title was agreed to.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 862: A bill for an act relating to courts; providing conciliation court with jurisdiction to determine actions brought by educational institutions to recover student loans; amending Minnesota Statutes 1984, sections 487.30, by adding a subdivision; 488A.12, subdivision 3; and 488A.29, subdivision 3.

Senate File No. 862 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1985

Mr. Pehler moved that the Senate do not concur in the amendments by the House to S.F. No. 862, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 282:

H.F. No. 282: A bill for an act relating to education; declaring the mission of public elementary and secondary education in Minnesota; proposing coding for new law in Minnesota Statutes, chapter 120.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Nelson, K; Boo and Rodosovich have been appointed as such committee on the part of the House.

House File No. 282 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

Mr. Pehler moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 282, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 847:

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.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Gutknecht, Sviggum and Heap have been appointed as such committee on the part of the House.

House File No. 847 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1985

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 847, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 862: Messrs. Pehler; Merriam; Pogemiller; Johnson, D.E. and Freeman.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed:

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 676: Mr. Chmielewski, Mrs. Adkins and Mr. Gustafson.

S.F. No. 952: Messrs. Waldorf, Wegscheid and Mrs. Brataas.

H.F. No. 633: Messrs. Johnson, D.E.; Mehrkens and Mrs. Lantry.

H.F. No. 729: Messrs. Pogemiller, Wegscheid, Renneke, Spear and Moe, D.M.

H.F. No. 558: Messrs. Freeman, Schmitz and Belanger.

H.F. No. 282: Messrs. Pehler, Purfeerst and Ms. Olson.

H.F. No. 847: Messrs. Chmielewski, Frank and Langseth.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The

motion prevailed.

Without objection, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports read by the Secretary be now adopted. The motion prevailed.

Mr. Willet from the Committee on Finance, to which was re-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:

"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 may designate itself as the governing board of that center. If the county board elects to be the community mental health center board, it shall establish advisory committees to assist it in planning, setting priorities, and evaluating the services the board provides or purchases."

Delete the title amendment recommended by the Committee on Health and Human Services adopted by the Senate, April 22, 1985

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

Mr. Willet from the Committee on Finance, to which was referred

H.F. No. 1458: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

Page 1, line 14, delete "\$1,929" and insert "\$12,929"

Page 2, line 19, after "Association" insert ", Elk River, Minnesota 55330,"

Page 2, line 20, delete "Elk River, Minnesota 55330" and insert "Eden Prairie, Minnesota 55344"

Page 2, line 24, delete "\$242,081" and insert "\$160,500"

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 908: A bill for an act relating to human services; revising procedures and requirements under the aid to families with dependent children, medical assistance, and general assistance programs; appropriating money; amending Minnesota Statutes 1984, sections 256.12, subdivision 20; 256.73, subdivisions 2, 3a, and 6; 256.736, subdivisions 3 and 4; 256.74, subdivisions 1, 1a, and 2; 256.76, subdivision 1; 256.78; 256.79; 256.871, subdivision 3; 256.99; 256B.02, subdivisions 2 and 3; 256B.06, subdivision 1; 256B.062; 256B.07; 256B.17, subdivision 6; 256D.01, subdivisions 1a and 1b; and 256D.06, 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 245.791, is amended to read:

245.791 [EXCLUSIONS.]

Sections 245.781 to 245.812 shall not apply to:

- (1) Day care or residential care provided by a relative to related persons;
- (2) Day care or residential care provided for a cumulative total of less than 30 days in any 12-month period;
- (3) Day care provided for persons from a single unrelated family for any length of time;
- (4) A home caring for a person placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years after placement;
- (5) A licensed hospital whose psychiatric or chemical dependency program is located within the hospital;
- (6) A nursing home, hospital, or boarding care home, licensed by the state commissioner of health, except that an identifiable unit of such a facility which regularly provides care for more than five adults defined as persons in Minnesota Statutes, section 245.782, subdivision 2, who are not residents or patients of the nursing home, hospital, or boarding care home, must be licensed under sections 245.781 to 245.812;
- (7) A day care or residential program serving any number of adults who are

not defined as persons under Minnesota Statutes, section 245.782, subdivision 2;

(8) A sheltered workshop day program, certified by the state board of education;

(9) A work activity day program, certified by the state board of education;

(10) A work-wage home providing care for one nonrelated child who has reached his sixteenth birthday and who has been independently placed for purposes of education or employment;

(11) ~~A school under the general supervision of the commissioner of education or a local education agency;~~

(12) ~~A residential or day care facility under the direct control and supervision of a local education agency or a state agency other than the commissioner;~~

(13) (12) Day care provided for periods of no more than three hours per day for any person while his relatives are in the same building, or can be present in the same building within 30 minutes;

(14) ~~Facilities which in the judgment of the commissioner of education are operated for the primary purpose of educating children shall be exempt from these rules and regulations except insofar as the regulations affect the health and safety of the children therein. The classrooms shall meet the applicable standards of the commissioner of public safety and state commissioner of health.~~

Sec. 2. Minnesota Statutes 1984, section 245.804, subdivision 1, is amended to read:

Subdivision 1. In exercising the powers of licensing, renewing, suspending, revoking, or making licenses probationary, the commissioner shall study and evaluate operators and applicants for a license. To carry out these duties the commissioner shall employ qualified personnel who, ~~insofar as possible,~~ are knowledgeable about the operation of the types and characters of facilities and agencies to be inspected. Authorized representatives of the commissioner may visit a day care or residential facility or agency at any time during the hours of operation for purposes of the study and inspection. In conducting evaluations and inspections, the commissioner may call upon and receive appropriate assistance from other governmental agencies within their authorized fields. Inspections may be made without prior notice to the applicant or operator.

Sec. 3. Minnesota Statutes 1984, section 256.12, subdivision 20, is amended to read:

Subd. 20. [ASSISTANCE UNIT.] "Assistance unit" means the group of individuals *who are applying for or receiving assistance and whose needs or income, or both, are taken into account included in determining eligibility for or the amount of a grant of assistance as determined* under sections 256.72 to 256.87.

Sec. 4. Minnesota Statutes 1984, section 256.73, subdivision 2, is amended to read:

Subd. 2. [ALLOWANCE BARRED BY OWNERSHIP OF PROP-

ERTY.] Ownership by the father, mother, child, children, or any combination, an assistance unit of property as follows is a bar to any allowance under sections 256.72 to 256.87:

(1) *The value of real property other than the homestead, which when combined with other assets exceeds the limits of paragraph (2), unless the assistance unit is making a good faith effort to sell the nonexcludable real property. The time period for disposal must not exceed nine months and the assistance unit shall execute an agreement to dispose of the property to repay assistance received during the nine months up to the amount of the net sale proceeds. The payment must be made when the property is sold. If the property is not sold within the required time or the assistance unit becomes ineligible for any reason the entire amount received during the nine months is an overpayment and subject to recovery. For the purposes of this section "homestead" means the house owned and occupied by the child, relative or other member of the assistance unit as his dwelling place, together with the land upon which it is situated and in an area no greater than two contiguous lots in a platted or laid out city or town or 80 contiguous acres in unplatted land rural areas; or*

(2) *Personal property of an equity value in excess of \$1,000 for the entire assistance unit, exclusive of personal property used as the home, one motor vehicle of an equity value not exceeding \$1,500, one burial plot for each member of the assistance unit, one prepaid burial contract with an equity value of no more than \$1,000 for each member of the assistance unit, clothing and necessary household furniture and equipment and other basic maintenance items essential for daily living, in accordance with rules promulgated by and standards established by the commissioner of human services.*

Sec. 5. Minnesota Statutes 1984; section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) On behalf of any person who is receiving supplemental security income under title XVI of the social security act unless permitted by federal regulations;

(2) For any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds ~~450~~ 185 percent of the standard of need for a family of the same size and composition; *except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act may be disregarded for six calendar months per year.* If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) To any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) On behalf of any other individual in the assistance unit, nor shall the

individual's needs be taken into account, for any month in which, on the last day of the month, the individual is participating in a strike;

(5) To an assistance unit if its eligibility is based on a parent's unemployment and the parent who is the principal earner, without good cause, fails or refuses to seek work, to participate in the work incentive program under section 256.736, *if this program is available*, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.

Sec. 6. Minnesota Statutes 1984, section 256.73, subdivision 6, is amended to read:

Subd. 6. [REPORTS BY RECIPIENT.] ~~Each recipient shall complete reports as requested by the local or state agency.~~ *An assistance unit with a recent work history or with earned income shall report monthly to the local agency on income received and other circumstances affecting eligibility or assistance amounts. All other assistance units shall report on income and other circumstances affecting eligibility and assistance amounts at less frequent intervals, as specified by the state agency.* All income not specifically disregarded by the social security act, the code of federal regulations, or state law, rules and regulations, shall be income applicable to the budgetary needs of the family. If any amount of aid to families with dependent children assistance is paid to a recipient thereof in excess of the payment due it shall be recoverable by the local agency. The agency shall give written notice to the recipient of its intention to recover the overpayment. Overpayments to a current assistance unit shall be recovered either through repayment by the individual in part or in full or by reducing the amount of aid payable to the assistance unit of which the individual is a member. For any month in which an overpayment must be recovered, recoupment may be made by reducing the grant but only if the reduced assistance payment, together with the assistance unit's liquid assets and total income after deducting actual work expenses equals at least 95 percent of the standard of need for the assistance unit, except that if the overpayment is due solely to agency error, this total after deducting actual work expenses shall equal at least 99 percent of the standard of need. In cases when there is both an overpayment and underpayment the local agency shall offset one against the other in correcting the payment. *The local agency shall make reasonable efforts to recover overpayments made to persons no longer on assistance in accordance with standards established by the commissioner of human services. The local agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.* The recipient may appeal the agency's determination that an overpayment has occurred in accordance with section 256.045. The county agency shall promptly repay the recipient for any underpayment and shall disregard that payment when determining the assistance unit's income and resources in the month when the payment is made and the following month.

Sec. 7. Minnesota Statutes 1984, section 256.736, subdivision 3, is amended to read:

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 shall provide standards for county welfare agencies and human services boards consistent with the standards promulgated by the secretary of health and human services. County welfare agencies shall certify appropriate individuals to the commissioner of economic security 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 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~~ assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment; or

(7) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (6); or

(8) a woman in her last trimester of pregnancy.

Any individual referred to in clause (5) shall be advised of the option to register for employment services, training, and employment if the individual so desires, and shall be informed of the child care 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 shall give notice in writing to the recipient stating that he or she must register with the commissioner of economic security for participation in a work incentive program and that the recipient has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 8. Minnesota Statutes 1984, section 256.736, subdivision 4, is amended to read:

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 pursuant to this section with child-care services 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;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of economic security is disregarded and the additional expenses attributable to his participation in a program are taken into account in grant determination; and

(4) Provide that when it has been certified by the commissioner of economic security, certification to be binding upon the commissioner of human services, that a relative or child certified under the work incentive program to the commissioner of economic security has been found by the commissioner, after a hearing conducted 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 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 needs will not be taken into account in making the grant determination. If the assistance unit's eligibility is based on the *nonexempt* principal earner's unemployment and *the* ~~this~~ 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.

Sec. 9. Minnesota Statutes 1984, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law No. 97-35, Section 2315, 42 U.S.C. 602, as amended and federal regulations at 45 C.F.R. Section 233. *Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the*

first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) All of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit him for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) All educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) The first \$75 of each individual's earned income. ~~In the case of an individual not engaged in full-time employment or not employed throughout the month the commissioner shall prescribe by rule a lesser amount to be disregarded.~~ For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) An amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded; ~~and~~

(5) Thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

(a) Reduced his earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) Refused without good cause to accept an offer of suitable employment; or

(c) Left employment or reduced his earnings without good cause and applied for assistance so that he might later return to employment with the advantage of the income disregard; or

(d) Failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services.

Persons who are already employed and who apply for assistance shall have

their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clause (5)(a) to (5)(d) shall be considered as one of the four months. *An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC.* To again qualify for ~~this~~ the earned income disregard ~~disregards~~ under clause (d), the individual must not be a recipient of aid for a period of 12 consecutive months. ~~If When an individual assistance unit becomes ineligible for aid because this earned income disregard has been applied to income for four consecutive months and will due to the fact that these disregards are no longer be applied to income, the local agency shall inform the individual of the medical assistance program, its standards of eligibility, and the circumstances under which the individual would the assistance unit shall be eligible for medical assistance- benefits for a 15-month period beginning with the first month of AFDC ineligibility;~~

(6) The commissioner shall increase the standard of need for persons with earned income in effect on January 1, 1982, by 35 percent for each assistance unit. The maximum amount paid to an assistance unit shall be no more than 74 percent of the increased standard of need. ~~Whenever the commissioner increases the maximum payment amount for all assistance units, the commissioner shall increase the maximum standard of need by an equal percentage.~~

To determine the amount of assistance to be paid to an assistance unit, net income shall be determined in a manner consistent with this chapter and applicable federal law. Net earned income shall be subtracted from the increased standard of need for an assistance unit of the appropriate size and composition to determine the grant amount, except that the grant shall not exceed the standard of need in effect on January 1, 1982 for an assistance unit of the same size and composition. Unearned income shall be subtracted from the maximum payment amount for an assistance unit of the appropriate size and composition to determine the grant amount.

Medical assistance eligibility for medically needy persons who are eligible for aid to families with dependent children shall be determined according to the standard of need in effect on January 1, 1982 ~~The first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and~~

(7) Insurance settlements to pay medical bills, to compensate a member of an assistance unit for partial or permanent loss of function or a body part, or

to repair or replace insured property.

Sec. 10. Minnesota Statutes 1984, section 256.74, subdivision 1a, is amended to read:

Subd. 1a. [STEPPARENT'S INCOME.] In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) The first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;

(2) An amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for tax purposes and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family with ~~no earned income~~ of the same composition as the stepparent and these other individuals;

(3) Amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for tax purposes; and

(4) Alimony or child support, or both, paid by the stepparent for individuals not living in the same household.

Sec. 11. Minnesota Statutes 1984, section 256.74, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Application for assistance under sections 256.72 to 256.87 shall be made to the county agency of the county in which the dependent child is ~~residing~~ *lives*. If the child is not ~~residing~~ *living* within the state at the time of application but is eligible for assistance, the application may be made to the agency of the county where the child is present and forwarded to the agency of the county where the child last ~~resided~~ *lived*. The application shall be in writing or reduced to writing in the manner and upon the form prescribed by the state agency and verified by the oath of the applicant or in lieu thereof shall contain the following declaration which shall be signed by the applicant: "I declare that this application has been examined by me and to the best of my knowledge and belief is a true and correct statement of every material point". The application shall be made by the person with whom the child will live and contain information as to the age and residence of the child and such other information as may be required by the rules and regulations of the state agency. One application may be made for several children of the same family if they ~~reside~~ *live* with the same person.

Sec. 12. Minnesota Statutes 1984, section 256.76, subdivision 1, is amended to read:

Subdivision 1. Upon the completion of such investigation the county agency shall decide whether the child is eligible for assistance under the provisions of sections 256.72 to 256.87, determine the amount of such assistance, and the date on which such assistance shall begin. *Notwithstanding section 393.07, the county agency shall not delay approval or issuance of*

assistance pending formal action of the county board of commissioners. The first month's grant shall be based upon that portion of the month from the date of application, or from the date that the applicant meets all eligibility factors, whichever occurs later, provided that on the date that assistance is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, or other emergency assistance. If an emergency need is found to exist, the applicant shall be granted assistance pursuant to section 256.871 within a reasonable period of time. It shall make a grant of assistance which shall be binding upon the county and be complied with by the county until such grant is modified or vacated. If the applicant is subsequently found to have been eligible for assistance under sections 256.72 to 256.87, assistance rendered under section 256.871 must be considered as a regular AFDC payment and not a payment under section 256.871. The county agency shall notify the applicant of its decision in writing. Such assistance shall be paid monthly to the applicant or to the vendor of medical care upon order of the county agency from funds appropriated to the county agency for this purpose. The county agency shall, upon the granting of assistance under these sections, file an order on the form to be approved by the state agency with the auditor of the county and thereafter warrants shall be drawn and payments made only in accordance with this order to or for recipients of this assistance or in accordance with any subsequent order.

Sec. 13. Minnesota Statutes 1984, section 256.78, is amended to read:

256.78 [ASSISTANCE GRANTS RECONSIDERED.]

All assistance granted under sections 256.72 to 256.87 shall be reconsidered as frequently as may be required by the rules of the state agency. After such further investigation as the county agency may deem necessary or the state agency may require, the amount of assistance may be changed or assistance may be entirely withdrawn if the state or county agency find that the child's circumstances have altered sufficiently to warrant such action. The period of ineligibility for AFDC which results when an assistance unit receives lump sum income must be reduced when:

(1) the assistance unit's standard of need increases due to changes in state law or due to changes in the size or composition of the assistance unit, so that the amount of aid the assistance unit would have received would have increased had it not become ineligible;

(2) the lump sum income, or a portion of it becomes unavailable to the assistance unit due to expenditures to avoid a life-threatening circumstance, theft, or dissipation by a member of the family who is no longer a part of the assistance unit for the needs of persons who are not members of the assistance unit; or

(3) the assistance unit incurs and pays medical expenses for care and services specified in section 256B.02; subdivision 8.

The county agency may for cause at any time revoke, modify, or suspend any order for assistance previously made. When assistance is thus revoked, modified, or suspended the county agency shall at once report to the state agency such decision together with supporting evidence required by the rules of the state agency. All such decisions shall be subject to appeal and review

by the state agency as provided in section 256.045.

Sec. 14. Minnesota Statutes 1984, section 256.79, is amended to read:

256.79 [REMOVAL TO ANOTHER COUNTY.]

Any child qualified for and receiving assistance pursuant to the provisions in sections 256.72 to 256.87 in any county in this state, who moves or is taken to another county in this state shall be entitled to continue to receive assistance from the county from which ~~he~~ *the child* has moved or has been taken until ~~he~~ *the child* shall have resided for two months in the county to which ~~he~~ *the child* has moved. When ~~he~~ *the child* has resided two months in the county to which ~~he~~ *the child* has moved, or has been taken, the local agency of the county from which ~~he~~ *the child* has moved shall transfer all necessary records relating to the child to the county agency of the county to which ~~he~~ *the child* has moved. *Where the child's assistance is terminated for 30 days or less before a reapplication is made, that assistance must continue to be the financial obligation of the county from which the child has moved until the two-month residence requirement has been met.*

Notwithstanding the provisions of section 256.73, subdivision 4, the county of financial responsibility shall not change because application for assistance is not made prior to initial placement, *or when living in a battered woman's shelter or maternity shelter*, or as a result of successive placements in one or more counties pursuant to a plan of treatment for health, rehabilitation, foster care, child care or training, nor as a result of placement in any correctional program. *In the case of a child who has no established county of residence prior to placement, the county of financial responsibility is the county in which the child resides at the time the application is made and the applicable eligibility criteria are met.*

Sec. 15. Minnesota Statutes 1984, section 256.871, subdivision 3, is amended to read:

Subd. 3. [COUNTY OF RESPONSIBILITY.] No state or county durational residence is required to qualify for such assistance. The county which shall be *financially responsible* and grant assistance shall be the county wherein the child *resides* lives who is found to be in emergency need. ~~Such county may obtain reimbursement from another county wherein the child has residence as provided in section 256.73.~~

Sec. 16. Minnesota Statutes 1984, section 256.99, is amended to read:

256.99 [REVERSE MORTGAGE PROCEEDS DISREGARDED.]

All reverse mortgage loan proceeds received pursuant to section 47.58, including interest or earnings thereon, shall be disregarded and shall not be considered available to the borrower for purposes of determining initial or continuing eligibility for, or amount of, medical assistance, Minnesota supplemental assistance, general assistance, general assistance medical care, or a federal or state low interest loan or grant. This section applies regardless of the time elapsed since the loan was made or the disposition of the proceeds.

For purposes of medical assistance eligibility provided under section 256B.06, proceeds from a reverse mortgage must be disregarded as income in the month of receipt but are a resource if retained after the month of receipt.

Sec. 17. Minnesota Statutes 1984, section 256B.02, subdivision 2, is amended to read:

Subd. 2. "Excluded time" means any period of time an applicant spends in a hospital, sanatorium, nursing home, boarding home, shelter, halfway house, *correctional facility*, foster home, semi-independent living domicile, residential facility offering care, board and lodging facility offering 24-hour care or supervision of mentally ill, mentally retarded, or physically disabled persons, or other institution for the hospitalization or care of human beings, as defined in sections 144.50, 144A.01, or 245.782, subdivision 6.

Sec. 18. Minnesota Statutes 1984, section 256B.02, subdivision 3, is amended to read:

Subd. 3. "County of financial responsibility" means:

(a) for an applicant who resides in the state and is not in a facility described in subdivision 2, the county in which he or she resides at the time of application;

(b) for an applicant who resides in a facility described in subdivision 2, the county in which he or she resided immediately before entering the facility; and

(c) for an applicant who has not resided in this state for any time other than the excluded time, the county in which the applicant resides at the time of making application. *For this limited purpose, an infant who has resided only in an excluded time facility is the responsibility of the county which would have been responsible for the infant if eligibility could have been established with the birth mother under section 256B.06, subdivision 1, clause (9).*

Notwithstanding clauses (a) to (c), the county of financial responsibility for medical assistance recipients is the same county as that from which a recipient is receiving a maintenance grant or money payment under the program of aid to families with dependent children. There can be a redetermination of the county of financial responsibility for former recipients of the medical assistance program who have been ineligible for at least one month, so long as that redetermination is in accord with the provisions of this subdivision.

Sec. 19. Minnesota Statutes 1984, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) Who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) Who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) Who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) Who is a pregnant woman, as certified in writing by a physician or

nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) *Who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) of this subdivision if born and living with the woman; or*

(6) Who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

(6) (7) Who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or

(7) (8) Who is under 21 years of age and in need of medical care that neither he nor his relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(9) *Who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or*

(8) (10) Who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(9) (11) Who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the regulations of the state agency; and

(10) (12) Who alone, or together with his spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as his primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and

(11) (13) Who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (hus-

band and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

~~(12)~~ (14) Who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the regulations of the state agency. In computing income to determine eligibility of persons who are not residents of long term care facilities, the commissioner shall disregard increases in income due solely to increases in federal retiree, survivor's, and disability insurance benefits, veterans administration benefits, and railroad retirement benefits in the percentage amount established in the biennial appropriations law unless prohibited by federal law or regulation. If prohibited, the commissioner shall first seek a waiver. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

~~(13)~~ (15) Who has continuing monthly expenses for medical care that are more than the amount of his excess income, computed on a monthly basis, in which case eligibility may be established before the total income obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

~~(14)~~ (16) Who has applied or agrees to apply all proceeds received or receivable by him or his spouse from automobile accident coverage and private health care coverage to the costs of medical care for himself, his spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits.

Sec. 20. Minnesota Statutes 1984, section 256B.07, is amended to read:

256B.07 [EXCEPTIONS IN DETERMINING RESOURCES.]

A local agency may, within the scope of regulations set by the commissioner of human services, waive the requirement of liquidation of excess

assets when the liquidation would cause undue hardship. *When an undue hardship waiver is granted due to excess assets created through a transfer of property under section 256B.17, subdivision 1, a cause of action exists against the person to whom the assets were transferred for that portion of medical assistance granted within 24 months of the transfer, or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or county agency responsible for providing medical assistance under section 256B.02, subdivision 3.* Household goods and furniture in use in the home, wearing apparel, and personal property used as a regular abode by the applicant or recipient and a lot in a burial plot shall not be considered as resources available to meet medical needs.

Sec. 21. Minnesota Statutes 1984, section 256B.17, subdivision 6, is amended to read:

Subd. 6. [PROHIBITED TRANSFERS OF EXCLUDED RESOURCES.] Any individual who is an inpatient in a skilled nursing facility or an intermediate care facility who, at any time during or after the 24-month period immediately prior to application for medical assistance, disposed of a homestead for less than fair market value shall be ineligible for medical assistance in accordance with subdivisions 1 to 4. An individual shall not be ineligible for medical assistance if one of the following conditions applies to the homestead transfer:

(1) a satisfactory showing is made that the individual can reasonably be expected to return to the homestead as a permanent residence;

(2) title to the homestead was transferred to the individual's spouse, child who is under age 21, or blind or permanently and totally disabled child as defined in the supplemental security income program;

(3) a satisfactory showing is made that the individual intended to dispose of the homestead at fair market value or for other valuable consideration; or

(4) the local agency ~~determines that~~ grants a waiver of the excess resources created by the uncompensated transfer because denial of eligibility would cause undue hardship for the individual, based on imminent threat to the individual's health and well-being.

When a waiver is granted, a cause of action exists against the person to whom the homestead was transferred for that portion of medical assistance granted within 24 months of the transfer or the amount of the uncompensated transfer, whichever is less, together with the costs incurred due to the action. The action may be brought by the state or the county agency responsible for providing medical assistance under section 256B.02, subdivision 3.

Sec. 22. Minnesota Statutes 1984, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other

needs and shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative.

The standards shall be lowered for recipients who share a residence with a responsible relative who also receives general assistance or who receives AFDC. If the responsible relative is receiving AFDC then the amount payable to the general assistance recipient must not exceed the amount that would be attributable to him if he were included in the AFDC grant.

For recipients who are not exempt from registration with the department of economic security pursuant to section 256D.111, subdivision 2, clauses (a), (f), (g), and (h), and who share a residence with a responsible relative who is not eligible for general assistance, the standards shall be lowered, subject to these limitations:

(a) The general assistance grant shall be in an amount such that total household income is equal to the AFDC standard for a household of like size and composition, except that the grant shall not exceed that paid to a general assistance recipient living independently.

(b) Benefits received by a responsible relative under the supplemental security income program, *social security retirement program*, the social security disability program, a workers' compensation program, the Minnesota supplemental aid program, or on the basis of the relative's disability, must not be included in the household income calculation.

Sec. 23. Minnesota Statutes 1984, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.]

(a) Reimbursement under the general assistance medical care program shall be limited to the following categories of service: inpatient hospital care, outpatient hospital care, services provided by medicare certified rehabilitation agencies, prescription drugs, equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level, eyeglasses and eye examinations provided by a physician or optometrist, hearing aids, prosthetic devices, laboratory and x-ray services, physician's services, medical transportation, and dental care. In addition, payments of state aid shall be made for day treatment services provided by a mental health center established under sections 245.61 to 245.69, subdivision 1, and funded through chapter 256E and for prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization.

(b) In order to contain costs, the county board shall, with the approval of the commissioner of human services, select vendors of medical care who can provide the most economical care consistent with high medical standards and may contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall encourage county boards to submit proposals for demonstration projects designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these serv-

ices under section 256B.02, subdivision 8, except that where counties enter into prepaid capitation agreements, payments shall be as provided in section 256.966, subdivision 2.

(c) The commissioner of human services may reduce payments provided under sections 256D.01 to 256D.21 and 261.23 in order to remain within the amount appropriated for general assistance medical care, within the following restrictions. For the period July 1, 1983 to June 30, 1984, reductions below the cost per service unit allowable under section 256.966, are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 45 percent; payments for all other inpatient hospital care may be reduced no more than 35 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than 25 percent. For the period July 1, 1984 to June 30, 1985, reductions below the cost per service unit allowable under section 256.966 are permitted only as follows: payments for inpatient and outpatient hospital care provided in response to a primary diagnosis of chemical dependency or mental illness may be reduced no more than 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under section 256.967 for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent. There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts. *Beginning July 1, 1986, the commissioner shall phase out rateable reductions in the general assistance medical care program to the extent possible using any surplus projected to exist at the end of the biennium within the appropriations for medical assistance and general assistance medical care.*

(d) Any county may, from its own resources, provide medical payments for which state payments are not made.

Sec. 24. Minnesota Statutes 1984, section 256D.06, is amended by adding a subdivision to read:

Subd. 1b. [EARNED INCOME SAVINGS ACCOUNT.] In addition to the \$50 disregard required under subdivision 1, the local agency shall disregard an additional earned income up to a maximum of \$150 per month for persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, and for whom discharge and work are part of a treatment plan. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. A maximum of \$1,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of \$1,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an

eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the \$1,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

Sec. 25. [CASE MIX REIMBURSEMENT STUDY; REPORTS.]

Subdivision 1. [CASE MIX REIMBURSEMENT STUDY.] The commissioner of human services shall study mechanisms for reimbursement of providers of services in intermediate care facilities for the mentally retarded, developmental achievement centers, or waived services under section 256B.501 based on the needs and resource use of the persons served by a provider, with incentives designed to encourage quality care and, when feasible, the developmental progress of persons receiving those services.

Subd. 2. [REPORTS.] The commissioner shall report to the legislative long-term care commission no later than July 1, 1986, with recommendations on the implementation of a new reimbursement system. The commissioner shall at the request of the legislative long-term care commission, report on the process of implementing changes in the general assistance medical care and medical assistance programs as a result of this act.

Sec. 26. [EFFECTIVE DATE.]

Section 13 is effective the day following final enactment. The changes made in section 1 to Minnesota Statutes 1984, section 245.791, clauses (11) and (12), are effective August 1, 1987."

Delete the title and insert:

"A bill for an act relating to human services; revising procedures and requirements under the aid to families with dependent children, medical assistance, and general assistance programs; appropriating money; amending Minnesota Statutes 1984, sections 245.791; 245.804, subdivision 1; 256.12, subdivision 20; 256.73, subdivisions 2, 3a, and 6; 256.736, subdivisions 3 and 4; 256.74, subdivisions 1, 1a, and 2; 256.76, subdivision 1; 256.78; 256.79; 256.871, subdivision 3; 256.99; 256B.02, subdivisions 2 and 3; 256B.06, subdivision 1; 256B.07; 256B.17, subdivision 6; 256D.01, subdivision 1a; 256D.03, subdivision 4; and 256D.06, by adding a subdivision."

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 903: A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost

containment strategies and collect data; requiring recovery of the federal share of medical assistance overpayments; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; requiring a study of the feasibility of home equity conversion to finance long-term health care; appropriating money; amending Minnesota Statutes 1984, sections 144.50, subdivision 2; 144A.01, subdivision 5; 144A.071, subdivisions 1, 2, and 3; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.431, subdivisions 2b, 3, and 4; 256B.48, by adding a subdivision; 256B.50; 256B.504, subdivision 1; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapters 144 and 256B.

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

Delete everything after the enacting clause and insert:

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

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

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

Subd. 3. [REQUEST FOR RECONSIDERATION.] The resident or the nursing home or boarding care home may request that the commissioner reconsider the assigned reimbursement classification. The request for reconsideration must be submitted, in writing, to the commissioner within ten working days of the receipt of the notice of resident classification. The request for reconsideration must include the name of the resident, the name and address of the facility in which the resident resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the resident at the time of the assessment resulting in the disputed classification justify a change of classification.

Subd. 4. [RECONSIDERATION.] The commissioner's reconsideration

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

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

Subd. 2. Hospital, sanatorium or other institution for the hospitalization or care of human beings, within the meaning of sections 144.50 to 144.56 shall mean any institution, place, building, or agency, in which any accommodation is maintained, furnished, or offered for: the hospitalization of the sick or injured; the provision of care in a swing bed authorized under section 3; elective outpatient surgery for preexamined, prediagnosed low risk patients; emergency medical services offered 24 hours a day, seven days a week, in an ambulatory or outpatient setting in a facility not a part of a licensed hospital; or the institutional care of human beings. Nothing in sections 144.50 to 144.56 shall apply to a clinic, a physician's office or to hotels or other similar places that furnish only board and room, or either, to their guests.

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

Subdivision 1. [DEFINITION.] For the purposes of this section, "swing bed" means a hospital bed licensed under sections 144.50 to 144.56 that has been granted a license condition under this section.

Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] A hospital is not eligible to receive a license condition for swing beds unless (1) it either has a licensed bed capacity of less than 50 beds or it has a licensed bed capacity of 50 beds or more and has swing beds that were approved for medicare reimbursement before May 1, 1985, (2) it is located in a rural area as defined in the federal medicare regulations, Code of Federal Regulations, title 42, section 405.1041, and (3) it agrees to utilize no more than four hospital beds as swing beds at any one time.

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

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

(b) The hospital must be in compliance with the medicare conditions of participation for swing beds under Code of Federal Regulations, title 42, section 405.1041.

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

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

(e) The hospital must agree, in writing, that there will be at least 60 days between a specific patient's discharge from a facility out of a swing bed, and that patient's readmission to a swing bed. The commissioner of health may approve the readmission of a patient to a swing bed within 60 days if the readmission is necessary for the health, safety, treatment, or well-being of the patient, and only if the hospital complies with clause (d). The request for approval must be sent, in writing, to the commissioner and must include documentation of the need for the readmission. The documentation must include information establishing that nursing home services or alternative health care services are not available to meet the needs of the patient.

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

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

Subd. 5. [RATE.] A hospital may not charge a person receiving nursing care in a swing bed at a rate greater than the rate paid by the United States secretary of health and human services for similar services under the medicare program for the comparable time period. A violation of this subdivision is a violation of section 256B.48, subdivision 1, clause (a).

Subd. 6. [INSPECTIONS.] Notwithstanding section 144.55, subdivision 4, the commissioner of health may conduct inspections of a hospital granted

a condition under this section to assess compliance with this section.

Subd. 7. [VIOLATIONS.] Notwithstanding section 144.55, subdivision 4, if the hospital fails to comply with subdivision 2 or 3, the commissioner of health shall issue a correction order and penalty assessment under section 144.653 or may suspend, revoke, or refuse to renew the license condition under section 144.55, subdivision 6. The penalty assessment for a violation of subdivision 2 or 3 is \$500.

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

Sec. 4. [144.563] [NURSING HOME SERVICES PROVIDED IN A HOSPITAL.]

A licensed hospital which has been granted a license condition under section 3 must not provide the types of services that would normally be provided in, and reimbursed under medical assistance or medicare as services of, a skilled nursing facility or intermediate care facility, whether on a short-term or long-term basis, following the date on which a patient would, under accepted medical practices and utilization review criteria, be discharged from inpatient hospitalization, unless the patient is in a swing bed in compliance with section 3. The commissioner of health may arrange or contract for professional review to determine the appropriate discharge date. A patient may be retained in the hospital following the appropriate discharge date only if the hospital can demonstrate that no nursing home beds, alternative care services, or other alternatives were available to meet the needs of the patient and that the hospital made prompt and continuing efforts to discharge the patient at the earliest possible date. If the commissioner determines that a patient remained in the hospital following the appropriate discharge date in violation of this section, the commissioner may order the hospital to provide reimbursement for all or part of payments for services provided after the appropriate discharge date or credit all or part of billings for these services if charges have not yet been paid. In addition to a reimbursement order, the commissioner may order the hospital to make an additional payment to the patient of up to ten percent of the amount of reimbursement ordered, regardless of whether the patient was the payor of or financially responsible for the hospital's charges. The commissioner's orders under this section are subject to the contested case procedures of chapter 14.

Sec. 5. Minnesota Statutes 1984, section 144.651, subdivision 6, is amended to read:

Subd. 6. [APPROPRIATE HEALTH CARE.] Patients and residents shall have the right to appropriate medical and personal care based on individual needs. Appropriate care for residents means care designed to enable residents to achieve their highest level of physical and mental functioning. This right is limited where the service is not reimbursable by public or private resources. *A patient needing nursing home care has a right to be discharged from a hospital at the proper time and admitted to an appropriate setting to receive nursing home care. A patient has the right to seek compensation and reimbursement for charges if the patient received nursing home care in an inappropriate setting in violation of section 4.*

Sec. 6. Minnesota Statutes 1984, section 144A.01, subdivision 5, is amended to read:

Subd. 5. "Nursing home" means a facility or that part of a facility which provides nursing care to five or more persons. "Nursing home" does not include a facility or that part of a facility which is a hospital, *a hospital with less than five swing beds as defined in section 3*, clinic, doctor's office, diagnostic or treatment center, or a residential facility licensed pursuant to sections 245.781 to 245.821 or 252.28.

Sec. 7. Minnesota Statutes 1984, section 144A.071, subdivision 1, is amended to read:

Subdivision 1. [FINDINGS.] The legislature finds that medical assistance expenditures are increasing at a much faster rate than the state's ability to pay them; that reimbursement for nursing home care and ancillary services comprises over half of medical assistance costs, and, therefore, controlling expenditures for nursing home care is essential to prudent management of the state's budget; that construction of new nursing homes, *and the addition of more nursing home beds to the state's long-term care resources, and increased conversion of beds to skilled nursing facility bed status* inhibits the ability to control expenditures; that Minnesota already leads the nation in nursing home expenditures per capita, has the fifth highest number of beds per capita elderly, and that private paying individuals and medical assistance recipients have equivalent access to nursing home care; and that in the absence of a moratorium the increased numbers of nursing homes and nursing home beds will consume resources that would otherwise be available to develop a comprehensive long-term care system that includes a continuum of care. Unless action is taken, this expansion of bed capacity *and changes of beds to a higher classification of care* are likely to accelerate with the repeal of the certificate of need program effective March 15, 1984. The legislature also finds that Minnesota's dependence on institutional care for elderly persons is due in part to the dearth of alternative services in the home and community. *The legislature also finds that further increases in the number of licensed nursing home beds, especially in nursing homes not certified for participation in the medical assistance program, is contrary to public policy, because: (1) nursing home residents with limited resources may exhaust their resources more rapidly in these facilities, creating the need for a transfer to a certified nursing home, with the concomitant risk of transfer trauma; (2) a continuing increase in the number of nursing home beds will foster continuing reliance on institutional care to meet the long-term care needs of residents of the state; (3) a further expansion of nursing home beds will diminish incentives to develop more appropriate and cost-effective alternative services and divert community resources that would otherwise be available to fund alternative services; (4) through corporate reorganization resulting in the separation of certified and licensed beds, a nursing home may evade the provisions of section 256B.48, subdivision 1, clause (a); and (5) it is in the best interests of the state to ensure that the long-term care system is designed to protect the private resources of individuals as well as to use state resources most effectively and efficiently.*

The legislature declares that a moratorium on *the licensure and medical assistance certification of new nursing home beds and on changes in certification to a higher level of care* is necessary to control nursing home expen-

diture growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Sec. 8. Minnesota Statutes 1984, section 144A.071, subdivision 2, is amended to read:

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

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

Sec. 9. Minnesota Statutes 1984, section 144A.071, subdivision 3, is amended to read:

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

(a) To replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) To certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction"

means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

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

(d) ~~When the change in certification status results in a decrease in the reimbursement amount~~ To license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

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

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

Sec. 10. Minnesota Statutes 1984, section 256B.02, subdivision 8, is amended to read:

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

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

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded. Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 3;

(3) Physicians' services;

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

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

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and xray services;

(11) The following if prescribed by a licensed practitioner: drugs, eyeglasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include:

drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

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

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

(12) Diagnostic, screening, and preventive services;

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

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

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

(b) The pregnancy is the result of criminal sexual conduct as defined in

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

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

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

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

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

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

Sec. 11. Minnesota Statutes 1984, section 256B.091, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] It is the purpose of this section to prevent inappropriate nursing home or boarding care home placement by establishing a program of preadmission screening teams for all ~~medical assistance recipients and any individual who would become eligible for medical assistance within 180 days of applicants seeking~~ admission to a licensed nursing home or boarding care home participating in the *medical assistance* program. Further, it is the purpose of this section and the program to gain further information about how to contain costs associated with inappropriate nursing home or boarding care home admissions. The commissioners of human services and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the appropriation available.

Sec. 12. Minnesota Statutes 1984, section 256B.091, subdivision 2, is amended to read:

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of human services to participate in the program shall contract with the local board of health organized under section 145.911 to 145.922 or other public or nonprofit agency to establish a screening team to assess *the health and social needs of all applicants* prior to admission to a nursing home or a boarding care home licensed under section

144A.02 or sections 144.50 to 144.56, that is certified for medical assistance as a skilled nursing facility, intermediate care facility level I, or intermediate care facility level II; ~~the health and social needs of medical assistance recipients and individuals who would become eligible for medical assistance within 180 days of nursing home or boarding care home admission.~~ Each local screening team shall be composed of a public health nurse from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. *If a person who has been screened must be reassessed for purposes of assigning a case mix classification because admission to a nursing home occurs later than the time allowed by rule following the initial screening and assessment, the reassessment may be completed by the public health nurse member of the screening team.* If the individual is being discharged from an acute care facility, a discharge planner from that facility may be present, at the facility's request, during the screening team's assessment of the individual and may participate in discussions but not in making the screening team's recommendations under subdivision 3, clause (e). If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied medical assistance reimbursement or incur any other financial or regulatory penalty of the medical assistance program that would otherwise be caused by the individual's extended length of stay; 50 percent of the cost of this reimbursement or financial or regulatory penalty shall be paid by the state and 50 percent shall be paid by the county. Other personnel as deemed appropriate by the county agency may be included on the team. The county agency may contract with an acute care facility to have the facility's discharge planners perform the functions of a screening team with regard to individuals discharged from the facility and in those cases the discharge planners may participate in making recommendations under subdivision 3, clause (e). No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or noninstitutional referral such that it would not be possible for the member to consider each case objectively.

Sec. 13. Minnesota Statutes 1984, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all ~~persons receiving medical assistance and of all persons who would be eligible for medical assistance within 180 days of admission to a nursing home or boarding care home applicants,~~ except (1) patients transferred from other nursing homes ~~or~~; (2) patients who, having entered acute care facilities from nursing homes, are returning to nursing home care; (3) ~~persons entering a facility described in section 256B.431, subdivision 4, paragraph (b); or (4) persons entering a facility conducted by and for the adherents of a recognized church or religious denomination for the purpose of providing care and services for those who depend upon spiritual means, through prayer alone, for healing.~~ ~~Any other interested person may~~ The cost for screening persons who are receiving medical assistance or who would be eligible for medical assistance within 180 days of nursing home or boarding care home admission, will be paid by state, federal, and county money. Other persons will be assessed by a screening team upon payment of a fee ~~based upon a sliding fee scale approved by the commissioner.~~

Sec. 14. Minnesota Statutes 1984, section 256B.091, subdivision 5, is amended to read:

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

Sec. 15. Minnesota Statutes 1984, section 256B.091, subdivision 8, is amended to read:

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

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

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

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new

programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay ten percent of the costs.

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

Sec. 16. [256B.411] [COMPLIANCE WITH STATE STATUTES.]

Subdivision 1. [PAYMENTS FOR MEDICAL ASSISTANCE RECIPIENTS.] A nursing home must not accept a state or local payment for providing care to a person eligible for medical assistance except under the medical assistance program or as allowed in section 256B.25, subdivision 3.

Subd. 2. [MEDICAL ASSISTANCE PAYMENTS.] A nursing home must not receive medical assistance payments unless the nursing home:

(1) is certified to participate in the medical assistance program;

(2) has a provider agreement with the commissioner that satisfies the requirements of state and federal statutes and rules as determined by the commissioner; and

(3) complies with state law including, but not limited to, chapter 256B and rules adopted under it.

Subd. 3. [RATES.] Rates paid to a nursing home under medical assistance must be the rates established under chapter 256B and rules adopted under it.

Subd. 4. [[WITHDRAWAL FROM MEDICAL ASSISTANCE PROGRAM.] If a nursing home terminates its participation in the medical assistance program, whether voluntarily or involuntarily, the commissioner may authorize the nursing home to continue to receive medical assistance reimbursement on a temporary basis only until medical assistance residents can be relocated to nursing homes participating in the medical assistance program.

Subd. 5. [EXCEPTION TO EQUALIZATION LAW.] The commissioner may authorize continued medical assistance payment to a nursing home that charges private paying residents rates which exceed those permitted by section 256B.48, subdivision 1, paragraph (a), but only for residents who resided in the nursing home before July 1, 1978, and residents for whom a permanent individual waiver was granted by the commissioner before October 1, 1983.

Subd. 6. [LEGISLATIVE INTENT.] This section applies notwithstanding any previous judicial decision to the contrary, including the decision of the court of appeals in the case of Arlene LeZalla, et al. v. State of Minnesota, et al. dated April 23, 1985, which is overruled by this section. This section applies whether the nursing home participates fully in the medical assistance

program or is withdrawing from the medical assistance program.

Subd. 7. [PARTICIPATION IN MEDICAL ASSISTANCE PROGRAM.] Participation by a nursing home in the medical assistance program is not required by this state. However, a nursing home may bind itself contractually with any person to continue participation in the medical assistance program. These agreements, if they contain the elements necessary for a contract, are enforceable by the remedies available in the courts of this state, including compelling the nursing home's continued participation in the medical assistance program.

Subd. 8. [LIABILITY.] The state of Minnesota and its agencies and political subdivisions, and employees of these entities, are not liable for damages that result from the relocation of a nursing home resident due to withdrawal by the nursing home from the medical assistance program.

Sec. 17. Minnesota Statutes 1984, section 256B.421, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] For the purposes of sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.50, and 256B.502, and section 16, the following terms and phrases shall have the meaning given to them.

Sec. 18. Minnesota Statutes 1984, section 256B.431, subdivision 2b, is amended to read:

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

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

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

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, age, size of the nursing home, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing home. *In developing the geographic groups for purposes of reimbursement under this section, the commissioner shall ensure that nursing homes in any county contiguous to the Minneapolis-St. Paul seven-county metropolitan area are included in the same geographic group.* The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until

the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining allowable historical operating cost per diems for purposes of setting limits and nursing home payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing home is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories. *For the rate year beginning on July 1, 1985, the commissioner shall:*

(1) allow nursing homes that have an average length of stay of 180 days or less in their skilled nursing level of care, 125 percent of the care related limit and 105 percent of the other operating cost limit established by rule; and

(2) exempt nursing homes licensed on July 1, 1983, by the commissioner to provide residential services for the physically handicapped under Minnesota Rules, parts 9570.2000 to 9570.3600, from the care related limits and allow 105 percent of the other operating cost limit established by rule.

For the purpose of calculating the other operating cost efficiency incentive for nursing homes referred to in clauses (1) or (2), the commissioner shall use the other operating cost limit established by rule before application of the 105 percent.

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

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

(g) The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability and actual special assessments paid for each nursing home (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to

compute the 60th percentile or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e).

Sec. 19. Minnesota Statutes 1984, section 256B.431, is amended by adding a subdivision to read:

Subd. 2g. [PHASE-IN.] The commissioner shall allow each nursing home whose actual allowable historical operating cost per diem for the reporting year ending September 30, 1984, and the following two reporting years is five percent or more above the limits established by the commissioner to be reimbursed for part of the excess costs each year for up to three rate years according to the formula in this subdivision. The commissioner shall reimburse the nursing home:

(1) for the rate year beginning July 1, 1985, 70 percent of the difference between the actual allowable historical operating cost per diem and the limit established by the commissioner;

(2) for the rate year beginning July 1, 1986, 40 percent of the difference between the actual allowable historical operating cost per diem and the limit established by the commissioner; and

(3) for the rate year beginning July 1, 1987, 20 percent of the difference between the actual allowable historical operating cost per diem and the limit established by the commissioner.

Sec. 20. Minnesota Statutes 1984, section 256B.431, subdivision 3, is amended to read:

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

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

(1) The cost incurred is reasonable, necessary, and ordinary;

(2) The net cost is greater than \$5,000. "Net cost" means the actual cost, minus proceeds from insurance, salvage, or disposal;

(3) The nursing home's property-related costs per diem is equal to or less than the average property-related costs per diem within its group; and

(4) The adjustment is shown in depreciation schedules submitted to and approved by the commissioner.

(c) Annual per diem shall be computed by dividing total property-related costs by 96 percent of the nursing home's licensed capacity days for nursing

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

(d) *Subd. 3a. [PROPERTY-RELATED COSTS AFTER JULY 1, 1985.]*

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

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

(1) simplify the administrative procedures for determining payment rates for property-related costs;

(2) minimize discretionary or appealable decisions;

(3) eliminate any incentives to sell nursing homes;

(4) recognize legitimate costs of preserving and replacing property;

(5) recognize the existing costs of outstanding indebtedness allowable under the statutes and rules in effect on May 1, 1983;

(6) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;

(7) establish an investment per bed limitation;

(8) reward efficient management of capital assets;

(9) provide equitable treatment of facilities;

(10) consider a variable rate; and

(11) phase in implementation of the rental reimbursement method.

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

Sec. 21. Minnesota Statutes 1984, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) *For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the*

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

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

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is on August 1, 1984, was licensed by the commissioner of health only as a boarding care home, is certified by the commissioner of health as an intermediate care facility, is and licensed by the commissioner of human services under 12 MCAR S 2.036, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

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

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

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

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

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

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate which is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

Sec. 22. Minnesota Statutes 1984, section 256B.50, is amended to read:

256B.50 [APPEALS.]

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

Except as provided in subdivision 2, the appeal shall be heard by an administrative law judge according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the administrative law judge. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.50, and 256B.502, a nursing home shall comply with section 14.44.

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

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

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

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

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

Sec. 23. Minnesota Statutes 1984, section 256B.504, subdivision 1, is amended to read:

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

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

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

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

(d) to monitor the delivery of health care in Minnesota and to study and report on strategies to contain health care costs.

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

Sec. 24. Minnesota Statutes 1984, section 349.214, is amended by adding a subdivision to read:

Subd. 1a. [BINGO; CERTAIN ORGANIZATIONS.] *Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without complying with sections 349.11 to 349.213 if the prizes for a single bingo game do not exceed \$10, total prizes awarded at a single bingo occasion do not exceed \$200, no more than two*

bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

Sec. 25. Minnesota Statutes 1984, section 474.01, subdivision 7a, is amended to read:

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

Sec. 26. Minnesota Statutes 1984, section 474.01, subdivision 9, is amended to read:

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

(1) projects that will result in an increase in the number of nursing home or boarding care beds in the state, unless the increase was approved before May 1, 1985, under section 144A.071, subdivision 3;

(2) projects involving refinancing, unless the refinancing will result in a reduction in debt service charges that will be reflected in charges to patients and third party payors; and

(3) projects that are inconsistent with the established policies of the state as reflected in a statute or rule.

Sec. 27. [FEASIBILITY STUDY OF HOME EQUITY CONVERSION FOR LONG-TERM HEALTH CARE.]

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

(1) methods of encouraging participation, including public subsidy mechanisms;

(2) the characteristics of target populations;

(3) federal and state legislative and regulatory barriers;

(4) the role of the medical assistance program, insurance carriers and other forms of health care coverage, lending institutions, employers, investors, consumer organizations, and other programs and interests;

(5) estimates of demand and participation;

(6) estimates of cost;

(7) methods of addressing adverse selection; and

(8) other considerations affecting the desirability and feasibility of home equity conversion to finance long-term health care and long-term health care insurance.

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

Sec. 28. [SPECIAL ASSISTANCE.]

Notwithstanding any other law, if a nursing home having an historical property-related cost per diem of less than \$1 receives a valid notice of default from an unrelated financial institution for an actual breach of a material provision of its financing agreements before January 1, 1985, and is sold after receiving the notice but prior to July 1, 1985, to a nonrelated buyer, the commissioner of human services shall provide an interest subsidy, interest buy-down or other assistance up to \$42,000 to facilitate the sale and enable the new owner to operate the nursing home under applicable medical assistance reimbursement rules and limits.

Prior to disbursing any such funds, the commissioner shall assure that the interests of the residents of the nursing home and the interests of the residents of any affiliated facility subject to the financing agreements, or inter-

related financing agreements, are protected and secured on a long-term basis. As a condition for releasing any such funds, the commissioner may require reasonable concessions from the financial institution which gave notice of the default.

Sec. 29. [APPROPRIATIONS.]

Subdivision 1. [COMMISSIONER OF HUMAN SERVICES.] \$50,000 is appropriated from the general fund to the commissioner of human services to conduct a feasibility study of home equity conversion for long-term health care.

Subd. 2. [COMMISSIONER OF HUMAN SERVICES.] \$42,000 is appropriated from the general fund to the commissioner of human services for purposes of section 28 to be available until June 30, 1986.

Sec. 30. [EFFECTIVE DATE.]

Sections 1 to 9, 15 to 17, and 19 to 23 are effective the day following final enactment. Sections 10 to 14, 18, 25, and 26 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost containment strategies and collect data; requiring recovery of the federal share of medical assistance overpayments; authorizing bingo in nursing homes and senior citizen housing projects; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; requiring a study of the feasibility of home equity conversion to finance long-term health care; appropriating money; amending Minnesota Statutes 1984, sections 144.50, subdivision 2; 144.651, subdivision 6; 144A.01, subdivision 5; 144A.071, subdivisions 1, 2, and 3; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.421, subdivision 1; 256B.431, subdivisions 2b, 3, and 4, and by adding a subdivision; 256B.50; 256B.504, subdivision 1; 349.214, by adding a subdivision; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapters 144 and 256B."

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

Mr. Willet from the Committee on Finance, to which was re-referred

S.F. No. 1424: A bill for an act relating to a Minnesota convention facility and related facilities; authorizing the metropolitan council and the city of Minneapolis to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain convention and trade

show facilities and related facilities in the city of Minneapolis and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city of Minneapolis and the metropolitan council to issue bonds to finance the acquisition and betterment of convention and trade show facilities and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip a convention center and trade show facility; authorizing the transfer of certain city property and employees to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes, debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington; authorizing the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Delete everything after the enacting clause and insert:

“Section 1. [473.5961] [CONVENTION CENTER AND RELATED FACILITIES.]

Subdivision 1. [PURPOSE.] Sections 1 to 8 are enacted to establish and provide for the acquisition, construction, financing, and operation of a Minnesota metropolitan convention center of a size and character competitive in the national and international market for conventions and trade shows, at the site of the existing convention hall and auditorium in the city of Minneapolis, substantially in accordance with design criteria set forth in the “Report on a Minnesota Convention and Trade Show Facility” dated February 5, 1985, which was prepared and submitted to the governor and legislature pursuant to Laws 1984, chapter 654, article 2, section 152, together with desirable related facilities.

Subd. 2. [DEFINITIONS.] For purposes of sections 1 to 8, the following terms have the following meanings:

(a) “Board” means the convention construction board established by section 2.

(b) “Bonds” means any bonds, notes, or other obligations, including obligations to pay under a financing lease or installment contract of an issuer.

(c) “City” means the city of Minneapolis, its city council, and any other board, authority, commission, or officer authorized by law, charter, or ordinance to exercise city powers of the nature referred to in sections 1 to 8.

(d) “Commission” means the Minnesota sports and convention facilities commission.

(e) “Convention center” means the Minnesota metropolitan convention center established under subdivision 1, including all property, real or personal, tangible or intangible, located in the city of Minneapolis, to be used as

part of convention and trade show facilities located on the convention site, and additions or extensions of the facilities.

(f) "Council" means the metropolitan council.

(g) "Convention site" means the land on which the existing convention hall and auditorium of the city of Minneapolis is located and which is owned by the city, together with any adjacent property the commission determines to be necessary and appropriate and is acquired for the construction or improvement of convention and trade show facilities.

(h) "Related facilities" means all property, real or personal, tangible or intangible, located on or within 1,000 feet of the boundary of the convention site which facilitates the use of the convention center, including but not limited to parking, pedestrian, meeting, skyway, lighting, landscaping and street facilities and land acquired and prepared for private redevelopment in a manner related to use of the convention center.

Sec. 2. [473.5962] [CONVENTION CONSTRUCTION BOARD.]

Subdivision 1. [ESTABLISHMENT.] A convention construction board is established to oversee construction of the convention facilities. The board shall not be deemed a state agency. The board shall design, construct, equip, furnish, and improve the convention center, and at the request of the commission, related facilities. The board shall consist of five members. Notwithstanding any other provision of law, the governor shall initially appoint five members and designate one member as chair within 30 days following the effective date of this section and members may be appointed without regard to residence, office, position, or employment but shall have in their individual capacities no direct or indirect interest in any contract for the acquisition or betterment of any convention and trade show facilities. Not more than one member of the commission and no member of the city council of the city may be appointed. The appointments are not subject to section 15.0597, but the terms and removal of board members and the filling of vacancies on the board are as provided in section 15.0575. A person shall not be deemed to have an interest in any contract because of any public office held by the person. Each member of the board shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the officer administering it, shall be filed with the chairperson of the commission.

Subd. 2. [ACTIONS; DURATION.] The board shall act by a majority of members; adopt rules and bylaws, including procedural rules for the conduct of its meetings, appoint officers, and hold meetings to carry out the duties and functions assigned to it by sections 1 to 8. The provisions of section 471.705 do not apply to meetings of the board, but the board shall make tape recordings or other electronic records of its meetings and shall adopt rules under which the meeting records are to be available to the public. The board shall continue in existence until the board determines (1) that construction of the convention facilities is substantially complete, or (2) that the convention facilities cannot be constructed. In exercising its powers under sections 1 to 8, the board shall not be subject to sections 473.161, 473.165, 473.173, and 473.556, subdivision 6.

Subd. 3. [BOARD COMPENSATION.] Members of the board shall be

paid \$50 for each day or part of a day devoted to board business. The chair of the board shall be paid a salary as the board shall establish. The members and chair shall be reimbursed for reasonable expenses incurred in connection with board business.

Subd. 4. [RELATIONSHIP OF BOARD TO COMMISSION.] To the extent the board does not have other funds available for the purpose, the commission shall from available funds pay or reimburse the board for all costs incurred by the board within the scope of its authority and the compensation required to be paid to board members. Upon termination of the board the commission shall be the successor in interest to the board for all rights, privileges and duties of the board created in sections 1 to 8 or arising under any contracts entered into by the board within the scope of its authority. The board and commission shall cooperate to the greatest extent practicable to permit each to discharge its duties under sections 1 to 8.

Subd. 5. [POWERS OF THE BOARD.] The board shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to the following:

(a) The board may sue and be sued, and shall be a public body within the meaning of chapter 562.

(b) The board may employ, without public bidding, persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for either design or construction, with respect to all or any part of the convention facilities or related facilities. Notwithstanding the foregoing, contractors for actual construction services shall be selected through a process of public bidding determined by the board and approved by the commissioner of administration, but the board may narrow the listing of eligible bidders to those that the board determines to possess sufficient expertise to perform the intended functions. The board's determination of eligible bidders must be made according to criteria adopted by the board and made public before the process of public bidding begins. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the board and shall post a bond in an amount at least equal to 100 percent of the certified price, including but not limited to costs incurred by the board or the commission or loss of revenues by the commission resulting from incomplete construction on the completion date. The board shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien under the provisions of sections 514.01 to 514.16.

(c) The board may employ persons and contract for services necessary to carry out its functions. The board shall adopt a personnel policy in accordance with the guidelines adopted by the council under section 473.141, subdivision 9. Employees of the board are not public employees for purposes of chapters 43A and 179A and are not members of a public pension fund.

(d) The board may, subject to approval by the commission, accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of

the state, or any person for any of its purposes, may enter into any agreement required in connection with them, and may hold, use, and dispose of the money, property, or services in accordance with the terms of the gift, grant, loan, or related agreement.

(e) The board may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the board or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

(f) In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to sections 1 to 8, the board shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16B.19 to 16B.22.

Subd. 6. [ENVIRONMENTAL IMPACT STATEMENT.] The board shall be the responsible governmental unit for preparation of an environmental assessment worksheet for the convention center. The board shall complete the environmental assessment worksheet within 30 days of notifying the environmental quality board of the facility site and scope of the convention facilities. If an environmental impact statement is necessary, the board shall prepare it. The final statement shall be accepted by the environmental quality board no later than 180 days following the determination that an environmental impact statement is necessary. The environmental assessment worksheet and any environmental impact statement for the proposed convention center shall be prepared in accordance with sections 1 to 8, and to the extent consistent with this act, in accordance with chapter 116D and rules issued pursuant to it. Any declaratory judgment action pursuant to section 116D.04, subdivision 10, shall be heard and decided within 60 days of the decision challenged and shall be initiated within 15 days of the decision. The board may engage the department of transportation, the pollution control agency, or any other department or agency of the state, or private consultant to conduct studies necessary to the preparation of the worksheet or statement. The board shall reimburse state departments or agencies for costs incurred in conducting the studies.

Subd. 7. [PERMITS.] Within 60 days following the acceptance of the environmental impact statement by the environmental quality board, or a decision that an environmental impact statement is not required, the pollution control agency and any other department, agency, or unit of government shall take final action to approve or deny any permits necessary for the proposed convention center.

Subd. 8. [COMMENCEMENT OF CONSTRUCTION; CONDITIONS.] The construction or improvement of the convention center in accordance with the contracts and applicable law shall commence as promptly as practicable following issuance of bonds for it authorized in sections 1 to 8, but the board shall not authorize the commencement of construction or improvement of any part of the convention center until the commission has determined that

each of the following has occurred or is satisfied:

(a) Demolition and construction costs under construction contracts, not including costs for construction managers, architectural, engineering, and other professional fees, insurance, bonds, permits, licenses, taxes, and similar costs for constructing or improving the convention center are not reasonably expected to require more than \$126,000,000 in public funds.

(b) The city has conveyed to the commission without cost the city's title to all parcels of land on which the existing convention hall and auditorium in the city are located and which are owned by the city on the date this section becomes effective, together with title to all structures and improvements on them and furnishings and equipment used in the operation of the facility. The title shall be free and clear of all liens and encumbrances not acceptable to the commission.

(c) In addition to the conveyance referred to in paragraph (b), the city has conveyed or has entered into arrangements satisfactory to the commission to convey to the commission without cost the fee title to other parcels of land satisfactory to the commission for all of the convention site or the city by binding contract has agreed to incur \$25,000,000 for acquisition, relocation, condemnation, demolition, clearance, and related costs, including professional fees, concerning any or all of the parcels. The title shall be free and clear of all liens and encumbrances not acceptable to the commission.

(d) Proceeds of the bonds, net of issuance costs, reserves and proceeds for the payment of interest on the bonds, will be paid, loaned, or otherwise made available to the board and will be sufficient, together with all other funds available to the commission or board for such purpose, to acquire, construct, improve, equip, and furnish the convention center in accordance with plans or designs which will be approved by the board.

(e) The board has executed agreements which will provide for the construction or improvement of the convention center for a certified construction price and at a stated completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or board or loss of revenues resulting from incomplete construction on the completion date.

(f) The board has executed agreements with the appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay, or impede construction or improvement of the convention facilities.

(g) The revenues available to the commission will be sufficient to pay projected operating expenses, including any appropriate reserves for operations, repairs and replacements, and improvements of the convention center.

Sec. 3. [473.5963] [ACQUISITION AND OPERATION; COMMISSION POWERS.]

The commission may acquire, own, lease, control, operate, and maintain the convention center and related facilities. The commission may equip, furnish, and improve the convention center. The commission may design,

construct, equip, and improve related facilities at locations selected by the commission and approved by the city council of the city. With respect to contracts related to the convention center and related facilities, the commission shall have the same rights and obligations of the commission that are provided by section 473.556, subdivisions 7 and 14, with respect to contracts related to sports facilities. For purposes of sections 1 to 8, including paying amounts owing under contracts entered into by the board, paying costs of operation and maintenance and paying or securing debt service and maintenance of reserves for any bonds issued pursuant to sections 1 to 8, the commission may expend money received by it from any source not required by law or contract to be expended for another purpose and enter into contracts to that effect with any persons, including the city, the council, or bondholders. The board shall maintain public financial records according to a system approved by the legislative auditor and make the records available to the legislative auditor upon request. The legislative auditor may conduct financial or performance audits of the board. The commission may pledge any of its property or funds, not otherwise restricted by law or contract, to the payment of principal of, premium, if any, or interest on bonds or other debt incurred in connection with the convention center or related facilities. The acquisition of the convention center and related facilities may be pursuant to a lease, lease with option to purchase agreement, installment sale contract, contract for deed, mortgage note, loan agreement, or other similar contract or direct purchase, which may be secured by or payable from any property or money available to the commission not pledged or required by law or contract to be applied for another purpose. The commission may acquire all property and property rights necessary or desirable for convention facilities or related facilities by exercise of the power of eminent domain pursuant to chapter 117. In exercising its powers under sections 1 to 8, the commission shall not be subject to sections 473.161, 473.165, 473.173, and 473.556, subdivision 6.

Sec. 4. [473.5964] [TRANSFER OF CONVENTION HALL AND AUDITORIUM AND CITY EMPLOYEES.]

Subdivision 1. [CONVEYANCE AND ASSUMPTION OF CONTRACTS.] The city may transfer to the commission without consideration all right, title, and interest in the existing convention hall and auditorium in the city, together with any furnishings or equipment related to them, pursuant to agreements, instruments, and actions as the parties may agree upon. The commission shall thereupon assume and become obligated to perform all contracts of the city with respect to the operation, maintenance, and use of the facilities other than contracts of employment with city employees and collective bargaining agreements; provided that before the transfer the city shall have provided copies of all the contracts to the commission and advised the commission of all material terms of any contracts which are not in writing.

Subd. 2. [CONVEYANCE NOT RESTRICTED.] The conveyance of property pursuant to this section shall not constitute a violation of any restrictions, reservations, rights of reentry, possibilities of reverter, forfeiture clauses, or other conditions arising from any previous conveyance of all or part of the property to the city from the state. After the conveyance to the commission, the commission's title shall not be subject to any restrictions,

reservations, rights of reentry, possibilities of reverter, forfeiture clauses or other conditions contained in any previous state conveyance to the city, except for any reservation of minerals or mineral rights in the state.

Subd. 3. [REDUCTION IN CITY PARTICIPATION.] The amount of \$25,000,000 referred to in section 2, subdivision 8, paragraph (c), shall be reduced by any amount by which the city's net operating income from the facility for the city's fiscal year to date of transfer is negative, after adjustment for accounts receivable and accounts payable by the city from operation of the facility and only to the extent the city can establish that the city's net operating income from the facility for the entire fiscal year would have been more than the net operating income to the date of such transfer.

Subd. 4. [CITY EMPLOYEES.] Upon transfer by the city to the commission of the existing convention hall and auditorium contemplated in subdivision 1, all employees of the city who are appointed, classified full time, or on the effective date of this section are classified part time with at least 2,080 cumulative hours of employment with the city, and who work primarily in the administration, operation, or maintenance of the facility shall continue to be employees of the city without impairment of their civil service and other status as city employees and continue, under the direction of the commission, to be employed at the convention center. The commission shall reimburse the city for their compensation and all other costs incurred by the city related to city employees at the convention center. The employment of other persons at the convention center who are not city employees shall be on conditions that do not impair the status of the city employees.

Sec. 5. [473.5965] [FINANCING AND AID FOR FACILITIES.]

Subdivision 1. [CITY AND COUNCIL CONTRACTS.] The city or the council, collectively or individually, may enter into contracts with either the commission or board to exercise any power of the commission or board, granted under sections 1 to 8 or to perform any activity in which the commission or board may engage under sections 1 to 8. The city or the council may pledge, lease, sell, or transfer to, or lease, purchase, or acquire from the commission all or part of any convention facilities, related facilities, sports facilities, or property to be used or useful in these facilities or for their financing on the terms and conditions their governing bodies shall determine, but subject to the approval of the commission in regard to its properties. The city and council may exercise all powers conferred upon them by law to carry out the contracts.

Subd. 2. [PARTICIPATION BY THE CITY.] Before or after issuance of bonds pursuant to sections 1 to 8, the city may incur or pay costs relating to preliminary architectural, design, engineering, planning, financial, and legal services relevant to the acquisition, financing, construction, or operation of the convention center and related facilities. The commission shall reimburse the city or otherwise pay for the costs in an amount up to \$300,000, but only to the extent of amounts received pursuant to section 6, subdivision 3. The city shall at the request of the council pay or reimburse the council for the payment of any costs incurred by the council with the prior approval of the city in connection with the financing of the convention facilities or any related facilities. The city may provide or pledge funds to pay all or part of the cost of acquisition and betterment of the convention center,

related facilities or sports facilities, including any debt service or other borrowing costs incurred and costs relating to related refunding obligations. The city may provide or pledge funds to pay all or part of the costs to be incurred for the operation, leasing, maintenance, administration, or promotion of the convention center, or related facilities. Funds may be paid to the commission or the board for the purposes of this section. Funds referred to in this section are all money of the city not required by law or contract to be otherwise applied, and may include the proceeds of the tax levied pursuant to subdivision 7 and tax increments available to the city under any law and not required by contract or pledge to be otherwise applied. The acquisition and betterment of all or part of the convention center, any related facilities, or sports facilities, including any debt service or rental payments with respect to them, shall be a project for purposes of sections 273.71 to 273.78, and the costs related to the project shall constitute costs of redevelopment with respect to any industrial development district located in the city pursuant to chapter 458, public redevelopment costs of any project located in the city pursuant to chapter 462, capital and administration costs of any development district located in the city pursuant to chapter 472A and costs of the type referred to in Laws 1971, chapter 677, section 7, paragraph (c), with respect to any development district established pursuant to Laws 1971, chapter 677. The city may pledge or apply or, if the council is the issuer, enter into an agreement with the council pledging or applying any or all such tax increments to the payment of principal of, premium, if any, and interest on bonds issued pursuant to this section throughout the term of the bonds.

Subd. 3. [BONDS.] Subject to this section, the city may by resolution authorize, sell, and issue its bonds to finance all or a portion of the costs of acquisition or betterment of the convention center. Subject to this section, if the city council of the city should determine not to issue bonds to fund all costs for the acquisition and betterment of the convention center, the council, upon notice of the determination, shall by resolution authorize, sell, and issue its bonds to finance the costs not so financed by the city. \$1,000,000 of the bond proceeds issued for the convention center or \$1,000,000 of the state funds appropriated for convention center costs must be used to assist in paying for the cost of providing or securing replacement housing for low or moderate income residents who are displaced by the convention center or related facilities. The city of Minneapolis shall determine the replacement housing needs of affected residents and shall provide or secure the housing. The city shall contribute \$1,000,000 and may solicit additional funds from other sources to pay for replacement housing costs. Replacement housing costs may include but are not limited to acquisition, construction, and rehabilitation of rental housing units for affected residents. Replacement housing costs shall not include relocation assistance, services, payments, or benefits under sections 117.50 to 117.56. Either or both of the city and the council may also authorize, sell, and issue bonds to finance the costs of acquisition and betterment of related facilities or sports facilities or to refund in accordance with section 475.67 bonds issued pursuant to this section or section 473.581. Before the city or the council issues bonds under this section, the commissioner of finance shall review the principal amount, terms, and conditions of the issuance. The bonds issued by the council shall be general obligation bonds, and bonds issued by the city may, but need not, be general obligations. If bonds are general obligations, taxes for them shall be levied and canceled in accordance with section 475.61 or section 6, as applicable. Bonds issued by the city may be limited obligations made payable from any or all funds available to the city, funds of the commission or the board (but

only with the consent of the commission), taxes levied under subdivision 6 and appropriations received under section 6. Bonds issued by the council may also be payable from taxes levied under subdivision 7, appropriations received under section 6, and (with the consent of the city) tax increments of the city. The bonds may be issued in one or more series and sold without election at public or private sale and at the price the issuer may determine. The bonds shall be secured, bear the interest rate or rates, have the rank or priority, be executed in the manner, be payable in the manner, mature and be subject to the redemptions, repurchases, tender options or other terms as the issuer may determine. The issuer may enter into and perform all contracts deemed necessary or desirable by it to issue the bonds and apply the proceeds of the bonds, including an indenture of trust with a trustee within or without the state and any related collateral security agreements. The resolution or indenture pursuant to which the bonds are issued may have the provisions and terms deemed necessary or desirable by the issuer to pay or secure payment of the bonds, to apply the proceeds of the bonds, or to aid the issuance or sale of the bonds or the acquisition or betterment of the facilities financed by them. In addition to other provisions, the resolution or indenture may provide for:

(a) the escrow, pledge, application, and disbursement of any bond proceeds or other funds;

(b) the mortgage or pledge of any funds or property;

(c) the custody, collection, securing, investment, payment, or transfer of any funds or property;

(d) the creation and maintenance of any reserves, sinking funds, or other special funds;

(e) the manner of amending the resolution or indenture;

(f) events of default and remedies for defaults;

(g) the maintenance of insurance and application of insurance proceeds; and

(h) the appointment, duties, and rights of any trustee, paying agent, receiver, or other fiduciary and their successors.

Bond proceeds for the acquisition or betterment of convention facilities, net of issuance costs, reserves, and proceeds for the payment of interest on the bonds shall be loaned or otherwise deposited for the benefit of the commission or the board. Any cost of acquisition and betterment referred to in sections 1 to 8 shall include all costs of acquisition or betterment referred to in section 475.65, capitalized interest for a period not longer than 36 months, any underwriter's discount, reserves for debt service, repair, or operations or costs for credit enhancement of the bonds. The debt represented by the bonds shall not be included in computing any debt limitation applicable to the city, the council, or any county and any levy of taxes required by section 475.61 or section 6 to pay the principal of and interest on the bonds shall not be subject to any levy limitation or be included in computing or applying any levy limitation applicable to the city, the council, or any county. Subject to this section and section 6, bonds authorized by this section shall be sold, issued, and secured in the manner provided in chapter 475, and the council

shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter.

Subd. 4. [VARIABLE RATE DEMAND BONDS.] Any bond may be issued pursuant to this section giving the owner of the bond the right to tender or the issuer of the bonds to demand tender of the bond to the issuer, or other person designated by the issuer, for purchase by the issuer or the person at the time or times determined by the issuer, if the issuer has first entered into an agreement with a financial institution obligating the financial institution to provide funds on a timely basis for purchase of bonds tendered to the issuer. The purchase of any tendered bonds by or on behalf of the issuer shall not be deemed a payment or discharge of the bonds. Bonds tendered for purchase may be remarketed by or on behalf of the issuer or any other purchaser. The issuer may enter into agreements deemed necessary or appropriate to provide for the purchase of tendered bonds, including provisions under which undelivered bonds may be deemed tendered for purchase and new bonds may be substituted for them, the reimbursement to any person of amounts provided to purchase tendered bonds, the remarketing of tendered bonds, and similar or related agreements. Bonds subject to tender for purchase shall not be deemed to mature within the meaning of section 475.54, subdivision 1, on any date for tender. Any bond may bear interest at a rate varying at the time or times and on the terms, including convertibility to a fixed rate of interest, determined by the issuer. With respect to any variable rate bonds the rate of interest for any period may equal but shall not exceed the maximum determined in accordance with section 475.55, subdivision 4, as last determined before the commencement of the period.

Subd. 5. [VARIABLE INTEREST RATE ASSUMPTIONS FOR DEBT SERVICE TAXES.] In computing annual debt service on variable rate bonds for purposes of section 475.61, subdivisions 1 and 3, and section 6, subdivisions 1 and 2, the interest payable on the bonds may be computed in any of the following ways:

(a) The rate of interest may be assumed to be the maximum rate as most recently determined before the issuance of the bonds under section 475.55, subdivision 1, and levies and appropriations based on this assumption shall be deemed to produce the excess amounts required by law.

(b) If a lesser maximum rate of interest is payable on the bonds in accordance with their terms, that rate may be used.

(c) If the interest rate is subsequently converted to a fixed rate the levy may be modified to provide at least five percent in excess of amounts necessary to pay principal of and interest at the fixed rate on the bonds when due.

(d) The bond resolution or indenture may:

(1) establish a schedule of maturities or mandatory sinking fund redemption for the bonds so as to produce substantially level annual debt service over at least two-thirds of the term of the bonds, assuming an interest rate exceeding by at least two percent per annum the average annual rate estimated by the issuer to be payable from time to time under the variable rate and any tender option and credit enhancement provisions;

(2) require a reserve to be accumulated in the debt service fund within three years from the date of issue and thereafter to be maintained from ap-

propriated tax and other funds received each year in excess of actual debt service, in an amount at least equal to five percent of the principal amount of the bonds outstanding from time to time;

(3) require the levy of additional taxes pursuant to section 475.61, subdivision 3, if necessary at any time to maintain the required reserve balance;

(4) require additional bonds to be redeemed from appropriated tax and other revenues received in excess of amounts needed to maintain the reserve; and

(5) appropriate tax and other funds initially to the debt service fund in annual amounts which, if fully collected, will at least equal, but need not exceed, annual debt service computed on the assumption made pursuant to clause (1) above.

Subd. 6. [LIMITATIONS.] (a) No bonds may be issued under this section for the initial construction or improvement of the convention facilities unless the commission has determined that all conditions to commencement of construction provided in section 2, subdivision 8, are reasonably expected to be satisfied.

(b) No bonds may be issued under this section for construction or improvement of the convention facilities unless the issuer and the commission have each determined that the anticipated revenue available to pay the principal of, premium, if any, and interest on the bonds will be sufficient to pay when due all such debt service on the bonds and to maintain any required debt service reserves.

(c) No bonds are required to be issued by the council under this section unless the council has determined that assuming future appropriations from the general fund in accordance with the intent expressed in section 6, subdivision 3, it reasonably expects that any appropriations to be made under section 6 and deposited in the debt service account for the bonds, together with any taxes levied under subdivision 7 or tax increments from the city which are irrevocably pledged or appropriated to the payment of principal of, premium, if any, and interest on the bonds, will be sufficient if timely deposited (i) to pay when due all such debt service on the bonds, (ii) to maintain any required debt service reserves, (iii) to provide additional debt service coverage satisfactory to the council, and (iv) to permit cancellation of any levy made pursuant to section 6, subdivision 1, for each year during the term of the bonds in accordance with section 6, subdivision 2.

(d) No bonds may be issued by the council under this section unless the city and the commission consent to the bond resolution or indenture pursuant to which the bonds are issued.

Any written determination pursuant to this subdivision shall be conclusive and the validity of any bonds or the obligations of the issuer or any other person or body with respect to them shall not be impaired by any determination which is erroneous.

Subd. 7. [SECURITY.] The pledge of any tax or other funds to the payment of principal of, premium, if any, or interest on bonds pursuant to this section or pursuant to a bond resolution or trust indenture shall be a valid charge on the tax and other funds from the date when bonds are first issued

or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premium due and the maintenance at all times of any reserves securing the payment. Except by express mortgage or pledge, no mortgage of or security interest in any tangible real or personal property shall arise from the pledge of the tax or other funds in favor of bondholders or the trustee, but they shall have a valid security interest in the tax and other funds received and receivable, as against the claims of all other persons in tort, contract or otherwise, irrespective of whether the parties have notice of it, and without possession or filing as provided in the uniform commercial code or any other law. Any covenants made in the bond resolution or trust indenture (if approved by the commission or board, respectively) shall be binding upon the commission and the board, respectively, and the board and commission may observe and perform the covenants. The commission and the board may pledge or apply any or all of their property or funds available to them to the payment of principal of, premium, if any, and interest on the bonds. No pledge, mortgage, covenant, or agreement securing bonds issued pursuant to this section may be impaired, revoked, amended by law, or by action of the city, council, commission, or board except in accordance with the terms of the resolution or indenture under which the bonds are issued until the obligations of the issuer under it are fully discharged.

Subd. 8. [LIQUOR AND LODGING TAXES.] The city may, in addition to taxes authorized by chapter 297A and section 473.592, levy (1) a sales tax of not more than four percent on the gross receipts on retail on-sales of intoxicating liquor and fermented malt beverages described in section 473.592 from sales that occur within two miles of the facility site and not more than two percent from sales that occur elsewhere in the city, and (2) a sales tax of not more than four percent on the gross receipts from the furnishing for consideration of lodging described in section 473.592 by a hotel or motel which has more than 50 rooms available for lodging, to provide money for the purposes stated in subdivision 1 or this subdivision. Before the issuance of any bonds under this section payable from the tax, the city shall levy the tax at whatever rate or rates are necessary to produce revenues from year to year which are determined by the issuer of the bonds to be required, together with all other funds available for the purpose or pledged to the payment of principal of, premium, if any, and interest on the bonds, to pay when due all such debt service on the bonds and to accumulate and maintain any debt service reserves for them. If the city is not the issuer, the city shall pay to the issuer the proceeds of the tax required to be so levied. The tax required to be imposed by the preceding sentence shall be suspended, reimposed, reduced, or increased upon the determination of the issuer, and if the issuer is not the city, written notice of the determination by the issuer to the city that the actions are necessary or appropriate for the purposes for which the tax was imposed, provided that the covenants in the resolution or indenture of trust pursuant to which the bonds were issued are not violated by the action. The tax shall be collected and remitted as provided in section 473.592, except the commissioner of revenue shall remit collections, less refunds and collection costs, to the city for application as required by this subdivision. When the purpose for which the tax is levied has been accomplished, the tax shall be canceled and any excess tax proceeds paid to the city. If the issuer of any bonds payable from or secured in whole or part by the tax is the council, before issuance of bonds under this subdivision, an agreement shall be entered into between the city, the council, and the commission implementing this subdivision, and the agreement shall constitute a

contract with and for the benefit and security of all holders of the bonds.

Sec. 6. [473.5966] [COUNCIL TAX AND STATE APPROPRIATION.]

Subdivision 1. [TAX LEVY.] Section 475.61 applies to general obligation bonds issued by the council pursuant to section 5, except as otherwise provided in this section. Before issuance and delivery of general obligation bonds or the pledge of taxes to pay any bonds pursuant to subdivision 4, in accordance with section 473.08 and this section, the council shall by resolution levy a direct general ad valorem tax upon all taxable property in the metropolitan counties named in section 473.121 to be collected for each year of the term of the bonds. Except as provided in section 5, subdivision 5, the tax levied for all years shall be in amounts that if collected in full, together with estimated collections of any other taxes or funds pledged for the payment of the bonds, will produce aggregate amounts at least five percent in excess of the amounts needed to pay when due the principal of and interest on the bonds. The resolution of the council shall irrevocably appropriate taxes so levied and all other taxes or other funds pledged to a debt service fund created for the payment of the bonds.

Subd. 2. [LEVY REDUCTION.] Tax levies imposed pursuant to subdivision 1 shall be irrevocable, except that if amounts are held in the debt service fund on October 1 in any year in excess of the principal and interest coming due on the applicable bonds on or before April 1 of the following year, the council may direct the levy then otherwise required to be assessed and extended to be reduced by 105 percent of the excess amount or by any lesser amount, and the secretary of the council shall certify to the auditor of each county on or before October 10 the county's share of the reduction.

Subd. 3. [STATE APPROPRIATION.] \$6,000,000 is appropriated from the general fund of the state treasury to be paid to the board on or before July 1, 1985, for the board's preconstruction costs and other initial operating costs, with any amounts not expected to be so applied to be provided to the commission for any convention center operating reserve, or for payment of replacement housing costs referred to in section 5. \$6,000,000 is appropriated and shall be paid to the commission on or before July 1, 1986, from the general fund, of which the commission may retain any portion needed for maintenance of the operating reserve, subject to such limit as may be provided in the bond resolution or indenture, and the remainder shall be deposited in the debt service fund or funds for the bonds issued by the council or city for the convention center, in amounts proportionate to the amounts of city and council bonds outstanding each year.

The council is required to issue bonds under section 5, subdivision 6, only if it determines that certain funds are expected to be available for such bonds in amounts sufficient for the purposes stated in section 5, subdivision 6, including cancellation of any tax levy pursuant to section 6, subdivision 2. Among such funds are the appropriations which are made pursuant to this subdivision, together with future appropriations which the legislature has the intention of providing. The legislature does not desire to authorize the issuance of state obligations or the creation of public debt of the state within the meaning of the constitution for the purposes of sections 1 to 8. However, it is hereby expressed to be the intent of the legislature to appropriate from the general fund in the future from time to time amounts not in excess of

\$6,000,000 each year for the purpose of permitting cancellation of the tax levy in each year. This subdivision does not constitute a binding commitment or agreement with the council, the city, the commission or the holders of any bonds issued under sections 1 to 8 or any debt or obligation of the state and may be repealed, amended, or modified. The future appropriations contemplated in this subdivision may, however, be included in the funds available for debt service in computing the tax levy required by section 6, subdivision 1.

The council shall determine and certify to the governor and the legislature on or before each December 1 the amount and timing of any appropriation needed to be received in the following year to permit cancellation of any tax levy otherwise required for such year pursuant to this section. The governor shall include and submit to the legislature, in the budget for the year, or in a supplemental budget if the regular budget for that year has been previously approved, the amounts certified to the governor by the council in accordance with this subdivision.

Subd. 4. [MODIFICATIONS REGARDING PRIOR BONDS.] The council may by resolution, subject to consent by the city and the commission, pledge the tax authorized by subdivision 1 to pay when due the principal of, premium, if any, and interest on all bonds issued pursuant to section 473.581, but only upon the release of (a) all security interests, pledges, and restrictions on encumbrances or transfer of sports facilities owned by the commission created in favor of or for the benefit of holders of the issue of bonds or (b) all pledges to pay the debt service or costs of the commission from taxes levied under section 473.592, subdivision 1. The releases shall occur upon the written consent of all holders of bonds of the issue, notwithstanding any other law. Upon the release of the pledge of taxes levied pursuant to section 473.592, subdivision 1, the taxes shall not be imposed for payment of the debt service and any pledge or application of the taxes for payment of the debt service or maintenance of a reserve for the issue required under section 473.581, subdivision 4, shall be repealed. Any pledge by the council under this subdivision may be made without election and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any debt limitation. Upon the pledge of taxes for payment of an issue of bonds pursuant to this subdivision, with the consent of all holders of the issue, any reserves or other funds pledged to secure the issue may be reduced or eliminated by the council and the funds so released remitted to the commission.

Sec. 7. [473.5967] [PROPERTY TAX EXEMPT.]

Any real or personal property acquired, owned, or used by the commission, the board, the council, or the city pursuant to sections 1 to 8 is exempt from taxation to the same extent as property referred to under section 473.556, subdivision 4.

Sec. 8. [473.5968] [POWERS GRANTED HEREIN NOT LIMITED.]

Except as specifically provided in sections 1 to 7, the exercise of the powers granted in sections 1 to 7 shall not be limited by the provisions of chapters 273, 462, 472A, 475, or of any city charter.

Sec. 9. [NAME CHANGE.]

The metropolitan sports facilities commission is renamed the Minnesota sports and convention facilities commission. The revisor of statutes shall change the name of the commission and any related terms accordingly wherever they appear in Minnesota Statutes.

Sec. 10. Minnesota Statutes 1984, section 473.553, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The commission shall consist of six members, appointed by the governor during the period before substantial completion of construction of sports facilities pursuant to sections 473.551 to 473.595 and thereafter as hereinafter provided, plus a chairman appointed as provided in subdivision 3. Initial appointments of members shall be made within 30 days of May 17, 1977. One member shall be appointed from each of the following combinations of metropolitan commission precincts defined in section 473.141, subdivision 2: A and B; C and G; D and E; F and H. Two members shall be appointed from outside the metropolitan area. ~~Upon substantial completion of construction of the sports facility, vacancies occurring on the commission, whether at the completion of or prior to the completion of a member's term, shall be filled by the city council of the city in which the stadium is located.~~

Sec. 11. [COMMISSION MEMBERS REAPPOINTED.]

The terms of the members of the metropolitan sports facilities commission, named the Minnesota sports and convention facilities commission, are terminated. The governor shall make new appointments to the commission in the manner provided in Minnesota Statutes, section 473.553, subdivision 2.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 11 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington and are effective the day after final enactment without the approval of any local governmental unit."

Delete the title and insert:

"A bill for an act relating to a Minnesota convention center and related facilities; authorizing the metropolitan council and the city of Minneapolis to appropriate and borrow money and levy taxes for this purpose; renaming the metropolitan sports facility commission the Minnesota sports and convention facilities commission; authorizing the commission to acquire, own, lease, control, operate, and maintain a convention center and related facilities in the city of Minneapolis and to expend certain money for such purposes; authorizing the commission to exercise eminent domain; authorizing the city of Minneapolis and the metropolitan council to issue bonds to finance the acquisition and betterment of the convention center and related facilities or to refund outstanding bonds issued to finance certain sports facilities; establishing a convention construction board to design, construct, improve, and equip the convention center; authorizing the transfer of certain city property and employees to the commission; authorizing the city to expend and pledge certain funds, including taxes and tax increments, for commission purposes, debt service, and other purposes; authorizing the city and the metropolitan council to contract with the commission and to exercise powers of the commission and perform other acts; authorizing the city to levy and collect certain taxes; authorizing the council to levy taxes on real property; authorizing

the council to modify covenants concerning certain prior bonds; providing a property tax exemption for the facility; appropriating money; amending Minnesota Statutes 1984, section 473.553, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 908, 903 and 1424 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 701 and 1458 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Solon and Knaak introduced—

S.F. No. 1536: A bill for an act relating to public development debt; providing reporting of data; disclosure of financial, personal, and criminal information of developers of certain types of public financing; amending Minnesota Statutes 1984, sections 474.01, subdivisions 2, 6, 7a, 7b, 8, and 11; 474.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 474.

Referred to the Committee on Economic Development and Commerce.

Mr. Merriam introduced—

S.F. No. 1537: A bill for an act relating to environment; requiring the issuance of transportation certificates prior to the shipment of high level radioactive waste; providing for the administration of a certification and inspection program; providing for the designation of transportation routes; amending Minnesota Statutes 1984, section 116C.731.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. DeCramer, Davis and Wegscheid introduced—

S.F. No. 1538: A bill for an act relating to agriculture; establishing agricultural credit cooperatives; providing for supervisory board and a loan committee; requiring the commissioner of commerce to supervise agricultural credit cooperatives; requiring insurance to cover money deposited; restricting use of state and county deposits; exempting interest paid on deposits from the gross income of the depositor for tax purposes; authorizing only financial distress loans and farm operating loans to be made to farmers; requiring that state and county deposits only be used to make financial distress loans; providing loan requirements, application procedures, and loan management requirements; prohibiting deficiency judgments; providing a priority lien for operating loans used to raise crops and livestock; providing pen-

alties for false information and fraud; authorizing the agricultural credit cooperatives to borrow money with certain restrictions; requiring a reserve fund for losses and liquidity; providing for voluntary dissolution; authorizing the commissioner of commerce to suspend operation under certain conditions; providing for appointment of a receiver under certain conditions; proposing coding for new law in Minnesota Statutes, chapter 395; repealing Minnesota Statutes 1984, sections 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; and 395.24.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. DeCramer; Peterson, R.W. and Davis introduced—

S.F. No. 1539: A bill for an act relating to commerce; establishing a computerized county filing system; assessing a surcharge on certain documents filed; amending Minnesota Statutes 1984, sections 336.9-403; 336.9-404; 336.9-405; 336.9-406; and 336.9-407; proposing coding for new law in Minnesota Statutes, chapter 5.

Referred to the Committee on Economic Development and Commerce.

Messrs. Davis; Pehler; Dicklich; Peterson, D.L. and Ms. Peterson, D.C. introduced—

S.F. No. 1540: A bill for an act relating to education; changing the way the department of education provides certain information and other services; appropriating money; amending Minnesota Statutes 1984, sections 123.742, subdivision 7, and by adding subdivisions; and 134.31, subdivisions 2 and 3.

Referred to the Committee on Education.

Mses. Peterson, D.C. and Berglin introduced—

S.F. No. 1541: A bill for an act relating to elections; authorizing additional means of proving residence for purpose of election day registration; amending Minnesota Statutes 1984, section 201.061, subdivision 3.

Referred to the Committee on Elections and Ethics.

Ms. Peterson, D.C.; Messrs. Freeman and Dicklich introduced—

S.F. No. 1542: A bill for an act relating to labor; prohibiting the charging of a fee in connection with a job application; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Messrs. Willet, Kroening, Waldorf, Samuelson and Langseth, for the Committee on Finance, introduced—

S.F. No. 1543: A bill for an act relating to capital improvements; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; reducing and canceling certain appropriations; authorizing issuance of state bonds; appropriating money; amending Minnesota Statutes 1984, sections 15.50, subdivision 2; 115A.03, subdivision 27, and by adding subdivisions; 115A.49;

115A.52; 115A.54, by adding a subdivision; and 400.04, subdivision 1; and Laws 1979, chapter 280, section 2, as amended.

Under the rules of the Senate, laid over one day.

MEMBERS EXCUSED

Messrs. Pogemiller and Dahl were excused from the Session of today from 1:00 to 4:00 p.m. Mr. Waldorf was excused from the Session of today from 4:50 to 7:40 p.m. Ms. Reichgott was excused from the Session from 1:30 to 2:00 p.m., from 3:00 to 3:15 p.m. and from 4:00 to 4:15 p.m. Mr. Pehler was excused from the Session of today from 5:00 to 7:00 p.m. Mr. Peterson, C.C. was excused from the Session of today from 5:50 to 7:40 p.m. Mr. Mehrkens was excused from the Session of today from 6:00 to 7:40 p.m. Messrs. Hughes and Wegscheid were excused from the Session of today at 6:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, May 15, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate