

SIXTY-FOURTH DAY

St. Paul, Minnesota, Saturday, May 18, 1985

The Senate met at 9:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Purfeerst 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. Carole S. Lloyd.

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.	Storm
Berg	Frederickson	Langseth	Peterson, D.C.	Stumpf
Berglin	Freeman	Lantry	Peterson, D.L.	Taylor
Bernhagen	Gustafson	Lessard	Peterson, R.W.	Vega
Bertram	Hughes	Luther	Petty	Waldorf
Brataas	Isackson	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.E.	Mehrkens	Purfeerst	Willet
Dahl	Johnson, D.J.	Merriam	Ramstad	
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. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1523:

Messrs. Waldorf, Dicklich, Nelson, Hughes and Taylor. 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:

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Department of Employee Relations, Biennial Work Force Report, 1983-84; Department of Agriculture, Weather Modification Activities Report, 1984; State Board of Investment, Annual Report, 1984; Department of Health, Maternal and Child Health Services Block Grant, 1985; Metropolitan Council, Recommendation for a Speedskating Rink Site in the Metropolitan Area; Department of Labor and Industry, Prevailing Wage Division, Certification of Prevailing Wage Rates, 1985; Department of Administration, Public Broadcasting Equipment Grant Allocation Task Force Report, 1984; Department of Finance, State Agency Payment Record Report; Department of Education, ESV Computer Council, Micro-Fin Pilot Test Findings, 1985; Department of Human Services, Recommendations for Improving the Coordination and Cost-Effectiveness of the State's Response to Alcohol and Other Drug Problems, Biennial Report, 1985; Department of Labor and Industry, Workers' Compensation Report, 1984; Ombudsman for Corrections, Annual Report, 1984; Minnesota Housing Finance Agency, Housing Services Guide, 1985; Department of Health, Minnesota Health Care Markets: Cost Containment and Other Public Policy Goals, 1985; Metropolitan Council, Annual Report, 1984; Metropolitan Waste Control Commission, Program Budget, 1985; Department of Agriculture, Biennial Report, 1982-84; Regional Transit Board, Proposed Work Program and Budget, 1985; Minnesota Housing Finance Agency, Biennial Report, 1984-85; Legislative Commission on Waste Management, A Study of Compensation for Victims of Hazardous Substance Exposure, 1984; Highway Study Commission, Final Report, 1984; Minnesota Zoological Garden, Annual Report, 1984; Department of Transportation, Rail User Loan Guarantee Program, 1984; Pollution Control Agency, Biennial Report, 1984; Department of Employee Relations, Report of the Task Force on Employee Development, 1984; Supreme Court, Legal Needs of the Poor in Minnesota, An Assessment of the Unmet Need, 1984; Mississippi Headwaters Board, Biennial Report, 1983-85; Minnesota Racing Commission, Annual Report, 1984; Department of Finance, Actions Taken by the Legislative Advisory Commission, 1983-85; St. Paul Teachers' Retirement Fund Association, Retirees Using the Rule of 85; Minnesota-Wisconsin Boundary Area Commission, 1983-84; Department of Corrections, Task Force on Sexual Exploitation by Counselors and Therapists, 1985; Department of Economic Security, Minnesota Housing Finance Agency, Temporary Housing Demonstration Program, 1985; Department of Health, Sudden Infant Death Syndrome, 1985; Department of Finance, An Evaluation of School District Cash Flow, 1985; Department of Public Safety, Bicycle Registration Progress Report, 1985; Department of Health, Community Health Services Systems in Minnesota, 1985; Department of Natural Resources, White Earth Land Titles, 1985; Department of Health, Summary of Health Related Regulatory Boards' Reports, Biennium, 1983-84; Department of Revenue, Railroads; Methods of Valuing Operating Property and the Amounts of Tax Payments, 1985; Department of Revenue, Tax Expenditure Budget, 1984-87; Department of Natural Resources, Three-Wheeled Off-Road Vehicle Gasoline Consumption in Minnesota, 1985; State Board of Investment, External Money Manager Report, 1984; Health Facility Complaints, Annual Report, 1984; Department of Human Services, Mental Health Division, Study of the Availability of Services to People with Mental Illness Problems, 1985; Department of Human Services, Mental Health Division, Treatment of

Compulsive Gamblers, 1985; Department of Health, An Assessment of the Impact of the Moratorium on the Medical Assistance Certification of Nursing Home and Boarding Care Home Beds, 1985; Department of Public Safety, Bureau of Criminal Apprehension; State Planning Agency, State Planning Programs, 1985; Supreme Court, Civil Filing Fee Surcharge, 1985.

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. 455, 566, 1202, 1320, 319, 374, 547, 675, 147, 643 and 821.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 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. 882: A bill for an act relating to commerce; clarifying submission of applications for directors and officers liability insurance; providing for the withdrawal of certain registration statements; broadening the securities transaction exemptions for isolated sales and limited offerings; repealing the securities transaction for preorganization offerings; simplifying an exemption from franchise registration; providing for disclosure of representation by real estate brokers and salespersons; expanding those officers who may verify corporate broker licenses; altering re-examination requirements for brokers and salespersons who fail to renew their licenses; altering the unclaimed property reporting deadline for life insurance companies; raising the aggregation amount for holders reporting unclaimed property; specifying dates for notifying and advertising owners of abandoned property; and providing for the notification of all lienholders by a unit owners association in an assessment lien foreclosure; amending Minnesota Statutes 1984, sections 60A.08, by adding a subdivision; 80A.10, by adding a subdivision; 80A.13, subdivision 1; 80A.15, subdivision 2; 80C.03; 82.19, subdivision 3, and by adding a subdivision; 82.20, subdivision 4; 82.21, subdivision 1; 82.22, subdivision 10; 82.24, subdivision 4; 345.41; 345.42, subdivisions 1 and 3; and 515A.3-115; proposing coding for new law in Minnesota Statutes, chapter 82.

Senate File No. 882 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Ms. Peterson, D.C. moved that S.F. No. 882 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 con-

currence of the Senate is respectfully requested:

S.F. No. 1219: A bill for an act relating to natural resources; making groundwater protection a watershed district purpose; establishing a procedure for increasing the number of watershed district managers; defining certain proceedings as contested cases; providing a procedure for noncontroversial proceedings; providing for appeals; amending Minnesota Statutes 1984, sections 112.36, subdivision 2; 112.37, subdivision 1a; 112.401; and 473.882, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 112; repealing Minnesota Statutes 1984, section 112.37, subdivision 6.

Senate File No. 1219 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

CONCURRENCE AND REPASSAGE

Mr. Stumpf moved that the Senate concur in the amendments by the House to S.F. No. 1219 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1219: A bill for an act relating to natural resources; making groundwater protection a watershed district purpose; establishing a procedure for increasing the number of watershed district managers; defining certain proceedings as contested cases; providing a procedure for noncontroversial proceedings; providing for appeals; permitting certain insurance; amending Minnesota Statutes 1984, sections 112.36, subdivision 2; 112.37, subdivision 1a; 112.401; 471.98, subdivision 2; and 473.882, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 112; repealing Minnesota Statutes 1984, section 112.37, subdivision 6.

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 41 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Olson	Schmitz
Anderson	Dieterich	Kronebusch	Pehler	Solon
Bernhagen	Frank	Lantry	Peterson, C.C.	Stumpf
Bertram	Freeman	Lessard	Peterson, D.C.	Wegscheid
Chmielewski	Gustafson	Luther	Peterson, R.W.	Willett
Dahl	Hughes	McQuaid	Petty	
Davis	Isackson	Moe, D.M.	Purfeerst	
DeCramer	Jude	Nelson	Ramstad	
Dicklich	Kamrath	Novak	Renneke	

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. 1225: A bill for an act relating to agriculture; exempting manufactured home parks and recreational camping areas from food handling licenses; regulating organically grown foods; amending Minnesota Statutes 1984, section 28A.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 31.

Senate File No. 1225 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

CONCURRENCE AND REPASSAGE

Mr. Davis moved that the Senate concur in the amendments by the House to S.F. No. 1225 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1225: A bill for an act relating to agriculture; exempting manufactured home parks and recreational camping areas from food handling licenses; regulating organic foods; amending Minnesota Statutes 1984, section 28A.15, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 31.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 919: A bill for an act relating to agriculture; limiting security interests in farm product proceeds; protecting buyers when subject to a security interest; amending Minnesota Statutes 1984, sections 336.9-306; and

336.9-307.

Senate File No. 919 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 919 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 919: A bill for an act relating to commerce; providing for registration of crop and livestock buyers and wholesale produce dealers in licensing application; establishing a registration system for buyers of farm products; describing when farm products are purchased subject to a security interest; restricting certain financing statements to only cover crops; requiring secured parties to send termination statements to debtors under certain circumstances; appropriating money; amending Minnesota Statutes 1984, sections 17A.04, subdivisions 2, 5, and by adding a subdivision; 27.03; 223.17, by adding a subdivision; 336.9-307; 336.9-402; 336.9-403; 336.9-404; 386.42; proposing coding for new law as Minnesota Statutes, chapter 223A; repealing Minnesota Statutes 1984, section 386.43.

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 49 and nays 3, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kamrath	Moe, R.D.	Reichgott
Anderson	Dieterich	Knaak	Olson	Renneke
Belanger	Frank	Kronebusch	Pehler	Samuelson
Berglin	Frederick	Laidig	Peterson, C.C.	Schmitz
Bernhagen	Freeman	Langseth	Peterson, D.C.	Solon
Bertram	Gustafson	Lantry	Peterson, D.L.	Storm
Brataas	Hughes	Lessard	Peterson, R.W.	Stumpf
Chmielewski	Isackson	Luther	Petty	Wegscheid
Dahl	Johnson, D.E.	McQuaid	Purfeerst	Willet
DeCramer	Jude	Moe, D.M.	Ramstad	

Messrs. Davis, Frederickson and Kroening voted in the negative.

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

S.F. No. 35: A bill for an act relating to crimes; requiring health professionals to report suspicious wounds to law enforcement authorities; amend-

ing Minnesota Statutes 1984, section 626.52.

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

Bennett, Ozment and Rodosovich.

Senate File No. 35 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

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

S.F. No. 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.

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

Johnson; Carlson, D.; Bennett; Dempsey and Lieder.

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

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

S.F. No. 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.

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

Levi, Blatz and Greenfield.

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

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

S.F. No. 251: A bill for an act relating to nursing homes; establishing an educational program for resident and family advisory councils; authorizing a surcharge on license fees; requiring evaluation and a report to the legislature by the Minnesota board on aging; appropriating money; amending Minnesota Statutes 1984, sections 256B.421, subdivision 8; and 256B.431, subdivision 2b; proposing coding for new law in Minnesota Statutes, chapter 144A.

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

Boo, Greenfield and Clausnitzer.

Senate File No. 251 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

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

S.F. No. 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.

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

Bishop, Halberg and Cohen.

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

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

S.F. No. 647: A bill for an act relating to education; Minnesota Educational Computing Corporation; removing some limits on its powers; providing for compliance with certain bidding laws for management computing services; amending Minnesota Statutes 1984, sections 119.04, subdivision 2;

119.05, subdivision 2; and 119.07.

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

Erickson, Knuth and Hartle.

Senate File No. 647 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

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

S.F. No. 818: A bill for an act relating to employment and economic opportunity; providing for the streamlining and coordination of job, economic development, and income-maintenance programs; setting as dual goals the lowering of unemployment rates and welfare caseloads; creating the councils for the hearing impaired and for the blind; abolishing the department of economic security; creating a new department of employment and training; transferring responsibilities of the department of economic security to the department of employment and training and the department of human services; transferring certain employment and training functions of the department of human services and the department of administration to the department of employment and training; providing for biennial statewide plans for employment and training and apprenticeships; providing for coordination of state and federal jobs programs; establishing community investment programs; granting rulemaking authority; changing formulas for paying local agencies for general assistance grants to recipients subject to work requirements; removing a sunset provision from the Minnesota emergency employment development act; amending Minnesota Statutes 1984, sections 15A.081, subdivision 1; 86.33, by adding subdivisions; 116J.035, by adding a subdivision; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 129A.02, subdivision 2; 136.63, by adding a subdivision; 136C.06; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.736; 256.737; 256C.24; 256C.25; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3, and by adding a subdivision; 256D.111, subdivision 2; 268.04, by adding subdivisions; 268.08, by adding a subdivision; 268.31; 268.32; 268.33; 268.34; 268.36; 268.672, subdivision 6; 268.676, subdivision 1; and 268.686; proposing coding for new law in Minnesota Statutes, chapters 256C and 268; proposing coding for new law as Minnesota Statutes, chapters 267 and 268A; repealing Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256.736, subdivisions 1 and 2; 256D.02, subdivision 8a; 256D.111, subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.80; and 268.81.

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

Quist, Frerichs and Zaffke.

Senate File No. 818 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. President:

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

S.F. No. 1183: A bill for an act relating to intoxicating liquor; providing for issuance of licenses within Indian country; allowing the sales between collectors of discontinued brands of beer in cans; authorizing the issuance of on-sale licenses in certain theaters in Minneapolis; amending Minnesota Statutes 1984, section 340.11, subdivision 15, and by adding a subdivision.

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

Bennett, Marsh and Osthoff.

Senate File No. 1183 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

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. 245, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 245 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 245

A bill for an act relating to crimes; clarifying elements of the crime of depriving another of custodial or parental rights; amending Minnesota Statutes 1984, section 609.26, subdivisions 1 and 2.

May 16, 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. 245, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: (Signed) Gloria Segal, Kathleen Blatz, David T. Bishop

Senate Conferees: (Signed) Lawrence J. Pogemiller, Linda Berglin, Dean

E. Johnson

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 245 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. 245 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 282, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 282 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON 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.

May 16, 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. 282, 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. 282 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [120.011] [PURPOSE STATEMENT.]

In accordance with the responsibility vested in the legislature in the Minnesota Constitution, article XIII, section 1, the legislature declares that the purpose of public education in Minnesota is to help all individuals acquire knowledge, skills, and positive attitudes toward self and others that will enable them to solve problems, think creatively, continue learning, and develop maximum potential for leading productive, fulfilling lives in a complex and changing society.

Sec. 2. Minnesota Statutes 1984, section 128A.01, is amended to read:

128A.01 [LOCATION.]

The Minnesota ~~school~~ *state academy* for the deaf and the Minnesota ~~braille and sight-saving school~~ *state academy for the blind* shall be continued at Faribault, and shall be grouped and classed with the educational institutions of the state.

Sec. 3. Minnesota Statutes 1984, section 128A.02, is amended to read:

128A.02 [TRANSFER OF AUTHORITY STATE BOARD DUTIES AND POWERS.]

Subdivision 1. The state board of education ~~shall be~~ *is* responsible for the control, management and administration of the Minnesota ~~school~~ *state academy* for the deaf and the Minnesota ~~braille and sight-saving school~~ *state academy for the blind*; and ~~all the property real or personal appertaining thereto~~. At the request of the state board, the ~~department~~ *department of education* shall be responsible for program leadership, program monitoring, and technical assistance at the academies. The ~~department~~ *department* shall assist the state board in the preparation of reports.

Subd. 1a. By July 1, 1986, the academies shall comply with the uniform financial accounting and reporting system under sections 121.90 to 121.917, subject to variances developed by the advisory council and adopted by the state board.

Subd. 2. The state board ~~may~~ *shall* promulgate rules regarding the operation of both ~~schools~~ *academies* and the individuals in attendance, and shall perform all duties necessary to provide the most beneficial and least restrictive program of education for each child handicapped by visual disability or hearing impairment.

Subd. 2a. The state board shall develop a two-year plan for the academies and update it annually. The plan shall include at least the following:

- (1) interagency cooperation;
- (2) financial accounting;
- (3) cost efficiencies;
- (4) staff development;

- (5) *program and curriculum development;*
- (6) *use of technical assistance from the department;*
- (7) *criteria for program and staff evaluation;*
- (8) *pupil performance evaluation;*
- (9) *follow-up study of graduates;*
- (10) *implementation of the requirements of chapter 128A;*
- (11) *communication procedures with districts of pupils attending the academies; and*
- (12) *coordination between the instructional and residential programs.*

The state board shall submit the plan and recommendations for improvement to the education committees of the legislature by January 15 of each odd-numbered year.

Subd. 3. The state board may employ central administrative staffs and other personnel as necessary to provide and support programs and services in each school academy. The board ~~may~~ shall place the position of the residential school academy administrator in the unclassified service and may place any other position in the unclassified service if the position it meets the criteria established in section 43A.08, subdivision 1a. These schools ~~shall be~~ academies are deemed to be public schools for the purposes of sections 125.03 and 125.04, and all teachers as defined in those sections who are employed at these schools ~~shall be academies~~ are subject to the standards of the board of teaching and the state board of education; ~~provided that any teacher who does not meet these standards as of July 1, 1977 shall be required to meet these standards by September 15, 1980 in order to continue in employment.~~ Instructional supervisory staff shall have appropriate post-secondary credits from a teacher education program for teachers of the deaf or blind and have experience in working with handicapped pupils.

Subd. 3a. All staff employed by the academy for the deaf are required to have sign language communication skills, as applicable. Staff employed by the academy for the blind must be knowledgeable in Braille communication, as applicable. The department of employee relations, in cooperation with the state board, shall develop a statement of necessary qualifications and skills for all staff. An employee hired after August 1, 1985 shall not attain permanent status until the employee is proficient in sign language communication skills or is knowledgeable in Braille communication, as applicable.

Subd. 4. The state board may enter into contracts with other public and private agencies and institutions to provide residential and building maintenance services if it determines that these services could thus be provided in a more efficient and less expensive manner. The state board may also enter into contracts with public and private agencies and institutions, school districts or combinations thereof, and educational cooperative service units to provide supplementary educational instruction and services, including assessments and counseling.

Subd. 5. The state board of education may by agreement with teacher preparing institutions or accredited institutions of higher education arrange for practical experience in the Minnesota school academy for the deaf and the

Minnesota ~~braille and sight-saving school~~ *academy for the blind* for practice or student teachers, or for other students engaged in fields of study which prepare professionals to provide special services to handicapped children in school programs, who have completed not less than two years of an approved program in their respective fields. These student trainees shall be provided with appropriate supervision by a teacher licensed by the board of teaching or by a professional licensed or registered in the appropriate field of special services and shall be deemed employees of ~~the school for the deaf or the braille and sight-saving school~~ *either academy*, as applicable, for purposes of workers' compensation.

Subd. 6. The rules of the state board pursuant to this section shall establish procedures for admission to, *including short-term admission*, and discharge from the ~~schools~~ *academies*, for decisions on a child's program at the ~~schools~~ *academies* and for evaluation of the progress of children enrolled in the ~~schools~~ *academies*. *Discharge procedures must include reasonable notice to the district of residence.* These procedures shall guarantee children and their parents appropriate procedural safeguards, including a review of the placement determination made pursuant to sections 120.17 and 128A.05, and the right to participate in educational program decisions. Notwithstanding the provisions of section 14.02, proceedings concerning admission to and discharge from the ~~schools~~ *academies*, a child's program at the ~~schools~~ *academies* and a child's progress at the ~~schools~~ *academies* shall not be deemed to be contested cases subject to sections 14.01 to 14.70 but shall be governed instead by the rules of the state board pursuant to this section.

Sec. 4. Minnesota Statutes 1984, section 128A.03, is amended to read:

128A.03 [ADVISORY COUNCIL.]

Subdivision 1. The state board of education ~~may~~ *shall* appoint an advisory ~~task force council on the Minnesota School state academy for the Deaf and an advisory task force on the Minnesota braille and sight-saving School state academy for the blind~~ to advise the board on policies pertaining to the control, management, and administration of these ~~schools~~ *academies*.

Subd. 2. ~~If created~~ The members shall be representative of the various geographic regions of the state, shall include parents or guardians of visually disabled or hearing impaired children, shall include a staff representative of the applicable ~~school academy~~, and shall include two representatives from groups representing the interests of visually disabled or hearing impaired individuals, as applicable. All members shall have knowledge, experience and interest in the problems of visually disabled or hearing impaired children.

Subd. 3. The ~~task forces~~ shall expire and the terms, compensation and removal of ~~council~~ members shall be as provided in section 15.059, *subdivisions 2, 3, and 4. The council shall not expire.*

Sec. 5. Minnesota Statutes 1984, section 128A.05, is amended to read:

128A.05 [ATTENDANCE.]

Subdivision 1. Any individual who is ~~between four and 21 years of age and who is deaf or hard of hearing impaired~~ *shall be* is entitled to attend the ~~school academy for the deaf~~ if it is determined, pursuant to the provisions of section 120.17, that the nature or severity of the hearing impairment is such

that education in regular or special education classes provided for by the school district of residence cannot be achieved satisfactorily and that attendance at the ~~school~~ academy would be the least restrictive alternative for that individual. *A deaf or hearing impaired child also may be admitted to acquire socialization skills. Short-term admission for skills development is also permitted.* Nothing in this subdivision shall be construed as a limitation on the attendance at this ~~school~~ academy of children who have other handicaps in addition to being deaf or ~~hard of hearing~~ *impaired*.

Subd. 2. Any individual who is ~~between four and 21 years of age and who is blind visually impaired, blind-deaf, or partially seeing multiple handicapped~~ *shall be* is entitled to attend the ~~braille and sight-saving school academy for the blind~~ if it is determined, pursuant to the provisions of section 120.17, that the nature or severity of the visual impairment is such that education in regular or special education classes provided for by the school district of residence cannot be achieved satisfactorily and that attendance at the ~~school~~ academy would be the least restrictive alternative for that individual. *A visually impaired child may be admitted to acquire socialization skills. Short-term admission for skills development is also permitted.* Nothing in this subdivision shall be construed as a limitation on the attendance at this ~~school~~ academy of children who have other handicaps in addition to being blind or ~~partially seeing visually impaired~~.

Subd. 3. Attendance at the ~~school~~ academy for the deaf and the ~~braille and sight-saving schools academy for the blind~~ *shall be* is subject to the compulsory attendance provisions of section 120.10 except that attendance may be excused pursuant to that section by the commissioner of education or his designee. Any person failing to comply with the provisions of section 120.10 ~~shall be~~ is subject to the provisions of section 120.12. The superintendent of the applicable ~~school~~ academy shall exercise the duties imposed by section 120.12. Attendance at the ~~school~~ academy for the deaf or the ~~braille and sight-saving school academy for the blind~~ shall fulfill the mandatory requirements of section 120.17. *The academies are subject to sections 127.26 to 127.39.*

Sec. 6. [UFARS VARIANCES.]

The advisory council on uniform financial accounting and reporting standards shall develop variances to the standards to account for the unique financial status of the academies. The variances shall be reported to the state board by December 31, 1985.

Sec. 7. [EMPLOYEE TRAINING FOR COMMUNICATION AND BRAILLE SKILLS.]

The state board of education shall provide to people employed by the academies on August 1, 1985, training in sign language communications skills or Braille communication, according to the academy in which the person is employed. If an employee fails to become proficient in the appropriate communication method within 12 months after training is provided, that failure shall be grounds for dismissal, disciplinary action, or corrective action.

Sec. 8. [MANAGEMENT AND GOVERNANCE REPORT.]

The state planning agency shall coordinate a study with the management analysis unit of the department of administration, the department of finance,

the department of employee relations and the department of education of issues related to the academies. The study shall include but not be limited to the following:

- (1) *the management organization structure;*
- (2) *the governance;*
- (3) *financing methods;*
- (4) *ratios;*
- (5) *student assessments;*
- (6) *admission and discharge criteria.*

The state planning agency shall report to the senate and house education committees, the senate finance committee, and the house appropriations committee by January 1, 1986. The agency shall report to those committees by October 1, 1985, with a progress report. The actual cost of the study must be paid by the academies."

Delete the title and insert:

"A bill for an act relating to education; declaring the purpose of public education in Minnesota; changing the name of and provisions about the Minnesota school for the deaf and the Minnesota braille and sight saving school; requiring annual development of two-year plans for the academies; allowing for certain positions at the academies to be in the unclassified service; amending Minnesota Statutes 1984, sections 128A.01; 128A.02; 128A.03; and 128A.05; proposing coding for new law in Minnesota Statutes, chapter 120."

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

House Conferees: (Signed) Ken Nelson, Ben Boo, Peter Rodosovich

Senate Conferees: (Signed) James C. Pehler, Clarence M. Purfeerst, Gen Olson

Mr. Pehler moved that the foregoing recommendations and Conference Committee Report on H.F. No. 282 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. 282 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 1109, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1109 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1109

A bill for an act relating to state government; concerning the state procurement of goods and services from small businesses; modifying geographical distribution requirements and preference program limitations; amending Minnesota Statutes 1984, section 16B.19, subdivisions 5, 6, 9, and by adding a subdivision; 16B.21, subdivision 1; 16B.22; and 645.445, subdivision 5.

May 16, 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. 1109, 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. 1109 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 16B.06, is amended by adding a subdivision to read:

Subd. 3a. [WARRANTIES.] A contract for the purchase of a product covered by a manufacturer's warranty must provide for servicing of the product under the warranty by the vendor or a designated agent of the vendor.

Sec. 2. Minnesota Statutes 1984, section 16B.19, subdivision 5, is amended to read:

Subd. 5. [CERTAIN SMALL BUSINESS PREFERENCES AND SET-ASIDES.] At least ~~six~~ nine percent of the value of all procurements shall be ~~set aside~~ awarded, if possible, for award to businesses owned and operated by socially or economically disadvantaged persons as defined in section 645.445 with their principal place of business in Minnesota. In addition, ~~three percent of the value of all procurements shall be designated for award under the preference program provided for below.~~ The commissioner shall

designate set-aside procurements in a manner that will encourage proportional distribution of set-aside awards among the geographical regions of the state. To promote the geographical distribution of set-aside awards, the commissioner may designate a portion of the set-aside for small businesses owned and operated by socially or economically disadvantaged persons for award to bidders from a specified congressional district or other geographical region specified by the commissioner. ~~The commissioner may allow small businesses owned and operated by socially or economically disadvantaged persons a five percent preference in the bid amount on selected state procurements. The commissioner may promulgate rules relative to the set-aside and preference programs provided for in this subdivision~~ *To reach a goal of nine percent, the commissioner must set aside at least three percent of all procurements for bidding only by small businesses owned and operated by socially or economically disadvantaged persons, may award a five percent preference in the amount bid on selected state procurements to small businesses owned and operated by socially or economically disadvantaged persons, or may utilize any other bidding process authorized by this chapter.* In the event small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least ~~24~~ *nine* percent of the ~~set-aside awards value of all procurements~~, the commissioner shall award the ~~balance of the set-aside contracts remainder~~ to other small businesses. At least 50 percent of the value of the procurements awarded to businesses owned and operated by socially or economically disadvantaged persons shall actually be performed by the business to which the award is made or another business owned and operated by a socially or economically disadvantaged person or persons. The commissioner may not designate more than 20 percent of any commodity class for set-aside *or preference awards* to businesses owned and operated by socially or economically disadvantaged persons. A business owned and operated by socially or economically disadvantaged persons that has been awarded more than three-tenths of one percent of the value of the total anticipated procurements for a fiscal year under this subdivision is disqualified from receiving further set-aside or preference advantages for that fiscal year.

Sec. 3. Minnesota Statutes 1984, section 16B.19, subdivision 6, is amended to read:

Subd. 6. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to section 16B.17 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons *or that at least ten percent of the contract award be expended in purchasing materials or supplies from said person or persons. If there is no socially or economically disadvantaged person or persons or other small businesses able to perform the subcontract or to provide the supplies or materials, the construction contract or contract for consultant, professional, or technical services may be awarded notwithstanding the ten percent requirement provided that the ten percent requirement is made up in other such contracts awarded or to be awarded by the same agency.* Any subcontracting or purchasing of supplies and materials pursuant to this subdivision may not be included in determining the total amount of awards required by subdivisions 1, 2, and 5. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner

shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work *or supplying supplies and materials* on the prime contract and the dollar amount of the work performed or to be performed *or the supplies and materials to be supplied*.

This subdivision does not apply to prime contractors that are themselves small businesses owned and operated by socially or economically disadvantaged persons, as duly certified pursuant to section 16B.22.

Sec. 4. Minnesota Statutes 1984, section 16B.19, subdivision 9, is amended to read:

Subd. 9. [PROCUREMENT PROCEDURES.] All laws and rules pertaining to solicitations, bid evaluations, contract awards, and other procurement matters apply equally to procurements designated for small businesses. In the event of conflict with other rules, *section 16B.18 and rules adopted under it govern if section 16B.18 applies. If it does not apply, sections 16B.19 to 16B.22 and rules adopted under those sections govern.*

Sec. 5. Minnesota Statutes 1984, section 16B.19, is amended by adding a subdivision to read:

Subd. 10. [APPLICABILITY.] *This section does not apply to construction contracts or contracts for consultant, professional, or technical services pursuant to section 16B.17 which are financed in whole or in part with federal funds and which are subject to federal disadvantaged business enterprise regulations.*

Sec. 6. Minnesota Statutes 1984, section 16B.21, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER OF ADMINISTRATION.] The commissioner shall submit an annual report pursuant to section 3.195 to the governor and the legislature with a copy to the commissioner of energy and economic development indicating the progress being made toward the objectives and goals of sections 16B.19 to 16B.22 during the preceding fiscal year. The commissioner shall also submit a quarterly report to the small business procurement advisory council. These reports shall include the following information:

(1) the total dollar value and number of potential set-aside awards identified during this period and the percentage of total state procurement this figure reflects;

(2) the number of small businesses identified by and responding to the

set-aside program, the total dollar value and number of set-aside contracts actually awarded to small businesses with appropriate designation as to the total number and value of set-aside contracts awarded to each small business, and the total number of small businesses that were awarded set-aside contracts;

(3) the total dollar value and number of ~~set-aside~~ contracts awarded to small businesses owned and operated by economically or socially disadvantaged persons ~~with appropriate designation as to~~ pursuant to each bidding process authorized by section 16B.19, subdivision 5; the total number and value of ~~set-aside~~ these contracts awarded to each small business and to each category of economically or socially disadvantaged persons as defined by section 645.445 and agency rules, and the percentages of the total state procurements the figures of total dollar value and the number of ~~set-asides re- flect~~ contracts awarded by each bidding process; and

(4) the number of contracts which were designated and set aside pursuant to section 16B.19 but which were not awarded to a small business, the estimated total dollar value of these awards, the lowest offer or bid on each of these awards made by the small business, and the price at which these contracts were awarded pursuant to the normal procurement procedures.

The information required by paragraphs (1) and (2) must be presented on a statewide basis and also broken down by geographic regions within the state.

Sec. 7. Minnesota Statutes 1984, section 16B.22, is amended to read:

16B.22 [RULES.]

The commissioner shall adopt by rule standards and procedures for certifying that small businesses and small businesses owned and operated by socially or economically disadvantaged persons are eligible to participate under the requirements of sections 16B.19 to 16B.22. The rules shall provide that, *except for sheltered workshops and work activity programs*, certification as a small business owned and operated by socially or economically disadvantaged persons will be for a maximum of five years from the date of receipt of the first set-aside award, and that after the expiration of the certification period the business may not again be certified for a five-year period. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16B.19 to 16B.22.

The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, jobbers, manufacturers' representatives, and others from eligibility under sections 16B.19 to 16B.22.

The commissioner may adopt rules to establish a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be allowed a five percent preference in the bid amount on selected state procurements or a preference program whereby businesses owned and operated by socially and economically disadvantaged persons would be awarded any state procurement if the business could meet the low bid amount for that procurement. Each of the preference programs is applicable to no more than 1.5 percent of the value of anticipated total state procurements of goods and services, including construction. Each prefer-

ence program established by the commissioner expires on June 30, 1986, and the commissioner shall report to the legislature on the progress of the program by January 1, 1986.

Sec. 8. Minnesota Statutes 1984, section 645.445, subdivision 5, is amended to read:

Subd. 5. "Socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may arise from cultural, social or economic circumstances, or background, physical location if the person resides or is employed in an area designated a labor surplus area by the United States department of labor, or other similar cause. It includes racial minorities, women, or persons who have suffered a substantial physical disability. *For purposes of sections 16B.19 to 16B.22, the definition of "socially or economically disadvantaged person" includes sheltered workshops and work activity programs.*

Sec. 9. [PREFERENCE PROGRAM STUDY.]

The commissioner shall prepare a report that examines the short-term and long-term effects of the preference bidding process on each category of businesses owned and operated by economically or socially disadvantaged persons. This report shall be submitted to the governor and the legislature by February 15, 1986.

Delete the title and insert:

"A bill for an act relating to state government; concerning the state procurement of goods and services from small businesses; modifying geographical distribution requirements and preference program limitations; providing for a warranty for certain purchases; amending Minnesota Statutes 1984, sections 16B.06, by adding a subdivision; 16B.19, subdivisions 5, 6, 9, and by adding a subdivision; 16B.21, subdivision 1; 16B.22; and 645.445, subdivision 5."

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

House Conferees: (Signed) Don Frerichs, Tony Bennett

Senate Conferees: (Signed) Betty A. Adkins, John Bernhagen, Donna C. Peterson

Mrs. Adkins moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1109 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. 1109 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 5, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Kroening	Merriam	Pogemiller	Vega
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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. 58, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 58 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 58

A bill for an act relating to the town of Moorhead; allowing the town certain powers.

May 16, 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. 58, 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. 58 be further amended as follows:

Page 1, line 11, delete "*after compliance with*" and insert "*following final enactment.*"

Page 1, delete lines 12 and 13

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

House Conferees: (Signed) Merlyn O. Valan, Dennis Poppenhagen,
Henry J. Kalis

Senate Conferees: (Signed) Keith Langseth, LeRoy A. Stumpf, Gary M.

DeCramer

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on H.F. No. 58 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. 58 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 1032, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 1032 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 1032

A bill for an act relating to the borough of Belle Plaine; permitting Belle Plaine to use the term "borough" for all purposes; amending Minnesota Statutes 1984, sections 410.015; and 413.02, subdivision 5, and by adding a subdivision.

May 17, 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. 1032, 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. 1032 be further amended as follows:

Page 2, line 10, after "may" insert "by resolution of its governing body."

Page 2, delete lines 18 to 21 and insert:

"Sec. 4. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

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

House Conferees: (Signed) Tom Rees, Ralph R. Kiffmeyer, Robert E. Vanasek

Senate Conferees: (Signed) Robert J. Schmitz, Earl W. Renneke, Betty A. Adkins

Mr. Schmitz moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1032 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. 1032 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

Adkins	Davis	Kamrath	Moe, R.D.	Renneke
Anderson	DeCramer	Knaak	Olson	Schmitz
Belanger	Dieterich	Knutson	Pehler	Sieloff
Benson	Frank	Kronebusch	Peterson, D.C.	Storm
Berg	Frederick	Langseth	Peterson, D.L.	Stumpf
Berglin	Frederickson	Lantry	Peterson, R.W.	Vega
Bernhagen	Gustafson	Lessard	Petty	Wegscheid
Bertram	Hughes	Luther	Pogemiller	
Brataas	Isackson	McQuaid	Purfeerst	
Chmielewski	Johnson, D.E.	Merriam	Ramstad	
Dahl	Jude	Moe, D.M.	Reichgott	

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. 786, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 786 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1985

CONFERENCE COMMITTEE REPORT ON H.F. NO. 786

A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; abolishing the cable communications board and the telecommunications council; amending Minnesota Statutes 1984, sections 1.22; 4.31, subdivision 5; 14.02, subdivision 4; 16B.20, subdivision 2; 16B.33, subdivision 2; 35.02, subdivision 1; 40.03, subdivision 1; 84B.11, subdivision 1; 115.74, subdivision 1; 116C.41, subdivision 2; 116L.03; 121.82, subdivision 1; 121.83; 129B.01, subdivision 1; 144A.19, subdivision 1; 147.01, subdivisions 1 and 2; 148.03; 148.181; 148.52; 148.90, subdivision 2; 150A.02, subdivision 1; 151.03; 153.02; 154.22; 156.01, subdivisions 1 and 2; 161.1419, subdivision 2; 250.05, subdivision 2; 254A.04; 270.41; 326.04; 326.17; 326.241, subdivision 1; 343.01, subdivision 3; 386.63, subdivision 1; 611.215, subdivision 1; and 626.841; amending Laws 1984, chapter 654, article 2, section 151, subdivision 2; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.01; 238.02, subdivision 4; 238.04 to 238.06; 238.08, subdivision 2; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; and 238.13 to 238.17.

May 15, 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. 786, 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. 786 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 4.31, subdivision 5, is amended to read:

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

Sec. 2. Minnesota Statutes 1984, section 14.02, subdivision 4, is amended to read:

Subd. 4. [RULE.] "Rule" means every agency statement of general applicability and future effect, including amendments, suspensions, and repeals of rules, adopted to implement or make specific the law enforced or administered by it or to govern its organization or procedure. It does not

include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; (b) rules of the commissioner of corrections relating to the internal management of institutions under the commissioner's control and those rules governing the inmates thereof prescribed pursuant to section 609.105; (c) rules of the division of game and fish published in accordance with section 97.53; (d) rules relating to weight limitations on the use of highways when the substance of the rules is indicated to the public by means of signs; (e) opinions of the attorney general; (f) the systems architecture plan and long range plan of the state education management information system provided by section 121.931; (g) the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932; (h) the comprehensive statewide plan of the crime control planning board provided in section 299A.03; (i) ~~special terms and conditions for an interim certificate of confirmation of the Minnesota cable communications board provided in section 238.09;~~ (j) occupational safety and health standards provided in section 182.655; or ~~(k) (j)~~ rules of the commissioner of public safety adopted pursuant to section 169.128.

Sec. 3. Minnesota Statutes 1984, section 15.0591, subdivision 2, is amended to read:

Subd. 2. [BODIES AFFECTED.] A member meeting the qualifications in subdivision 1 shall be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) board for community colleges;
- (5) board of examiners for nursing home administrators;
- (6) board on aging;
- (7) ~~cable communications board;~~
- (8) chiropractic examiners board;
- (9) (8) consumer advisory council on vocational rehabilitation;
- (10) (9) council for the handicapped;
- (11) (10) council on affairs of Spanish-speaking people;
- (12) (11) council on black Minnesotans;
- (13) (12) dentistry board;
- (14) (13) department of economic security advisory council;
- (15) (14) higher education coordinating board;
- (16) (15) housing finance agency;
- (17) (16) Indian advisory council on chemical dependency;
- (18) (17) medical examiners board;

- (19) (18) medical policy directional task force on mental health;
- (20) (19) metropolitan transit commission or its successor;
- (21) (20) Minnesota emergency employment development task force;
- (22) (21) Minnesota office of volunteer services advisory committee;
- (23) (22) Minnesota state arts board;
- (24) (23) mortuary sciences advisory council;
- (25) (24) nursing board;
- (26) (25) optometry board;
- (27) (26) pharmacy board;
- (28) (27) physical therapists council;
- (29) (28) podiatry board;
- (30) (29) psychology board;
- (31) (30) veterans advisory committee.

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

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

Sec. 5. Minnesota Statutes 1984, section 16B.33, subdivision 2, is amended to read:

Subd. 2. [ORGANIZATION OF BOARD.] (a) [MEMBERSHIP.] The state designer selection board consists of five individuals, the majority of whom must be Minnesota residents. Each of the following three organizations shall nominate one individual whose name and qualifications shall be submitted to the ~~governor~~ *commissioner of administration* for consideration: the consulting engineers council of Minnesota after consultation with other professional engineering societies in the state; the Minnesota society of architects; and the Minnesota board of the arts. The ~~governor~~ *commissioner* may appoint the three named individuals to the board ~~with the advice and consent of the senate~~, but the ~~governor~~ may reject a nominated individual and request another nomination. The remaining two members shall also be appointed by the ~~governor~~ *with the advice and consent of the senate commissioner*.

(b) [NONVOTING MEMBERS.] In addition to the five members of the board, two nonvoting members shall participate in the interviewing and selection of designers pursuant to this section. One shall be a representative of the commissioner and shall participate in the interviewing and selection of designers for all projects. The other shall be a representative of the user agency, who shall participate in the interviewing and selection of the designers for the project being undertaken by the user agency. The commissioner shall appoint the representative of the user agency in consultation with the user agency.

(c) [TERMS; COMPENSATION; REMOVAL; VACANCIES.] The membership terms, compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. No individual may serve for more than two consecutive terms.

(d) [OFFICERS, RULES.] At its first meeting, the board shall elect a voting member of the board as chairman. The board shall also elect other officers necessary for the conduct of its affairs. The board shall adopt rules governing its operations and the conduct of its meetings. The rules shall provide for the terms of the chairman and other officers.

(e) [MEETINGS.] The board shall meet as often as is necessary, not less than twice annually, in order to act expeditiously on requests submitted to it for selection of primary designers.

(f) [OFFICE, STAFF, RECORDS.] The department of administration shall provide the board with suitable quarters to maintain an office, hold meetings, and keep records. The commissioner shall designate an employee of the department of administration to serve as executive secretary to the board and shall furnish a secretarial staff to the board as necessary for the expeditious conduct of the board's duties and responsibilities.

Sec. 6. Minnesota Statutes 1984, section 115.74, subdivision 1, is amended to read:

Subdivision 1. The water and wastewater treatment operators certification council shall be composed of six members. The ~~governor~~ *commissioner of health* shall appoint ~~four~~ *two* members as follows: A currently employed water supply system operator holding a valid certificate issued by the commissioner; and *a representative of the league of Minnesota cities. The director of the pollution control agency shall appoint two members as follows:* a currently employed wastewater treatment facility operator holding a valid certificate issued by the director; and a university or college faculty member whose major field is related to water supply or wastewater collection and treatment; and ~~a representative of the league of Minnesota municipalities.~~ The remainder of the council shall be composed of the following persons: A representative of the state department of health who is either the director of the division of environmental health or a qualified member of his staff; the director of the Minnesota pollution control agency or a qualified member of his staff. In the case of the first council, the appointments of a water supply system operator and a wastewater treatment facility operator shall be made from currently employed operators holding valid certificates under the voluntary certification program administered by the state department of health and the Minnesota pollution control agency.

Sec. 7. Minnesota Statutes 1984, section 116C.41, subdivision 2, is amended to read:

Subd. 2. [SOUTHERN MINNESOTA RIVERS BASIN.] The board shall guide the creation and implementation of a comprehensive environmental conservation and development plan for the southern Minnesota rivers basin. The board shall coordinate state and local interests with respect to the study in southwestern Minnesota under Public Law Number 87-639. The board shall appoint an advisory council to advise the board concerning its responsibilities under this subdivision. The council shall consist of 11 members

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

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

121.83 [MINNESOTA EDUCATION COUNCIL.]

There is hereby established the Minnesota education council composed of the members of the education commission of the states representing this state, and ~~16~~ two other persons, ~~two~~ from each congressional district of which one shall be a legislator, ~~appointed by the governor for~~. Four representatives shall be appointed by the speaker of the house and four senators shall be appointed by the committee on committees. Legislative members shall serve terms coinciding with the term their respective terms of the appointing governor office. ~~Persons other than legislators shall be selected so as to be broadly representative of~~ The commissioner of education shall appoint one member from each congressional district, for terms coinciding with the term of the commissioner, who broadly represent professional and lay interests within this state having the responsibilities for, knowledge with respect to, and interest in educational matters. The chairman shall be designated by the governor commissioner shall designate a chairman from among its council members. The council shall meet on the call of the governor commissioner, but in any event the council shall meet not less than twice in each year. The council may consider any and all matters relating to recommendations of the education commission of the states and the activities of the members representing this state thereon, shall serve as a forum for major education policies, and shall serve to exchange information about important education activities of interest to all parties. Members of the council shall serve without salary, but shall be reimbursed for actual expenses incurred in attendance at meetings of the council.

Sec. 9. Minnesota Statutes 1984, section 161.1419, subdivision 2, is amended to read:

Subd. 2. The commission shall be composed of ten members of which ~~three~~ one shall be appointed by the governor commissioner of transportation, one shall be appointed by the commissioner of natural resources, one shall be appointed by the commissioner of energy and economic development, three shall be members of the senate to be appointed by the committee on committees, and three shall be members of the house of representatives to be appointed by the speaker. The tenth member shall be the secretary appointed pursuant to subdivision 3. The members of the commission shall be selected immediately after final enactment of this act and shall serve for a term expiring at the close of the next regular session of the legislature and until their successors are appointed. Successor members shall be appointed at the close of each regular session of the legislature by the same appointing authorities. Members may be reappointed. Any vacancy shall be filled by the appointing authority. The commissioner of transportation, the commissioner of natural resources, and the director of the Minnesota historical society shall be ex

officio members, and shall be in addition to the ten members heretofore provided for. Immediately upon making the appointments to the commission the appointing authorities shall so notify the Mississippi River parkway commission, hereinafter called the national commission, giving the names and addresses of the members so appointed.

Sec. 10. Minnesota Statutes 1984, section 238.01, is amended to read:

238.01 [DECLARATION OF LEGISLATIVE FINDINGS AND INTENT.]

Upon investigation of the public interest associated with cable communications, the legislature of the state of Minnesota has determined that while cable communications serve in part as an extension of interstate broadcasting, that their operations also involve public rights-of-way, municipal franchising, and vital business and community service, which are of state concern; that while said operations must be subject to state oversight, they also must be protected from undue restraint and regulation so as to assure development of cable systems with optimum technology and maximum penetration in this state as rapidly as economically and technically feasible; that the municipalities and the state would benefit from valuable educational and public services through cable communications systems; that the cable communications industry must provide the opportunity for minority participation and benefit which its diversity promises; that the public and the business community would benefit if served by cable channels sufficient to meet the needs of producers and distributors of program and other communication content services; that the cable communications industry is in a period of rapid growth and corporate consolidation and should proceed in accord with regional and statewide service objectives; that these objectives should encourage area-wide service where consistent with the public interest and discourage concentration of control and ownership when not in the public interest; and that many municipalities lack the necessary resources and expertise to plan for and secure these benefits and to protect subscribers and other parties to the public interest in franchise negotiations.

There is, therefore, a need for a state agency to develop a state cable communications policy; to promote the rapid development of the cable communications industry responsive to community and public interest and consonant with policies, regulations and statutes of the federal government; to assure that cable communications companies provide adequate, economical and efficient service to their subscribers, the municipalities within which they are franchised and other parties to the public interest; to encourage the endeavors of public and private institutions, municipalities, associations and organizations in developing programming for public interest; and to provide minorities with the fullest opportunity to make effective use of the medium.

It is the intent of the legislature in ~~sections 238.01 to 238.17~~ *this chapter* to ~~vest authority in a board to oversee~~ development of the cable communications industry in Minnesota ~~in accordance with the statewide service plan~~; to review the suitability to practices for franchising cable communications companies to protect the public interest; to set standards for cable communications systems and franchise practices; to assure channel availability for municipal services, educational television, program diversity, local expression and other program and communications content services; to assure that

municipal franchising results in communication across metropolitan areas and in neighborhood communities in larger municipalities; to provide ~~consultant services~~ *guidance* to community organizations and municipalities in franchise negotiations; and, to stimulate the development of diverse instructional, educational, community interest and public affairs programming with full access thereto by cable communications companies, educational broadcasters and public and private institutions operating closed circuit television systems and instructional television fixed services.

Sec. 11. Minnesota Statutes 1984, section 238.02, subdivision 14, is amended to read:

Subd. 14. "Core service unit" shall mean the municipality, or, in the case of a joint powers agreement, municipalities, in which a cable communications system first provides service under a lawful franchise and from which the cable communications system extends service into additional areas which are included in the boundaries of a cable service territory ~~approved by the board.~~

Sec. 12. Minnesota Statutes 1984, section 238.02, is amended by adding a subdivision to read:

Subd. 17. [CLASS A CABLE SYSTEMS.] "*Class A cable systems*" means systems that are located outside of the metropolitan area, are located in a franchise area having a population of 4,000 or fewer persons, and are serving fewer than 1,000 subscribers.

Sec. 13. Minnesota Statutes 1984, section 238.02, is amended by adding a subdivision to read:

Subd. 18. [CLASS B CABLE SYSTEMS.] "*Class B cable systems*" means all systems, except those systems meeting the criteria of the class A system, that are located outside of the metropolitan area, are located in a franchise area having a population of fewer than 15,000 persons, and are serving fewer than 3,500 subscribers.

Sec. 14. Minnesota Statutes 1984, section 238.02, is amended by adding a subdivision to read:

Subd. 19. [CLASS C CABLE SYSTEMS.] "*Class C cable systems*" means systems that are located in the metropolitan area, or are located in a franchise area having a population of 15,000 or more persons or serving 3,500 or more subscribers.

Sec. 15. Minnesota Statutes 1984, section 238.02, is amended by adding a subdivision to read:

Subd. 20. [METROPOLITAN AREA.] "*Metropolitan area*" is that area defined under section 473.121, subdivision 2.

Sec. 16. Minnesota Statutes 1984, section 238.03, is amended to read:

238.03 [APPLICATION.]

~~Sections 238.04 to 238.17 apply~~ This chapter applies to every cable communications system and every cable communications company as defined in section 238.02, operating within the state, including a cable communications company which constructs, operates and maintains a cable communications

system in whole or in part through the facilities of a person franchised to offer common or contract carrier services. Persons possessing franchises for any of the purposes of ~~sections 238.01 to 238.17 this chapter~~ are subject to ~~sections 238.01 to 238.17 this chapter~~ although no property has been acquired, business transacted or franchises exercised.

Sec. 17. Minnesota Statutes 1984, section 238.08, subdivision 2, is amended to read:

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

Sec. 18. Minnesota Statutes 1984, section 238.08, subdivision 3, is amended to read:

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

Sec. 19. Minnesota Statutes 1984, section 238.08, subdivision 4, is amended to read:

Subd. 4. Nothing in ~~sections 238.01 to 238.17 this chapter~~ shall be construed to limit the power of any municipality to impose upon any cable communications company a fee, tax or charge.

Sec. 20. [238.081] [FRANCHISE PROCEDURE.]

Subdivision 1. [PUBLICATION.] The franchising authority shall have published once each week for two successive weeks in a newspaper of general circulation in each municipality within the cable service territory, a notice of intent to franchise, requesting applications for the franchise.

Subd. 2. [REQUIRED INFORMATION.] The notice must include at least the following information:

- (1) the name of the municipality making the request;*
- (2) the closing date for submission of applications;*
- (3) a statement of the application fee, if any, and the method for its submission;*
- (4) a statement by the franchising authority of the desired system design and services to be offered;*
- (5) a statement by the franchising authority of criteria and priorities against which the applicants for the franchise must be evaluated;*
- (6) a statement that applications for the franchise must contain at least the information required by subdivision 4;*
- (7) the date, time, and place for the public hearing, to hear proposals from franchise applicants;*
- (8) the name, address, and telephone number of the individuals who may be contacted for further information.*

Subd. 3. [OTHER RECIPIENTS OF NOTICE.] In addition to the published notice, the franchising authority shall mail copies of the notice of intent to franchise to any person it has identified as being a potential candidate for the franchise.

Subd. 4. [CONTENTS OF FRANCHISING PROPOSAL.] The franchising authority shall require that proposals for a cable communications franchise be notarized and contain, but not necessarily be limited to, the following information:

(1) plans for channel capacity, including both the total number of channels capable of being energized in the system and the number of channels to be energized immediately;

(2) a statement of the television and radio broadcast signals for which permission to carry will be requested from the Federal Communications Commission;

(3) a description of the proposed system design and planned operation, including at least the following items:

(i) the general area for location of antennae and the head end, if known;

(ii) the schedule for activating two-way capacity;

(iii) the type of automated services to be provided;

(iv) the number of channels and services to be made available for access cable broadcasting; and

(v) a schedule of charges for facilities and staff assistance for access cable broadcasting;

(4) the terms and conditions under which particular service is to be provided to governmental and educational entities;

(5) a schedule of proposed rates in relation to the services to be provided, and a proposed policy regarding unusual or difficult connection of services;

(6) a time schedule for construction of the entire system with the time sequence for wiring the various parts of the area requested to be served in the request for proposals;

(7) a statement indicating the applicant's qualifications and experience in the cable communications field, if any;

(8) an identification of the municipalities in which the applicant either owns or operates a cable communications system, directly or indirectly, or has outstanding franchises for which no system has been built;

(9) plans for financing the proposed system, which must indicate every significant anticipated source of capital and significant limitations or conditions with respect to the availability of the indicated sources of capital;

(10) a statement of ownership detailing the corporate organization of the applicant, if any, including the names and addresses of officers and directors and the number of shares held by each officer or director, and intracompany relationship including a parent, subsidiary or affiliated company; and

(11) a notation and explanation of omissions or other variations with re-

spect to the requirements of the proposal.

Substantive amendments may not be made in a proposal after a proposal has been submitted to the franchising authority and before award of a franchise.

Subd. 5. [TIME LIMITS TO SUBMIT APPLICATIONS.] The franchising authority shall allow at least 20 days from the first date of published notice to the closing date for submitting applications.

Subd. 6. [PUBLIC HEARING ON FRANCHISE.] A public hearing before the franchising authority affording reasonable notice and a reasonable opportunity to be heard with respect to all applications for the franchise must be completed at least seven days before the introduction of the franchise ordinance in the proceedings of the franchising authority.

Subd. 7. [AWARD OF FRANCHISE.] Franchises may be awarded only by ordinance.

Subd. 8. [COSTS OF AWARDED FRANCHISE.] Nothing in this section prohibits a franchising authority from recovering from a successful applicant the reasonable and necessary costs of the entire process of awarding the cable communications franchise.

Subd. 9. [FRANCHISING NONPROFIT OR MUNICIPALLY-OWNED SYSTEM.] Nothing contained in this section prohibits a franchising authority from franchising a nonprofit or municipally-owned system. The municipality or nonprofit entity is considered an applicant for purposes of this section.

Subd. 10. [FRANCHISE; JOINT POWERS.] In the cases of municipalities acting in concert, the municipalities may delegate to another entity such duties, responsibilities, privileges, or activities described in this section, if such delegation is proper according to state and local law.

Sec. 21. [238.082] [FRANCHISE AMENDMENTS.]

The franchising authority shall act pursuant to local law pertaining to ordinance amendment procedures.

Sec. 22. [238.083] [SALE OR TRANSFER OF FRANCHISE.]

Subdivision 1. [FUNDAMENTAL CORPORATE CHANGE DEFINED.] For purposes of this section, "fundamental corporate change" means the sale or transfer of a majority of a corporation's assets; merger, including a parent and its subsidiary corporation; consolidation; or creation of a subsidiary corporation.

Subd. 2. [WRITTEN APPROVAL OF FRANCHISING AUTHORITY.] A sale or transfer of a franchise, including a sale or transfer by means of a fundamental corporate change, requires the written approval of the franchising authority. The parties to the sale or transfer of a franchise shall make a written request to the franchising authority for its approval of the sale or transfer. The franchising authority shall reply in writing within 30 days of the request and shall indicate its approval of the request or its determination that a public hearing is necessary if it determines that a sale or transfer of a franchise may adversely affect the company's subscribers. The franchising authority shall conduct a public hearing on the request within 30 days of that

determination.

Subd. 3. [NOTICE OF HEARING.] Unless otherwise already provided for by local law, notice of the hearing must be given 14 days before the hearing by publishing notice of it once in a newspaper of general circulation in the area being served by the franchise. The notice must contain the date, time, and place of the hearing and must briefly state the substance of the action to be considered by the franchising authority.

Subd. 4. [APPROVAL OR DENIAL OF SALE OR TRANSFER REQUEST.] Within 30 days after the public hearing, the franchising authority shall approve or deny in writing the sale or transfer request. The approval must not be unreasonably withheld.

Subd. 5. [SALE OR TRANSFER OF FRANCHISE WITHOUT SYSTEM.] The parties to the sale or transfer of a franchise only, without the inclusion of a cable communications system in which at least substantial construction has commenced, shall establish that the sale or transfer of only the franchise will be in the public interest.

Subd. 6. [SALE OR TRANSFER OF STOCK.] Sale or transfer of stock in a corporation so as to create a new controlling interest in a cable communication system is subject to the requirements of this section.

The term "controlling interest" as used herein is not limited to majority stock ownership, but includes actual working control in whatever manner exercised.

Sec. 23. [238.084] [REQUIRED CONTENTS OF FRANCHISE ORDINANCE.]

Subdivision 1. [ALL SYSTEMS.] The following requirements apply to all classes A, B, and C systems unless provided otherwise:

(a) a provision that the franchise complies with the Minnesota franchise standards contained in this section;

(b) a provision requiring the franchisee and the franchising authority to conform to state laws and rules regarding cable communications not later than one year after they become effective, unless otherwise stated, and to conform to federal laws and regulations regarding cable as they become effective;

(c) a provision limiting the initial and renewal franchise term to not more than 15 years each;

(d) a provision specifying that the franchise is nonexclusive;

(e) a provision prohibiting sale or transfer of the franchise or sale or transfer of stock so as to create a new controlling interest under section 22, except at the approval of the franchising authority, which approval must not be unreasonably withheld, and that the sale or transfer is completed pursuant to section 22;

(f) a provision granting the franchising authority collecting a franchise fee the authority to audit the franchisee's accounting and financial records upon reasonable notice, and requiring that the franchisee file with the franchising authority annually reports of gross subscriber revenues and other informa-

tion as the franchising authority deems appropriate;

(g) provisions specifying:

(1) current subscriber charges or that the current charges are available for public inspection in the municipality;

(2) the length and terms of residential subscriber contracts, if they exist, or that the current length and terms of residential subscriber contracts are available for public inspection in the municipality; and

(3) the procedure by which subscriber charges are established, unless such a provision is contrary to state or federal law;

(h) a provision indicating by title the office or officer of the franchising authority that is responsible for the continuing administration of the franchise;

(i) a provision requiring the franchisee to indemnify and hold harmless the franchising authority during the term of the franchise, and to maintain throughout the term of the franchise, liability insurance in an amount as the franchising authority may require insuring both the franchising authority and the franchisee with regard to damages and penalties which they may legally be required to pay as a result of the exercise of the franchise;

(j) a provision that at the time the franchise becomes effective and thereafter until the franchisee has liquidated all of its obligation with the franchising authority, the franchisee shall furnish a performance bond, certificate of deposit, or other type of instrument approved by the franchising authority in an amount as the franchising authority deems to be adequate compensation for damages resulting from the franchisee's nonperformance. The franchising authority may, from year to year and in its sole discretion, reduce the amount of the performance bond or instrument;

(k) a provision that nothing contained in the franchise relieves a person from liability arising out of the failure to exercise reasonable care to avoid injuring the franchisee's facilities while performing work connected with grading, regrading, or changing the line of a street or public place or with the construction or reconstruction of a sewer or water system;

(l) a provision that the franchisee's technical ability, financial condition, and legal qualification were considered and approved by the franchising authority in a full public proceeding that afforded reasonable notice and a reasonable opportunity to be heard;

(m) a provision requiring the construction of a cable system with a channel capacity available for immediate or potential use, equal to a minimum of 72 MHz of bandwidth, the equivalent of 12 television broadcast channels. For purposes of this section, a cable system with a channel capacity, available for immediate or potential use, equal to a minimum of 72 MHz of bandwidth means: the provision of a distribution system designed and constructed so that a minimum of 72 MHz of bandwidth, the equivalent of 12 television broadcast channels, can be put into use with only the addition of the appropriate headend equipment;

(n) a provision in initial franchises that there be a full description of the system proposed for construction and a schedule showing:

(1) that for franchise areas which will be served by a system proposed to have fewer than 100 plant miles of cable:

(i) that within 90 days of the granting of the franchise, the franchisee shall apply for the necessary governmental permits, licenses, certificates, and authorizations;

(ii) that energized trunk cable must be extended substantially throughout the authorized area within one year after receipt of the necessary governmental permits, licenses, certificates, and authorizations and that persons along the route of the energized cable will have individual "drops" as desired during the same period of time; and

(iii) that the requirement of this section may be waived by the franchising authority only upon occurrence of unforeseen events or acts of God; or

(2) that for franchise areas which will be served by a system proposed to have 100 plant miles of cable or more, a provision:

(i) that within 90 days of the granting of the franchise, the franchisee shall apply for the necessary governmental permits, licenses, certificates, and authorizations;

(ii) that engineering and design must be completed within one year after the granting of the franchise and that a significant amount of construction must be completed within one year after the franchisee's receipt of the necessary governmental permits, licenses, certificates, and authorizations;

(iii) that energized trunk cable must be extended substantially throughout the authorized area within five years after commencement of construction and that persons along the route of the energized cable will have individual "drops" within the same period of time, if desired; and

(iv) that the requirement of this section be waived by the franchising authority only upon occurrence of unforeseen events or acts of God;

(o) unless otherwise already provided for by local law, a provision that the franchisee shall obtain a permit from the proper municipal authority before commencing construction of a cable communications system, including the opening or disturbance of a street, sidewalk, driveway, or public place. The provision must specify remedies available to the franchising authority in cases where the franchisee fails to meet the conditions of the permit;

(p) unless otherwise already provided for by local law, a provision that wires, conduits, cable, and other property and facilities of the franchisee be located, constructed, installed, and maintained in compliance with applicable codes. The provision must also specify that the franchisee keep and maintain its property so as not to unnecessarily interfere with the usual and customary trade, traffic, or travel upon the streets and public places of the franchise area or endanger the life or property of any person;

(q) unless otherwise already provided for by local law, a provision that the franchising authority and the franchisee shall establish a procedure in the franchise for the relocation or removal of the franchisee's wires, conduits, cables, and other property located in the street, right-of-way, or public place whenever the franchising authority undertakes public improvements which affect the cable equipment;

(r) a provision incorporating by reference as a minimum the technical standards promulgated by the Federal Communications Commission relating to cable communications systems contained in subpart K of part 76 of the Federal Communications Commission's rules and regulations relating to cable communications systems and found in Code of Federal Regulations, title 47, sections 76.601 to 76.617. The results of tests required by the Federal Communications Commission must be filed within ten days of the conduct of the tests with the franchising authority;

(s) a provision establishing how the franchising authority and the cable communications company shall determine who is to bear the costs of required special testing;

(t) a provision pertaining to the franchisee's construction and maintenance of a cable communications system having the technical capacity for nonvoice return communications which, for purposes of this section, means the provision of appropriate system design techniques with the installation of cable and amplifiers suitable for the subsequent insertion of necessary nonvoice communications electronic modules.

In cases where an initial franchise is granted, the franchisee shall provide a cable communications system having the technical capacity for nonvoice return communications.

When a franchise is renewed, sold, or transferred and is served by a system that does not have the technical capacity for nonvoice return communications, the franchising authority shall determine when and if the technical capacity for nonvoice return communications is needed after appropriate public proceedings at the municipal level giving reasonable notice and a reasonable opportunity to be heard;

(u) a provision stating that no signals of a class IV cable communications channel may be transmitted from a subscriber terminal for purposes of monitoring individual viewing patterns or practices without the express written permission of the subscriber. The request for permission must be contained in a separate document with a prominent statement that the subscriber is authorizing the permission in full knowledge of its provisions. The written permission must be for a limited period of time not to exceed one year which is renewable at the option of the subscriber. No penalty may be invoked for a subscriber's failure to provide or renew the authorization. The authorization is revocable at any time by the subscriber without penalty of any kind. The permission must be required for each type or classification of class IV cable communications activity planned for the purpose;

(1) No information or data obtained by monitoring transmission of a signal from a subscriber terminal, including but not limited to lists of the names and addresses of the subscribers or lists that identify the viewing habits of subscribers, may be sold or otherwise made available to any party other than to the company and its employees for internal business use, or to the subscriber who is the subject of that information, unless the company has received specific written authorization from the subscriber to make the data available;

(2) Written permission from the subscriber must not be required for the systems conducting systemwide or individually addressed electronic sweeps for the purpose of verifying system integrity or monitoring for the purpose of

billing. Confidentiality of this information is subject to clause (1);

(3) For purposes of this provision, a "class IV cable communications channel" means a signaling path provided by a cable communications system to transmit signals of any type from a subscriber terminal to another point in the communications system;

(v) a provision specifying the procedure for the investigation and resolution by the franchisee of complaints regarding quality of service, equipment malfunction, billing disputes, and other matters;

(w) a provision requiring that at least a toll-free or collect telephone number for the reception of complaints be provided to the subscriber and that the franchisee maintain a repair service capable of responding to subscriber complaints or requests for service within 24 hours after receipt of the complaint or request. The provision must also state who will bear the costs included in making these repairs, adjustments, or installations;

(x) a provision granting the franchising authority the right to terminate and cancel the franchise and the rights and privileges of the franchise if the franchisee substantially violates a provision of the franchise ordinance, attempts to evade the provisions of the franchise ordinance, or practices fraud or deceit upon the franchising authority.

The municipality shall provide the franchisee with a written notice of the cause for termination and its intention to terminate the franchise and shall allow the franchisee a minimum of 30 days after service of the notice in which to correct the violation.

The franchisee must be provided with an opportunity to be heard at a public hearing before the governing body of the municipality before the termination of the franchise;

(y) a provision that no cable communications company, notwithstanding any provision in a franchise, may abandon a cable communications service or a portion of it without having given three months prior written notice to the franchising authority. No cable communications company may abandon a cable communications service or a portion of it without compensating the franchising authority for damages resulting to it from the abandonment;

(z) a provision requiring that upon termination or forfeiture of a franchise, the franchisee remove its cable, wires, and appliances from the streets, alleys, and other public places within the franchise area if the franchising authority so requests, and a procedure to be followed in the event the franchisee fails to remove its cable, wires, and appliances from the streets, alleys, and other public places within the franchise area;

(aa) a provision that when a franchise or cable system is offered for sale, the franchising authority shall have the right to purchase the system;

(bb) a provision establishing the minimum number of access channels that the franchisee shall make available. This provision must require that the franchisee shall provide to each of its subscribers who receive some or all of the services offered on the system, reception on at least one specially designated access channel. The specially designated access channel may be used by local educational authorities and local government on a first-come, first-served, nondiscriminatory basis. During those hours that the specially des-

ignated access channel is not being used by the local educational authorities or local government, the franchisee shall lease time to commercial or non-commercial users on a first-come, first-served, nondiscriminatory basis if the demand for that time arises. The franchisee may also use this specially designated access channel for local origination during those hours when the channel is not in use by local educational authorities, local government, or commercial or noncommercial users who have leased time. The VHF spectrum must be used for the specially designated access channel required in this paragraph.

The provision must also require that the franchisee shall establish rules for the administration of the specially designated access channel.

Franchisees providing only alarm services or only data transmission services for computer-operated functions do not need to provide access channel reception to alarm and data service subscribers.

Subd. 2. [REQUIRED PROVISIONS FOR CLASS B SYSTEM.] Franchisees for class B cable systems must contain statements and provisions consistent with subdivision 1, unless hereafter provided otherwise, and statements and provisions consistent with the following requirements:

(a) a provision establishing the minimum number of access channels that the franchisee shall make available. Franchisees subject to this provision are not subject to subdivision 1, paragraph (bb).

(1) The provision must require that the franchisee provide to each of its subscribers who receive all or a part of the total services offered on the system, reception on at least one specially designated access channel available for use by the general public on a first-come, first-served, nondiscriminatory basis. Channel time and playback of prerecorded programming on this specially designated access channel must be provided without charge to the general public, except that personnel, equipment, and production costs may be assessed for live studio presentations exceeding five minutes in length. Charges for production costs must be consistent with the goal of affording the public a low-cost means of television access. The specially designated access channel may be used by local education authorities and local government on a first-come, first-served, nondiscriminatory basis during those hours when the channel is not in use by the general public. During those hours that the specially designated access channel is not being used by the general public, local educational authorities, or local government, the franchisee shall lease time to commercial or noncommercial users on a first-come, first-served, nondiscriminatory basis if the demand for that time arises. The franchisee may also use this specially designated access channel for local origination during those hours when the channel is not in use by the general public, local educational authorities, local government, or commercial or noncommercial users who have leased time. The VHF spectrum must be used for the specially designated access channel required in this paragraph.

(2) The provision must also require that the franchisee establish rules for the administration of the specially designated access channel.

(3) The provision must require that whenever the specially designated access channel required in clause (1) is in use during 80 percent of the

weekdays, Monday to Friday, for 80 percent of the time during a consecutive three-hour period for six weeks running, and there is a demand for use of an additional channel for the same purpose, the franchisee has six months in which to provide a new specially designated access channel for the same purpose, provided that provision of the additional channel or channels does not require the cable system to install converters. Nothing in this section precludes the installation of converters by the system on a voluntary basis, as a result of an agreement arrived at through negotiation between the parties to a franchise, or by a potential access user who wishes to install converters in order to make use of an additional channel or channels.

(4) Franchisees providing only alarm services or only data transmission services for computer-operated functions do not need to provide access channel reception to alarm and data service subscribers.

(b) A provision establishing the minimum equipment that the franchisee shall make available for public use. The provision shall require that the franchisee make readily available for public use upon need being shown, at least the minimal equipment necessary to perform good quality playback of prerecorded programming, and to make it possible to record programs at remote locations with battery-operated portable equipment. Need within the meaning of this section must be determined by subscriber petition. The petition must contain the signatures of at least ten percent of the subscribers of the system, but in no case more than 350 nor fewer than 100 signatures.

Subd. 3. [REQUIRED PROVISIONS FOR CLASS C SYSTEM.] Franchises for class C cable systems must contain statements and provisions consistent with subdivision 1, unless this section provides otherwise, and statements and provisions consistent with the following requirements:

(a) a provision establishing the minimum number of public, educational, governmental, and leased access channels that the franchisee shall make available. Franchisees subject to this provision are not subject to subdivision 1, paragraph (bb).

(1) The provision must require that the franchisee shall, to the extent of the system's available channel capacity, provide to each of its subscribers who receives some or all of the services offered on the system, reception on at least one specially designated noncommercial public access channel available for use by the general public on a first-come, first-served, nondiscriminatory basis; at least one specially designated access channel for use by local educational authorities; at least one specially designated access channel available for local government use; and at least one specially designated access channel available for lease on a first-come, first-served, nondiscriminatory basis by commercial and noncommercial users. The VHF spectrum must be used for at least one of the specially designated noncommercial public access channels required in this paragraph. The provision must require that no charges may be made for channel time or playback of prerecorded programming on at least one of the specially designated noncommercial public access channels required by this paragraph. Personnel, equipment, and production costs may be assessed, however, for live studio presentations exceeding five minutes in length. Charges for those production costs and fees for use of other public access channels must be consistent with the goal of affording the public a low-cost means of television access.

(2) The provision must require that whenever the specially designated noncommercial public access channel, the specially designated education access channel, the specially designated local government access channel, or the specially designated leased access channel required in clause (1) is in use during 80 percent of the weekdays, Monday to Friday, for 80 percent of the time during any consecutive three-hour period for six weeks running, and there is demand for use of an additional channel for the same purpose, the franchisee shall then have six months in which to provide a new specially designated access channel for the same purpose, provided that provision of the additional channel or channels must not require the cable system to install converters. However, nothing in this section precludes the installation of converters by the system on a voluntary basis, or as a result of an agreement arrived at through negotiation between the parties to a franchise, or by a potential access user who wishes to install converters in order to make use of an additional channel or channels.

(3) The provision must also require that the franchisee establish rules pertaining to the administration of the specially designated noncommercial public access channel, the specially designated educational access channel, and the specially designated leased access channel required in this section.

(4) Those systems which offer subscribers the option of receiving programs on one or more special service channels without also receiving the regular subscriber services may comply with this section by providing the subscribers who receive the special service only, at least one specially designated composite access channel composed of the programming on the specially designated noncommercial public access channel, the specially designated education access channel, and the specially designated local government access channel required in this section.

(5) On those systems without sufficient available channel capacity to allow for activation of all specially designated access channels required in this section, or when demand for use of the channels does not warrant activation of all specially designated access channels required in this section, public, educational, governmental, and leased access channel programming may be combined on one or more cable channels. To the extent time is available, access channels may also be used for other broadcast and nonbroadcast services, provided that these services are subject to immediate displacement if there is demand to use the channel for its specially designated purpose. The system shall, in any case, provide at least one full channel on the VHF spectrum for shared access programming.

(6) Franchisees providing only alarm services or only data transmission services for computer-operated functions do not need to provide access channel reception to alarm and data service subscribers.

(b) a provision establishing the minimum equipment that the franchisee shall make available for public use. The provision shall require that the franchisee shall make readily available for public use at least the minimal equipment necessary for the production of programming and playback of prerecorded programs for the specially designated noncommercial public access channel required by paragraph (a), clause (1). The franchisee shall also make readily available, upon need being shown, the minimum equipment necessary to make it possible to record programs at remote locations

with battery-operated portable equipment. Need within the meaning of this section must be determined by subscriber petition. The petition must contain the signatures of at least ten percent of the subscribers of the system, but in no case more than 500 nor fewer than 100 signatures.

(c) a provision establishing the minimum systemwide channel capacity that the franchisee shall make available. Franchisees subject to the requirement of this provision are not subject to the requirements of subdivision 1, paragraph (bb).

(1) The provision must require the construction of a cable system with a channel capacity, available for immediate or potential use, equal to a minimum of 120 MHz of bandwidth, the equivalent of 20 television broadcast channels.

(2) Systems that are already constructed pursuant to a preexisting franchise requiring fewer than 120 MHz of bandwidth, the equivalent of fewer than 20 television broadcast channels, shall have until June 21, 1986, to increase the system's channel capacity to a minimum of 120 MHz of bandwidth. However, nothing in this section precludes the parties to a franchise from negotiating an agreement calling for an increase to a minimum of 120 MHz of bandwidth before June 21, 1986.

(3) For purposes of this section, a cable system with a channel capacity, available for immediate or potential use, equal to a minimum of 120 MHz of bandwidth means: the provision of a distribution system designed and constructed so that a minimum of 120 MHz of bandwidth, the equivalent of 20 television broadcast channels, can be put into use with only the addition of the appropriate headend and subscriber terminal equipment.

(d) In Twin Cities metropolitan area franchises, a provision designating the standard VHF channel 6 for uniform regional channel usage as required in section 43.

Subd. 4. [ADDITIONAL TERMS AND CONDITIONS PERMITTED.] A franchise may contain additional terms and conditions as the municipality and the franchisee deem appropriate, provided the additional terms and conditions are consistent with federal and state law.

Subd. 5. [RECLASSIFICATION OF SYSTEMS.] A franchise must be amended by the franchising authority when the number of subscribers served by the cable communications system in the franchise area changes so as to result in reclassification of the system under this section. Amendments must include provisions consistent with the requirements of that class of cable communications systems.

Sec. 24. [238.085] [COMMISSIONER OF COMMERCE.]

Subdivision 1. [DOCUMENTATION TO THE COMMISSIONER OF COMMERCE.] Upon the granting of a franchise, the extension of a franchise for a term, the renewal of a franchise, or the sale or transfer of a franchise, the franchising authority and the franchisee shall submit documentation to the commissioner of commerce certifying that the franchise and the process followed conform to this chapter, to the extent that these sections are not inconsistent with federal law.

Subd. 2. [ACTIONS BY COMMISSIONER.] (a) Within 30 days of re-

ceipt of the certificate, the commissioner of commerce shall:

(1) approve the certificate;

(2) disapprove the certificate, indicating in writing to the applicants why the franchise or the process does not conform to this chapter; or

(3) request that the applicants provide additional information within 30 days of the receipt of the request.

(b) If the commissioner of commerce fails to act within 30 days of receiving a certificate or the requested additional documentation, the certificate is approved. If the commissioner of commerce fails to issue a final approval or disapproval within 180 days of the initial receipt of a certificate, the certificate is approved.

Subd. 3. [WHEN CERTIFICATE DISAPPROVED.] If the certificate is disapproved, the applicants may either (1) take the steps as may be necessary to bring the franchise or the process into conformance and reapply to the commissioner of commerce, or (2) within 30 days of receiving the disapproval appeal the decision to the Minnesota court of appeals.

Subd. 4. [OPERATION CONTINUES DURING REVIEW OR APPEAL.] While the commissioner of commerce is reviewing a certificate concerning a franchise extension or renewal and during an appeal of the commissioner of commerce's decision, the franchisee must be allowed to continue the operation of the affected cable system.

Subd. 5. [RIGHTS UNDER OTHER LAW.] Nothing in this section prohibits a franchisee from exercising its legal rights under federal or state law upon the denial by a franchising authority of an extension, renewal, transfer, or sale of a franchise.

Sec. 25. Minnesota Statutes 1984, section 238.11, subdivision 2, is amended to read:

Subd. 2. No cable communications company may prohibit or limit a program or class or type of program presented over a leased channel or a channel made available for public access, governmental or educational purposes. Neither the cable communications company nor the officers, directors, or employees of the cable communications system is ~~not~~ liable for any penalties or damages arising from programming content not originating from or produced by the cable communications company and shown on any public access channel, education access channel, government access channel, leased access channel, or regional channel.

Sec. 26. Minnesota Statutes 1984, section 238.15, is amended to read:

238.15 [FINANCIAL INTEREST OF MEMBERS.]

No member of the board or person appointed pursuant to section 238.04, subdivision 7 shall be employed by, or shall knowingly have any financial interest in any cable communications company or its subsidiaries, major equipment or programming suppliers, or in any broadcasting company holding an operating license issued by the federal communications commission or its subsidiaries. Members of any elected body granting franchises and employees of any franchising body who would be directly involved in the granting or administration of franchises for cable communications and who

are employed by or who knowingly have any financial interest in any cable communications company, bidding on such franchise, or the cable communications company granted the franchise, or their subsidiaries, major equipment or program suppliers shall abstain from participation in the franchising of a cable communications company or the administration of such franchise.

Sec. 27. Minnesota Statutes 1984, section 238.16, subdivision 2, is amended to read:

Subd. 2. Any person violating the provisions of ~~sections 238.01 to 238.17 or any rules or regulations made pursuant thereto~~, this chapter is guilty of a gross misdemeanor. Any term of imprisonment imposed for any violation by a corporation shall be served by the senior resident officer of the corporation.

Sec. 28. Minnesota Statutes 1984, section 238.17, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONS FOR EXTENSIONS.] Notwithstanding the provisions of ~~section 238.09 or any other law to the contrary~~, a cable communications system may extend *or provide* service outside the boundaries of a core service unit if: (1) ~~the extension area is not within the seven county metropolitan area, as defined in section 473.121, subdivision 4;~~ (2) ~~the board first approves, in accordance with procedures set forth in the board's rules, the inclusion of the extension area in the same cable service territory which contains the core service unit;~~ and (3) the cable communications system obtains and files with the board an extension permit issued by the municipality or municipalities which have jurisdiction over the extension area.

Sec. 29. Minnesota Statutes 1984, section 238.17, subdivision 5, is amended to read:

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

Sec. 30. Minnesota Statutes 1984, section 238.22, is amended by adding a subdivision to read:

Subd. 7. [ALTERNATIVE PROVIDERS.] *"Alternative providers" means other providers of television programming or cable communications services.*

Sec. 31. Minnesota Statutes 1984, section 238.22, is amended by adding a subdivision to read:

Subd. 8. [ASSOCIATION MEMBER.] *"Association member" means an individual owner of a cooperatively owned multiple dwelling complex.*

Sec. 32. Minnesota Statutes 1984, section 238.22, is amended by adding a subdivision to read:

Subd. 9. [OTHER PROVIDERS OF TELEVISION PROGRAMMING OR CABLE COMMUNICATIONS SERVICES.] *"Other providers of television programming or cable communications services" means operators of master antenna television systems (MATV), satellite master antenna tele-*

vision systems (SMATV), multipoint distributions systems (MDS), and direct broadcast satellite systems (DBS).

Sec. 33. Minnesota Statutes 1984, section 238.24, subdivision 10, is amended to read:

Subd. 10. [CHANNEL CAPACITY.] (a) A property owner must provide access by a franchised cable communications company, as required under section 238.23, only if that cable company installs equipment with channel capacity sufficient to provide access to other providers of television programming or cable communications services so that residents or association members have a choice of alternative providers of those services. If the equipment is installed, the cable communications company shall allow alternative providers to use the equipment. If some of the residents or association members choose to subscribe to the services of an alternative provider, the cable company that installed the equipment shall be reimbursed by the other providers for the cost of equipment and installation on the property on a pro rata basis which reflects the number of subscribers of each provider on that property to the total number of subscribers on that property. In determining the pro rata amount of reimbursement by any alternative provider, the cost of equipment and installation shall be reduced to the extent of cumulative depreciation of that equipment at the time the alternative provider begins providing service.

(b) If equipment is already installed as of June 15, 1983 with channel capacity sufficient to allow access to alternative providers, the access and pro rata reimbursement provisions of paragraph (a) apply.

~~(c) The board shall promulgate rules by January 1, 1984 to implement the provisions of this subdivision.~~

~~(d) Paragraphs (a) and (b) come into effect after rules have been promulgated and adopted in accordance with paragraph (c).~~

Sec. 34. [238.241] [CONDITIONS FOR ACCESS BY ALTERNATIVE PROVIDERS.]

Subdivision 1. [CHANNEL CAPACITY.] Cable companies granted access to a multiple dwelling complex under section 238.25 shall provide equipment with sufficient channel capacity to be used by alternative providers of television programming or cable communications services.

Subd. 2. [TECHNICAL PLAN APPROVAL.] The cable communications company shall determine the technical plan best suited for providing the necessary channel capacity sufficient to allow access to other providers. The plan must be submitted to the property owner for approval. The owner's approval may not be unreasonably withheld. No additional compensation for evaluation of the plan may be paid or given to the property owner over and above that permitted under section 238.24, subdivision 8.

Subd. 3. [DUPLICATE CONNECTIONS.] The cable communications company is not required to provide equipment for connecting more than one television receiver in one dwelling unit within the multiple dwelling complex. However, the company may provide duplicate connections at its discretion.

Sec. 35. [238.242] [REIMBURSEMENT.]

Subdivision 1. [PROVIDING ALTERNATIVE SERVICE.] Other pro-

viders of television programming or cable communications services shall notify the cable communications company when a resident or association member occupying a dwelling unit in a multiple dwelling complex requests the services provided for by this section or section 34. After reaching agreement with the alternative service provider for reimbursement to be paid for use of the equipment, the cable communications company shall make available the equipment necessary to provide the alternative service without unreasonable delay.

Subd. 2. [REIMBURSEMENT DETERMINATION.] *The amount to be reimbursed must be determined under section 238.24, subdivision 10. The reimbursed amount must be paid in one installment for each instance of requested use. The payment may not be refunded upon subscriber cancellation of the alternative service.*

Subd. 3. [FINANCIAL RECORDS MADE AVAILABLE.] *The cable communications company, upon written request, shall make available to the alternative provider financial records supporting the reimbursement cost requested.*

Sec. 36. [238.36] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *As used in sections 36 to 42, the following terms have the meanings given them unless a different meaning clearly appears in the text.*

Subd. 2. [CABLE COMMUNICATIONS COMPANY'S EQUIPMENT.] *"Cable communications company's equipment" means aerial wires, cables, amplifiers, associated power supply equipment, and other transmission apparatus necessary for the proper operation of the cable communications system in a franchised area.*

Subd. 3. [CONDUIT SYSTEM.] *"Conduit system" means a reinforced passage or opening in, on, under, or through the ground capable of containing communications facilities and includes the following: main conduit; underground dips and short sections of conduit under roadways, driveways, parking lots, and similar conduit installations; laterals to poles and into buildings; ducts; and manholes.*

Subd. 4. [PUBLIC UTILITY COMPANY POLES.] *"Public utility company poles" means poles owned by the public utility and poles owned by others on which the public utility has the right to permit others to attach in the communications space on the pole.*

Sec. 37. [238.37] [SCOPE.]

Sections 36 to 42 only apply to pole, duct, and conduit agreements entered into or renewed between public utilities and cable communications companies on or after January 1, 1976, and have no application to those agreements executed before January 1, 1976, until those agreements are either renewed or substantially renegotiated. If a public utility company and a cable communications company enter into an agreement regarding only pole attachments, sections 36 to 42 relating to conduit systems are applicable to that agreement and if a public utility company and a cable communications company enter into an agreement regarding only use of a conduit system, sections 36 to 42 relating to pole attachments are not applicable to that

agreement.

Sec. 38. [238.38] [PERMITS.]

Every pole, duct, and conduit agreement must contain a provision that before attaching to the public utility company's poles or occupying any part of the public utility's conduit system, the cable communications company shall apply and receive a permit for that purpose on a form provided by the public utility company. If the cable communications company accepts the permit, it may attach its equipment to the poles covered by the permit or occupy the conduit system of the public utility to the extent authorized by the permit, subject to sections 36 to 42 and the terms of the agreement between the contracting parties. In granting or denying a permit, the public utility has the right to determine whether a grant of a permit would adversely affect its public services, duties, and obligations or have an adverse effect on the economy, safety, and future needs of the public utility.

Sec. 39. [238.39] [LEGAL AUTHORITY.]

Every pole, duct, and conduit agreement must contain a provision that the cable communications company shall submit to the public utility company evidence of the cable communications company's lawful authority to place, maintain, and operate its facilities within public streets, highways, and other thoroughfares and shall secure the legally necessary permits and consents from federal, state, county, and municipal authorities to construct, maintain, and operate facilities at the locations of poles or conduit systems of the public utility company which it uses. The parties to the agreement shall at all times observe and comply with, and the provisions of a pole, duct, and conduit agreement are subject to, the laws, ordinances, and rules which in any manner affect the rights and obligations of the parties to the agreement, so long as the laws, ordinances, or rules remain in effect.

Sec. 40. [238.40] [LIABILITY.]

Every pole, duct, and conduit agreement must contain a provision that the cable communications company shall defend, indemnify, protect, and save harmless the public utility from and against any and all claims and demands for damages to property and injury or death to persons, including payments made under any worker's compensation law or under any plan for employees' disability and death benefits, which may arise out of or be caused by the erection, maintenance, presence, use, or removal of the cable communications company's cable, equipment, and facilities or by the proximity of the cables, equipment, and facilities of the parties to the agreement, or by any act of the cable communications company on or in the vicinity of the public utility company's poles and conduit system, in the performance of the agreement. Nothing contained in this section relieves the public utility company from liability for the negligence of the public utility company or anyone acting under its direction and control. The cable communications company shall also indemnify, protect, and save harmless the public utility from any and all claims and demands which arise directly or indirectly from the operation of the cable communications company's facilities including taxes, special charges by others, claims, and demands for damages or loss for infringement of copyright, for libel and slander, for unauthorized use of television broadcast programs, and for unauthorized use of other program material, and from and against all claims and demands for infringement of

patents with respect to the manufacture, use, and operation of the cable communications equipment in combination with the public utility company's poles, conduit system, or otherwise. Nothing contained in this section relieves the public utility company from liability for the negligence of the public utility company or anyone acting under its direction and control.

Sec. 41. [238.41] [INSURANCE.]

The cable communications company shall carry insurance to protect the parties to the agreement from and against any and all claims, demands, actions, judgments, costs, expenses, and liabilities which may arise or result, directly or indirectly, from or by reason of the loss, injury, claim, or damage. The amount of the insurance must be agreed to by the parties to this agreement. The cable communications company shall also carry insurance to protect it from all claims under worker's compensation laws in effect that may be applicable to it. Insurance required must remain in effect for the entire term of the agreement.

Sec. 42. [238.42] [ADDITIONAL TERMS.]

Nothing contained in sections 36 to 42 in any way prohibits a public utility company from including in its pole, duct, and conduit agreements with cable communications companies additional terms which do not conflict with sections 36 to 42.

Sec. 43. [238.43] [REGIONAL CHANNEL.]

Subdivision 1. [DEFINITION.] For the purposes of this section "regional channel entity" means an independent, nonprofit corporation to govern the operation of the regional channel.

Subd. 2. [LEGISLATIVE PURPOSE.] The purpose of this section is to facilitate the activation of a metropolitan area interconnected regional channel, to be uniformly carried on VHF channel 6 on cable communications systems operating in the metropolitan area in order to provide a broad range of informational, educational, and public service programs and materials to metropolitan area cable subscribers.

Subd. 3. [VHF CHANNEL 6.] Franchises for cable communications systems franchised in whole or in part within the metropolitan area shall contain a provision designating the standard VHF channel 6 for uniform regional channel usage; provided, however, that until the regional channel becomes operational, the designated VHF channel 6 may be utilized by the cable communications company as it deems appropriate. The designated regional channel may be combined with the government access channel until such time as the video programming usage of the government access channel expands to such point as it is in use during 80 percent of the time between 8:00 a.m. and 10:00 p.m. during any consecutive six-week period. Use of time on the regional channel must be made available without charge.

Subd. 4. [USE.] The regional channel will provide a broad range of informational, educational, and public service programs and materials to metropolitan area cable subscribers.

Subd. 5. [REGIONAL CHANNEL ENTITY.] The cable communications board may designate a regional channel entity prior to July 1, 1985. If the cable communications board does not designate an entity by June 30, 1985,

the metropolitan council shall appoint the governing body of the regional channel entity which must consist of 15 members appointed to three-year terms. In making the initial appointments the metropolitan council shall designate one-third of the appointees to serve one-year terms, one-third to serve two-year terms, and one-third to serve three-year terms. In the case of a vacancy the council shall appoint a person to fill the vacancy for the remainder of the unexpired term. The metropolitan council shall name three appointees from the recommendations received from the association of metropolitan municipalities and three from the recommendations received from the cable communications companies operating in the metropolitan area.

Subd. 6. [REGIONAL CHANNEL OPERATOR.] The regional channel entity may operate the regional channel or designate the operator of the regional channel. In the event the regional channel entity designates the operator of the regional channel, the designation must be for an initial period not exceeding three years. Before the expiration of the three-year period, the regional channel entity shall review its designation and consider renewal for a term not exceeding three years. Nothing in this section creates any right to renewal for the operator designated by the regional channel entity.

Sec. 44. Minnesota Statutes 1984, section 250.05, is amended to read:

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

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

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

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

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

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

Subd. 4. The Gillette *children's* hospital board, acting through its board of directors, may contract with the governing body and the owners of the St. Paul Ramsey ~~county hospital~~ *medical center* and of any other hospital or institution, for the joint maintenance and operation of the Gillette *children's* hospital ~~in conjunction with existing or contemplated facilities at the Ramsey county hospital~~. Contracts may include agreements for the joint employment and utilization of personnel, the joint purchase of supplies and equipment, and joint construction, acquisition, or leasing of space for offices, outpatient facilities, operating rooms, and other medical facilities for use in training in

the care and treatment of ~~crippled disabled~~ and handicapped children, the operation of a ~~brace shop~~ *an orthotic/prosthetic laboratory*, and the conduct of patient education programs. No contract shall, however, provide for the expenditure of funds for additional patient bed capacity.

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

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

Sec. 45. Minnesota Statutes 1984, section 254A.04, is amended to read:

254A.04 [CITIZENS ADVISORY COUNCIL.]

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

Sec. 46. Minnesota Statutes 1984, section 270.41, is amended to read:

270.41 [BOARD OF ASSESSORS.]

A board of assessors is hereby created. The board shall be for the purpose of establishing, conducting, reviewing, supervising, coordinating or approving courses in assessment practices, and establishing criteria for determining assessor's qualifications. The board shall also have authority and

responsibility to consider other matters relating to assessment administration brought before it by the commissioner of revenue. The board shall consist of nine members, who shall be appointed by the ~~governor~~ *commissioner of revenue*, in the manner provided herein.

1. Two from the department of revenue,
2. Two county assessors,
3. Two assessors who are not county assessors, one of whom shall be a township assessor, and
4. One from the private appraisal field holding a professional appraisal designation,
5. Two public members as defined by section 214.02.

The appointment provided in 1, 2 and 3, may be made from a ~~list~~ *two lists* of not less than three names ~~each~~, *one* submitted to the ~~governor~~ by the commissioner of revenue ~~containing recommendations for appointees described in 1, by the Minnesota Association of Assessing Officers or its successor organization containing recommendations for the appointment of appointees described in 2, and one by the Minnesota Association of Assessors, Inc. or its successor organization containing recommendations for the appointees described in 3.~~ *The lists must be submitted 30 days before the commencement of the term. In the case of a vacancy, a new list shall be furnished to the governor commissioner by the respective organization immediately. In the event any member of the board shall no longer be engaged in the capacity listed above, he shall automatically be disqualified from membership in the board.*

The board shall annually elect a chairman and a secretary of the board.

Sec. 47. Minnesota Statutes 1984, section 343.01, subdivision 3, is amended to read:

Subd. 3. The society must be governed by a board of directors consisting of seven persons appointed by the governor. The governor, the commissioner of education, and the attorney general, or their designees shall serve as ex officio, nonvoting members of the board. The membership terms, compensation, removal, and filling of vacancies of board members other than ex officio members shall be as provided in section 15.0575; provided that the terms of two initial members shall expire in each of 1979, 1980, and 1981, and the term of the seventh initial member shall expire in 1982. The members of the board shall annually elect a chairman and other officers as deemed necessary. Meetings must be called by the chairman or at least two other members. The ~~governor board~~ shall appoint an executive director who shall serve in the unclassified civil service at the ~~governor's board's~~ *governor's* pleasure ~~for a term coterminous with that of the governor.~~ The executive director may employ other staff who shall serve in the unclassified civil service. The commissioner of administration upon request of the executive director shall supply the board with necessary office space and administrative services, and the board shall reimburse the commissioner for the cost.

Sec. 48. Minnesota Statutes 1984, section 473.129, subdivision 6, is amended to read:

Subd. 6. [PARTICIPATION IN SPECIAL DISTRICT ACTIVITY MET-

ROPOLITAN AREA COMMISSIONS AND BOARDS.] (a) The metropolitan council shall appoint from its membership a member to serve with the metropolitan airports commission, a member to serve with the mosquito control commission, a member to serve on the Minneapolis-St. Paul sanitary district or any successor thereof, and may appoint a member to serve on any metropolitan area commission or board authorized by law. Each member of the metropolitan council so appointed on each of such commissions shall serve without a vote.

(b) *The metropolitan council shall also appoint individuals to the governing body of the cable communications metropolitan interconnected regional channel entity under section 43, subdivision 5.*

Sec. 49. Minnesota Statutes 1984, section 611.215, subdivision 1, is amended to read:

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

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

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

(c) Two public members.

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

Sec. 50. Laws 1984, chapter 654, article 2, section 151, subdivision 2, is amended to read:

Subd. 2. [CREATION OF COUNCIL.] There is created the Minnesota Manufacturing Growth Council whose purpose is to address manufacturing concerns in Minnesota. The council shall consist of 21 members ~~appointed by the governor~~. The ~~governor~~ *commissioner of energy and economic development* shall serve as chairperson of the council. ~~The governor and~~ shall appoint seven members who represent manufacturing labor; seven members who represent manufacturing management; ~~the commissioners of economic security, energy and economic development, and labor and industry;~~ one economist; and two members of the public-at-large. ~~The governor and the commissioners of economic security and labor and industry shall also be members of the council.~~ The ~~governor~~ *commissioner of energy and economic development* shall seek to appoint at least one member representing manufacturing businesses owned or managed by women.

Sec. 51. [MOTION PICTURE AND TELEVISION ADVISORY

COUNCIL; APPOINTING AUTHORITY TRANSFERRED.]

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

Sec. 52. [TERMS OF TELECOMMUNICATIONS COUNCIL MEMBERS.]

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

Sec. 53. [GILLETE CHILDREN'S HOSPITAL BOARD TRANSITION.]

Members of the Gillete children's hospital board on July 31, 1985, carry over as members of the board as restructured by this act and shall elect additional members other than designees.

Sec. 54. [REPEALER.]

Minnesota Statutes 1984, sections 3.29, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11; 16C.01; 238.02, subdivision 4; 238.04; 238.05; 238.06; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; 238.13; 238.14; 238.16, subdivision 1; and 238.17, subdivisions 6, 7, and 8 are repealed.

Sec. 55. [EFFECTIVE DATE.]

Sections 3, 10 to 43, and 48 are effective July 1, 1985."

Delete the title and insert:

"A bill for an act relating to state departments and agencies; transferring authority to make certain appointments to various commissioners; reducing size of alcohol and drug abuse advisory council; abolishing the cable communications board and transferring certain functions to the commissioner of commerce; abolishing the telecommunications council; amending Minnesota Statutes 1984, sections 4.31, subdivision 5; 14.02, subdivision 4; 15.0591, subdivision 2; 16B.20, subdivision 2; 16B.33, subdivision 2; 115.74, subdivision 1; 116C.41, subdivision 2; 121.83; 161.1419, subdivision 2; 238.01; 238.02, subdivision 14, and by adding subdivisions; 238.03; 238.08, subdivisions 2, 3, and 4; 238.11, subdivision 2; 238.15; 238.16, subdivision 2; 238.17, subdivisions 1 and 5; 238.22, by adding subdivisions; 238.24, subdivision 10; 250.05; 254A.04; 270.41; 343.01, subdivision 3; 473.129, subdivision 6; and 611.215, subdivision 1; amending Laws 1984, chapter 654, article 2, section 151, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 238; repealing Minnesota Statutes 1984, sections 3.29, subdivisions 1 to 11; 16C.01; 238.02, subdivision 4; 238.04 to 238.06; 238.09; 238.10; 238.11, subdivision 1; 238.12, subdivision 3; 238.13; 238.14; 238.16, subdivision 1; and 238.17, subdivisions 6, 7, and 8."

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

House Conferees: (Signed) Gil Gutknecht, Elton R. Redalen, Joel Jacobs

Senate Conferees: (Signed) Lawrence J. Pogemiller, Donald A. Storm,

Neil Dieterich

Mr. Pogemiller moved that the foregoing recommendations and Conference Committee Report on H.F. No. 786 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. Knaak moved that the recommendations and Conference Committee Report on H.F. No. 786 be rejected, and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

Mr. Pogemiller moved that H.F. No. 786 be laid on the table. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Frank moved that the following members be excused for a Conference Committee on H.F. No. 847:

Messrs. Frank, Chmielewski and Langseth. The motion prevailed.

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. 276: A bill for an act relating to notaries; providing procedures for various notarial acts; enacting the uniform law on notarial acts; providing that matters to be verified by oath or affirmation may be declared under penalty of perjury; imposing a penalty; amending Minnesota Statutes 1984, sections 358.15; and 609.48, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 358; repealing Minnesota Statutes 1984, sections 358.32 to 358.40.

Senate File No. 276 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. Moe, R.D. moved that S.F. No. 276 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. 401: A bill for an act relating to creditor's remedies; providing for an increase in the amount of farm machines and implements exemption; clarifying the garnishment limitation for the sale of farm products; authorizing the court to allow the respondent in a replevin action to retain or regain possession without posting a bond; authorizing the court to stay an action to recover possession for up to six months; extending the effective period of a garnishee summons; amending Minnesota Statutes 1984, sections 550.37, subdivisions 5, 7, 13, 14, and 24; 565.25, subdivision 2; 571.41, subdivi-

sions 6 and 7; 571.42; 571.495, subdivision 3; and 571.55, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 565.

Senate File No. 401 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. DeCramer moved that the Senate do not concur in the amendments by the House to S.F. No. 401, 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. 615: A bill for an act relating to Lake of the Woods county; authorizing the issuance of bonds for the construction of jetties and related public improvements; and authorizing the levy of special assessments.

Senate File No. 615 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1985

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 615, 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.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Reichgott moved that the following members be excused for a Conference Committee on S.F. No. 196 at 12:00 noon:

Ms. Reichgott, Messrs. Pogemiller and Knaak. The motion prevailed.

REPORTS OF COMMITTEES

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

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

H.F. No. 828 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS

H.F. No. 828 S.F. No. 1246

CONSENT CALENDAR

H.F. No. S.F. No.

CALENDAR

H.F. No. S.F. No.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 828 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 828 and insert the language after the enacting clause of S.F. No. 1246, the first engrossment; further, delete the title of H.F. No. 828 and insert the title of S.F. No. 1246, the first engrossment.

And when so amended H.F. No. 828 will be identical to S.F. No. 1246, and further recommends that H.F. No. 828 be given its second reading and substituted for S.F. No. 1246, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1243 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1243	1002				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1243 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1243 and insert the language after the enacting clause of S.F. No. 1002, the second engrossment; further, delete the title of H.F. No. 1243 and insert the title of S.F. No. 1002, the second engrossment.

And when so amended H.F. No. 1243 will be identical to S.F. No. 1002, and further recommends that H.F. No. 1243 be given its second reading and substituted for S.F. No. 1002, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. Nos. 828 and 1243 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Wegscheid moved that S.F. No. 230 be taken from the table. The motion prevailed.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the proceedings on S.F.

No. 230. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 230: A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing that certain violations do not impair obligations of a contract; providing penalties; providing for certain dollar adjustments; amending Minnesota Statutes 1984, sections 48.151; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1 and 4; 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 230 and that the bill be placed on its repassage as amended.

Mr. Petty moved that the Senate do not concur in the amendments by the House to S.F. No. 230, 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 question was taken on the adoption of the motion of Mr. Petty.

Mr. Wegscheid 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 26 and nays 33, as follows:

Those who voted in the affirmative were:

Berglin	Frank	Lantry	Peterson, C.C.	Vega
Dahl	Freeman	Luther	Peterson, D.C.	Willet
Davis	Hughes	Merriam	Peterson, R.W.	
DeCramer	Johnson, D.J.	Moe, D.M.	Petty	
Diessner	Kroening	Moe, R.D.	Pogemiller	
Dieterich	Langseth	Novak	Stumpf	

Those who voted in the negative were:

Adkins	Chmielewski	Kamrath	Olson	Sieloff
Anderson	Frederick	Knaak	Pehler	Solon
Belanger	Frederickson	Kronebusch	Peterson, D.L.	Storm
Benson	Gustafson	Laidig	Purfeerst	Taylor
Bernhagen	Isackson	Lessard	Ramstad	Wegscheid
Bertram	Johnson, D.E.	McQuaid	Renneke	
Brataas	Jude	Mehrkins	Schmitz	

The motion did not prevail.

The question recurred on the motion of Mr. Wegscheid.

The roll was called, and there were yeas 28 and nays 18, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Kamrath	Mehrkins	Schmitz
Belanger	Frederick	Knaak	Olson	Solon
Benson	Gustafson	Kronebusch	Pehler	Stumpf
Bernhagen	Isackson	Laidig	Peterson, D.L.	Wegscheid
Bertram	Johnson, D.E.	Lessard	Ramstad	
Brataas	Jude	McQuaid	Renneke	

Those who voted in the negative were:

Berg	Frank	Moe, D.M.	Peterson, R.W.	Storm
Davis	Freeman	Novak	Petty	Vega
DeCramer	Luther	Peterson, C.C.	Pogemiller	
Diessner	Merriam	Peterson, D.C.	Reichgott	

The motion prevailed.

S.F. No. 230: A bill for an act relating to commerce; authorizing industrial loan and thrifts to sell certain evidences of indebtedness; authorizing the FDIC to act as receiver or liquidator of closed financial institution and providing a right of subrogation; establishing different certificate of authorization requirements for corporations that will and will not sell or issue thrift certificates; modifying certain application and examination duties of the department of commerce; providing simplified requirements for the issuance of more than one certificate of authorization to the same corporation; clarifying the right of industrial loan and thrifts to collect certain additional loan charges; exempting certain mortgage purchasers and assignees from licensing as regulated lenders; prohibiting industrial loan and thrifts from using the words "savings and loan" in their corporate names; authorizing regulated lenders to make loans up to ten percent of capital; modifying the licensing provisions governing regulated lenders; providing for changes in business locations of regulated lenders; increasing the minimum default charge that may be charged; providing for the determination of interest; authorizing certain additional loan charges; and providing alternative loan disclosure requirements; providing an inflation adjustment for amounts exempt from creditors; providing penalties; amending Minnesota Statutes 1984, sections 48.151; 49.05, by adding subdivisions; 53.03, subdivisions 1, 2, 2a, 3a, 5, 7, 8, and by adding a subdivision; 53.04, subdivision 3a; 53.05; 56.01; 56.04; 56.07; 56.12; 56.125, subdivision 4; 56.131, subdivisions 1, 2, and 4; and 56.19, subdivision 4, and by adding a subdivision; and 550.37, subdivision 4a; repealing Minnesota Statutes 1984, section 53.03, subdivision 4.

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.

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

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

The roll was called, and there were yeas 33 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Frederick	Knutson	Olson	Solon
Belanger	Frederickson	Kronebusch	Pehler	Storm
Benson	Gustafson	Laidig	Peterson, D.L.	Stumpf
Bernhagen	Johnson, D.E.	Langseth	Ramstad	Taylor
Bertram	Jude	Lessard	Renneke	Wegscheid
Brataas	Kamrath	McQuaid	Schmitz	
Chmielewski	Knaak	Mehrkins	Sieloff	

Those who voted in the negative were:

Anderson	Diessner	Kroening	Nelson	Pogemiller
Berg	Dieterich	Lantry	Novak	Purfeerst
Berglin	Frank	Luther	Peterson, C.C.	Reichgott
Dahl	Freeman	Merriam	Peterson, D.C.	Samuelson
Davis	Isackson	Moe, D.M.	Peterson, R.W.	Vega
DeCramer	Johnson, D.J.	Moe, R.D.	Petty	Willet

So the bill, as amended, failed to pass.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Wegscheid introduced—

S.F. No. 1562: A bill for an act relating to licenses; requiring operators of campgrounds and mobile home parks to procure a license; amending Minnesota Statutes 1984, section 157.03.

Referred to the Committee on Economic Development and Commerce.

Mr. Dicklich introduced—

S.F. No. 1563: A bill for an act relating to insurance; accident and health; preserving insurability after waiving group health insurance coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Health and Human Services.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Luther, for Mr. Moe, R.D., Chairman of the Subcommittee on Bill Scheduling, designated the following bill a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 957: A bill for an act relating to agriculture; providing that local governments may enter agreements; providing for soil conservation; imposing a penalty; amending Minnesota Statutes 1984, sections 40.19, subdivisions 1, 2, 5, 6, 7, 8, 9, 11, 13, and by adding subdivisions; 40.20; 40.21; 40.22, subdivisions 1 and 2; 40.23; 40.25; 40.26; 40.28; proposing coding for new law in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, section 40.19, subdivisions 3, 4, 10, 12, 14, and 15.

Mr. Davis moved that the amendment made to H.F. No. 957 by the Committee on Rules and Administration in the report adopted May 17, 1985, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Davis moved to amend H.F. No. 957 as follows:

Page 12, line 14, after "15," insert "*and section 40.24*"

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Davis then moved to amend H.F. No. 957 as follows:

Page 12, after line 11, insert:

"Sec. 23. Laws 1979, chapter 315, section 1, is amended to read:

Section 1. [PURPOSES; OBJECTIVES.] The legislature hereby declares it to be the policy of the state to assure that Minnesota lands that are well suited for the production of agricultural products be used and managed primarily for that purpose by:

- (a) Maintaining optimum agricultural production;
- (b) Permanently preserving certain parcels of prime agricultural and open space land from conversion to other uses;
- (c) Attempting to guide growth and development to utilize land, resources, and capital most effectively; ~~and~~
- (d) Providing relief from escalating property taxes and special assessments in agricultural areas subject to development pressures; *and*
- (e) *Preventing excessive soil and water erosion.*

The legislature further finds that the public purposes to be served by this policy will be best met by:

- (a) Defining and locating lands well suited for the production of agricultural products;
- (b) Assuring that state agencies conduct their activities in a manner that considers and seeks to minimize negative impacts on agricultural activities, in accordance with other social, economic and environmental considerations;
- (c) Assuring that public agencies employ and promote the use of management procedures which maintain or enhance the natural productivity of lands well suited to the production of agricultural products; ~~and~~

(d) Providing units of local government with tools and incentives to prevent the unplanned and unscheduled conversion of agricultural and open space lands to other uses; and

(e) Providing state agencies and units of local government with adequate support to prevent excessive soil erosions through soil and water conservation.

Sec. 24. Laws 1979, chapter 315, section 2, as amended by Laws 1981, chapter 78, section 1; Laws 1982, chapter 512, section 10; and Laws 1984, chapter 569, section 12, is amended to read:

Sec. 2. [JOINT LEGISLATIVE COMMITTEE.]

A joint legislative committee on agricultural land preservation and soil and water conservation shall be established by July 1, 1979, and shall expire by June 30, 1994, unless extended by legislative action. The committee shall be composed of eight members of the house of representatives from the transportation, agriculture, environment and natural resources, local and urban affairs, and tax committees appointed by the speaker and the chairman of the committee on rules and legislative administration; and eight members of the senate from the transportation, agriculture and natural resources, local government, tax, and governmental operations committees appointed by the subcommittee on committees. The committee shall elect a chairman from among its members. The expenses of and per diem payments to committee members shall be paid from the legislative expense fund of their respective body upon approval of the chairman of the joint committee. Other expenses of the committee shall be evenly divided between the house of representatives and the senate."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "soil" insert "and water"

Page 1, line 8, before "proposing" insert "Laws 1979, chapter 315, sections 1; and 2, as amended;"

The motion prevailed. So the amendment was adopted.

H.F. No. 957 was then progressed.

RECESS

Mr. Luther moved that the Senate do now recess until 12:30 p.m. The motion prevailed.

The hour of 12:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 1639 at 10:30 a.m.:

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

The question recurred on H.F. No. 957.

SPECIAL ORDER

H.F. No. 957: A bill for an act relating to agriculture; providing that local governments may enter agreements; providing for soil conservation; imposing a penalty; amending Minnesota Statutes 1984, sections 40.19, subdivisions 1, 2, 5, 6, 7, 8, 9, 11, 13, and by adding subdivisions; 40.20; 40.21; 40.22, subdivisions 1 and 2; 40.23; 40.25; 40.26; 40.28; proposing coding for new law in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, section 40.19, subdivisions 3, 4, 10, 12, 14, and 15.

Mr. Bernhagen moved to amend H.F. No. 957 as follows:

Page 4, line 16, before "Each" insert "*Subdivision 1.*"

Page 4, after line 30, insert:

"Subd. 2. [EFFECTIVE DATE AND REFERENDUM.] An ordinance adopted under this section is not effective until 60 days after adoption. If within 60 days after adoption of an ordinance, a petition signed by voters equal to or greater than ten percent of the votes cast in the county, statutory or home rule charter city, or town in the last general election requesting a referendum on the proposed ordinance is filed with the clerk, the ordinance is not effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the ordinance are in the affirmative."

CALL OF THE SENATE

Mr. Davis imposed a call of the Senate for the balance of the proceedings on H.F. No. 957. 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 22 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Johnson, D.E.	Olson	Storm
Anderson	Bertram	Kamrath	Peterson, D.L.	Stumpf
Belanger	Brataas	Knutson	Ramstad	
Benson	Frederick	Kronebusch	Renneke	
Berg	Isackson	McQuaid	Sieloff	

Those who voted in the negative were:

Berglin	Dicklich	Kroening	Merriam	Peterson, D.C.
Chmielewski	Diessner	Langseth	Moe, R.D.	Peterson, R.W.
Dahl	Dieterich	Lantry	Nelson	Petty
Davis	Frank	Lessard	Pehler	Vega
DeCramer	Freeman	Luther	Peterson, C.C.	

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

Mr. Renneke moved to amend H.F. No. 957 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [40.037] [ENCOURAGEMENT OF PARTICIPATION IN CONTRACTS AND VOLUNTARY EFFORTS.]

Subdivision 1. [FAILURE TO COMPLY WITH MINIMUM EROSION RATES.] In those districts where cost-sharing programs for erosion control and water management are being implemented pursuant to section 40.036, the district board shall use all methods available in section 40.036 to encourage participation with cost-sharing contracts and other voluntary efforts. If a district exhausts all of those methods and a land occupier permits average annual soil loss in excess of 15 tons per acre, or a lower rate established by the district board, the district board may issue an official warning to the owner of the land.

Subd. 2. [OFFICIAL WARNING; CONTENTS; EFFECT; PENALTIES.] An official warning issued to a land owner pursuant to section 1 must refer the owner to this section and must detail the time during which the owner must reduce soil loss to acceptable levels and the penalties for failure to do so. After one year from the official warning, if the owner has not reduced soil loss to acceptable levels, a civil penalty of up to \$500 may be imposed. If the land owner is approved for cost-sharing assistance and has not reduced soil loss to acceptable levels within one year of issuance of the warning, the state's share of the cost-sharing contract is reduced by one-third.

Subd. 3. [OTHER REMEDIES.] In addition to other remedies available in section 40.036 and this section, the district board may institute appropriate actions or proceedings to prevent, restrain, correct, or abate conditions causing average annual soil loss in excess of acceptable levels.

Sec. 2. [REPEALER.]

Minnesota Statutes 1984, sections 40.19; 40.20; 40.21; 40.22; 40.23; 40.24; 40.25; 40.26; 40.27; and 40.28 are repealed."

Delete the title and insert:

"A bill for an act relating to soil and water conservation; providing additional methods to state and local boards for the encouragement of participation in erosion control projects; imposing a penalty; appropriating money; proposing new law coded in Minnesota Statutes, chapter 40; repealing Minnesota Statutes 1984, sections 40.19; 40.20; 40.21; 40.22; 40.23; 40.24; 40.25; 40.26; 40.27; and 40.28."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 8 and nays 35, as follows:

Those who voted in the affirmative were:

Berglin
Brataas

DeCramer
Gustafson

McQuaid
Mehrkens

Merriam

Renneke

Those who voted in the negative were:

Adkins	Chmielewski	Isackson	Lantry	Peterson, R.W.
Anderson	Dahl	Johnson, D.E.	Lessard	Petty
Belanger	Davis	Jude	Luther	Ramstad
Benson	Diessner	Kamrath	Nelson	Sieloff
Berg	Dieterich	Kronebusch	Pehler	Storm
Bernhagen	Frank	Laidig	Peterson, C.C.	Stumpf
Bertram	Frederick	Langseth	Peterson, D.C.	Vega

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

H.F. No. 957 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 44 and nays 6, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Merriam	Petty
Anderson	Diessner	Kronebusch	Nelson	Purfeerst
Belanger	Dieterich	Laidig	Novak	Ramstad
Berg	Frank	Langseth	Olson	Schmitz
Berglin	Freeman	Lantry	Pehler	Sieloff
Brataas	Gustafson	Lessard	Peterson, C.C.	Storm
Chmielewski	Hughes	Luther	Peterson, D.C.	Stumpf
Dahl	Isackson	McQuaid	Peterson, D.L.	Vega
Davis	Johnson, D.E.	Mehrkins	Peterson, R.W.	

Those who voted in the negative were:

Benson	Bertram	Frederick	Kamrath	Renneke
Bernhagen				

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

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Luther, for 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. 1458: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Mr. Dahl moved to amend H.F. No. 1458 as follows:

Delete the amendments recommended by the Committee on Finance, adopted by the Senate May 14, 1985

Page 2, line 25, delete "\$230,000" and insert "\$160,500"

The motion prevailed. So the amendment was adopted.

H.F. No. 1458 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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kamrath	Nelson	Renneke
Anderson	Diessner	Knutson	Novak	Schmitz
Belanger	Dieterich	Kronebusch	Olson	Sieloff
Berg	Frank	Lantry	Pehler	Storm
Berglin	Frederick	Lessard	Peterson, C. C.	Stumpf
Bernhagen	Freeman	Luther	Peterson, D. C.	Taylor
Bertram	Gustafson	McQuaid	Peterson, D. L.	Vega
Chmielewski	Hughes	Mehrrens	Peterson, R. W.	
Dahl	Isackson	Merriam	Petty	
Davis	Jude	Moe, R. D.	Ramstad	

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

SPECIAL ORDER

H.F. No. 856: A bill for an act relating to taxation; imposing an additional tax on certain interest earned on state or municipal obligations; providing an income tax credit for certain interest paid on those obligations; amending Minnesota Statutes 1984, section 290.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Pursuant to Rule 22, Mr. Jude moved that he be excused from voting on all questions on H.F. No. 856. The motion prevailed.

Mr. Nelson moved to amend H.F. No. 856, as amended pursuant to Rule 49, adopted by the Senate May 16, 1985, as follows:

(The text of the amended House File is identical to S.F. No. 854.)

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 116.16, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section and sections 116.17 and 116.18:

(1) Agency means the Minnesota pollution control agency created by this chapter;

(2) Municipality means any county, city, and town, the metropolitan waste control commission established in chapter 473 and the metropolitan council when acting under the provisions of that chapter or an Indian tribe or an authorized Indian tribal organization, and any other governmental subdivision of the state responsible by law for the prevention, control, and abatement of water pollution in any area of the state;

(3) Pollution control fund means the Minnesota state water pollution control fund created by subdivision 1;

(4) Bond account means the Minnesota state water pollution control bond account created in the state bond fund by section 116.17, subdivision 4;

(5) Terms defined in section 115.01 have the meanings therein given them;

(6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifica-

tions, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

(7) For state *independent grant and matching* grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1314, et seq.

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds, *the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or subdivision 1a, that are in existence on January 1, 1985*, and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include ~~the provision of collector sewers as defined in agency rules~~, the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

Sec. 2. [116.162] [STATE GRANT PROGRAM FOR COMBINED SEWER OVERFLOW.]

Subdivision 1. [DEFINITIONS.] (a) Except as otherwise provided in this section, the terms used in this section have the meanings given in section 116.16, subdivision 2.

(b) "Combined sewer" means a sewer that is designed and intended to serve as a sanitary sewer and a storm sewer, or as an industrial sewer and a storm sewer.

(c) "Combined sewer overflow" means a discharge of a combination of storm and sanitary wastewater or storm and industrial wastewater directly or indirectly into the waters of the state, occurring when the volume of wastewater flow exceeds the conveyance or storage capacity of a combined sewer system.

Subd. 2. [PROGRAM PURPOSE.] The agency shall administer a state grant program to assist eligible recipients to abate combined sewer overflow to the Mississippi river from its confluence with the Rum river to its confluence with the St. Croix river.

Subd. 3. [ELIGIBLE RECIPIENTS.] A statutory or home rule charter city is eligible for grants under the program if the city has a permit, stipulation agreement, consent decree, or order issued by the agency requiring construction to abate combined sewer overflow and if the city adopts an approved plan to abate combined sewer overflow.

Subd. 4. [ELIGIBLE COSTS.] The eligible costs under this section include the costs listed in section 116.16, subdivision 2, paragraph (6), as determined by the agency, using as guidelines the regulations promulgated

by the United States environmental protection agency under the Federal Water Pollution Control Act, United States Code, title 33, sections 1314 to 1328, except that the eligible costs include easements necessary for implementing the combined sewer overflow abatement plan and do not include:

- (1) the preparation of combined sewer overflow abatement plans;
- (2) acquisition of interests in real property other than easements;
- (3) storm water treatment facilities;
- (4) costs for a program to disconnect any structures or devices, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer;
- (5) costs incurred before the effective date of this section; and
- (6) costs incurred after the effective date of this section but without prior written approval of the agency.

Subd. 5. [GRANT PROGRAM.] The agency shall annually award grants to eligible recipients in that year for combined sewer overflow projects. The agency shall determine eligible costs for each eligible recipient and compare those individual costs to the total eligible cost required to abate combined sewer overflows. This comparison determines each eligible recipient's proportionate share of the costs, and the appropriation for the program must be distributed among eligible recipients according to their proportionate share.

Subd. 6. [GRANT CONDITIONS; ADMINISTRATION.] (a) A recipient of a grant under this section shall construct the combined sewer overflow abatement facilities in accordance with the construction schedule contained in the permit, stipulation agreement, consent decree, or order issued by the agency. The agency shall require that the construction schedule to abate combined sewer overflow be completed within ten years. As a condition of receiving a grant, the recipient shall implement a program approved by the agency to disconnect any structures or devices, excluding catch basins on public property, constructed to direct or convey storm water, snow melt, or surface water from private or public property into a public sanitary or combined sewer. The deadlines for submittal of facilities plans, plans and specifications, and other documents to the agency for a grant are governed by the construction schedule contained in the permit, stipulation agreement, consent decree, or order issued by the agency requiring combined sewer overflow abatement construction.

(b) A recipient of a grant under this section is not eligible to receive a grant to abate combined sewer overflow under the state independent grants program.

Subd. 7. [RULES.] The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of the grant program established by this section. The rules must contain as a minimum:

- (1) procedures for application;
- (2) criteria for eligibility of combined sewer overflow abatement projects;
- (3) conditions for use of the grants;

(4) *procedures for the administration of grants; and*

(5) *other matters that the agency finds necessary for the proper administration of the program.*

Sec. 3. Minnesota Statutes 1984, section 116.18, subdivision 1, is amended to read:

Subdivision 1. [APPROPRIATION FROM THE FUND.] The sum of \$167,000,000, or so much thereof as may be necessary, is appropriated from the Minnesota state water pollution control fund in the state treasury to the pollution control agency, for the period commencing on July 23, 1971 ~~and ending June 30, 1985~~, to be granted and disbursed to municipalities and agencies of the state in aid of the construction of projects conforming to section 116.16, in accordance with the rules, priorities, and criteria therein described.

Sec. 4. Minnesota Statutes 1984, section 116.18, subdivision 2a, is amended to read:

Subd. 2a. [STATE MATCHING GRANTS PROGRAM BEGINNING OCTOBER 1, 1984.] For projects tendered, on or after October 1, 1984, a grant of federal money under section 201(g), section 202, 203, or 206(f) of the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1251 to 1376, at 55 percent or more of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended for up to ~~45~~ 30 percent of the eligible cost of construction for municipalities for which the construction would otherwise impose significant financial hardship; provided, that not less than ~~25~~ ten percent of the eligible cost must be paid by the municipality or agency constructing the project. If a municipality is tendered federal and state grants in a percentage cumulatively exceeding ~~75~~ 90 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to ensure that not less than ~~25~~ ten percent of the eligible cost will be paid by the municipality. The amounts of the matching grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation.

Sec. 5. Minnesota Statutes 1984, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) The agency may award independent grants for projects for 50 percent or, if the agency requires advanced treatment, 65 percent of the eligible cost of construction. The agency may award independent grants for up to an additional ~~45~~ 30 percent or, if the agency requires advanced treatment, up to an additional ~~ten~~ 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. ~~Not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded for projects for the control of combined sewer overflow as defined by federal regulation.~~ Until December 31, 1990, not more than 20

percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the commissioner of energy and economic development at the beginning of each fiscal year, and the commissioner shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside shall be used by the agency to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and ~~apply to be reimbursed in the~~ a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the agency may commit in any single fiscal year is equal to the amount newly appropriated ~~under subdivision 1 to the state grants programs~~ for that year.

Sec. 6. [116.19] [MUNICIPAL POWERS.]

Subdivision 1. [PURPOSE.] Notwithstanding a statute or home rule charter to the contrary, a recipient of a grant from the agency may exercise the authority provided in this section to abate combined sewer overflow or provide money to pay all or part of the costs of the abatement and of making improvements to any utility required to effect the abatement.

Subd. 2. [GENERAL.] A recipient may acquire real or personal property by purchase, including installment purchase, lease, including a financing lease, condemnation, gift, or grant, or may sell real or personal property at its fair market value determined by the recipient and simultaneously enter into an installment purchase or lease, including a financing lease, for purposes of reacquiring real or personal property. A recipient may construct, enlarge, improve, replace, repair, maintain, and operate a public sewer system, including storm sewers, sanitary sewers, and facilities for separating storm sewers from combined storm and sanitary sewers, or any other public utilities combined with the public sewer system as provided in this section. To accomplish these purposes, a recipient may exercise the powers granted a municipality by chapters 115, 117, 412, 429, 435, 444, 471, and 475, and may combine the public sewer system, for purposes of operation or revenue collection or both or for other purposes the city council determines, with one or more other public utilities. Charges for the services provided by a combined utility may be determined in any reasonable manner.

Subd. 3. [DEBT.] A recipient may incur indebtedness and may issue and sell bonds or other obligations, including notes, an installment purchase contract, or obligations to make payments under a financing lease, and pledge the full faith and credit of the city to its payment for storm and sanitary sewers and systems without submitting the question of issuing the bonds, or otherwise incurring the obligations, to the electors. The bonds or other obligations may be issued in one or more series, may bear interest at the rate or rates, including floating rates, and may be sold at public or private sale and

at the price the recipient determines. A recipient may, in addition to or in substitution for the pledge of its full faith and credit, pledge the revenues or net revenues of its public sewer system or a combined utility or a part of it, or mortgage the assets of the system or combined utility. A recipient may vest in a trustee or trustees, located within or outside the state, the right to enforce any covenants made to secure or to pay the bonds or other obligations, and may determine the powers and duties of the trustee or trustees. Except as provided in this section, the bonds or other obligations must be issued and sold according to chapter 475.

Subd. 4. [PROPERTY TAX.] In addition and supplemental to the grants of authority in subdivisions 2 and 3, the governing body may establish a special taxing district or districts within the corporate limits of the city that include some or all of the real or personal property served by a combined sewer separated after the effective date of this section, and may levy and collect ad valorem taxes in the district or districts for the purposes of this section. The taxes must be collected by the county and paid over to the city as are other taxes. The taxes are not restricted by any other tax levy limitations imposed upon the city by any other law or charter provision.

Subd. 5. [ASSESSMENTS.] The governing body of the city may divide the city into drainage districts or areas, and may levy and collect assessments based on benefit to property, whether the benefit be direct or indirect, and the assessments so levied may be based upon the existing or highest and best land usage, square footage, front footage or area. The assessments may be levied in accordance with the procedures set forth in the city's home rule charter, if any, or chapter 429, as the council determines. The assessments may be levied and collected from all property whether public or private, and in the case of public property the agency of government responsible for the property must provide the necessary money in its budget request.

Subd. 6. [PRIVATE FINANCE.] To secure financing for the purposes of this section, the governing body of the city may use private financing methods, such as private ownership and construction by any means available to the owner of new facilities to benefit the city under a lease, financing lease, installment purchase agreement or service contract, or the sale or mortgaging of all or part of the city's existing public sewer system, combined utility including the public sewer system, or water utility, to benefit the city under a lease, financing lease, installment purchase agreement or service contract. The private financing methods are not subject to any limitations imposed by a home rule charter, if any, or by chapter 475. Any property benefiting the city under the private financing methods is exempt from taxation and the payment of amounts in lieu of taxes to the same extent as property owned by the city.

Sec. 7. [116.46] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 7 to 9 and section 15.

Subd. 2. [AGENCY.] "Agency" means the pollution control agency.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 4. [ELEVATED BLOOD LEAD LEVEL.] "Elevated blood lead level" means a confirmed concentration of 25 micrograms or more of lead in

each deciliter of whole blood.

Subd. 5. [RESPONSE ACTION.] 'Response action' means action to limit exposure to lead contaminated soil sites, including fencing, covering sites with vegetation, removal and replacement of contaminated soil, and other appropriate measures.

Sec. 8. [116.47] [IDENTIFICATION OF LEAD CONTAMINATED SOIL SITES.]

Subdivision 1. [PRELIMINARY SCREENING.] By January 1, 1986, the agency must identify and develop a preliminary list of sites in the state where significant concentrations of lead in soil are likely and where the probability exists for children's contact with the soil. In identifying these sites the agency must consider:

- (1) both stationary and mobile lead emission sources;*
- (2) dispersion and depositional patterns of lead emissions; and*

(3) the presence of populations susceptible to lead exposure or lead absorption, including children at day care centers, schools, parks, and playgrounds, children who have elevated levels of lead in their blood, and children whose socioeconomic status has given them a higher exposure to lead or increased lead absorption.

Subd. 2. [SOIL TESTING.] By January 1, 1987, the agency must sample sites on the preliminary list to determine the concentration of lead in the soil. The agency must refer sites to the commissioner where lead in the soil exceeds the interim standard for lead in the soil of 1,000 parts per million. After adoption of the rules under section 9, subdivision 1, the agency shall refer to the commissioner all sites with concentrations above the standard for lead in soil.

Subd. 3. [ACCESS TO PROPERTY.] The agency or a person authorized by the agency may, upon presentation of credentials, enter public or private property to conduct surveys or investigations.

Subd. 4. [HEALTH SCREENING.] For each site referred by the agency, the commissioner must review the existing health data on the resident population or collect data on the level of lead in the blood if the present data are inadequate. If the level of lead in the blood is elevated in a population at a site, the commissioner shall examine the site for all sources of lead exposure and report to the agency findings and recommendations to reduce the level of lead in the blood.

Sec. 9. [116.48] [RULES.]

Subdivision 1. [STANDARD FOR LEAD IN SOIL.] By January 1, 1988, the agency shall adopt rules that establish a standard of lead contamination in the soil that threatens the health or welfare of susceptible populations.

Subd. 2. [PRIORITIES FOR RESPONSE ACTION.] By January 1, 1988, the agency must adopt rules establishing the priority for response actions. The rules must consider the potential for children's contact with the soil and the existing level of lead in the soil and may consider the relative risk to the public health, the size of the population at risk, and blood lead levels of resident populations.

Sec. 10. [REPORT ON LEAD CONTAMINATION IN THE SOIL.]

By January 1, 1987, the pollution control agency shall submit a report to the senate and house committees on health and human services describing the extent of lead contamination in the soil, the lead levels in the blood of populations at contaminated sites, the size of the population at risk from exposure to lead in the soil, and an estimate of the cost of response actions required to prevent exposure to soil contaminated by lead.

Sec. 11. [124.252] [SMOKING PREVENTION PROGRAMS.]

Subdivision 1. [ELIGIBILITY AND PURPOSE.] Each school board that institutes a smoking prevention program that meets the criteria in subdivision 2 and submits the proposed program to the commissioner of education is eligible for state aid for the following purposes:

- (1) inservice training for public and nonpublic school staff;
- (2) smoking prevention curriculums including materials;
- (3) community and parent awareness programs; and
- (4) evaluation of curriculum and programs for smoking prevention.

Subd. 2. [CRITERIA.] A smoking prevention curriculum must include at least the following components:

- (1) inservice training of teachers and staff;
- (2) evaluation of programs and curriculum results;
- (3) a kindergarten through grade 12 continuum of educational intervention related to smoking; and
- (4) targeted intervention on smoking onset for students who are 12 to 14 years old based on evaluated curriculums that have been shown to reduce smoking onset rates.

Subd. 3. [DISTRICT AID.] An eligible district must receive 52 cents in fiscal year 1986 and 54 cents in fiscal year 1987 and thereafter for each pupil, in average daily membership, enrolled in a public elementary, secondary, or area vocational technical institute or nonpublic elementary or secondary school. Aid for nonpublic school pupils must be paid to the district upon request by or on behalf of the pupils. A school district must not receive less than \$1,000 in fiscal year 1986 and \$1,040 in fiscal year 1987.

Subd. 4. [APPLICATIONS.] A district that is eligible for aid shall apply to the commissioner of education by October 1 of each school year on a form supplied by the commissioner.

Subd. 5. [ASSISTANCE TO DISTRICTS.] The commissioner of education, with the consultation and assistance of the commissioner of health, shall:

- (1) provide technical assistance to districts for the development, implementation, and evaluation of smoking prevention curriculum and programs;
- (2) provide to districts information about evaluation results of various curriculums as reported in the scientific literature and elsewhere; and
- (3) collect information from districts about prevention programs and

evaluation results.

Sec. 12. [144.391] [PUBLIC POLICY.]

The legislature finds that:

- (1) smoking causes premature death, disability, and chronic disease, including cancer and heart disease, and lung disease;*
- (2) smoking related diseases result in excess medical care costs; and*
- (3) smoking initiation occurs primarily in adolescence.*

The legislature desires to prevent young people from starting to smoke, to encourage and assist smokers to quit, and to promote clean indoor air.

Sec. 13. [144.392] [DUTIES OF THE COMMISSIONER.]

The commissioner of health shall:

- (1) provide assistance to workplaces to develop policies that promote nonsmoking and are consistent with the Minnesota clean indoor air act;*
- (2) provide technical assistance, including design and evaluation methods, materials, and training to local health departments, communities, and other organizations that undertake community programs for the promotion of nonsmoking;*
- (3) collect and disseminate information and materials for smoking prevention;*
- (4) evaluate new and existing nonsmoking programs on a statewide and regional basis using scientific evaluation methods;*
- (5) conduct surveys in school-based populations regarding the epidemiology of smoking behavior, knowledge, and attitudes related to smoking, and the penetration of statewide smoking control programs; and*
- (6) report to the legislature each biennium on activities undertaken, smoking rates in the population and subgroups of the total population, evaluation activities and results of those activities, and recommendations for further action.*

Sec. 14. [144.393] [PUBLIC COMMUNICATIONS PROGRAM.]

The commissioner may conduct a long-term coordinated public information program that includes public service announcements, public education forums, mass media, and written materials. The program must promote nonsmoking and include background survey research and evaluation. The program must be designed to run over at least five years, subject to the availability of money.

Sec. 15. [144.491] [COMMISSIONER'S DUTIES RELATING TO LEAD ABSORPTION.]

The commissioner of health shall:

- (1) provide coordination and advice to community programs that test children for lead in their blood to assure that these testing services are conducted in a safe and appropriate manner, are targeted to children throughout the state at risk to lead contamination or absorption, and generate data*

that may be analyzed on a statewide basis;

(2) provide coordination and advice of local lead absorption testing programs, to assure adequate skill and efficiency, to the laboratories within the state that conduct Erythrocyte Protoporphyrin testing, confirmatory blood lead testing, and testing of paint chips and other environmental lead sources;

(3) provide public and professional education concerning lead contamination or absorption and its health effects on children;

(4) review state and local housing codes and advise the governing bodies and administrative departments adopting or administering the codes to insure that the hazard of absorption and contamination from leaded paint is adequately addressed and considered, and provide technical support for enforcement of the codes by local health departments and local building inspection departments; and

(5) study and determine the extent of exposure to lead in drinking water caused by plumbing and develop recommendations and techniques for reducing this exposure.

Sec. 16. Minnesota Statutes 1984, section 144.70, is amended to read:

144.70 [ANNUAL BIENNIAL REPORT.]

Subdivision 1. [CONTENT.] The commissioner of health shall prepare and prior to each legislative session a report every two years concerning the status and operations of the health care markets in Minnesota. The commissioner of health shall transmit the reports to the governor and to the members of the legislature ~~an annual~~. The first report ~~of~~ must be submitted on January 15, 1987, and succeeding reports on January 15 every two years thereafter. Each report must contain information, analysis, and appropriate recommendations concerning the following issues associated with Minnesota health care markets:

(1) the overall status of the health care cost problem, including the costs faced by employers and individuals, and prospects for the problem's improving or getting worse;

(2) the status of competitive forces in the market for health services and the market for health plans, and the effect of the forces on the health care cost problem;

(3) the feasibility and cost-effectiveness of facilitating development of strengthened competitive forces through state initiatives;

(4) the feasibility of limiting health care costs by means other than competitive forces, including direct forms of government intervention such as price regulation; the commissioner of health may exclude this issue from the report if the report concludes that the overall status of the health care cost problem is improving, or that competitive forces are contributing significantly to health care cost containment;

(5) the overall status of access to adequate health services by citizens of Minnesota, the scope of financial and geographic barriers to access, the effect of competitive forces on access, and prospects for access improving or getting worse;

(6) the feasibility and cost-effectiveness of enhancing access to adequate

health services by citizens of Minnesota through state initiatives; and

(7) the commissioner of health's operations and activities for the preceding ~~fiscal year~~ *two years* as they relate to the duties imposed on the commissioner of health by sections 144.695 to 144.703. ~~This report shall include a compilation of all summaries and reports required by sections 144.695 to 144.703 together with any findings and recommendations of the commissioner of health.~~

Subd. 2. [INTERAGENCY COOPERATION.] *In completing the report required by subdivision 1, in fulfilling the requirements of sections 144.695 to 144.703, and in undertaking other initiatives concerning health care costs, access, or quality, the commissioner of health shall cooperate with and consider potential benefits to other state agencies that have a role in the market for health services or the market for health plans. Other agencies include the department of employee relations, as administrator of the state employee health benefits program; the department of human services, as administrator of health services entitlement programs; the department of commerce, in its regulation of health plans; the department of labor and industry, in its regulation of health service costs under workers' compensation; and the state planning agency, in its planning for the state's health service needs.*

Sec. 17. [MANDATED BENEFITS COMMISSION.]

If the governor, during fiscal year 1986, establishes a special commission to study and make recommendations on the appropriate content of the mandated or minimum benefits to be required of health plans in Minnesota, representation on the commission must include:

(1) *one member from the state planning agency, who shall chair the commission;*

(2) *two members from the senate of the state of Minnesota, one from the majority party and one from the minority party;*

(3) *two members from the house of representatives of the state of Minnesota, one from the majority party and one from the minority party;*

(4) *one member from the Minnesota department of commerce;*

(5) *one member from the Minnesota department of health;*

(6) *one member representing Minnesota counties;*

(7) *one member representing Minnesota employers;*

(8) *one member representing health insurance companies, one member representing health maintenance organizations, and one member representing nonprofit health service plans;*

(9) *two members representing the providers of health services;*

(10) *one member representing labor; and*

(11) *one member representing low income consumers.*

Sec. 18. [144.95] [MOSQUITO RESEARCH PROGRAM.]

Subdivision 1. [RESEARCH PROGRAM.] *The commissioner of health*

shall establish and maintain a long-range program of research to study:

(1) the basic biology, distribution, population ecology, and biosystematics of Minnesota mosquitoes;

(2) the impact of mosquitoes on human and animal health and the economy, including such areas as recreation, tourism, and livestock production;

(3) the baseline population and environmental status of organisms other than mosquitoes that may be affected by mosquito management;

(4) the effects of mosquito management strategies on animals and plants that may result in changes in ecology of specific areas;

(5) the development of mosquito management strategies that are effective, practical, and environmentally safe;

(6) the costs and benefits of development of local and regional management and educational programs.

Subd. 2. [RESEARCH FACILITY AND FIELD STATIONS.] (a) The commissioner of health shall establish and maintain mosquito management research and development facilities, including but not limited to field research stations in the major mosquito ecologic regions and a center for basic mosquito management research and development. The commissioner shall, to the extent possible, contract with the University of Minnesota in establishing, maintaining, and staffing the research facilities.

(b) The commissioner of health shall establish and implement a program of contractual research grants with public and private agencies and individuals in order to:

(1) undertake supplemental research studies on basic mosquito biology, physiology, and life cycle history beyond those described in subdivision 1;

(2) undertake research into the effects of mosquitoes on human health, including vector-borne diseases, and on animal health, including agricultural and wildlife effects;

(3) undertake studies of other economic factors including tourism and recreation;

(4) collect and analyze baseline data on the ecology and distribution of organisms other than mosquitoes that may be affected as a result of mosquito management strategies;

(5) develop new, effective, practical, and biologically compatible control methods and materials;

(6) conduct additional monitoring of the environmental effects of mosquito control methods and materials;

(7) undertake demonstration, training, and education programs for development of local and regional mosquito management programs.

Subd. 3. [CONDUCT RESEARCH TRIALS.] The commissioner of health may develop and conduct research trials of mosquito management methods and materials. Trials may be conducted, with the agreement of the public or private landholder, wherever and whenever the commissioner considers necessary to provide accurate data for determining the efficacy of

a method or material in controlling mosquitoes.

Subd. 4. [RESEARCH TRIALS.] *Research trials of mosquito management methods and materials are subject to the following laws and rules unless a specific written exemption, license, or waiver is granted; sections 97.48, 97.488, 98.48, 105.38, 105.41, and 105.463; and Minnesota Rules, chapters 1505, 6115, 6120, 6134, and 6140.*

Subd. 5. [GENERAL AUTHORITY.] *(a) To carry out subdivisions 1 to 4, the commissioner of health may:*

- (1) accept money, property, or services from any source;*
- (2) receive and hold lands;*
- (3) accept gifts;*
- (4) cooperate with city, state, federal, or private agencies whose research on mosquito control or on other environmental matters may be affected by the commissioner's mosquito management and research activities; and*
- (5) enter into contracts with any public or private entity.*

(b) The contracts must specify the duties performed, services provided, and the amount and method of reimbursement for them. Money collected by the commissioner under contracts made under this subdivision is appropriated to the commissioner for the purposes specified in the contracts. Contractual agreements must be processed under section 16B.17.

Subd. 6. [AUTHORITY TO ENTER PROPERTY.] *The commissioner of health, officers, employees, or agents may, with express permission of the owner, enter upon any property at reasonable times to:*

- (1) determine whether mosquito breeding exists;*
- (2) examine, count, study, or collect laboratory samples to determine the property's geographic, geologic, and biologic characteristics; or*
- (3) study and collect laboratory samples to determine the effect on animals and vegetation of an insecticide, herbicide, or other method used to control mosquitoes.*

Subd. 7. [RESEARCH PLOTS.] *The commissioner of health may lease and maintain experimental plots of land for mosquito research. The commissioner of health shall determine the locations of the experimental plots and may enter into agreements with any public or private agency or individual to lease the land. The commissioners of agriculture, natural resources, transportation, iron range resources and rehabilitation, and energy and economic development shall cooperate with the commissioner of health.*

Subd. 8. [EMERGENCIES.] *The commissioner may suspend or revoke a contract, agreement, or delegated authority granted in this section at any time and without prior notice if an emergency, accident, or hazard threatens the public health.*

Subd. 9. [COMMISSIONER REQUIRED TO REPORT.] *Each year, the commissioner shall report to the legislature on basic mosquito research findings and progress toward cost-effective, environmentally sound mosquito management methods and materials. The report must recommend fu-*

ture research and management activities.

Sec. 19. Minnesota Statutes 1984, section 145.882, is amended to read:

145.882 [MATERNAL AND CHILD HEALTH BLOCK GRANT DISTRIBUTION.]

Subdivision 1. [CONTINUATION OF 1983 PROJECTS.] (a) Notwithstanding subdivisions 2 and 3, recipients of maternal and child health grants for special projects in state fiscal year 1983 shall continue to be funded at the same level as in state fiscal year 1983 until September 30, 1985 December 31, 1987 if they comply with the provisions of sections 145.881, and 145.882 to 145.888. Beginning January 1, 1988, recipients of maternal and child health special project grants awarded in state fiscal year 1983 must receive:

(1) for calendar year 1988, no less than 80 percent of the amount awarded in state fiscal year 1983; and

(2) for calendar year 1989, no less than 70 percent of the amount awarded in state fiscal year 1983.

(b) The amount of grants awarded under this subdivision must be deducted from the allocation under subdivisions 3 and 4 for the community health services area within which the grantee is located. In order to receive money under this subdivision, recipients must continue to comply with sections 145.881 and 145.882 to 145.888. These recipients are also eligible to apply for state grants under sections 145.883 to 145.888 subdivisions 2, 3, and 4. Any decrease in the amount of federal funding to the state for the maternal and child health block grant shall must be apportioned to reflect a proportional decrease for each recipient until September 30, 1985. Any increase in the amount of federal funding to the state shall must be distributed for services to children with handicaps and to special projects as provided in sections 145.883 to 145.888, except that an amount not to exceed ten percent may be retained by the commissioner of health to address cost of living increases and increases in supplies and services under subdivisions 3 and 4 of this section.

After September 30, 1985, (c) The advisory task force shall review and recommend the proportion of maternal and child health block grant funds to be expended for indirect costs, direct services and special projects. The proportion of funds expended in direct services through special projects shall be maintained at not less than the level expended in state fiscal year 1984.

Subd. 2. [ALLOCATION TO THE COMMISSIONER OF HEALTH.] Beginning January 1, 1986, up to one-third of the total maternal and child health block grant money may be retained by the commissioner of health for administrative and technical assistance services, projects of regional or statewide significance, direct services to children with handicaps, and other activities of the commissioner.

Subd. 3. [ALLOCATION TO COMMUNITY HEALTH SERVICES AREAS.] The maternal and child health block grant money remaining after distributions made under subdivisions 1 and 2 must be allocated according to the formula in subdivision 4 to community health services areas for distribution by local boards of health to qualified programs that provide essential services within the community health services area.

Subd. 4. [DISTRIBUTION FORMULA.] The amount available for each

community health services area is determined according to the following formula:

(a) Each community health services area is allocated an amount based on the following three variables:

(1) the proportion of resident mothers within the city, county, or counties who are under 20 years of age or over 35 years of age, as determined by averaging the data available for the three most current years;

(2) the proportion of resident infants within the city, county, or counties whose weight at birth is less than 2,500 grams, as determined by averaging the data available for the three most current years; and

(3) the proportion of resident children within the city, county, or counties under the age of 19 who are on general assistance or medical assistance and the proportion of resident women within the city, county, or counties aged 19 to 49 who are on general assistance or medical assistance, as determined by using the data available for the most current year.

(b) Each variable is expressed as a city or county score consisting of the city or county frequency of each variable divided by the statewide frequency of the variable.

(c) A total score for each city or county jurisdiction is computed by totalling the scores of the three factors and dividing the total by three.

(d) Each community health services area is allocated an amount equal to the total score obtained above for the city, county, or counties in its area multiplied by the amount of money available for special projects of local significance.

Subd. 5. [NONPARTICIPANTS IN THE COMMUNITY HEALTH SERVICES SUBSIDY PROGRAM.] A city or county that is not participating in the community health services subsidy program must be allocated money under subdivisions 3 and 4, and for this limited purpose the city or county is a "community health services area." For these areas, the commissioner shall convene a meeting of public and private nonprofit agencies in the city or county that have expressed an intent to submit an application for funding, in order to attempt to develop a single coordinated grant application for the city or county. Applications, whether consolidated into a single application or submitted as individual applications, must be submitted according to section 145.885. Grants for qualified programs providing essential services in these areas are awarded and distributed by the commissioner.

Subd. 6. [REALLOCATION.] If no approvable applications are received for a community health services area, the commissioner must reallocate the money available for that area to other community health service areas for which approvable applications have been received.

Subd. 7. [USE OF BLOCK GRANT MONEY.] (a) Maternal and child health block grant money allocated to a local board of health or community health services area under this section must be used for qualified programs for high risk and low income individuals. Block grant money must be used for programs that:

(1) specifically address the highest risk populations, particularly low in-

come and minority groups with a high rate of infant mortality and children with low birth weight, by providing services calculated to produce measurable decreases in infant mortality rates, instances of children with low birth weight, and medical complications associated with pregnancy and childbirth;

(2) specifically target pregnant women whose age, medical condition, or maternal history substantially increases the likelihood of complications associated with pregnancy and childbirth or the birth of a child with an illness, disability, or special medical needs;

(3) specifically address the health needs of young children who have or are likely to have a chronic disease or disability or special medical needs; or

(4) provide family planning and preventive medical care for specifically identified target populations, such as minority and low income teenagers, in a manner calculated to decrease the occurrence of inappropriate pregnancy and minimize the risk of complications associated with pregnancy and childbirth.

(b) Maternal and child health block grant money may be used for purposes other than the purposes listed in this subdivision only if the local board of health or community health services area can demonstrate that existing programs fully address the needs of the highest risk target populations described in this subdivision.

Subd. 8. [REPORT.] The commissioner shall prepare, with the advice of the advisory task force, an annual report to the legislature which details the distribution of maternal and child health block grant funds money, including the amounts to be expended for indirect costs, direct services, and special projects local grants. The report shall also identify the statewide needs of low income and high risk populations and the department of health's plans and local board plans for meeting their needs. The legislature must receive the report no later than January of each year.

Sec. 20. Minnesota Statutes 1984, section 145.883, subdivision 8, is amended to read:

Subd. 8. [MATERNAL AND CHILD HEALTH BLOCK GRANT MONEY.] "Maternal and child health block grant money" means the money received by the state from the federal maternal and child health block grant. The commissioner shall carry forward from state fiscal year 1985, and succeeding years, only sufficient funds money for qualified programs approved through the federal fiscal year award period.

Sec. 21. Minnesota Statutes 1984, section 145.883, is amended by adding a subdivision to read:

Subd. 9. [COMMUNITY HEALTH SERVICES AREA.] "Community health services area" means a city, county, or multi-county area that is organized as a local board of health under section 145.913 and for which a state subsidy is received under sections 145.911 to 145.922.

Sec. 22. Minnesota Statutes 1984, section 145.884, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The commissioner shall, in the name of the state

and within the limit of the federal maternal and child health block grant appropriation, make grants to ~~public and private nonprofit agencies administering under sections 145.881 to 145.888~~ for qualified programs of maternal and child health care services. The commissioner shall promulgate rules for the administration of grants ~~authorized by this subdivision~~. The rules shall establish and contain as a minimum:

- (a) procedures for grant applications;
- (b) conditions and procedures for the administration of grants;
- (c) criteria of eligibility for grants; and
- (d) other matters the commissioner finds necessary for the proper administration of the grant program.

Sec. 23. Minnesota Statutes 1984, section 145.885, is amended to read:

145.885 [APPLICATION FOR A GRANT.]

Subdivision 1. [REQUIREMENTS FOR ALL APPLICATIONS.] An application for a grant shall be submitted to the commissioner at a time and in a form and manner as the commissioner prescribes. Department of health technical staff shall be available to provide technical assistance in development of grant applications. The application must contain:

~~(a)~~ (1) a complete description of the program and the manner in which the applicant intends to conduct the program;

~~(b)~~ (2) *a description of the manner in which the program responds to needs and priorities for services identified by the maternal and child health task force under section 145.881, subdivision 2, and rules adopted by the commissioner; differences must be explained in detail;*

(3) a budget and justification for the amount of grant funds requested;

~~(c)~~ (4) a description of the target population served by the qualified program and estimates of the number of low income or high risk patients the program is expected to serve;

~~(d)~~ (5) the name or names of the person or persons who shall have primary responsibility for the administration and delivery of services of the qualified program; and

~~(e)~~ (6) the reporting and accounting procedures to be followed by the qualified agency to enable the commissioner to evaluate the activities of the qualified program.

Subd. 2. [ADDITIONAL REQUIREMENTS FOR LOCAL BOARDS.] Applications by local boards under section 19, subdivision 3, must also contain a summary of the process used to develop the local program, including evidence that the local board notified local public and private providers of the availability of funding through the local board for maternal and child health services; a list of all public and private agency requests for grants submitted to the local board indicating which requests were included in the grant application; and an explanation of how priorities were established for selecting the requests to be included in the grant application. The local board shall include, with the grant application, a written statement of the criteria to be applied to public and private agency requests for funding.

Sec. 24. Minnesota Statutes 1984, section 145.886, is amended to read:

145.886 [GRANT REVIEW PROCESS.]

Primary review of all grant applications shall be conducted by the department of health technical staff. All technically completed applications will be forwarded for secondary review to a grants review panel established by the commissioner. A majority of the grants review panel must be professionals with expertise in maternal and child health care. No member of the panel may be an employee of a public or private nonprofit agency receiving or applying for maternal and child health block grant money. The advisory task force shall review the recommendations of the grants review panel for comment to the commissioner the advisory task force. The commissioner shall award grants under section 145.885 and this section only after receiving the comments and recommendation of the grants review panel and the advisory task force on completed grant applications.

Sec. 25. [145.923] [NONSMOKING AND HEALTH GRANTS.]

The commissioner of health may award special grants to local boards of health to conduct community-wide pilot programs for the promotion of nonsmoking or to local boards of health or nonprofit corporations to conduct statewide programs for the promotion of nonsmoking.

Sec. 26. [145.924] [SALE OF CANDY CIGARETTES PROHIBITED.]

A person shall not sell candy cigarettes in this state.

Sec. 27. Minnesota Statutes 1984, section 297.02, subdivision 1, is amended to read:

Subdivision 1. [RATES.] A tax is hereby imposed upon the sale of cigarettes in this state or having cigarettes in possession in this state with intent to sell and upon any person engaged in business as a distributor thereof, at the following rates, subject to the discount provided in section 297.03:

(1) On cigarettes weighing not more than three pounds per thousand, ~~nine~~ 20.5 mills *minus the tax, not more than eight mills, imposed by United States Code, title 26, section 5701, as amended, on each such cigarette;*

(2) On cigarettes weighing more than three pounds per thousand, ~~48 41.8~~ mills *minus the tax, not more than 16.8 mills, imposed by United States Code, title 26, section 5701, as amended, on each such cigarette.*

Sec. 28. Minnesota Statutes 1984, section 297.03, subdivision 5, is amended to read:

Subd. 5. [SALE OF STAMPS.] (a) *Except as provided in paragraph (b), the commissioner shall sell stamps to any person licensed as a distributor at a discount of ~~2-50~~ two percent from the face amount of the stamps for the first \$500,000 \$1,000,000 of such stamps purchased in any fiscal year; and at a discount of ~~two~~ 1.25 percent on the ~~next~~ \$500,000 remainder of such stamps purchased in any fiscal year; and at a discount of ~~1-50~~ 1.50 percent for all additional stamps purchased in any fiscal year.* He shall not sell stamps to any other person.

(b) If the tax exceeds 12.5 mills a cigarette, the discount is 1.5 percent from the face amount of the stamps for the first \$1,000,000 of the stamps

purchased in a fiscal year and one percent for additional stamps purchased during the fiscal year.

Sec. 29. Minnesota Statutes 1984, section 297.13, subdivision 1, is amended to read:

Subdivision 1. [CIGARETTE TAX APPORTIONMENT ACCOUNT.] Notwithstanding any other provisions of law, five and one-half percent of the Revenues received from taxes, penalties and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner of revenue in the general fund and credited to a special account to be known as the "natural resources account," which is hereby created. Expenditures shall be made from said account only as may be authorized by law to carry out the provisions of this act and in conformance with the provisions of chapter 16. Five and one-half percent shall be deposited in the general fund and credited to the "natural resources acceleration" account for the purposes provided in Laws 1969, Chapter 879, Section 4: state treasury and credited as follows:

(1) the revenue produced by one mill of the tax on cigarettes weighing not more than three pounds a thousand and two mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to a Minnesota resources fund for purposes of natural resources acceleration as provided in chapter 86;

(2) the revenue produced by three mills of the tax on cigarettes weighing not more than three pounds a thousand and six mills of the tax on cigarettes weighing more than three pounds a thousand must be credited to the Minnesota state water pollution control fund created in section 116.16;

(3) the revenue produced by one-half mill of the tax on cigarettes weighing not more than three pounds a thousand and one mill of the tax on cigarettes weighing more than three pounds a thousand must be credited to a public health fund; if the tax imposed by United States Code, title 26, section 5701, is reduced, the increased revenue to the state must also be credited to the public health fund;

(4) the balance of the revenues derived from taxes, penalties, and interest under sections 297.01 to 297.13 and from license fees and miscellaneous sources of revenue shall be deposited by the commissioner in the general fund and credited to the general fund.

Sec. 30. Minnesota Statutes 1984, section 297.22, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon the use or storage by consumers of cigarettes in this state, and upon such consumers, at the following rates:

(1) On cigarettes weighing not more than three pounds per thousand, nine mills on each such cigarette;

(2) On cigarettes weighing more than three pounds per thousand, 18 mills on each such cigarette specified in section 297.02.

Sec. 31. Minnesota Statutes 1984, section 297.32, subdivision 1, is amended to read:

Subdivision 1. A tax is hereby imposed upon all tobacco products in this state and upon any person engaged in business as a distributor thereof, at the rate of ~~20~~ 27.5 percent of the wholesale sales price of such tobacco products except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes ~~in section 297.02, subdivision 1, clause (1), weighing not more than three pounds per thousand~~ subject to the discount provided in section 297.35, subdivision 1. Such tax shall be imposed at the time the distributor (1) brings, or causes to be brought, into this state from without the state tobacco products for sale; (2) makes, manufactures, or fabricates tobacco products in this state for sale in this state; or (3) ships or transports tobacco products to retailers in this state, to be sold by those retailers.

Sec. 32. Minnesota Statutes 1984, section 297.32, subdivision 2, is amended to read:

Subd. 2. A tax is hereby imposed upon the use or storage by consumers of tobacco products in this state, and upon such consumers, at the rate of 20 percent of the cost of such tobacco products, except little cigars as defined in section 297.31, subdivision 2, clause (b). Little cigars shall be subject to the same rate of tax imposed on cigarettes ~~in section 297.22, subdivision 1, clause (1) weighing not more than three pounds per thousand~~.

The tax imposed by this subdivision shall not apply if the tax imposed by subdivision 1 on such tobacco products has been paid.

This tax shall not apply to the use or storage of tobacco products in quantities of:

1. Not more than 50 cigars;
2. Not more than 10 oz. snuff or snuff powder;
3. Not more than 1 lb. smoking or chewing tobacco or other tobacco products not specifically mentioned herein, in the possession of any one consumer.

Sec. 33. Minnesota Statutes 1984, section 297.32, is amended by adding a subdivision to read:

Subd. 9. Revenue derived from the taxes imposed by this section must be deposited by the commissioner in the state treasury and credited as follows:

(1) the revenue produced by the tax on six and one-half percent of the wholesale sales price or cost of the tobacco products except little cigars must be credited to the Minnesota state water pollution control fund created in section 116.16;

(2) the revenue produced by the tax on one percent of the wholesale sales price or cost of the tobacco products except little cigars must be credited to the public health fund; and

(3) the balance of the revenue must be credited to the general fund.

Sec. 34. Minnesota Statutes 1984, section 297.35, subdivision 1, is amended to read:

Subdivision 1. On or before the eighteenth day of each calendar month every distributor with a place of business in this state shall file a return with

the commissioner showing the quantity and wholesale sales price of each tobacco product (1) brought, or caused to be brought, into this state for sale; and (2) made, manufactured or fabricated in this state for sale in this state, during the preceding calendar month. Every licensed distributor outside this state shall in like manner file a return showing the quantity and wholesale sales price of each tobacco product shipped or transported to retailers in this state to be sold by those retailers, during the preceding calendar month. Returns shall be made upon forms furnished and prescribed by the commissioner and shall contain such other information as the commissioner may require. Each return shall be accompanied by a remittance for the full tax liability shown therein, less $2\frac{1}{2}$ two percent of such liability as compensation to reimburse the distributor for his expenses incurred in the administration of sections 297.31 to 297.39.

Sec. 35. [FLOOR STOCKS TAX.]

Subdivision 1. [CIGARETTES AND LITTLE CIGARS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of cigarettes on cigarettes and little cigars in the person's possession or under the person's control at 12:01 a.m. on July 1, 1985, at the following rates, subject to the discount provided in section 297.03:

(1) on cigarettes weighing not more than three pounds a thousand, three and one-half mills on each cigarette;

(2) on cigarettes weighing more than three pounds a thousand, seven mills on each cigarette.

Each distributor, by July 20, 1985, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on July 1, 1985, and the amount of tax due on them. The tax imposed by this section less the discount provided in section 297.03, subdivision 5, is due and payable by August 20, 1985, and thereafter bears interest at the rate of one percent a month.

Subd. 2. [TOBACCO PRODUCTS.] A floor stocks tax is imposed upon every person engaged in business in this state as a distributor of tobacco products, at the rate of seven and one-half percent of the wholesale sales price of each tobacco product in the person's possession or under the person's control at 12:01 a.m. on July 1, 1985. Each distributor, by July 20, 1985, shall file a report with the commissioner, in the form the commissioner prescribes, showing the tobacco products on hand at 12:01 a.m. on July 1, 1985, and the amount of tax due on them. The tax imposed by this section less the discount provided in Minnesota Statutes, section 297.35, subdivision 1, is due and payable by August 20, 1985, and thereafter bears interest at the rate of one percent a month.

Sec. 36. [325E.0951] [MOTOR VEHICLE POLLUTION CONTROL SYSTEMS; RESTRICTED FILL PIPES.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) [MOTOR VEHICLE.] "Motor vehicle" means a self-propelled vehicle manufactured after 1978 on which a pollution control system or a restricted gasoline fill pipe is required by state or federal law.

(b) [PERSON.] "Person" means an individual, firm, partnership, incorporated and unincorporated association, or any other legal or commercial entity.

Subd. 2. [PROHIBITED ACTS.] (a) A person may not knowingly tamper with, adjust, alter, change, or disconnect a pollution control system or a restricted gasoline fill pipe on a motor vehicle.

(b) A person may not advertise for sale, sell, use, or install a device that causes the pollution control system or the restricted gasoline fill pipe to be nonfunctional.

(c) A person may not sell or offer for sale a motor vehicle with knowledge that the pollution control system or restricted gasoline fill pipe is nonfunctional.

Subd. 3. [REPAIRS.] This section does not prevent the service, repair, or replacement of the pollution control system or restricted gasoline fill pipe for a motor vehicle if the pollution control system or restricted gasoline fill pipe remains functional.

Subd. 4. [PENALTY.] A person who violates this section is guilty of a misdemeanor.

Sec. 37. [REVISOR'S INSTRUCTION.]

In Minnesota Statutes 1986, the revisor shall replace the reference to "sections 62D.01 to 62D.29" wherever it occurs with "sections 62D.01 to 62D.24." The revisor shall delete references to "62E.17" from sections 62E.01; 62E.02, subdivision 1; 62E.05; 62E.09; 62E.13, subdivisions 6 and 8; 62E.14, subdivision 2; and 62E.15, subdivision 2.

Sec. 38. [APPROPRIATIONS.]

Subdivision 1. \$64,963,600 is appropriated to the agencies and for the purposes shown in this section. The appropriations are from the public health fund, except as otherwise indicated. Appropriations from the public health fund are available for the fiscal years ending June 30 in the years indicated. Appropriations from the water pollution control fund are available until expended.

1986

1987

Subd. 2. POLLUTION CONTROL AGENCY

(a) Wastewater treatment grants	\$19,850,000	\$21,750,000
This appropriation is from the water pollution control fund.		
Any shortfall in receipts to the water pollution control fund must be borne entirely by this appropriation and not by the appropriation for combined sewer overflow.		

(b) Combined sewer overflow	6,750,000	6,750,000
This appropriation is from the water pollution control fund.		

<i>(c) Analysis and abatement of lead contamination in the soil</i>	206,800	197,200
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(d) The approved complement of the pollution control agency is increased by five positions from the public health fund and 15 positions from the water pollution control fund.

Subd. 3. EDUCATION

<i>Smoking prevention programs</i>	611,200	712,000
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The approved complement of the department of education is increased by one position.

Subd. 4. HEALTH

<i>(a) Smoking prevention programs</i>	1,057,600	1,600,300
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<i>(b) Programs to prevent lead contamination and absorption</i>	193,300	202,700
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<i>(c) Study of health care markets</i>	151,100	151,400
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<i>(d) Mosquito research</i>	800,000	1,500,000
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This appropriation is only available if the federal tax on cigarettes is reduced.

<i>(e) Maternal and child health block grant program</i>	850,000	1,450,000
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\$900,000 of the appropriation for the second year must be used for health department programs affected by reductions in federal block grant money available to the department under section 19. In addition to this appropriation and the money available under section 19, subdivision 2, \$1,400,000 of unobligated federal maternal and child health block grant money may be used for department programs affected by the reductions under section 19.

\$700,000 of the appropriation for the first year and \$250,000 of the appropriation for the second year must be added to the money available for distribution under section 19, subdivisions 3 and 4.

\$150,000 of the appropriation for the first year and \$300,000 of the appropriation for the second year must be distributed on a competitive basis

to special projects that satisfy the criteria in section 19, subdivision 8, in community health services areas that are not allocated money for grants under section 19, subdivisions 3 and 4, because of distributions made under subdivision 1 and the corresponding reduction in the allocation for that area.

(f) The approved complement of the department of health is increased by ten positions.

Subd. 5. EMPLOYEE RELATIONS

Develop cost containment initiatives in the state employee health benefit program

30,000 30,000

The approved complement of the department of employee relations is increased by one position.

Subd. 6. COMMERCE

Monitoring the health care market and health insurer's cost containment activities

32,200 29,800

The approved complement of the department of commerce is increased by one position.

Subd. 7. STATE PLANNING AGENCY

Support the mandated benefits commission

58,000 -0-

The approved complement of the state planning agency is increased by two positions.

Sec. 39. [REPEALER.]

Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 116.18, subdivision 2; 145.884, subdivision 2; and 297.03, subdivision 10, are repealed. Minnesota Rules 1983, parts 4685.3500 to 4685.5600, are repealed.

Sec. 40. [EFFECTIVE DATE.]

The taxes imposed by this act apply to cigarettes, tobacco products, and little cigars in the possession of distributors, as defined in Minnesota Statutes, section 297.01, subdivision 7, on July 1, 1985."

Delete the title and insert:

"A bill for an act relating to public health; providing grants to abate combined sewer overflow; increasing the state share of independent grants to municipalities facing financial hardship; requiring action to determine and decrease the health risks attributable to exposure to or absorption of lead; establishing programs to promote nonsmoking; requiring a biennial report on

health care markets; providing for membership on a mandated benefits commission; authorizing statewide mosquito research; providing for the distribution of maternal and child health block grants; prohibiting the sale of candy cigarettes; increasing the taxes on cigarettes and on tobacco products; repealing authority to permit free distribution of cigarettes without affixing tax stamps; creating a Minnesota resources fund and a public health fund; protecting motor vehicle pollution control systems and restricted gasoline fill pipes; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivision 2; 116.18, subdivisions 1, 2a, and 3a; 144.70; 145.882; 145.883, subdivision 8, and by adding a subdivision; 145.884, subdivision 1; 145.885; 145.886; 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1 and 2, and by adding a subdivision; 297.35, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 116; 124; 144; 145; and 325E; repealing Minnesota Statutes 1984, sections 62D.25; 62D.26; 62D.28; 62D.29; 62E.17; 116.18, subdivision 2; 145.884, subdivision 2; and 297.03, subdivision 10; and Minnesota Rules 1983, parts 4685.3500 to 4685.5600."

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend the Nelson amendment to H.F. No. 856 as follows:

Page 8, line 32, delete "whether"

Page 8, line 33, delete everything before "and"

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

Mr. Pehler moved to amend the Nelson amendment to H.F. No. 856 as follows:

Page 7, after line 6, insert:

"Sec. 6. [116.185] [SEWER SEPARATION LOAN PROGRAM.]

Subdivision 1. [AUTHORITY.] The agency must allocate at least ten percent of the money available each year for state grants for waste treatment under section 116.18 for the loan program under this section until July 1, 1990. The agency may allocate up to 20 percent of the money available each year for waste treatment grants for the loan program under this section. A statutory or home rule charter city or town that is not eligible for a grant under section 2, is eligible for a loan for sewer separation. The city or town must apply to the director and include a schedule of current and projected sewer separation costs.

Subd. 2. [LOAN AMOUNT.] The agency shall make loans for sewer separation project costs of each city or town that applies in any year. If the appropriation available for sewer separation loans is insufficient the loans shall be made on a basis determined by the agency.

Subd. 3. [LOAN REPAYMENT.] After the sewer separation project is completed, the loan shall be repaid in 20 equal annual installments. The repaid amounts shall be deposited in the water pollution control fund.

Subd. 4. [RULES.] The agency shall adopt rules to implement the sewer separation loan program by September 1, 1985."

Renumber the sections in sequence

Amend the title accordingly

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

Mr. Berg moved to amend the Nelson amendment to H.F. No. 856 as follows:

Page 7, after line 6, insert:

"Sec. 6. Minnesota Statutes 1984, section 116.18, is amended by adding a subdivision to read:

Subd. 7. [MUNICIPAL FUNDING AND ENFORCEMENT.] Notwithstanding the other provisions of this section, or chapter 115, the agency shall not enforce any law against a municipality, if (1) compliance with the law would require construction of any part of a disposal system; (2) the municipality has applied for state and federal funding for the disposal system construction; and (3) the cost of constructing the required disposal system would result in the municipality charging a residential fee to use the required disposal system that is more than two times the average residential fee in the metropolitan area, as defined in section 473.02, subdivision 5."

Renumber the sections in sequence

Amend the title accordingly

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

Mr. Benson moved to amend the Nelson amendment to H.F. No. 856 as follows:

Page 26, delete section 26

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment to the amendment.

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

Those who voted in the affirmative were:

Adkins	Bertram	Isackson	McQuaid	Samuelson
Anderson	Brataas	Kamrath	Olson	Sieloff
Belanger	Dieterich	Knaak	Peterson, D.L.	Solon
Benson	Frank	Kronebusch	Peterson, R.W.	Storm
Berg	Frederick	Landig	Ramstad	Wegscheid
Bernhagen	Gustafson	Lessard	Renneke	

Those who voted in the negative were:

Berglin	Freeman	Merriam	Pehler	Schmitz
Chmielewski	Hughes	Moe, D.M.	Peterson, D.C.	Stumpf
Davis	Johnson, D.E.	Nelson	Petty	Vega
Diessner	Luther	Novak	Pogemiller	

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

Mr. Benson then moved to amend the Nelson amendment to H.F. No. 856, as follows:

Page 4, line 29, delete "*and may promulgate emergency rules*"

Page 7, delete subdivision 1

Renumber the remaining subdivisions

Page 8, line 20, delete "*2 and 3*" and insert "*1 and 2*"

Page 9, line 23, delete "*15*" and insert "*14*"

Pages 12 and 13, delete section 12

Renumber the sections in sequence and correct the internal references

CALL OF THE SENATE

Mr. Nelson imposed a call of the Senate for the balance of the proceedings on H.F. No. 856. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Benson requested division of his amendment as follows:

First portion:

Page 4, line 29, delete "*and may promulgate emergency rules*"

Second portion:

Page 7, delete subdivision 1

Renumber the remaining subdivisions

Page 8, line 20, delete "*2 and 3*" and insert "*1 and 2*"

Third portion:

Page 9, line 23, delete "*15*" and insert "*14*"

Pages 12 and 13, delete section 12

Renumber the sections in sequence and correct the internal references

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

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

Those who voted in the affirmative were:

Adkins	Bertram	Johnson, D.E.	Mehrkens	Storm
Anderson	Brataas	Kamrath	Olson	Stumpf
Belanger	Frank	Knaak	Peterson, D.L.	Taylor
Benson	Frederick	Kronebusch	Ramstad	
Berg	Frederickson	Laidig	Renneke	
Bernhagen	Isackson	McQuaid	Sieloff	

Those who voted in the negative were:

Berglin	Dieterich	Merriam	Peterson, D.C.	Schmitz
Chmielewski	Freeman	Moe, D.M.	Peterson, R.W.	Solon
Dahl	Hughes	Moe, R.D.	Petty	Vega
Davis	Kroening	Nelson	Pogemiller	Waldorf
DeCramer	Lantry	Novak	Purfeerst	Wegscheid
Dicklich	Lessard	Pehler	Reichgott	Willet
Diessner	Luther	Peterson, C.C.	Samuelson	

The motion did not prevail. So the first portion of the amendment to the

amendment was not adopted.

Mr. Benson withdrew the second portion of his amendment to the amendment.

The question was taken on the third portion of the Benson amendment to the amendment.

The motion did not prevail. So the third portion of the amendment to the amendment was not adopted.

Mr. Renneke moved to amend the Nelson amendment to H.F. No. 856, as follows:

Page 28, delete lines 3 to 14

Page 28, line 15, delete "(4)" and insert "(2)"

Page 29, line 35, delete "as follows:"

Page 29, delete line 36

Page 30, delete lines 1 to 6

Page 30, line 7, delete everything before "to"

Page 32, line 26, delete everything after "the" and insert "general fund."

Page 32, line 27, delete "from the public health fund"

Page 32, line 28, before the period insert "except that the appropriations contained in subdivision 2, paragraphs (a) and (b) are available until expended."

Page 32, delete lines 29 and 30

Page 32, delete lines 35 to 36

Page 33, delete lines 1 to 5

Page 33, delete lines 7 and 8

Page 33, delete lines 13 to 15 and insert "by 20 positions."

Amend the title accordingly

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 19 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Kamrath	Mehrkens	Ramstad
Benson	Frederick	Kronebusch	Olson	Renneke
Berg	Gustafson	Lessard	Peterson, D.L.	Storm
Bernhagen	Isackson	McQuaid	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Petty	Solon
Belanger	Diessner	Lantry	Pogemiller	Stumpf
Berglin	Dieterich	Merriam	Purfeerst	Vega
Bertram	Frank	Moe, D.M.	Reichgott	Waldorf
Brataas	Hughes	Nelson	Samuelson	Wegscheid
Chmielewski	Johnson, D.E.	Novak	Schmitz	
DeCramer	Knaak	Peterson, D.C.	Sieloff	

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

adopted.

H.F. No. 856 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 36 and nays 28, as follows:

Those who voted in the affirmative were:

Berglin	Hughes	Mehrrens	Peterson, D.C.	Vega
Bernhagen	Knaak	Merriam	Petty	Waldorf
Dahl	Knutson	Moe, D.M.	Pogemiller	Wegscheid
Dicklich	Laidig	Moe, R.D.	Purfeerst	Willet
Diessner	Langseth	Nelson	Samuelson	
Dieterich	Lantry	Novak	Schmitz	
Frederickson	Lessard	Pehler	Sieloff	
Freeman	Luther	Peterson, C.C.	Storm	

Those who voted in the negative were:

Adkins	Brataas	Gustafson	McQuaid	Renneke
Anderson	Chmielewski	Isackson	Olson	Solon
Belanger	Davis	Johnson, D.E.	Peterson, D.L.	Stumpf
Benson	DeCramer	Kamrath	Peterson, R.W.	Taylor
Berg	Frank	Kroening	Ramstad	
Bertram	Frederick	Kronebusch	Reichgott	

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 1525 at 10:30 a.m.:

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

RECONSIDERATION

Mr. Merriam moved that the vote whereby S.F. No. 230 failed to pass the Senate on May 18, 1985, be now reconsidered.

CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the proceedings on S.F. No. 230. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Merriam.

The roll was called, and there were yeas 32 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Knaak	Pehler	Stumpf
Belanger	Frederick	Knutson	Ramstad	Taylor
Benson	Gustafson	Kronebusch	Renneke	Waldorf
Bernhagen	Hughes	Laidig	Schmitz	Wegscheid
Bertram	Isackson	Lessard	Sieloff	
Brataas	Jude	McQuaid	Solon	
Chmielewski	Kamrath	Olson	Storm	

Those who voted in the negative were:

Anderson	Dicklich	Luther	Peterson, D.C.	Reichgott
Berg	Dieterich	Merriam	Peterson, D.L.	Vega
Berglin	Frank	Moe, R.D.	Peterson, R.W.	
Davis	Freeman	Nelson	Petty	
DeCramer	Johnson, D.E.	Novak	Pogemiller	

The motion prevailed.

RECONSIDERATION

Mr. Pehler moved that the vote to concur in the amendments by the House to S.F. No. 230 and place it on its final passage on May 18, 1985, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 55 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Dahl	Knutson	Storm	Stumpf
Brataas	Kamrath	Laidig		

The motion prevailed.

Mr. Wegscheid moved that the Senate do not concur in the amendments by the House to S.F. No. 230, 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.

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. 401: Messrs. DeCramer; Peterson, R.W. and Sieloff.

S.F. No. 615: Mr. Stumpf, Mrs. Lantry and Mr. Langseth.

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

MEMBERS EXCUSED

Mr. Spear was excused from the Session of today. Mr. Johnson, D.J. was excused from the Session of today from 9:00 to 10:00 a.m. and from 12:00 noon to 3:15 p.m. Ms. Berglin was excused from the Session of today from 9:00 to 10:00 a.m. Mr. Moe, R.D. was excused from the Session of today from 9:00 to 10:00 a.m. Mr. Mehrkens was excused from the Session of today from 9:00 to 10:30 a.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Monday, May 20, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate