

## SIXTY-SEVENTH DAY

St. Paul, Minnesota, Wednesday, February 5, 1986

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

Prayer was offered by the Chaplain, Rev. Ross Bigot.

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

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

The President declared a quorum present.

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

### REPORTS AND RESOLUTIONS FILED DURING THE INTERIM WITH THE SECRETARY OF THE SENATE

Various reports were filed during the 1985 interim by Retirement and Relief Associations and are filed in the office of the Secretary of the Senate; also reports made by the Legislative Audit Commission on various state institutions and boards; Department of Administration, Small Business Procurement Act, 1984; Department of Labor and Industry, Prevailing Wage Division, Certification of Prevailing Wage Rates; Department of Energy and Economic Development, Minnesota Set-Aside Program, 1985; Pollution Control Agency, Waste Tire Collection and Incineration Study, Interim Report, 1985; Southwest Regional Development Commission, Overall Work Program for fiscal year, 1986; Department of Human Services, Minnesota General Assistance Annual Report, 1984; Regional Transit Board, Changes Needed in Transit Replacement Service and Contract Programs, 1985; Department of Public Welfare, Supplemental Aid Program, Annual Report, 1984; Labor and Industry, Labor Standards Division, Prevailing Wage Certifications, 1985; Citizens League, Preserving Metropolitan Tax-Base Shar-

ing, 1985; Minnesota Racing Commission, Audit Report for the years ended June 30, 1984 and 1985; University of Minnesota, Annual Report, 1985; Indian Affairs Council, Annual Report, 1985; Department of Administration, Summary Report of the Non-Health Related Licensing Boards, Biennial Report, 1983-84; Legislative Commission to Review Administrative Rules, Biennial Report, 1983-84; Minnesota Hazardous Substances Injury Compensation Board, 1985; Board of Animal Health, Annual Report, 1984-85; Board of Chiropractic Examiners, Complaint Procedures, 1985; Board of Pharmacy, Handling of Complaints, 1985; Board of Optometry, Complaint Procedures, 1985; Department of Employee Relations, Use of Overtime in the Executive Branch, 1986; Department of Employee Relations and Department of Finance, Metropolitan Agencies Study—Budget and Personnel, 1986; Department of Veterans Affairs, Efforts Taken to Assure Maximum Participation in Federal Programs, 1986; Metropolitan Council, Annual Report, 1985; Metropolitan Council, Annual Report, Appendix, 1985; Metropolitan Council, Report on State Funding for Operation and Maintenance of Regional Parks in the Twin Cities Metropolitan Area, 1986; Metropolitan Waste Control Commission, Program Budget, 1986; Regional Transit Board Work Program and Budget, 1986; State Board of Investment, Annual Report, 1985; Board of Examiners for Nursing Home Administrators, Handling of Complaints, 1985; Department of Health, Feasibility of Community-Wide Epidemiologic Studies of Drinking Water and Health: St. Louis Park and New Brighton, 1985; Department of Health, Feasibility Study of a Statewide Pathology—Based Cancer Surveillance System in Minnesota, 1986; Northwest Regional Development Commission, Annual Report, 1985; Department of Public Safety, Tenth Annual Report, Minnesota Crime Victims Reparations Board, 1984-85.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

May 13, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointments to the Minnesota Racing Commission are hereby respectfully submitted to the Senate for confirmation as required by law:

Lawrence M. Coss, R.R. 1, Box 20, Cannon Falls, Goodhue County, has been appointed by me, effective July 1, 1985, for a term expiring June 30, 1991.

Catherine L. Anderson, 10706 Minnetonka Blvd., Hopkins, Hennepin County, has been appointed by me, effective July 1, 1985, for a term expiring June 30, 1991.

Muriel W. Poehler, R.R. 1, Box 129, Royalton, Morrison County, has been appointed by me, effective July 1, 1985, for a term expiring June 30, 1991.

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

May 20, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Finance is hereby respectfully submitted to the Senate for confirmation as required by law:

Peter J. Kiedrowski, 1012 W. Minnehaha Pkwy., Minneapolis, Hennepin County, has been appointed by me, effective June 3, 1985, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Finance.)

June 12, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Pollution Control Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Ruth I. Ericson, 80 Edison Blvd., Silver Bay, Lake County, has been appointed by me, effective June 17, 1985, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Agriculture and Natural Resources.)

July 8, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the State Board of Vocational Technical Education is hereby respectfully submitted to the Senate for confirmation as required by law:

Laura J. Baker, 505 Johnson St., Hartland, Freeborn County, has been appointed by me, effective July 1, 1985, for a term expiring the first Monday in January, 1986.

(Referred to the Committee on Education.)

July 30, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Jobs and Training is hereby respectfully submitted to the Senate for confirmation

as required by law:

Joseph R. Samargia, 1319 Goodrich Ave., St. Paul, Ramsey County, has been appointed by me, effective August 1, 1985, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Employment.)

July 31, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Full Productivity and Opportunity Coordinator, Department of Jobs and Training, is hereby respectfully submitted to the Senate for confirmation as required by law:

Kathryn R. Roberts, 2312 Indian Rd. W., Minnetonka, Hennepin County, has been appointed by me, effective August 1, 1985, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Employment.)

August 19, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

William Walker, Itasca Star Rt., Park Rapids, Becker County, has been appointed by me, effective September 3, 1985, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Agriculture and Natural Resources.)

October 2, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Hazardous Substance Injury Compensation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Corrin John Hodgson, 6910 Buckthorn Rd. N.W., Rochester, Olmsted County, has been appointed by me, effective September 23, 1985, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Agriculture and Natural Resources.)

October 2, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Hazardous Substance Injury Compensation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Richard A. Mergens, 13680 Greenwood Trl. N., Stillwater, Washington County, has been appointed by me, effective September 23, 1985, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Agriculture and Natural Resources.)

October 2, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Hazardous Substance Injury Compensation Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Byron E. Starns, 2270 Riverwood Pl., St. Paul, Ramsey County, has been appointed by me, effective September 23, 1985, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Agriculture and Natural Resources.)

October 4, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Revenue is hereby respectfully submitted to the Senate for confirmation as required by law:

Tom Triplett, 2415 Sheridan Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective October 1, 1985, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Taxes and Tax Laws.)

October 4, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Director of the State Planning Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Lani Kawamura, 3141 Dean Ct., Minneapolis, Hennepin County, has been appointed by me, effective October 1, 1985, for a term expiring the first Monday in January, 1987.

(Referred to the Committee on Governmental Operations.)

October 17, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Pollution Control Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Daniel D. Foley, M.D., 427 S. O'Day Cir., Maplewood, Ramsey County, has been appointed by me, effective October 21, 1985, for a term expiring the first Monday in January, 1989.

(Referred to the Committee on Agriculture and Natural Resources.)

December 10, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Minnesota Higher Education Coordinating Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Mona J. Hintzman, 4018 - 58th Ave. N., Brooklyn Center, Hennepin County, has been appointed by me, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

December 10, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the State Board for Community Colleges is hereby respectfully submitted to the Senate for confirmation as required by law:

James B. Collier, Jr., 1101 E. Irene, Willmar, Kandiyohi County, has been appointed by me, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

December 23, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointments to the State University Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Elizabeth A. Pegues, 27 Nord Circle Rd., North Oaks, Ramsey County, has been appointed by me, effective January 6, 1986, for a term expiring the

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first Monday in January, 1990.

Bernard Alvin Miller, 2418 N. Plantagenet Rd. S.W., Bemidji, Beltrami County, has been appointed by me, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

December 31, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the State Ethical Practices Board is hereby respectfully submitted to the Senate for confirmation as required by law:

A.J. Eckstein, 411 S. State, New Ulm, Brown County, has been appointed by me, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Elections and Ethics.)

January 8, 1986

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Council on Quality Education is hereby respectfully submitted to the Senate for confirmation as required by law:

Carl A. Swenson, Rt. 2, Box 154, Monticello, Wright County, has been appointed by me, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Education.)

January 14, 1986

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

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

Theodore G. Huisinga, Rt. 4, Willmar, Kandiyohi County, has been appointed by me, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Agriculture and Natural Resources.)

Sincerely,  
Rudy Perpich, Governor

July 12, 1985

The Honorable Jerome M. Hughes

President of the Senate

Dear Senator Hughes:

At its July 1, 1985 meeting, the PERA Board adopted the following resolution appointing Mr. James M. Hacking as Executive Director:

WHEREAS, the Personnel Committee of the Board of Trustees has conducted an extensive and in-depth review of the qualifications and experience of all candidates who have applied to serve as PERA'S EXECUTIVE DIRECTOR AND BASED THEREON, HAS DECIDED that the appointment of James M. Hacking to the position of Executive Director would best serve the needs of the Public Employees Retirement Association and that such appointment would be consistent with the legislative intent set forth under Minn. Stat., Sec. 353.03, Subd. 3a, (1984) as amended by Minn. Laws 1985, Chapter 11, Section 9, which section sets forth the statutory qualifications for appointment to the position of Executive Director.

AND WHEREAS, the Personnel Committee has recommended to the Board that James M. Hacking be appointed to the position of Executive Director.

NOW, THEREFORE, IT IS HEREBY MOVED THAT THE Board accept the recommendations of its Personnel Committee and appoint James M. Hacking to serve as its Executive Director at the pleasure of the Board and subject to the advice and consent of the Senate.

IT IS FURTHER MOVED that upon acceptance of this appointment by James M. Hacking, a letter be sent to the Majority and Minority Leaders of the Senate and to the Secretary of the Senate in order to provide the Senate with notice of this appointment.

Mr. Hacking has accepted the position of Executive Director and plans to assume his duties on or about August 12, 1985.

Sincerely yours,

Allen B. Eldridge, Interim Director

(Referred to the Committee on Governmental Operations.)

### MESSAGES FROM THE HOUSE

Mr. President:

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

Senate Concurrent Resolution No. 18: A Senate concurrent resolution relating to adjournment for more than three days.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 3, 1986

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

Senate File No. 903 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Ms. Berglin moved that S.F. No. 903 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. 1356: A bill for an act relating to statutes; conforming various laws to judicial decisions of unconstitutionality and suggestions for clarity; amending Minnesota Statutes 1984, sections 3.736, subdivision 3; 65B.44, subdivision 6; 181.13; 429.061, subdivision 1; and 631.09.

Senate File No. 1356 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1985

Mr. Jude moved that S.F. No. 1356 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 810.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1985

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1816.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 3, 1986

### FIRST READING OF HOUSE BILLS

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

H.F. No. 810: A bill for an act relating to health; requiring the commissioner of health to develop programs for the promotion of nonsmoking; providing for tax increase on cigarettes; raising the cigarette tax; appropriating money; imposing penalties; prohibiting the use of tobacco products on school premises by minors; amending Minnesota Statutes 1984, sections 297.02, by adding a subdivision; 297.03, subdivisions 6 and 10; 297.13, subdivision 1; 297.22, subdivision 1; 297.32, subdivisions 1, 2, and by adding subdivisions; 297.35, subdivision 1; and 325D.41; proposing coding for new law in Minnesota Statutes, chapters 124, 127, 144, and 145.

Referred to the Committee on Finance.

H.F. No. 1816: A resolution memorializing Congress to amend the 1985 federal farm bill.

Referred to the Committee on Agriculture and Natural Resources.

### REPORTS OF COMMITTEES

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

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

S.F. No. 1349: A bill for an act relating to insurance; providing that insurers or health maintenance organizations must not require a public employer to contribute toward the payment of insurance premiums or charges for insurance for retired officers or employees; amending Minnesota Statutes 1984, section 471.61, subdivision 2a.

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

Page 2, line 2, before the period, insert "*or may require the retired officer or employee to pay all or part of the premiums or charges*"

Page 2, line 15, delete "*must*" and insert "*may*"

Page 2, delete section 2

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

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

S.F. No. 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.

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

Page 1, lines 19, 22 and 25, delete "*mobile*" and insert "*manufactured*"

Amend the title as follows:

Page 1, line 3, delete "*mobile*" and insert "*manufactured*"

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

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

S.F. No. 1612: A bill for an act relating to insurance; changing certain incorporation requirements for domestic insurance corporations; amending Minnesota Statutes 1984, section 60A.07, subdivision 1.

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

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1984, section 61A.282, subdivision 1, is amended to read:

61A.282 [INVESTMENTS IN NAME OF COMPANY OR NOMINEE AND PROHIBITIONS.]

Subdivision 1. [REQUIREMENTS.] A company's investments shall be held in its corporate name or its nominee name, except that:

(a) Investments may be held in the name of a clearing corporation or of a custodian bank or in the name of the nominee of either under the following conditions:

(1) The clearing corporation, custodian bank, or nominee must be legally authorized to hold the particular investment for the account of others;

(2) Where the investment is evidenced by a certificate and held in the name of a custodian bank or the nominee of a custodian bank, a written agreement shall provide that certificates so deposited shall at all times be kept separate and apart from other deposits with the depository, so that at all times they may be identified as belonging solely to the company making the deposit; or

(3) Where a clearing corporation is to act as depository, the investment may be merged or held in bulk in the clearing corporation's name, or in the name of its nominee, together with any other investments deposited with the clearing corporation by any other person, if a written agreement provides that adequate evidence of the deposit will be obtained and retained by the company or a custodian bank.

As used in this subdivision, "clearing corporation" means The Depository Trust Company and, with the approval of the commissioner, any other clearing corporation as defined in section 336-8-102; the term "custodian bank" means a bank or trust company licensed by the United States or any state thereof.

(b) A company may participate, through a bank or trust company which is a member of the Federal Reserve System, in the Federal Reserve's book-entry system, if the records of the member bank or trust company at all times show that the investments are held for the company and/or for specific accounts of the company.

(c) If an investment consists of an individual interest in a pool of obligations, or of a fractional interest in a single obligation, the certificate of participation or interest, or the confirmation of participation or interest in the investment, shall be held in the manner set forth in paragraph (a) or held in the name of the company.

(d) Where an investment is not evidenced by a certificate, except as provided in paragraph (b), adequate evidence of the company's investment shall be obtained from the issuer or its transfer or recording agent and retained by the company, a custodian bank, or clearing corporation. Adequate evidence, for purposes of this section, shall mean a written receipt or other verification issued by the depository or issuer or a custodian bank which shows that the investment is held for the company. Transfers of ownership of investments held as described in paragraphs (a) (3), (b), and (c) may be evidenced by bookkeeping entry on the books of the issuer of the investment or its transfer or recording agent or the clearing corporation without physical delivery of certificates, if any, evidencing the company's investment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing certain investment requirements for life insurance companies;"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, before the period, insert "; and 61A.282, subdivision 1"

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

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

S.F. No. 1636: A bill for an act relating to agriculture; providing for mediation before debt collection practices are initiated against agricultural property; establishing a farm mediation commission and prescribing powers and duties; establishing farm mediation boards; prescribing mediation notices and certain conditions before debt collection is started; providing for voluntary mediation; prescribing procedures for mandatory mediation; authorizing debt restructuring; authorizing postponement orders and requiring farm financial plans under certain conditions; classifying certain data; authorizing closed meetings; authorizing rules; providing for appeals; appropriating

money; amending Minnesota Statutes 1984, sections 336.9-501; 580.01; proposing coding for new law in Minnesota Statutes, chapters 550; 559; 581; and 583.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 336.9-501, is amended to read:

**336.9-501 [DEFAULT; PROCEDURE WHEN SECURITY AGREEMENT COVERS BOTH REAL AND PERSONAL PROPERTY.]**

(1) When a debtor is in default under a security agreement, a secured party has the rights and remedies provided in this part and except as limited by subsection (3) those provided in the security agreement. He may reduce his claim to judgment, foreclose, or otherwise enforce the security interest by any available judicial procedure. If the collateral is documents the secured party may proceed either as to the documents or as to the goods covered thereby. A secured party in possession has the rights, remedies, and duties provided in section 336.9-207. The rights and remedies referred to in this subsection are cumulative.

(2) After default, the debtor has the rights and remedies provided in this part, those provided in the security agreement, and those provided in section 336.9-207.

(3) To the extent that they give rights to the debtor and impose duties on the secured party, the rules stated in the subsections referred to below may not be waived or varied except as provided with respect to compulsory disposition of collateral (subsection (3) of section 336.9-504 and section 336.9-505) and with respect to redemption of collateral (section 336.9-506) but the parties may by agreement determine the standards by which the fulfillment of these rights and duties is to be measured if such standards are not manifestly unreasonable:

(a) Subsection (2) of section 336.9-502 and subsection (2) of section 336.9-504 insofar as they require accounting for surplus proceeds of collateral;

(b) Subsection (3) of section 336.9-504 and subsection (1) of section 336.9-505 which deal with disposition of collateral;

(c) Subsection (2) of section 336.9-505 which deals with acceptance of collateral as discharge of obligation;

(d) Section 336.9-506 which deals with redemption of collateral; and

(e) Subsection (1) of section 336.9-507 which deals with the secured party's liability for failure to comply with this part.

(4) If the security agreement covers both real and personal property, the secured party may proceed under this part as to the personal property or he may proceed as to both the real and the personal property in accordance with his rights and remedies in respect of the real property in which case the provisions of this part do not apply.

(5) When a secured party has reduced his claim to judgment the lien of any levy which may be made upon his collateral by virtue of any execution based upon the judgment shall relate back to the date of the perfection of the security interest in such collateral. A judicial sale, pursuant to such execution, is a foreclosure of the security interest by judicial procedure within the meaning of this section, and the secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.

(6) A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 6 to 25 that has secured a debt of more than \$5,000 unless: a mediation notice under subsection (7) is served on the debtor and a copy filed with the farm mediation commission; and the person receives a release order under sections 6 to 25.

(7) A mediation notice under subsection (6) must contain the following notice with the blanks properly filled in.

"TO: \_\_\_\_\_ (Name of Debtor) \_\_\_\_\_

YOU HAVE DEFAULTED ON THE \_\_\_\_\_ (Debt in Default)  
 \_\_\_\_\_ SECURED BY AGRICULTURAL PROPERTY  
 DESCRIBED AS \_\_\_\_\_ (Reasonable Description of Agricultural  
 Property Collateral) \_\_\_\_\_.

AS A SECURED PARTY, \_\_\_\_\_ (Name of Secured Party)  
 \_\_\_\_\_ INTENDS TO ENFORCE THE SECURITY AGREE-  
 MENT AGAINST THE AGRICULTURAL PROPERTY DESCRIBED  
 ABOVE BY REPOSSESSING, FORECLOSING ON, OR OBTAINING A  
 COURT JUDGMENT AGAINST THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR  
 MEDIATION. IF YOU PARTICIPATE IN MEDIATION, THE FARM  
 MEDIATION COMMISSION WILL PROVIDE A CREDIT ANALYST  
 TO HELP YOU TO PREPARE FINANCIAL INFORMATION. MEDIA-  
 TION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HAN-  
 DLING FUTURE FINANCIAL RELATIONS. BY PARTICIPATING IN  
 MEDIATION YOU MAY POSSIBLY HAVE THE DEBT RESTRUC-  
 TURED AND MAY BE ELIGIBLE FOR ASSISTANCE TO RESTRUC-  
 TURE THE DEBT.

TO HAVE THE DEBT REVIEWED FOR MEDIATION AND TO BE  
 ELIGIBLE FOR DEBT RESTRUCTURING, YOU MUST FILE A MEDI-  
 ATION REQUEST WITH THE FARM MEDIATION COMMISSION BY  
 \_\_\_\_\_ (Date of 14 Days after Service of the Mediation Notice)  
 \_\_\_\_\_. THE MEDIATION REQUEST FORM IS AVAILABLE AT  
 ANY COUNTY RECORDER'S OFFICE.

FROM: \_\_\_\_\_ (Name and Address of Secured Party)  
 \_\_\_\_\_.

## Sec. 2. [550.365] [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]

Subdivision 1. [REQUIREMENT.] A person may not attach, execute on, levy on, or seize agricultural property subject to sections 6 to 25 that has secured a debt of more than \$5,000 unless: (1) a mediation notice is served on the judgment debtor and a copy filed with the farm mediation commission;

and (2) the person receives a release order under sections 6 to 25.

Subd. 2. [CONTENTS.] A mediation notice must contain the following notice with the blanks properly filled in.

"TO: \_\_\_\_\_ (Name of Judgment Debtor) \_\_\_\_\_

A JUDGMENT WAS ORDERED AGAINST YOU BY \_\_\_\_\_  
(Name of Court) \_\_\_\_\_ ON \_\_\_\_\_ (Date of Judgment).

AS A JUDGMENT CREDITOR, \_\_\_\_\_ (Name of Judgment  
Creditor) \_\_\_\_\_ INTENDS TO TAKE ACTION AGAINST THE  
AGRICULTURAL PROPERTY DESCRIBED AS \_\_\_\_\_  
(Description of Agricultural Property) \_\_\_\_\_ TO SATISFY THE  
JUDGMENT.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR  
MEDIATION. IF YOU PARTICIPATE IN MEDIATION, THE FARM  
MEDIATION COMMISSION WILL PROVIDE A CREDIT ANALYST  
TO HELP YOU PREPARE FINANCIAL INFORMATION. MEDIATION  
WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING  
FUTURE FINANCIAL RELATIONS. BY PARTICIPATING IN MEDIA-  
TION YOU MAY POSSIBLY HAVE THE DEBT RESTRUCTURED  
AND MAY BE ELIGIBLE FOR ASSISTANCE TO RESTRUCTURE THE  
DEBT.

TO HAVE THE DEBT REVIEWED FOR MEDIATION AND TO BE  
ELIGIBLE FOR DEBT RESTRUCTURING, YOU MUST FILE A MEDI-  
ATION REQUEST WITH THE FARM MEDIATION COMMISSION BY  
\_\_\_\_\_ (Date of 14 Days after Service of the Mediation Notice)  
\_\_\_\_\_. THE MEDIATION REQUEST FORM IS AVAILABLE  
AT ANY COUNTY RECORDER'S OFFICE.

FROM: \_\_\_\_\_ (Name and Address of Judgment Creditor)  
\_\_\_\_\_

Sec. 3. [559.209] [MEDIATION NOTICE AND CONDITIONS FOR  
AGRICULTURAL PROPERTY.]

Subdivision 1. [REQUIREMENT.] A person may not begin to terminate a  
contract for deed under section 559.21 to purchase agricultural property  
subject to sections 6 to 25 that secured a debt of more than \$5,000 unless: (1)  
a mediation notice is served on the contract for deed purchaser and a copy  
filed with the farm mediation commission; and (2) the person receives a  
release order under sections 6 to 25.

Subd. 2. [CONTENTS.] A mediation notice must contain the following  
notice with the blanks properly filled in.

"TO: \_\_\_\_\_ (Name of Contract for Deed Purchaser) \_\_\_\_\_

YOU HAVE DEFAULTED ON THE CONTRACT FOR DEED OF THE  
AGRICULTURAL PROPERTY DESCRIBED AS \_\_\_\_\_ (Size  
and Reasonable Location of Property, Not Legal Description)  
\_\_\_\_\_

AS THE CONTRACT FOR DEED VENDOR, \_\_\_\_\_ (Contract

for Deed Vendor) \_\_\_\_\_ INTENDS TO TERMINATE THE CONTRACT AND TAKE BACK THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION. IF YOU PARTICIPATE IN MEDIATION, THE FARM MEDIATION COMMISSION WILL PROVIDE A CREDIT ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS. BY PARTICIPATING IN MEDIATION YOU MAY POSSIBLY HAVE THE DEBT RESTRUCTURED AND MAY BE ELIGIBLE FOR ASSISTANCE TO RESTRUCTURE THE DEBT.

TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION AND TO BE ELIGIBLE FOR DEBT RESTRUCTURING, YOU MUST FILE A MEDIATION REQUEST WITH THE FARM MEDIATION COMMISSION BY \_\_\_\_\_ (Date of 14 Days after Service of the Mediation Notice) \_\_\_\_\_. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OFFICE.

FROM: \_\_\_\_\_ (Name and Address of Contract for Deed Vendor) \_\_\_\_\_"

Sec. 4. Minnesota Statutes 1984, section 580.01, is amended to read:

580.01 [LIMITATION.]

Subject to the provisions of section 541.03, any mortgage of real estate containing a power of sale, *except a mortgage of real estate used in agricultural production or a homestead*, upon default being made in any condition thereof, may be foreclosed by advertisement.

Sec. 5. [581.015] [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]

Subdivision 1. [REQUIREMENT.] A person may not begin a proceeding under this chapter to foreclose a mortgage on agricultural property subject to sections 6 to 25 that has a secured debt of more than \$5,000 unless: (1) a mediation notice is served on the mortgagor and a copy is filed with the farm mediation commission; and (2) the person receives a release order under sections 6 to 25.

Subd. 2. [CONTENTS.] A mediation notice must contain the following notice with the blanks properly filled in.

"TO: \_\_\_\_\_ (Name of Record Owner) \_\_\_\_\_

YOU HAVE DEFAULTED ON THE MORTGAGE OF THE AGRICULTURAL PROPERTY DESCRIBED AS \_\_\_\_\_ (Size and Reasonable Location, Not Legal Description) \_\_\_\_\_.

AS HOLDER OF THE MORTGAGE, \_\_\_\_\_ (Name of Holder of Mortgage) \_\_\_\_\_ INTENDS TO FORECLOSE ON THE PROPERTY DESCRIBED ABOVE.

YOU HAVE THE RIGHT TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION. IF YOU PARTICIPATE IN MEDIATION, THE FARM MEDIATION COMMISSION WILL PROVIDE A



CREDIT ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS. BY PARTICIPATING IN MEDIATION YOU MAY POSSIBLY HAVE THE DEBT RESTRUCTURED AND MAY BE ELIGIBLE FOR ASSISTANCE TO RESTRUCTURE THE DEBT.

TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION AND TO BE ELIGIBLE FOR DEBT RESTRUCTURING, YOU MUST FILE A MEDIATION REQUEST WITH THE FARM MEDIATION COMMISSION BY \_\_\_\_\_ (Date of 14 Days after Service of the Mediation Notice) \_\_\_\_\_. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OFFICE.

FROM: \_\_\_\_\_ (Name and Address of Holder of Mortgage) \_\_\_\_\_"

Sec. 6. [583.20] [CITATION.]

Sections 6 to 25 may be cited as the "farmer-lender mediation act."

Sec. 7. [583.21] [LEGISLATIVE FINDINGS.]

The legislature finds that the agricultural sector of the state's economy is under severe financial stress due to low farm commodity prices, continuing high interest rates, and reduced net farm income. The suffering agricultural economy adversely affects economic conditions for all other businesses in rural communities as well. Thousands of this state's farmers are unable to meet current payments of interest and principal payable on mortgages and other loan and land contracts and are threatened with the loss of their farmland, equipment, crops, and livestock through mortgage and lien foreclosures, cancellation of contracts for deed, and other collection actions. The agricultural economic emergency requires an orderly process with state assistance to adjust agricultural indebtedness to prevent civil unrest and to preserve the general welfare and fiscal integrity of the state.

Sec. 8. [583.22] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 8 to 25.

Subd. 2. [AGRICULTURAL PROPERTY.] "Agricultural property" means real property that is principally used for farming as defined in section 500.24, subdivision 2, paragraph (a), and raising poultry, and personal property that is used as security to finance a farm operation or used as part of a farm operation including equipment, crops, livestock, and proceeds of the security. "Agricultural property" also includes agriculturally related businesses as defined by the commission.

Subd. 3. [COMMISSION.] "Commission" means the farm mediation commission.

Subd. 4. [CREDITOR.] "Creditor" means the holder of a mortgage on agricultural property, a vendor of a contract for deed of agricultural property, a person with a lien or security interest in agricultural property, or a judgment creditor with a judgment against a debtor with agricultural property.

Subd. 5. [FILE.] "File" means to deliver by the required date by certified

mail or another method acknowledging receipt.

Subd. 6. [MEDIATOR.] "Mediator" means a farm mediation board member or an alternate.

Subd. 7. [POSTPONEMENT ORDER.] "Postponement order" means an order by the commission that prevents creditors of a debtor from initiating or continuing proceedings to foreclose a mortgage, terminate a contract for deed, repossess collateral, seize, execute on, levy on, or attach agricultural property, or collect debts secured by the agricultural property of the debtor.

Subd. 8. [RELEASE ORDER.] "Release order" means an order by the commission that releases a creditor from the requirements of the farmer-lender mediation act.

Subd. 9. [SERVE.] "Serve" means personal service as in a state district court civil action.

#### Sec. 9. [583.23] [FARM MEDIATION COMMISSION.]

The farm mediation commission is established consisting of the commissioners of agriculture, commerce, and finance with the commissioner of finance serving as the chair.

#### Sec. 10. [583.24] [FARM MEDIATION REGIONS.]

Eleven farm mediation regions are established. Ten regions shall correspond geographically to the ten development regions established under chapter 462, and one region shall correspond geographically to the metropolitan area as defined in section 473.121, subdivision 2.

#### Sec. 11. [583.25] [FARM MEDIATION BOARDS.]

Subdivision 1. [ESTABLISHMENT.] The commission shall establish at least one farm mediation board in each farm mediation region. The commission shall appoint three members and necessary alternates to each farm mediation board and designate a chair. Members and alternates must be residents of the state with knowledge of financial and agricultural matters.

Subd. 2. [ADMINISTRATION.] The commission shall appoint a farm mediation administrator and a director of training. The administrator and director shall provide training for farm mediation boards and farm advocates and coordinate community legal education programs for farmers.

#### Sec. 12. [583.26] [APPLICABILITY.]

Subdivision 1. [CREDITORS.] (a) The farmer-lender mediation act applies to creditors who are:

- (1) the United States or an agency of the United States;
- (2) corporations, partnerships, and other business entities; and
- (3) individuals.

(b) The farmer-lender mediation act does not apply to creditors of a debtor described under subdivision 2, paragraph (b).

Subd. 2. [DEBTORS.] (a) Except as provided in paragraph (b) the farmer-lender mediation act applies to a debtor who is:

- (1) a person operating a family farm as defined in section 500.24, subdivi-

sion 2;

(2) a family farm corporation as defined in section 500.24, subdivision 2;

(3) an authorized farm corporation as defined in section 500.24, subdivision 2; and

(4) an owner of an agriculturally related business.

(b) The farmer-lender mediation act does not apply to a debtor who owns and leases less than 60 acres with less than \$20,000 in gross sales of agricultural products the preceding year.

**Subd. 3. [FINANCIAL INSTITUTION UNDER CEASE AND DESIST ORDER.]** Upon the request of an institution defined in section 46.23, subdivision 4, the commissioner of commerce may exempt the institution from the farmer-lender mediation act, without a hearing or contested case proceeding, if:

(1) the institution is subject to a cease and desist order issued under sections 46.23 to 46.33; and

(2) the commissioner determines that exemption is essential to the financial survival of the institution.

### Sec. 13. [583.27] [VOLUNTARY MEDIATION PROCEEDINGS.]

A debtor that owns agricultural property or a creditor of the debtor may request mediation of the indebtedness by a farm mediation board by applying to the commission. The commission shall make voluntary mediation application forms available at the county recorder's office in each county. The commission must evaluate each request and may direct a mediator to meet with the debtor and creditor to assist in mediation. Debt restructuring is available for voluntary mediation as provided in section 14, subdivision 8.

### Sec. 14. [583.28] [MANDATORY MEDIATION PROCEEDINGS.]

**Subdivision 1. [MEDIATION NOTICE.]** A creditor desiring to start a proceeding to enforce a debt against agricultural property under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property, must serve an applicable mediation notice under sections 1, 2, 3, and 5 on the debtor and the commission. The creditor may not begin the proceeding subject to sections 6 to 25 until the creditor is issued a release order.

**Subd. 2. [MEDIATION REQUEST.]** (a) A debtor must file a certified mediation request form with the commission by 14 days after receiving a mediation notice. The mediation request form must state all known creditors. The commission shall make mediation request forms available in the county recorder's office of each county.

(b) A debtor who fails to file a mediation request waives the right to mediation and debt restructuring under the farmer-lender mediation act. The commission shall file a release order with the creditor stating that the creditor may proceed against the agricultural property because the debtor has failed to file a mediation request.

(c) If a debtor has not received a mediation notice and is subject to a pro-

ceeding of a creditor enforcing a debt against agricultural property under chapter 580 or 581 or sections 336.9-501 to 336.9-508, terminating a contract for deed to purchase agricultural property under section 559.21, or garnishing, levying on, executing on, seizing, or attaching agricultural property, the debtor may file a mediation request with the commission. The mediation request form must indicate that the debtor has not received a mediation notice.

Subd. 3. [CREDIT ANALYST AND FARM ADVOCATE.] (a) After receiving a mediation notice, the commission shall provide a credit analyst knowledgeable in agricultural and financial matters to meet with the debtor and assure that information relative to the finances of the debtor is prepared for the initial mediation meeting.

(b) After receiving the mediation notice, the commission shall notify the debtor that a farm advocate may be available without charge to assist the debtor and the credit analyst.

Subd. 4. [INITIAL MEDIATION MEETING.] By ten days after receiving a mediation request, the commission shall send a mediation meeting notice to the debtor and a mediation meeting notice and claim form to all known creditors of the debtor setting a time and place for an initial mediation meeting between the debtor, all known creditors of the debtor, and a mediator directed by the commission to assist in mediation. An initial mediation meeting must be held within 15 days of the notice.

Subd. 5. [EFFECT OF MEDIATION MEETING NOTICE.] If a creditor receives a mediation meeting notice to a creditor under subdivision 4 the creditor and the creditor's successors in interest may not continue proceedings to enforce a debt against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property. Time periods under and affecting those procedures stop running until the commission issues a release order to the creditor or a mediation agreement is reached.

Subd. 6. [DUTIES OF MEDIATOR.] At the initial mediation meeting and subsequent meetings, the mediator shall:

- (1) listen to the debtor and the creditors desiring to be heard;
- (2) attempt to mediate between the debtor and the creditors;
- (3) advise the debtor and creditors of assistance programs available;
- (4) attempt to fairly adjust, refinance, or pay the debts; and
- (5) advise, counsel, and assist the debtor and creditors in attempting to arrive at an agreement for the future conduct of financial relations among them.

Subd. 7. [MEDIATOR LIABILITY AND IMMUNITY.] (a) A mediator is immune from civil liability for actions within the scope of the position as mediator. A mediator does not have a duty to advise a creditor or debtor about the law or to encourage or assist a debtor or creditor in reserving or establishing legal rights. This subdivision is an addition to and not a limitation of

*immunity otherwise accorded to a mediator under law.*

*(b) A mediator cannot be examined about a communication or document, including worknotes, made or used in the course of or because of mediation under this section and section 13. This paragraph does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because it is used in the cause of mediation. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.*

*Subd. 8. [DEBT RESTRUCTURING.] (a) The mediator must attempt to reach a mediation agreement between the debtor and creditors without state aid for debt restructuring. If a mediation agreement is not reached and creditors have agreed in the aggregate to reduce the total outstanding debt by at least 25 percent, the mediator may attempt to reach a mediation agreement using state farm debt restructuring funds.*

*(b) State farm debt restructuring funds may only be used if:*

*(1) a mediation agreement can be reached;*

*(2) a viable farming operation will result;*

*(3) additional reductions in the aggregate debt principal and interest are made by creditors on a two to one ratio of aggregate debt reduction by creditors to state farm debt restructuring funds;*

*(4) the creditors comply with paragraph (c); and*

*(5) the commission approves the use of the funds.*

*(c) The creditors must encourage the farmer to participate in the vocational adult farm business management program. The creditors must agree to offer to pay enrollment fees, less the amount of a locally available reduction in or subsidy to fees ordinarily paid by the enrollee, if the debtor desires to enroll and participate in a vocational adult farm business management program or equivalent.*

*Subd. 9. [MEDIATION PERIOD.] The mediator may call mediation meetings during the mediation period, which is up to 60 days after the initial mediation meeting.*

*Subd. 10. [MEDIATION AGREEMENT.] (a) If an agreement is reached among the debtor and creditors the mediator shall draft a written mediation agreement, have it signed by the creditors, and submit the agreement to the commission for approval. The commission shall review the mediation agreement and, if the debtors and creditors are not unjustly treated, shall approve the mediation agreement and issue release or postponement orders to implement the agreement.*

*(b) The debtor and creditors must be notified of the approval or disapproval within five days after the commission receives the mediation agreement. The notification of the approval or disapproval of a mediation agreement is a release order unless a postponement is issued with the approval or disapproval.*

*(c) The debtor and creditors who are parties to the approved mediation*

*agreement and creditors who have filed claim forms and have not objected to the mediation agreement:*

- (1) are bound by the terms of the agreement;*
- (2) may enforce the mediation agreement as a legal contract; and*
- (3) may use the mediation agreement as a defense against an action contrary to the mediation agreement.*

*Subd. 11. [UNSUCCESSFUL MEDIATION.] (a) If a mediation agreement is not reached the farm mediation board shall make a recommendation to the commission by ten days after the final mediation meeting as to whether a postponement order should be issued.*

*(b) The farm mediation board may recommend to the commission that a postponement order be issued if:*

*(1) there is a reasonable likelihood that the farming operation will become viable; or*

*(2) the creditors have not made good faith efforts to reach a mediation agreement with the debtor and the debtor has made good faith efforts to reach a mediation agreement.*

*(c) The farm mediation board may not recommend to the commission that a postponement order be issued if creditors will be irreparably harmed by the issuance of a postponement order.*

**Sec. 15. [583.30] [CREDITOR NOT ATTENDING MEDIATION MEETING.]**

*Subdivision 1. [FILING AND EFFECT OF CLAIM FORM.] A creditor that is notified of the initial mediation meeting is subject to and bound by a mediation agreement if the creditor does not attend mediation meetings unless the creditor files a claim form. In lieu of attending a mediation meeting, a creditor may file a notice of claim and proof of claim on a claim form with the farm mediation board before the scheduled meeting. By filing a claim form the creditor agrees to be bound by a mediation agreement reached at the mediation meeting unless an objection is filed within the time specified. The farm mediation board must notify the creditors who have filed claim forms of the terms of any agreement reached at the farm mediation board meeting.*

*Subd. 2. [OBJECTIONS TO AGREEMENTS.] A creditor who has filed a claim form may serve a written objection to the terms of the agreement on the farm mediation board and the debtor by ten days after receiving notice of the agreement. If a creditor files an objection to the terms of an agreement, the farm mediation board may meet again with debtors and creditors by ten days after receiving the objection to attempt to reach a new agreement. Notwithstanding the mediation period under section 14, subdivision 9, if an objection is filed, the mediation board may call mediation meetings during the ten-day period following receipt of the objection.*

**Sec. 16. [583.31] [ORDER AFTER UNSUCCESSFUL MEDIATION.]**

*The commission must issue a release order or a postponement order within ten days after receiving the farm mediation board's recommendation after*

unsuccessful mediation. The commission shall file the order with the debtor, all known creditors of the debtor, and the farm mediation board.

Sec. 17. [583.32] [POSTPONEMENT ORDER.]

*Subdivision 1. [STANDARD TO ISSUE POSTPONEMENT ORDER.]*

(a) *The commission shall consider the farm mediation board recommendation and may issue a postponement order if:*

*(1) there is a reasonable likelihood that the farming operation will be viable; or*

*(2) the creditors have not made good faith efforts to reach a mediation agreement with the debtor and the debtor has made good faith efforts to reach a mediation agreement.*

*(b) The commission may not issue a postponement order if creditors will be irreparably harmed by issuance of a postponement order.*

*Subd. 2. [TERMINATION AND RELEASE.] A postponement order issued under the farmer-lender mediation act must contain a termination date. The expiration of the postponement order is a release order.*

*Subd. 3. [EFFECT.] A postponement order is binding on the debtor and creditors and may be used as a complete defense and bar to any actions contrary to the order.*

Sec. 18. [583.33] [FARM FINANCIAL PLAN.]

*Subdivision 1. [PLAN APPROVAL.] (a) By 30 days after receiving a postponement order, the farm mediation board shall develop a financial plan and submit it to the debtor, creditors, and the commission. The plan must be designed to maximize the long-term viability of the farm operation and may include temporary suspension or reduction of payments during the postponement period and voluntary adjustment of debt by creditors.*

*(b) The commission may amend the financial plan but must approve the financial plan within ten days after receiving it from the farm mediation board. The financial plan is effective when approved by the commission. The commission may issue a release order or a postponement order to implement the financial plan, except that a postponement order may not exceed one year. A copy of the approved plan with the release or postponement order, if any, must be filed with the debtor and affected creditors.*

*(c) Notwithstanding section 19, the commission may extend the terms of a postponement order against a creditor for an additional period of up to one year after the termination date if it determines that the creditor has not acted in good faith with the debtor, commission, or farm mediation board.*

*Subd. 2. [DISAPPROVAL AND NONCOMPLIANCE.] If a financial plan is not approved or if the debtor fails to comply with the terms of the plan, upon request of the debtor or creditor the commission may issue a release order at any time.*

Sec. 19. [583.34] [EXTENSION OF DEADLINES.]

*Upon petition by a farm mediation board, a debtor, or a creditor, the commission may, for good cause, extend a deadline imposed by sections 14 to 18 for up to 30 days, except that a postponement order may not exceed one year.*

**Sec. 20. [583.35] [EFFECT OF MEDIATION ON CREDITOR.]**

*A creditor that has participated in mediation with a debtor and has been issued a release order is not required to file notices before proceeding under sections 1 to 3 or 5, against the debtor's property and is not subject to the farmer-lender mediation act as it applies to the debtor involved in the mediation.*

**Sec. 21. [583.36] [PRIVATE DATA.]**

*All data regarding the finances of individual debtors and creditors created, collected, and maintained by the commission or farm mediation boards of the commission or board are classified as private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9.*

**Sec. 22. [583.37] [CLOSED MEETINGS.]**

*Meetings of the commission and farm mediation boards are not open to the public and are not subject to provisions of the open meeting law, section 471.705, except commission meetings that do not discuss or refer to private or nonpublic data. The commission shall give notice of public meetings.*

**Sec. 23. [583.38] [RULES AND FORMS.]**

*Subdivision 1. [AUTHORITY.] The commission shall adopt rules for providing debt restructuring under section 14 and to set the compensation of mediators and credit analysts and may adopt rules to implement the farmer-lender mediation act. Notwithstanding chapter 14, the commission shall adopt rules as provided under section 97.53, subdivision 2. The rules adopted under this section are effective until July 1, 1988.*

*Subd. 2. [FORMS.] The commission shall adopt voluntary mediation application, mediation request, and claim forms.*

**Sec. 24. [583.39] [APPEALS.]**

*The decision of the commission to issue a postponement order or a release order may be appealed to the district court of the county where the debtor resides. The attorney general shall represent the commission.*

**Sec. 25. [583.40] [INCONSISTENT LAWS.]**

*The farmer-lender mediation act has precedence over any inconsistent or conflicting laws and statutes including chapters 336, 580, and 581, and section 559.21.*

**Sec. 26. [TRAINING, COMPENSATION, AND EXPENSES OF MEDIATORS AND CREDIT ANALYSTS.]**

*(a) The bureau of mediation services shall provide training for mediators as directed by the commission.*

*(b) Mediators and credit analysts are entitled to compensation at the rate of up to \$100 per day for each day employed in their official duties and other expenses as provided for by law.*

**Sec. 27. [APPROPRIATION.]**

*Subdivision 1. [ADMINISTRATION.] \$\_\_\_\_\_ is appropriated*



from the general fund to the commissioner of agriculture to pay administrative costs of the commission and the farm mediation boards to be available until June 30, 1987. The complement of the department of agriculture is increased by \_\_\_\_\_ positions, which may be in the unclassified service.

Subd. 2. [FARM ADVOCATES.] \$\_\_\_\_\_ is appropriated from the general fund to the commissioner of agriculture to provide for farm advocates to be available until June 30, 1987.

Subd. 3. [DEBT RESTRUCTURING.] \$\_\_\_\_\_ is appropriated from the general fund to the commissioner of finance to provide debt restructuring under section 14, to be available until June 30, 1987.

Sec. 28. [REPEALER.]

Sections 2, 3, and 5 to 26, and Minnesota Statutes, section 336.9-501, subsections (6) and (7) are repealed on July 1, 1988.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 27 are effective the day following final enactment, except that section 4 is effective for foreclosure by advertisement actions begun after the effective date of this act."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "prohibiting foreclosure by advertisement of property used in agricultural production and homesteads;"

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

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

S.F. No. 1597: A bill for an act relating to agriculture; removing the liability of persons who buy farm products; repealing the notification and registration system for security interests in farm products; amending Minnesota Statutes 1985 Supplement, section 336.9-307; repealing Laws 1985, chapter 233, sections 1 to 6.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 17A.04, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] Any person desiring to carry on the business of a livestock market agency or livestock dealer, or both, or a public stockyard shall make application to the commissioner on a form or forms provided by the commissioner. ~~The form must provide for registration as a livestock buyer under section 386.42.~~

Sec. 2. Minnesota Statutes 1985 Supplement, section 17A.04, subdivision 5, is amended to read:

Subd. 5. [LICENSE FEE.] The applicant shall submit to the commissioner

the fee for the county registration as a livestock buyer under subdivision 1a and the following applicable fees and penalties for late renewal:

(a) \$150 for each livestock market agency and public stockyard license, penalty \$38;

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

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

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

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

Page 2, delete line 9 and insert:

*"Minnesota Statutes 1985 Supplement, sections 17A.04, subdivision 1a; 27.03, subdivision 2; 223.17, subdivision 1a; 223A.01; and 386.42 are repealed."*

Page 2, line 11, delete "and 2" and insert "to 4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "section" and insert "sections 17A.04, subdivisions 2 and 5; and"

Page 1, delete line 7 and insert "Minnesota Statutes 1985 Supplement, sections 17A.04, subdivision 1a; 27.03, subdivision 2; 223.17, subdivision 1a; 223A.01; and 386.42."

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 1349, 1562 and 1612 were read the second time.

## MOTIONS AND RESOLUTIONS

Mrs. Lantry moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1319. The motion prevailed.

Mr. Frederickson moved that the names of Messrs. Merriam and Frederick be added as co-authors to S.F. No. 1576. The motion prevailed.

Ms. Berglin moved that the name of Mr. Frank be added as a co-author to S.F. No. 1579. The motion prevailed.

Ms. Berglin moved that the name of Mr. Frank be added as a co-author to S.F. No. 1581. The motion prevailed.

Mr. Spear moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1591. The motion prevailed.

Mr. Diessner moved that the names of Messrs. Ramstad and Dahl be added as co-authors to S.F. No. 1596. The motion prevailed.

Mr. Berg moved that the names of Messrs. Moe, R.D. and Renneke be added as co-authors to S.F. No. 1598. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1601. The motion prevailed.

Mr. Frederickson moved that the names of Messrs. Merriam; Peterson, D.L.; Stumpf and Berg be added as co-authors to S.F. No. 1604. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Schmitz be added as a co-author to S.F. No. 1620. The motion prevailed.

Mr. Spear moved that the names of Messrs. Frank and Dahl be added as co-authors to S.F. No. 1631. The motion prevailed.

Mr. Benson moved that the name of Mrs. Kronebusch be added as a co-author to S.F. No. 1659. The motion prevailed.

Mr. Frank moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1666. The motion prevailed.

Mr. Petty moved that the names of Messrs. Wegscheid; Jude; Peterson, R.W. and Sieloff be added as co-authors to S.F. No. 1670. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Davis be added as a co-author to S.F. No. 1698. The motion prevailed.

Mr. Laidig moved that the names of Mrs. Kronebusch and Mr. Bertram be added as co-authors to S.F. No. 1716. The motion prevailed.

Mr. Spear moved that the name of Ms. Berglin be added as a co-author to S.F. No. 1717. The motion prevailed.

Mr. DeCramer moved that S.F. No. 1539 be withdrawn from the Committee on Economic Development and Commerce and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

Messrs. Freeman and Bertram introduced—

Senate Resolution No. 104: A Senate resolution commemorating the life and work of Thomas F. Moore.

Referred to the Committee on Rules and Administration.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Petty introduced—

S.F. No. 1718: A bill for an act relating to credit unions; permitting credit unions to offer self-directed individual retirement accounts; amending Minnesota Statutes 1985 Supplement, section 52.04, subdivision 1.

Referred to the Committee on Economic Development and Commerce.

Mr. Storm introduced—

S.F. No. 1719: A bill for an act relating to public utilities; changing the

qualifications for public utilities commissioners; changing the powers and responsibilities of the chair of the commission; requiring commissioners to file certain financial information before taking office; prohibiting commissioners from engaging in certain activity after leaving the commission; amending Minnesota Statutes 1984, sections 216A.03, subdivision 1; 216A.035; and 216A.04; proposing coding for new law in Minnesota Statutes, chapter 216A.

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

Mr. Storm introduced—

S.F. No. 1720: A bill for an act relating to health; establishing a multiple prescription system for monitoring controlled drugs; appropriating money; amending Minnesota Statutes 1984, section 152.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 152.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1721: A bill for an act relating to human services; regulating withholding for purposes of child support; amending Minnesota Statutes 1985 Supplement, section 518.611, subdivisions 4 and 6.

Referred to the Committee on Health and Human Services.

Messrs. Stumpf, Langseth and DeCramer introduced—

S.F. No. 1722: A bill for an act relating to taxation; gasoline; clarifying the transactions for which a distributor credit or rebate is allowed; amending Minnesota Statutes 1984, sections 296.14, subdivision 2; and 296.18, subdivision 3a.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dicklich introduced—

S.F. No. 1723: A bill for an act relating to retirement; Buhl police relief association; permitting the association to amend its bylaws to provide for the payment of benefits to the survivors of deceased members.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1724: A bill for an act relating to retirement; public employees retirement association; expanding conditions under which members of the association may purchase prior service credit; amending Minnesota Statutes 1984, section 353.36, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Moe, R.D. introduced—

S.F. No. 1725: A bill for an act relating to the city of East Grand Forks;

permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

Referred to the Committee on Local and Urban Government.

Mr. Frank, Mrs. Lantry and Mr. Laidig introduced—

S.F. No. 1726: A bill for an act relating to traffic regulations; requiring motor vehicle operators to use child passenger restraint system when transporting child under age of four; assessing court costs to violator under certain conditions; imposing penalty; amending Minnesota Statutes 1984, section 169.685, subdivision 5.

Referred to the Committee on Transportation.

Messrs. Luther, Spear, Laidig and Mrs. Adkins introduced—

S.F. No. 1727: A bill for an act relating to local government; providing immunity to municipalities for certain claims that occur as a result of the use of parks and recreation areas; amending Minnesota Statutes 1984, section 466.03, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Messrs. Pehler; Peterson, R.W.; Dicklich and Nelson introduced—

S.F. No. 1728: A bill for an act relating to education; establishing a state-wide system of area vocational technical institutes by July 1, 1989; requiring the state board of vocational technical education to develop an implementation plan; requiring advisory committees, state payment of debt service, transfer of property, and employment continuation; amending Minnesota Statutes 1984, sections 136.04, by adding a subdivision; 136C.27, by adding a subdivision; 136C.41, by adding a subdivision; repealing Minnesota Statutes 1984, section 136C.05; Minnesota Statutes 1985 Supplement, sections 136C.02, subdivision 9; 136C.60 to 136C.69.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 1729: A bill for an act relating to horse racing; providing for racing days at county fairs; amending Minnesota Statutes 1985 Supplement, section 240.14, subdivision 3.

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

Messrs. Spear; Gustafson; Peterson, R.W.; Sieloff and Luther introduced—

S.F. No. 1730: A bill for an act relating to theft; modifying circumstances justifying detention of suspects in business establishments; modifying immunity from liability for detention; amending Minnesota Statutes 1985 Supplement, section 629.366, subdivisions 1 and 3.

Referred to the Committee on Judiciary.

Messrs. Merriam; Peterson, R.W.; Frank and Dahl introduced—

S.F. No. 1731: A bill for an act relating to Anoka county; directing the department of energy and economic development to refund a bond deposit; appropriating money.

Referred to the Committee on Local and Urban Government.

Messrs. Merriam, Lessard, Jude and Knaak introduced—

S.F. No. 1732: A bill for an act relating to marriage dissolution; allowing for a presumption of joint custody; requiring mediation services in contested custody matters; establishing a trust account in certain child support matters; amending Minnesota Statutes 1984, sections 518.17, subdivision 2; 518.551, subdivision 5; 518.57; 518.61; and 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 1984, section 518.641.

Referred to the Committee on Health and Human Services.

Messrs. Wegscheid, Davis, Frederickson, DeCramer and Bernhagen introduced—

S.F. No. 1733: A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk or cream; amending Minnesota Statutes 1985 Supplement, section 32.21, subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Pehler, Stumpf, Ms. Peterson, D.C.; Messrs. Merriam and Peterson, D.L. introduced—

S.F. No. 1734: A resolution relating to education; memorializing the President and Congress of the United States to take action to officially commend those who have assisted the educational process of this country by operating the country's school buses.

Referred to the Committee on Education.

Messrs. Pehler, Stumpf and Langseth introduced—

S.F. No. 1735: A bill for an act relating to probate; providing for an increased sum payable to a surviving spouse by affidavit; increasing the value of a probate estate allowed for purposes of collection by affidavit; amending Minnesota Statutes 1984, sections 181.58; and 524.3-1201.

Referred to the Committee on Judiciary.

Mrs. Kronebusch and Mr. Benson introduced—

S.F. No. 1736: A bill for an act relating to water; appropriating money to the commissioner of natural resources for dam reconstruction in Winona county.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Davis, Dicklich, Mrs. Adkins, Messrs. Peterson, D.L. and Pehler introduced—

S.F. No. 1737: A bill for an act relating to libraries; prohibiting regional library basic system support grants under certain conditions; amending Minnesota Statutes 1984, section 134.35.

Referred to the Committee on Education.

Mr. Davis introduced—

S.F. No. 1738: A bill for an act relating to certain taxation; income; continuing the subtraction for interest on certain seller-sponsored family farm security loans; amending Minnesota Statutes 1985 Supplement, section 290.01, subdivision 20b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Knaak, Ramstad and Storm introduced—

S.F. No. 1739: A bill for an act relating to education; requiring the formation of intermediate districts statewide; proposing coding for new law in Minnesota Statutes, chapter 136D.

Referred to the Committee on Education.

Mrs. McQuaid introduced—

S.F. No. 1740: A bill for an act relating to metropolitan government; authorizing the metropolitan council to make loans to local units of government to acquire homestead property damaged because of its proximity to a trunk highway right-of-way or project; amending Minnesota Statutes 1985 Supplement, section 473.167.

Referred to the Committee on Local and Urban Government.

Mr. Laidig introduced—

S.F. No. 1741: A bill for an act relating to education; independent school district No. 832, Mahtomedi; authorizing a one-time extra capital levy subject to a reverse referendum.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1742: A bill for an act relating to military affairs; authorizing the department of military affairs to purchase certain insurance; amending Minnesota Statutes 1984, section 15.38, by adding a subdivision.

Referred to the Committee on Employment.

Mr. Pehler, Mrs. Adkins, Messrs. Peterson, D.L. and Davis introduced—

S.F. No. 1743: A bill for an act relating to motor vehicles; providing for special license plates for emergency services volunteers; amending Minnesota Statutes 1984, section 168.12, by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Messrs. Pehler, Schmitz, Mrs. Adkins, Messrs. Peterson, D.L. and Davis introduced—

S.F. No. 1744: A bill for an act relating to motor vehicles; providing for special license plates for Vietnam era veterans; amending Minnesota Statutes 1984, section 168.12, by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Mr. Bertram introduced—

S.F. No. 1745: A bill for an act relating to state lands; authorizing sale of Pearl Lake lakeshore parcel in Stearns county.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Bertram introduced—

S.F. No. 1746: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1984, section 197.23.

Referred to the Committee on Veterans and General Legislation.

Mr. Bertram introduced—

S.F. No. 1747: A bill for an act relating to taxation; rescinding the repeal of the income tax exclusion for interest earned on certain family farm security loans; amending Minnesota Statutes 1985 Supplement, sections 41.55; 290.01, subdivisions 20a and 20b; and Laws 1985, first special session chapter 14, article 1, section 59.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bertram introduced—

S.F. No. 1748: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; permitting the legislature to authorize state lotteries.

Referred to the Committee on Veterans and General Legislation.

Mr. Dahl introduced—

S.F. No. 1749: A bill for an act relating to agriculture; establishing an agricultural linked deposit program; imposing a penalty.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Hughes; Pehler; Langseth; Peterson, D.L. and Nelson introduced—

S.F. No. 1750: A bill for an act relating to education; authorizing school districts to form education districts; providing for additional aid and levy for education districts; authorizing intermediate districts to use levies for education district purposes; authorizing grants to exemplary education districts; appropriating money; amending Minnesota Statutes 1984, sections 124.272, subdivisions 1, 2, 4, and by adding a subdivision; 136D.27; 136D.74, subdivision 2; 136D.87; Minnesota Statutes 1985 Supplement, sections



124.272, subdivision 3; and 275.125, subdivision 8a; proposing coding for new law in Minnesota Statutes, chapter 123.

Referred to the Committee on Education.

Ms. Reichgott introduced—

S.F. No. 1751: A bill for an act relating to crime; correcting certain erroneous, omitted and obsolete references in and to the criminal sexual conduct statutes; amending Minnesota Statutes 1984, sections 253B.02, subdivision 4a; 260.015, subdivision 24; 494.03; 518B.01, subdivision 2; 609.11, subdivision 9; 609.341, subdivision 3; 609.347, subdivision 3; 609.348; 609.349; 609.35; 611A.03, subdivision 3; and 628.26; and Minnesota Statutes 1985 Supplement, sections 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivisions 2 and 3; 609.3471; 609.531, subdivision 1; 626.556, subdivision 2; and 631.045.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Spear, Diessner and Knaak introduced—

S.F. No. 1752: A bill for an act relating to statutes; adopting a gender neutral revision of Minnesota Statutes; providing for no substantive change; granting certain editorial authority to the revisor of statutes; amending Minnesota Statutes 1984, section 3C.10, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Reichgott introduced—

S.F. No. 1753: A bill for an act relating to the family; reducing the statutory time of residency required for a change of name; amending Minnesota Statutes 1984, section 259.10.

Referred to the Committee on Judiciary.

Messrs. Dicklich; Johnson, D.J. and Lessard introduced—

S.F. No. 1754: A bill for an act relating to education; requiring the state board for community colleges to develop upper division programs at the Arrowhead Community College.

Referred to the Committee on Education.

Ms. Peterson, D.C. and Mr. Frederickson introduced—

S.F. No. 1755: A bill for an act relating to human rights; classifying human rights mediation data; eliminating court examination of evidence when there is failure to comply with an order of the department of human rights; providing for indemnification of local human rights commissions; authorizing municipalities to procure insurance against liability of members of a local commission; amending Minnesota Statutes 1984, sections 363.01, by adding subdivisions; 363.091; 363.14, subdivision 1; Minnesota Statutes 1985 Supplement, section 363.061, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 363.

Referred to the Committee on Judiciary.

Ms. Peterson, D.C. introduced—

S.F. No. 1756: A bill for an act relating to education; changing the duties of the interagency early learning committee; amending Minnesota Statutes 1985 Supplement, section 120.17, subdivision 12.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 1757: A bill for an act relating to veterans; providing for free motor vehicle license plates for former prisoners of war; amending Minnesota Statutes 1984, section 168.125.

Referred to the Committee on Veterans and General Legislation.

Mr. Vega introduced—

S.F. No. 1758: A bill for an act relating to taxation; delaying the repeal of the residential energy credit; amending Laws 1985, First Special Session chapter 14, article 1, sections 59 and 61.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, R.W.; Merriam and Sieloff introduced—

S.F. No. 1759: A bill for an act relating to data privacy; providing for the classification of data in certain adoption reports; amending Minnesota Statutes 1984, section 259.27, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Langseth introduced—

S.F. No. 1760: A bill for an act relating to local government; providing for the coordination of various development authorities in Moorhead and Clay county.

Referred to the Committee on Local and Urban Government.

Mr. Luther introduced—

S.F. No. 1761: A bill for an act relating to taxation; delaying the effective date of the repeal of the residential energy credit; amending Laws 1985, first special session chapter 14, article 1, section 61.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Samuelson, Lessard and Bertram introduced—

S.F. No. 1762: A bill for an act relating to lotteries; proposing an amendment to the Minnesota Constitution to repeal the prohibition against lotteries and the sale of lottery tickets; establishing a state lottery agency and a state lottery board; authorizing a state lottery and providing for its operation and administration; providing penalties; appropriating money; amending Minnesota Statutes 1984, sections 10A.01, subdivision 18; 290.09, by adding a subdivision; and 609.761; Minnesota Statutes 1985 Supplement, section

15A.081, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 349A.

Referred to the Committee on Veterans and General Legislation.

Mr. Kamrath introduced—

S.F. No. 1763: A bill for an act relating to crimes; prohibiting financial institutions from "laundering" money derived from manufacture or sale of controlled substances; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Kamrath introduced—

S.F. No. 1764: A bill for an act relating to state government; repealing legislative and certain executive branch salary increases; amending Laws 1985, first special session chapter 13, section 52, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Mehrkens introduced—

S.F. No. 1765: A bill for an act relating to the city of Red Wing; directing the department of energy and economic development to refund a certain bond deposit; appropriating money.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, C.C. introduced—

S.F. No. 1766: A bill for an act relating to education; independent school district No. 544, Fergus Falls; authorizing a fund transfer.

Referred to the Committee on Education.

Mr. Peterson, C.C. introduced—

S.F. No. 1767: A bill for an act relating to local government; authorizing the counties of Becker, Grant, Hubbard, Otter Tail, Stevens, Todd, Traverse, Wadena, and Wilkin to enter into contracts and agreements for solid waste management.

Referred to the Committee on Local and Urban Government.

Messrs. Waldorf and Jude introduced—

S.F. No. 1768: A bill for an act relating to utilities; prohibiting utilities from conducting energy-related activities in competition with business except in circumstances that will ensure fair competition; authorizing and directing the public utilities commission to adopt rules; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 216C.

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

Mr. Benson introduced—

S.F. No. 1769: A bill for an act relating to natural resources; requiring the

commissioner of natural resources to accept rental payments for certain agricultural land until March 1 of each year; requiring the commissioner to make certain interest payments; amending Minnesota Statutes 1984, section 89.17; Minnesota Statutes 1985 Supplement, section 92.50.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Freeman, Luther, Mses. Peterson, D.C. and Reichgott introduced—

S.F. No. 1770: A bill for an act relating to crimes; clarifying the crime of failing to file a tax return; creating a presumption that property acquired during the course of certain crimes are "proceeds" of the crime for purposes of forfeiture law; providing a court procedure to freeze bank funds of persons charged with certain crimes; amending Minnesota Statutes 1985 Supplement, sections 290.92, subdivision 15; and 609.531, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Nelson introduced—

S.F. No. 1771: A bill for an act relating to education; imposing a limit on participation in and making other modifications to the post-secondary enrollment options program; modifying the timelines for placing teachers on unrequested leaves of absence; amending Minnesota Statutes 1984, section 125.12, subdivisions 4, 6b, 9, 10, and by adding a subdivision; Minnesota Statutes 1985 Supplement, section 123.3514, by adding subdivisions.

Referred to the Committee on Education.

Messrs. Nelson; Peterson, R.W.; Johnson, D.E. and Stumpf introduced—

S.F. No. 1772: A bill for an act relating to education; vocational; establishing area vocational technical districts; providing for the appointment of area boards and directors; transferring personnel and property to area districts; specifying powers and duties of area boards; amending Minnesota Statutes 1984, sections 136C.02, by adding subdivisions; 136C.04, subdivisions 5, 13, 14, and by adding a subdivision; 136C.041; 136C.07, subdivisions 5 and 6; 136C.075; 136C.08, subdivisions 1 and 3; 136C.15; 136C.221; 136C.223; 136C.29, subdivisions 2 and 3; 136C.35; 136C.41, by adding a subdivision; and 136C.42, subdivisions 3 and 4; amending Minnesota Statutes 1985 Supplement, sections 15.0597, subdivision 1; 136C.04, subdivision 12; 136C.07, subdivision 5a; 136C.08, subdivision 2; 136C.26, subdivision 5; 136C.28, subdivision 1; 136C.29, subdivision 5; 136C.31, subdivision 1; 136C.36; 136C.44; and 275.125, subdivision 14a; proposing coding for new law in Minnesota Statutes, chapter 136C; repealing Minnesota Statutes 1984, sections 136C.05; 136C.07, subdivisions 1, 2, 3, and 4; 136C.26, subdivision 3; and 136C.27, subdivision 2; and repealing Minnesota Statutes 1985 Supplement, sections 136C.02, subdivisions 6, 8, and 9; 136C.41, subdivision 1a; 136C.60; 136C.61; 136C.62; 136C.63; 136C.64; 136C.65; 136C.66; 136C.67; 136C.68; and 136C.69.

Referred to the Committee on Education.

Messrs. Waldorf, Jude, Mrs. McQuaid and Mr. Pehler introduced—

S.F. No. 1773: A bill for an act relating to taxation; sales and use; exempt-

ing certain sales of capital equipment; exempting certain sales of safety equipment; exempting certain sales of pollution control equipment; amending Minnesota Statutes 1984, section 297A.01, subdivision 16; Minnesota Statutes 1985 Supplement, sections 297A.02, subdivision 2; 297A.14; 297A.15, subdivision 5; 297A.25, subdivision 1; 297A.257, subdivision 2; repealing Minnesota Statutes 1985 Supplement, section 297A.257, subdivisions 1 and 3.

Referred to the Committee on Taxes and Tax Laws.

Ms. Peterson, D.C. introduced—

S.F. No. 1774: A bill for an act relating to state departments and agencies; providing for inspections of certain facilities and imposition of fines; amending Minnesota Statutes 1984, sections 144.55, subdivision 4; and 245.805.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C. introduced—

S.F. No. 1775: A bill for an act relating to the office of ombudsman; expanding the authority of the ombudsman for the department of corrections to include the department of human services; amending Minnesota Statutes 1984, sections 241.41; 241.42, subdivision 2; and 241.44.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C. introduced—

S.F. No. 1776: A bill for an act relating to education; providing for payment of fees for pupils taking advanced placement program examinations; requiring public post-secondary institutions to award post-secondary credit for acceptable scores on advanced placement examinations; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 123 and 135A.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 1777: A bill for an act relating to employment; requiring employers to grant unpaid leaves of absence to certain parents; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Mses. Peterson, D.C. and Berglin introduced—

S.F. No. 1778: A bill for an act relating to unemployment compensation; providing for an exception to coverage for individuals providing certain day care services; amending Minnesota Statutes 1984, section 268.04, subdivision 12.

Referred to the Committee on Employment.

Mr. Ramstad introduced—

S.F. No. 1779: A bill for an act relating to transportation; public transit;

increasing the training requirement for drivers in the special transportation service program; requiring that special transportation service drivers hold a class A or B driver's license; amending Minnesota Statutes 1984, section 174.30, subdivision 2, and by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Ramstad introduced—

S.F. No. 1780: A bill for an act relating to local government; authorizing local units of government to reimburse homeowners' associations for the cost of maintaining certain roadways; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Local and Urban Government.

Mr. Ramstad introduced—

S.F. No. 1781: A bill for an act relating to the state agricultural society; prohibiting certain contract provisions; amending Minnesota Statutes 1985 Supplement, section 37.17, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Mr. Petty, Mrs. Lantry, Mr. Solon, Ms. Berglin and Mr. Benson introduced—

S.F. No. 1782: A bill for an act relating to insurance; accident and health; regulating long-term care policies; requiring coverage for home health care and care in skilled or intermediate nursing facilities; amending Minnesota Statutes 1984, section 62A.31; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Health and Human Services.

Mr. Ramstad introduced—

S.F. No. 1783: A bill for an act relating to insurance; health and accident; excluding certain nursing home policies from regulation as a form of medicare supplement insurance; amending Minnesota Statutes 1984, section 62A.31, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Ramstad introduced—

S.F. No. 1784: A bill for an act relating to taxation; individual income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 1785: A bill for an act relating to retirement; authorizing benefit

increases for retired Eveleth police officers, firefighters, and surviving spouses.

Referred to the Committee on Governmental Operations.

Mr. Johnson, D.J. introduced—

S.F. No. 1786: A bill for an act relating to school districts; changing the qualifying percentage of agricultural valuation for minimum aid from 60 to 50; amending Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 12.

Referred to the Committee on Education.

Messrs. Johnson, D.J. and Dicklich introduced—

S.F. No. 1787: A bill for an act relating to taxation; reducing the taconite railroad gross earnings tax rate; reducing occupation and royalty tax rates; providing for the deduction of taconite production taxes; amending Minnesota Statutes 1985 Supplement, sections 294.22; 298.01, subdivision 1; 298.03; and 299.01, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mses. Peterson, D.C.; Reichgott and Olson introduced—

S.F. No. 1788: A bill for an act relating to vocational education; providing for cooperation among AVTIs; proposing coding for new law in Minnesota Statutes, chapter 136C.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Mr. Petty, Ms. Berglin and Mr. Spear introduced—

S.F. No. 1789: A bill for an act relating to the city of Minneapolis; providing that certain positions be appointed in the unclassified service; amending Laws 1969, chapter 937, section 1, subdivisions 9, as amended, 11 and 15, and by adding subdivisions.

Referred to the Committee on Local and Urban Government.

Messrs. Moe, R.D.; Willet; Johnson, D.J.; Samuelson and Purfeerst introduced—

S.F. No. 1790: A bill for an act relating to economic development; rural development; establishing a mineral resources program; establishing a community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the department of energy and economic development; establishing the rural development council; establishing the rural development revolving fund program; establishing the state supplemental education grant program; adding criteria for allocation of private activity bonds and available insurance authority; appropriating money; amending Minnesota Statutes 1984, sections 116.16, subdivision 5; 116J.61; 116J.873, subdivision 1; and 462.384, subdivision 7; Minnesota Statutes 1985 Supplement, sections 116.16, subdivision 2; 116M.06, subdivision 3;

474.19, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 84, 116J, and 136A; and repealing Minnesota Statutes 1985 Supplement, sections 116.18, subdivision 3a; 116J.951; 116J.955; 116J.961; and 116J.965.

Referred to the Committee on Economic Development and Commerce.

### **MEMBERS EXCUSED**

Mrs. Brataas, Messrs. Dieterich and Johnson, D.E. were excused from the Session of today.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 10, 1986. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate