

**SIXTY-NINTH DAY**

St. Paul, Minnesota, Wednesday, February 12, 1986

The Senate met at 3:00 p.m. and was called to order by the President.

**CALL OF THE SENATE**

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

Prayer was offered by the Chaplain, Rev. Gordon Dahl.

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

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

The President declared a quorum present.

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

**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. 17: A Senate concurrent resolution providing session deadlines for the legislature pursuant to Joint Rule 2.03.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 10, 1986

Mr. President:

I have the honor to announce that the House has refused to adopt the Con-

ference Committee report on the following Senate File and has voted that the bill be returned to the Senate and to the Conference Committee:

S. F. No. 5: A bill for an act relating to alcoholic beverages; increasing the age for licensing, sale, purchase, consumption, possession, and furnishing of alcoholic beverages; establishing programs for education on avoidable health risks related to alcohol and other drugs; increasing the fee for the reinstatement of drivers licenses revoked for alcohol-related violations; appropriating money; amending Minnesota Statutes 1984, sections 171.29, subdivision 2; 340.02, subdivision 8; 340.035, subdivision 1; 340.039; 340.119, subdivision 2; 340.13, subdivision 12; 340.403, subdivision 3; 340.73, subdivision 1; 340.731; 340.732; 340.79; and 340.80.

Senate File No. 5 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 10, 1986

### RECONSIDERATION

Mr. Diessner moved that the vote whereby S.F. No. 5 was repassed by the Senate on May 6, 1985, be now reconsidered. The motion prevailed.

### RECONSIDERATION

Mr. Diessner moved that the vote whereby the Conference Committee Report on S.F. No. 5 was adopted by the Senate on May 20, 1985, be now reconsidered. The motion prevailed.

Mr. Diessner moved that, the Senate having reconsidered the vote whereby S.F. No. 5 was repassed, and the adoption of the Conference Committee Report on S.F. No. 5, a new Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like new Conference Committee appointed on the part of the House. The motion prevailed.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1672. The motion prevailed.

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

S.F. No. 1600: A bill for an act relating to courts; altering the responsibility for the procedure to be followed when filing a change of name with the county recorder; eliminating the limits on the amount of bond to be posted by the clerk of court; prohibiting employees of the clerk's office from practicing law in the court in which they are employed; amending Minnesota Statutes 1984, section 259.11; and Minnesota Statutes 1985 Supplement, section 485.01.

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

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

S.F. No. 857: A bill for an act relating to statutes; providing that selected

statutes shall be subject to judicial modification in limited circumstances; proposing coding for new law in Minnesota Statutes, chapter 645.

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

Page 1, line 12, delete "*may*"

Page 1, line 14, after the comma, insert "*may*"

Page 2, line 3, after the first semicolon, insert "*and*"

Page 2, line 3, delete "*; and similar subject areas; and*" and insert a period

Page 2, line 4, delete the first "*procedure*" and before the period, insert "*are private law*"

Page 2, line 18, delete "*and subject*"

Page 2, line 19, delete "*areas*"

Page 2, line 22, delete "*and*" and after "*(3)*" insert "*statutes relating to workers' compensation; and (4)*"

Page 2, line 34, delete "*could not be foreseen by the parties and*"

Page 2, line 35, delete "*that*" and before the semicolon, insert "*because it could not be foreseen*"

Page 3, line 6, delete the first "*the*" and insert "*a*" and after "*decision*" insert "*from an appellate court*"

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

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

S.F. No. 1592: A bill for an act relating to crimes; prohibiting the solicitation of children to engage in sexual conduct; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Page 1, line 11, delete "*16*" and insert "*14*"

Page 1, line 15, delete "*otherwise*"

Page 1, line 16, before the period, insert "*a specific person*"

Page 1, line 18, after "*conduct*" insert "*with intent to engage in sexual conduct*"

Page 1, line 22, delete "*Consent or*"

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

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

S.F. No. 1645: A bill for an act relating to crime; using force or threat of force against revenue department employees; amending Minnesota Statutes

1984, section 609.50:

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

Page 1, line 15, delete "*(whether orally or in writing)*"

Page 1, line 16, delete "*officer or*" and delete "*Minnesota*"

Page 1, line 17, delete "*person*" and insert "*employee*" and after "*is*" insert "*lawfully*"

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. 1672: A bill for an act relating to agriculture; establishing a legal assistance program for family farmers; prescribing eligibility requirements for persons to receive legal assistance; providing requirements for the legal assistance provider; requiring reports; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 480.

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

Page 1, line 14, delete "*not-for-profit*" and insert "*nonprofit*"

Page 1, line 23, delete "*established*" and insert "*incorporated*" and delete "*not-for-profit organization*" and insert "*nonprofit corporation*"

Page 1, line 24, delete "*Minnesota law*" and insert "*chapter 317*" and after "*under*" insert "*section 501(c)(3) of*" and after "*Code*" insert "*of 1954 as amended through December 31, 1985*"

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

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

S.F. No. 1590: A bill for an act relating to agriculture; prohibiting deficiency judgments against property used in agricultural production; amending Minnesota Statutes 1984, sections 336.9-502; 580.23, subdivision 1; and 581.09; proposing coding for new law in Minnesota Statutes, chapters 580 and 582.

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

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE FINDINGS.]

*The legislature finds that there is a rural economic emergency resulting from the agricultural economic depression. Foreclosure sales and subsequent deficiency judgments are debilitating the persons foreclosed and taking*

*away their hope for readjustment after foreclosure, which is detrimental to the welfare of the state.*

Sec. 2. [580.225] [SATISFACTION OF JUDGMENT.]

*The amount received from foreclosure sale under this chapter is full satisfaction of the mortgage debt except as provided in section 5.*

Sec. 3. Minnesota Statutes 1984, section 580.23, subdivision 1, is amended to read:

580.23 [REDEMPTION BY MORTGAGOR.]

Subdivision 1. When lands have been sold in conformity with the preceding sections of this chapter the mortgagor, his personal representatives or assigns, within six months after such sale, except as otherwise provided in subdivision 2, may redeem such lands, as hereinafter provided, by paying the sum of money for which the same were sold, with interest from the time of sale at the rate provided to be paid on the mortgage debt and, if no rate be provided in the mortgage note, at the rate of six percent per annum, together with any further sums which may be payable pursuant to section 582.03. ~~Where the redemption period is as provided in this subdivision the mortgagee, or his successors, assigns, or personal representative, or any other purchaser so purchasing at the sheriff's sale shall by purchasing the property at the sheriff's sale thereby waive his right to a deficiency judgment against the mortgagor.~~

Sec. 4. Minnesota Statutes 1984, section 581.09, is amended to read:

581.09 [SATISFACTION OF JUDGMENT; EXECUTION FOR DEFICIENCY.]

*Upon confirmation of the report of sale, the clerk shall enter satisfaction of the judgment to the extent of the sum bid for the premises, less expenses and costs; and for any balance of such judgment, execution may issue as in other cases; but no such execution shall issue on the judgment until after a sale of the mortgaged premises, and the application of the amount realized as aforesaid. The amount entered is full satisfaction of the judgment unless a deficiency is allowed under section 5. If a deficiency judgment is allowed under section 5, the balance of the judgment remaining unpaid may be executed and satisfied in the same manner as a personal judgment against the mortgagor.*

Sec. 5. [582.30] [DEFICIENCY JUDGMENTS.]

Subdivision 1. [DEFICIENCY ALLOWED.] (a) *Except as provided in this section, a person holding a mortgage may obtain a personal judgment against the mortgagor if the amount a person holding a mortgage receives from a foreclosure sale is less than:*

- (1) *the amount remaining unpaid on the mortgage under chapter 580; or*
- (2) *the amount of the judgment entered under chapter 581.*

(b) *The judgment may not be for more than the difference between the amount received from the foreclosure sale less expenses and costs and:*

- (1) *the total amount that attaches to the sale proceeds under section 580.09; or*

- (2) *for a foreclosure by action, the amount of the judgment entered under*

section 581.03.

*Subd. 2. [PROHIBITION.] A deficiency judgment is not allowed if a mortgage is foreclosed by advertisement under chapter 580 and there is a redemption period of six months under section 580.23, subdivision 1.*

*Subd. 3. [AGRICULTURAL PROPERTY.] (a) If property used in agricultural production is foreclosed and sold, a deficiency judgment may only be obtained by filing a separate action for a deficiency judgment within 90 days after the foreclosure sale. A court may allow a deficiency judgment only if it determines that the sale of the property was conducted in a commercially reasonable manner.*

*(b) The amount of the deficiency judgment is limited to the difference of the fair market value of the property, and the amount remaining unpaid on the mortgage if the foreclosure is under chapter 580 or the amount of the judgment if the foreclosure is under chapter 581. A separate jury proceeding must be brought to determine the fair market value of the property. The property may not be presumed to be sold for its fair market value. A party adversely affected by a deficiency judgment may submit evidence relevant to establishing the fair market value of the property. Notice of the time and place where the fair market value of the property is to be determined must be given to all parties adversely affected by the judgment.*

*Subd. 4. [JUDGMENT ON MORTGAGE NOTE.] A personal judgment may not be executed against a party personally liable on a mortgage note secured by real property used in agricultural production unless the fair market value of the property is determined by a jury in a separate proceeding as provided in subdivision 3, paragraph (b). The personal judgment on the mortgage note may not be for more than the difference of the amount due on the note and the fair market value of the property.*

*Subd. 5. [STATUTE OF LIMITATIONS ON EXECUTING JUDGMENT.] A deficiency judgment or personal judgment obtained under subdivision 3 or 4 may be enforced by execution but the personal judgment may not be executed after three years from the date judgment was entered.*

**Sec. 6. [EFFECTIVE DATE.]**

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

Amend the title as follows:

Page 1, line 5, delete "336.9-502;"

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

Mr. Willet from the Committee on Finance, to which was re-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, section 336.9-501; 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:

Page 9, line 29, delete "*Debt*"

Page 9, delete lines 30 and 31

Page 12, delete lines 14 to 36

Renumber the subdivisions in sequence

Page 14, line 28, delete "9" and insert "8"

Page 16, lines 7 and 8, delete "*If a financial plan is not approved or*"

Page 17, line 2, delete "*for providing debt restructuring under section 13 and*"

Page 17, line 28, after the dollar sign, insert "1,277,200"

Page 17, line 33, before "*positions*" insert "3"

Page 17, line 34, after the dollar sign, insert "356,200"

Page 18, delete lines 1 to 4

Amend the title as follows:

Page 1, line 10, delete "authorizing debt restructuring,"

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. 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.

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

Delete everything after the enacting clause and insert:

**“Section 1. [84.95] [MINERAL RESOURCES PROGRAM.]**

*Subdivision 1. [FINDINGS.] The legislature finds that there has been a disinvestment in mineral and timber resources of the state. To provide a diversified economic base in the state, it is necessary to stimulate investment in the state's natural resources. Mineral exploration by the private sector must be encouraged and assisted. The long-term health of the state will be aided by a diverse state economy that includes productive natural resource industries. A forestry management plan is already mandated. The great benefits from the state's mineral resources will not be realized without state stimulation of investment, which can be achieved through a program coordinated by the department of natural resources to accelerate geologic mapping and mineral deposit evaluation and to provide analytical support to the mineral and timber industries. This participation by the state will lead to active participation by private industry in healthy Minnesota timber and mineral resources industries.*

*Subd. 2. [PROGRAM.] The commissioner of natural resources shall coordinate a program, in cooperation with the Minnesota geological survey, the Minnesota Resources Research Center, the Natural Resources Research Institute, and other available facilities, to:*

- (1) accelerate geological mapping of the state;*
- (2) accelerate evaluation of the state's mineral potential and other natural resources; and*
- (3) provide analytical support for participants in the mineral industry.*

Sec. 2. Minnesota Statutes 1984, section 89.17, is amended to read:

**89.17 [LEASES AND PERMITS.]**

*Subdivision 1. [AUTHORITY TO LEASE.] The commissioner shall have power to grant and execute, in the name of the state, leases and permits for the use of any state forest lands for any purpose which in his opinion is not inconsistent with the maintenance and management of the state forest in which the land is situated, on forestry principles for timber production. Every such lease or permit shall be revocable at his discretion at any time subject to such conditions as may be agreed on in the lease. The approval of the commissioner of administration shall not be required upon any such lease or permit. No such lease or permit for a period exceeding ten years shall be granted except with the approval of the executive council.*

*Subd. 2. [TIME OF LEASE PAYMENTS FOR CERTAIN LANDS; INTEREST; NOTICE REQUIRED.] The commissioner shall accept, until the March 1 preceding the first growing season for which the lease is made, rental payments for leases of state forest land leased under this section for agricultural purposes. The commissioner shall at the option of the lessee, either (1) deduct from the first lease payment the lessee's cost of a loan of the entire lease amount, calculated at the maximum rate provided in section 334.011, subdivision 1, or (2) at the end of the lease term pay the lessee an annualized rate of interest on the total lease price calculated at a rate equal to that awarded as prejudgment interest under section 549.09, subdivision 1, clause (c). The commissioner shall fully inform every lessee and prospective*



*lessee of the lessee's rights under this subdivision.*

Subd. 3. [HUNTING.] Hunting of wild game is prohibited on any land which has been posted by the lessee to prohibit hunting. Such prohibition shall apply to all persons including the lessee.

Sec. 3. Minnesota Statutes 1985 Supplement, section 92.50, is amended to read:

**92.50 [UNSOLD LANDS SUBJECT TO SALE MAY BE LEASED.]**

Subdivision 1. [LEASE TERMS.] The commissioner of natural resources may lease, at public or private vendue and at the prices and under the terms and conditions he or she may prescribe, any state-owned lands under his or her jurisdiction and control for the purpose of taking and removing sand, gravel, clay, rock, marl, peat, and black dirt, for storing ore, waste materials from mines, or rock and tailings from ore milling plants, for roads or railroads, or for any other uses consistent with the interests of the state. Except as otherwise provided in this subdivision, the term of the lease may not exceed ten years. Leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants, for the removal of peat, or for the use of peat lands for agricultural purposes may not exceed a term of 25 years. Leases for the removal of peat must be approved by the executive council.

All leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation at any time by the commissioner upon three months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat. Money received from leases under this section must be credited to the fund to which the land belongs.

Subd. 2. [TIME OF LEASE PAYMENTS FOR CERTAIN LANDS; INTEREST; NOTICE REQUIRED.] *The commissioner shall accept, until the March 1 preceding the first growing season for which the lease is made, rental payments for leases of state land leased under this section for agricultural purposes. The commissioner shall at the option of the lessee, either (1) deduct from the first lease payment the lessee's cost of a loan of the entire lease amount, calculated at the maximum rate provided in section 334.011, subdivision 1, or (2) at the end of the lease term pay the lessee an annualized rate of interest on the total lease price calculated at a rate equal to that awarded as prejudgment interest under section 549.09, subdivision 1, clause (c). The commissioner shall fully inform every lessee and prospective lessee of the lessee's rights under this subdivision.*

Subd. 3. [LEASES FOR TAILINGS DEPOSITS.] The commissioner may grant leases and licenses to deposit tailings from any iron ore beneficiation plant in any public lake not exceeding 160 acres in area after holding a public hearing in the manner and under the procedure provided in Laws 1937, chapter 468, as amended and finding in pursuance of the hearing:

(a) that such use of each lake is necessary and in the best interests of the public; and

(b) that the proposed use will not result in pollution or sedimentation of any outlet stream.

The lease or license may not exceed a term of 25 years and must be subject to cancellation on three years' notice. The commissioner may further restrict use of the lake to safeguard the public interest, and may require that the lessee or licensee acquire suitable permits or easements from the owners of lands riparian to the lake. Money received from the leases or licenses must be deposited in the permanent school fund.

Sec. 4. Minnesota Statutes 1985 Supplement, section 116.16, subdivision 2, is amended to read:

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

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

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

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

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

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

(6) The eligible cost of any municipal project, except as otherwise provided in clauses (7) and (8), includes (a) preliminary planning to determine the economic, engineering, and environmental feasibility of the project; (b) engineering, architectural, legal, fiscal, economic, sociological, project administrative costs of the agency and the municipality, and other investigations and studies; (c) surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary to the planning, design, and construction of the project; (d) erection, building, acquisition, alteration, remodeling, improvement, and extension of disposal systems; (e) inspection and supervision of construction; and (f) all other expenses of the kinds enumerated in section 475.65.

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

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds, the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or 1a, that are in existence on January 1, 1985, and the provision of reserve capacity sufficient to serve the reasonable needs of the

municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

Sec. 5. Minnesota Statutes 1984, section 116.16, subdivision 5, is amended to read:

Subd. 5. [RULES.] (a) The agency shall promulgate permanent rules and may promulgate emergency rules for the administration of grants and loans authorized to be made from the fund or from federal funds under the Federal Water Pollution Control Act, as amended, which rules, however, shall not be applicable to the issuance of bonds by the commissioner of finance as provided in section 116.17. The rules shall contain as a minimum:

- (1) procedures for application by municipalities;
- (2) conditions for the administration of the grant or loan;
- (3) criteria for the ranking of projects in order of priority for grants or loans, based on factors including the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multi-municipal systems; and
- (4) such other matters as the agency and the director find necessary to the proper administration of the grant program.

(b) ~~Except as otherwise provided in sections 116.16 to 116.18, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment contained in the Federal Water Pollution Control Act, as amended, and regulations and guidelines of the United States environmental protection agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.~~

Sec. 6. Minnesota Statutes 1984, section 116J.61, is amended to read:

#### 116J.61 [ADDITIONAL POWERS AND DUTIES.]

The commissioner shall:

- (1) have control of the work of carrying on a continuous program of education for businessmen;
- (2) publish, disseminate, and distribute information and statistics;
- (3) promote and encourage the expansion and development of markets for Minnesota products;
- (4) promote and encourage the location and development of new business in the state as well as the maintenance and expansion of existing business and for that purpose cooperate with state and local agencies and individuals, both within and outside the state;
- (5) *encourage businesses locating or expanding in the state to give consid-*

*eration to locations in areas of the state significantly dependent on the rural economy;*

(6) advertise and disseminate information as to natural resources, desirable locations, and other advantages for the purpose of attracting business to locate in this state;

~~(6)~~ (7) aid the various communities in this state in getting business to locate therein;

~~(7)~~ (8) advise and cooperate with municipal, county, regional, and other planning agencies and planning groups within the state for the purpose of promoting coordination between the state and localities as to plans and development in order to maintain a high level of gainful employment in private profitable production and achieve commensurate advancement in social and cultural welfare; coordinate the activities of state-wide and local planning agencies, correlate information secured from them and from state departments and disseminate information and suggestions to the planning agencies; and encourage and assist in the organization and functioning of local planning agencies where none exist; and may provide at the request of any governmental subdivision hereinafter mentioned planning assistance, which includes but is not limited to surveys, land use studies, urban renewal plans, technical services and other planning work to any city or other municipality in the state or perform similar planning work in any county, metropolitan or regional area in the state. The commissioner shall not perform the planning work with respect to a metropolitan or regional area which is under the jurisdiction for planning purposes of a county, metropolitan, regional or joint planning body, except at the request or with the consent of the respective county, metropolitan, regional or joint planning body. The commissioner is authorized to receive and expend money from municipal, county, regional and other planning agencies; and may accept and disburse grants and other aids for planning purposes from the federal government and from other public or private sources, and may utilize moneys so received for the employment of consultants and other temporary personnel to assist in the supervision or performance of planning work supported by money other than state appropriated money, and may enter into contracts with agencies of the federal government, units of local government or combinations thereof, and with private persons that are necessary in the performance of the planning assistance function of the commissioner. The commissioner may assist any local government unit in filling out application forms for the federal grants-in-aid. In furtherance of their planning functions, any city or town, however organized, may expend money and contract with agencies of the federal government, appropriate departments of state government, other local units of government and with private persons; and

~~(8)~~ (9) adopt measures calculated to promote public interest in and understanding of the problems of planning and, to that end, may publish and distribute copies of any plan or any report and may employ other means of publicity and education that will give full effect to the provisions of sections 116J.58 to 116J.63.

Sec. 7. Minnesota Statutes 1984, section 116J.873, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION.] Economic recovery grants shall be

made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant programs, except that all units of general purpose local government are eligible applicants for economic recovery grants. *Preference must be given to communities located in counties significantly dependent on the rural economy.* The commissioner of energy and economic development shall administer the economic recovery grant program as a part of the small cities development program.

Sec. 8. [116J.874] [COMMUNITY DEVELOPMENT DIVISION.]

*Subdivision 1. [DUTIES.] The community development division shall:*

*(1) be responsible for administering all state community development and assistance programs including, but not limited to, the economic recovery fund, the outdoor recreation grant program, the youth intervention program, the rural development revolving fund, the governor's rural development council, and the state independent wastewater treatment grant program;*

*(2) be the division responsible for state administration of federally funded community development and assistance programs including, but not limited to, the small cities development grant program and the juvenile justice program;*

*(3) be responsible for state administration of the regional development commissions;*

*(4) provide technical assistance to rural communities in the area of community development;*

*(5) coordinate the development and review of state rural development policies;*

*(6) investigate and evaluate new methods to enhance rural development, particularly relating to economic diversification through private enterprises including, but not limited to, technologically innovative industries, value added manufacturing, agriprocessing, information industries, and agricultural marketing;*

*(7) develop priorities for state projects and activities relating to rural development; and*

*(8) submit an annual community development plan to the commissioner and the legislature by November 1 of each year that includes, at least, a statewide community development strategy and a plan for coordinating community assistance and development programs.*

Sec. 9. [116J.8745] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]

*Subdivision 1. [AMOUNTS.] The commissioner may award independent grants to municipalities for projects for 50 percent or, if the pollution control agency requires advanced treatment, 65 percent of the eligible cost of construction of wastewater treatment facilities. The commissioner may award independent grants for up to an additional 30 percent or, if the pollution control agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship. The amounts of the*

additional grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. For grants made under this section, the eligible cost is as determined by the United States Environmental Protection Agency under the Federal Water Pollution Control Act, as amended, United States Code, title 33, section 1314, et seq., except that eligible cost also includes the acquisition of land for stabilization ponds and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. The eligible cost does not include the provision of collector sewers as defined in pollution control agency rules, the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

Subd. 2. [RULES.] The commissioner shall make rules for the administration of grants under this section. The rules must contain:

- (1) procedures for application by municipalities;
- (2) conditions for the administration of the grant; and
- (3) criteria for the ranking of projects in order of priority for grants, based on factors including the impact on economic development, the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multimunicipal systems.

Except as otherwise provided, the rules for the administration of state independent grants must comply, to the extent practicable, with provisions relating directly to protection of the environment contained in the federal water pollution control act, as amended, and regulations and guidelines of the United States Environmental Protection Agency promulgated under the act, except provisions regarding allocation contained in section 205 of the act and regulations and guidelines promulgated under section 205 of the act. This provision does not require approval from federal agencies for the issuance of grants or for the construction of projects under the state independent grants program.

Subd. 3. [FURTHERANCE OF ECONOMIC DEVELOPMENT.] Up to ten percent of the money to be awarded as grants under this section in any single fiscal year must be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements.

Subd. 4. [REIMBURSEMENT GRANTS.] Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the commissioner may commit in any single fiscal year is equal to the amount newly appropriated to the state grants programs for that year.

Sec. 10. [116J.93] [PURPOSE.]

*The legislature finds that the public policy goals of promoting community development and economic diversification in the rural areas of the state can best be accomplished by encouraging private enterprise and by using state resources to complement available commercial lending sources and private development initiatives. It is therefore the policy of the state to maximize the impact of state money and resources by integrating development assistance programs and, whenever possible, by coordinating state initiatives with money and programs available through the federal government, the small business administration, private foundations, and other organizations.*

Sec. 11. [116J.931] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 10 to 13.*

*Subd. 2. [COUNCIL.] "Council" means the governor's rural development council established by section 116J.961.*

*Subd. 3. [COMMISSION.] "Commission" means a regional development commission established by section 462.387 or the metropolitan council established by section 473.123.*

*Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.*

*Subd. 5. [REVOLVING FUND.] "Revolving fund" means a rural development revolving fund established under section 13, subdivision 1.*

Sec. 12. [116J.962] [COUNCIL POWERS; DUTIES.]

*Subdivision 1. [POWERS.] The council has all powers necessary to carry out its duties, including, but not limited to, the power to:*

*(1) enter into contracts;*

*(2) enter into grant agreements; and*

*(3) accept gifts, apply for and use grants or loans of money or other property from the United States, the state, private foundations, or any other source, enter into agreements required in connection with gifts, grants, or loans, and to hold, use, and dispose of money or property in accordance with the terms of the gift, grant, loan, or agreement.*

*All money received by the council under this subdivision must be deposited in the state treasury, and the amount deposited is appropriated to the council to carry out its duties.*

*Subd. 2. [GENERAL DUTIES.] The council shall:*

*(1) investigate and evaluate new methods to enhance rural development, particularly relating to economic diversification through private enterprises including, but not limited to, technologically innovative industries, value added manufacturing, agriprocessing, information industries, and agricultural marketing;*

*(2) submit an annual report to the legislature by January 31 of each year including, at least, a review of rural development in the state, an accounting of all loans made by the revolving funds, an evaluation of rural development initiatives, and recommendations concerning state support for rural*

development;

(3) establish and oversee the rural development revolving fund program;

(4) establish and administer a rural rehabilitation pilot project program that provides grants on a competitive basis to public, nonprofit, or private organizations to support pilot projects for rural development;

(5) provide technical assistance and rural development information services to state agencies, regional agencies, special districts, local governments, and the public; and

(6) prepare an annual budget and work program, and a biennial budget.

Sec. 13. [116J.963] [RURAL DEVELOPMENT REVOLVING FUND PROGRAM.]

*Subdivision 1. [ORGANIZATION.] The rural development revolving fund program provides subordinated loans to new and existing businesses to promote economic development in rural Minnesota. The council, with the approval of the commissioner, shall establish the program as follows:*

*(a) The council shall divide the state, excluding the seven county metropolitan area, into six regions. The regions' boundaries must be coterminous with the boundaries of one or more of the development regions.*

*(b) The council shall establish a revolving fund in each of the six regions. Each revolving fund must receive an appropriation from the council of up to \$1,000,000 over a period of three years and must be administered by a nonprofit corporation selected by the council under criteria set forth in subdivision 2. The organizations responsible for administering revolving funds shall use the money appropriated to them by the council to provide subordinated loans to promote economic development in areas including, but not limited to, technologically innovative industries, value added manufacturing, agri-processing, information industries, and agricultural marketing. Money from the revolving funds may not be used for any retail development project.*

*(c) In making a loan, an organization responsible for administering a revolving fund shall give priority to proposed borrowers who are not likely to undertake the project without assistance from the revolving fund. Loans may be used for capital assets, equity, and working capital. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving fund loan. The minimum revolving fund loan is \$5,000 and the maximum is \$100,000. With the approval of the commissioner, a revolving fund loan may be used to provide up to 50 percent of the private investment required to qualify for grants from the economic recovery fund. A revolving fund loan may not exceed ten percent of the total capital investment of an individual project.*

*(d) The council shall establish a minimum interest rate for revolving fund loans to ensure that necessary management costs are covered.*

*(e) No more than four percent of the revolving fund appropriation to a nonprofit corporation may be used for administrative expenses.*

*(f) Money repaid to the revolving funds must remain in the funds for further distribution according to paragraph (c). Administrative expenses shall be*



*paid out of the interest earned on revolving fund loans.*

*(g) The council may make rules to implement this section.*

**Subd. 2. [QUALIFICATIONS.]** *The council shall select the organizations responsible for administering the revolving funds and shall enter into grant agreements with those organizations. In order for an organization to qualify to administer a revolving fund, it must be a nonprofit corporation and prove that:*

*(1) its board of directors contains representatives from the banking industry, citizens experienced in rural development, and representatives from the different geographic areas in the revolving fund region, including the commissions;*

*(2) it can provide at least an equal match to the state appropriation to the revolving fund through nonstate sources;*

*(3) it has the capability to close loans in a timely manner and to provide ongoing loan service;*

*(4) it has the technical skills to analyze projects;*

*(5) it is familiar with other available public and private funding sources and economic development programs; and*

*(6) it has the capability to package economic development projects.*

**Subd. 3. [REVOLVING FUND DUTIES.]** *The organization responsible for administering a revolving fund shall:*

*(1) submit an annual report to the council by January 15 of each year that includes, at least, a description of projects supported by the fund, an account of all loans made by the fund during the calendar year, the source and amount of all money collected and distributed by the fund, the fund's assets and liabilities, and an explanation of administrative expenses; and*

*(2) provide for an annual audit and submit a copy of each annual audit report to the council.*

#### **Sec. 14. [116L.045] [MATCHING GRANTS.]**

*The board may provide grants to educational institutions that design training programs to meet the needs of employers in rural areas. A grant must be matched by a potential employer with cash or in-kind contributions or both. Grants may be awarded for training potential new employees as well as retraining and upgrading current employees. Guidelines for grants are as established in section 116L.04, subdivision 1.*

**Sec. 15.** *Minnesota Statutes 1985 Supplement, section 116M.06, subdivision 3, is amended to read:*

**Subd. 3. [ECONOMIC DEVELOPMENT FUNDS; PREFERENCES.]** *(a) The following eligible small businesses have preference among all business applicants for financial assistance from the economic development fund:*

*(1) businesses located in areas of the state that are experiencing the most severe unemployment rates in the state;*

*(2) businesses that are likely to expand and provide additional permanent*

employment;

(3) businesses located in border communities that experience a competitive disadvantage due to location;

(4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) businesses that utilize state resources, thereby reducing state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state;

(6) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4; and

(7) business located in federally designated economically distressed areas.

(b) *Equal consideration must be given to new and established businesses.*

(c) Except in connection with the issuance of authority bonds or notes, the authority may not invest the funds in a program that does not have financial participation from the private sector, as determined by the authority.

(e) (d) The provisions of this subdivision do not apply to economic diversification projects.

Sec. 16. [116N.01] [CITATION.]

*Sections 16 to 25 may be cited as the "greater Minnesota corporation act."*

Sec. 17. [116N.02] [PURPOSE.]

*It is the intent of this legislation to ensure the development of new products, processes, and services that have the potential to contribute to the state's economy, particularly in nonmetropolitan areas. For these purposes, the greater Minnesota corporation is established to foster economic growth in Minnesota through cooperative research and development and investments in new products and businesses. Further, it is the intention of the legislature to create the greater Minnesota corporation as a public corporation.*

Sec. 18. [116N.03] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to chapter 116N.*

*Subd. 2. [BOARD.] "Board" means the board of directors of the greater Minnesota corporation.*

*Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation established by section 16.*

*Subd. 4. [FUND.] "Fund" means the greater Minnesota fund established by section 23.*

Sec. 19. [116N.04] [CORPORATION CREATED; BOARD OF DIRECTORS; POWERS.]

*Subdivision 1. [CREATION; NAME.] The greater Minnesota corporation is a public corporation of the state of Minnesota and is not a state agency. All business of the corporation must be conducted under its name.*

*Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors appointed by the governor. Terms and removal of members of the board are as provided in section 15.059. One director must be appointed from each of the state's congressional districts. Directors may be compensated as determined by the board.*

*Subd. 3. [ARTICLES AND BYLAWS.] The board of directors shall adopt articles of incorporation and bylaws necessary for the conduct of the business of the corporation, consistent with the provisions of this chapter.*

*Subd. 4. [PLACES OF BUSINESS.] The board shall locate and maintain the corporation's places of business within the state.*

*Subd. 5. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving whatever notice the bylaws of the corporation might provide. Board meetings are not subject to the provisions of section 471.705.*

**Sec. 20. [116N.05] [CORPORATE PERSONNEL.]**

*Subdivision 1. [GENERALLY.] The board shall appoint and set the compensation for a president and may appoint subordinate officers. The president's salary may not exceed 95 percent of the governor's salary. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees and agents as the president deems necessary. The board shall define the duties and designate the titles of the employees and agents.*

*Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the state retirement plan for employees in the unclassified service.*

**Sec. 21. [116N.06] [POWERS OF THE CORPORATION.]**

*In addition to other powers granted by this chapter, the corporation may:*

- (1) sue, and be sued;*
- (2) have a seal and alter it at will;*
- (3) acquire and dispose of personal property, including inchoate and intellectual property, royalties, stock, and stock warrants;*
- (4) enter into contracts or agreements with any federal or state agency, person, business, or other organization;*
- (5) acquire and dispose of real property or an interest in real property;*
- (6) purchase insurance;*
- (7) sell, at public or private sale, any note, mortgage, or other instrument or obligation;*
- (8) consent to the modification of a contract or agreement to which the corporation is a party;*
- (9) borrow money to carry out its purposes and issue negotiable notes, which it may refund, guarantee, or insure in whole or in part with money from the fund, other assets of the corporation, or an account created by the*

corporation for that purpose;

(10) provide general consultative and technical services to businesses to which loans or grants may be made;

(11) develop, buy, and possess financial and technical information, including, but not limited to, credit reports and financial statements, free from any restriction or regulation in chapter 13;

(12) accept gifts, grants, and bequests and use or dispose of them for its purposes;

(13) receive payments in the form of royalties, dividends, or other proceeds in connection with the ownership, license, or lease of products or businesses; and

(14) spend money from the greater Minnesota fund, and other money appropriated without restriction by the legislature, for any lawful purpose, including, but not limited to, expenses for the food, lodging, and travel of consultants and speakers hired by the board; publications; advertising; and promotional activities.

#### Sec. 22. [116N.07] [ACTIVITIES.]

Subdivision 1. [GRANTS.] The corporation may make matching grants for applied research and development to any campus of the University of Minnesota, a state university, a community college, a Minnesota private college or university, or an area vocational technical institute.

Subd. 2. [LOANS.] The corporation may make loans to corporations, partnerships, sole proprietorships, or other business entities for the purpose of promoting development in the state of new products, or processes with potential commercial value.

Subd. 3. [EQUITY INVESTMENTS.] The corporation may acquire an interest in any product or in any private business entity located or intending to locate in an enterprise zone as defined in section 273.1312 or a distressed county as defined in section 297A.257.

Subd. 4. [PRIVATE CAPITAL.] The corporation may solicit and obtain private capital to be available for the duties specified in subdivisions 1 to 3.

Subd. 5. [CONSULTING AND TECHNICAL SERVICES.] The corporation may provide general consultative and technical services to colleges or universities or to businesses and to set fees or charges for such assistance.

Subd. 6. [RESEARCH.] The corporation may identify opportunities for scientific research and technological innovation and advise colleges and universities of the research needs of private business.

#### Sec. 23. [116N.08] [GREATER MINNESOTA FUND.]

The greater Minnesota fund is a separate account in the state treasury. The fund consists of all appropriations made to the corporation; all fees and charges collected by the corporation; income from investments and purchases; all revenues from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and all gifts, donations, and bequests made to the corporation. The board may create separate accounts within the fund for use in accordance with the fund's pur-

poses. Any money in the fund may be deposited in an institution designated as a depository for state funds under section 9.031. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund may be used as provided in this chapter.

Sec. 24. [116N.09] [AUDITS.]

The board shall contract with a certified public accounting firm to audit the corporation and any subsidiary annually in accordance with generally accepted accounting standards.

Sec. 25. [116N.10] [REPORTS.]

The corporation shall report to the legislature and the governor on its activities by January 1 of each year. The report must include, at least, a description of projects supported by the fund, an account of all loans and grants made by the fund during the calendar year, the source and amount of all money collected and distributed by the fund, the fund's assets and liabilities, an explanation of administrative expenses, and any amendments to the development plan. Reports must be made to the legislature as required by section 3.195.

Sec. 26. [136A.125] [SUPPLEMENTAL GRANTS TO DISPLACED RURAL WORKERS.]

*Subdivision 1. [PROGRAM; ELIGIBILITY.]* The higher education coordinating board shall establish and administer the state supplemental education grant program to assist displaced workers in rural Minnesota areas in paying the costs of attending public post-secondary educational institutions located in the development regions in which the displaced workers reside. Minnesota residents who are enrolled full time or part time in a nonbaccalaureate occupational program designed to train people for employment are eligible to apply for grants under this section. Applicants shall demonstrate financial need in accordance with policies and procedures established by the board. In developing eligibility policies, the board shall consider criteria for participation in state and federal programs designed to serve economically dislocated workers. The board shall develop policies and procedures for the administration of grants, including the allocation of funds to eligible institutions in accordance with section 136A.101. The development of policies and procedures in accordance with this subdivision is not covered by chapter 14.

*Subd. 2. [PART-TIME GRANTS.]* Displaced workers in rural Minnesota areas are eligible to be considered for a part-time grant under section 136A.132. In awarding grants during the 1985-1987 biennium, participating post-secondary institutions shall consider the needs of displaced rural workers.

*Subd. 3. [PUBLIC INFORMATION.]* The board shall provide information to displaced workers in rural areas about post-secondary education opportunities and financial assistance to help them pay for their education, including existing state and federal programs and the state supplemental education grant program. The board shall develop and communicate the information in cooperation with the department of jobs and training, financial aid administrators, the agriculture extension service, and representatives of public and private post-secondary education institutions.

Sec. 27. Minnesota Statutes 1984, section 462.384, subdivision 7, is amended to read:

Subd. 7. "Commissioner" means the commissioner of energy and economic development ~~exercising the authority conferred upon him by sections 462.01 to 462.07.~~

Sec. 28. Minnesota Statutes 1985 Supplement, section 474.19, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION CRITERIA.] The department of energy and economic development shall rank each application on the basis of the number of points awarded to it, with one point being awarded for each of the following criteria satisfied:

(1) The current rate of unemployment for the applicant is at or above 110 percent of the statewide average unemployment rate for the most recently available reporting period, as determined by the department of economic security. The unemployment rate for the applicant shall be the greater of (i) the most recent estimate available for the smallest jurisdiction which wholly includes the jurisdiction of the applicant, as reported by the department of economic security, or (ii) another estimate supplied by the applicant with respect to its jurisdiction, which is documented by the applicant.

(2) The number of individuals employed in the applicant's jurisdiction declined from the second calendar year before the application, to the first calendar year before the application. The estimate of the number of individuals employed for each year shall be based on the same source, and shall be (i) the most recent estimate available for the smallest jurisdiction which wholly includes the applicant, as reported by the department of economic security, or (ii) another estimate supplied by the applicant with respect to its jurisdiction, which is documented by the applicant.

(3) The project will provide additional general tax revenue to the taxing jurisdictions in which the project is located beginning not later than three years after issuance and sale of the obligations.

(4) The number of jobs to be created by the project described in the application is at least two jobs for each \$100,000 of issuance authority requested for the project.

(5) As of the date of application the total market value of all taxable property in the applicant's jurisdiction, as based on the most recent certification of assessed value to the commissioner of revenue, has either (i) declined in relation to the first calendar year before the certification, or (ii) increased in relation to the first calendar year before the certification at a rate which is not in excess of 90 percent of the rate of increase of the state average market value over the same period.

(6) The total capital expenditures for the project exceed by ten percent the amount of the proceeds of the obligations to be issued for the project.

(7) The project is wholly located in an enterprise zone designated pursuant to section 273.1312.

(8) The project site meets the criteria necessary to qualify as a tax increment redevelopment district as defined in section 273.73, subdivision 10. To

qualify under this clause the project need not be included in a tax increment financing district.

(9) The project meets one of the following energy conservation criteria: (i) the project is eligible for the additional federal investment tax credits for energy property, (ii) the project involves construction or expansion of a district heating system as defined in section 116J.36, or (iii) the project involves construction of an energy source as described in section 116J.26, clause (a), (b), or (d) or 116M.03, subdivisions 22, 23 and 26.

(10) The project consists of the renovation, rehabilitation, or reconstruction of an existing building which is (i) located in a historic district designated under section 138.73, or on a site listed in the state registry of historical sites under sections 138.53 to 138.5819; or (ii) designated in the National Register pursuant to United States Code, title 16, section 470a.

(11) Service connections to sewer and water systems are available to the project at the time the application is submitted.

(12) As provided by a binding agreement with the municipality, at least ten percent of the individuals employed by the principal user or users of the project will be minority or low income individuals.

(13) When the application is submitted either (a) neither the anticipated owner of the project, nor any party of which the owner was a controlling partner or shareholder, or which was a controlling shareholder or partner of the owner, owned or operated a substantially similar business within the state or (b) the project is an expansion of the operations of an existing business which is not likely to have the effect of transferring existing employment from one or more other municipalities within the state to the municipality in which the project is located.

(14) A controlling interest in the project will be owned by one or more women or minority persons.

(15) Seventy-five percent or more of the proceeds of the proposed issue will be used to rehabilitate an existing structure.

*(16) The project is located in a county where the ratio of assessed value of industrial property to total assessed value as determined by the county assessor is less than .026.*

Sec. 29. Minnesota Statutes 1984, section 474.19, subdivision 4, is amended to read:

Subd. 4. [ALLOCATION PROCEDURE.] (a) The department of energy and economic development shall allocate available issuance authority to applications by the tenth day succeeding each application deadline specified in subdivision 2 in the following order of priority and available issuance authority may not be allocated to any other project:

- (i) applications for manufacturing projects;
- (ii) applications for pollution control projects or waste management projects; and
- (iii) applications for commercial redevelopment projects.

Within each category of applications available authority shall be assigned

on the basis of the numerical rank determined pursuant to this section. In the case of an application for issuance authority that includes more than one project to be financed by one issue of obligations, the points assigned to the application shall be computed on the basis of the weighted average of points for the projects. The projects must all be of the same category of projects to be submitted as a multiproject application. If two or more applications have the same numerical rank, *projects located in other counties have priority over projects in a metropolitan county as defined in section 473.121, subdivision 4; otherwise* the allocation of issuance authority as between the applications shall be by lot unless otherwise agreed by the respective local issuers. If an application is rejected, the department of energy and economic development shall return the application deposit to the applicant within 30 days.

(b)(i) From January 1 through October 31, no more than 35 percent of the total amount of issuance authority available for allocation during the calendar year pursuant to this section may be allocated to pollution control and waste management projects.

(ii) From January 1 through October 31, no more than 20 percent of the total amount of issuance authority available for allocation during the calendar year pursuant to this section may be allocated to commercial redevelopment projects. This amount is increased to 30 percent of the total available authority for the next month's allocation if the following two conditions occur. (A) On or after June 30 the total amount of issuance authority available under this section which has not been allocated or has been allocated to but was returned by an issuer exceeds 45 percent of the total amount of issuance authority available for allocation under this section for the calendar year. (B) The entire amount of issuance authority available under this subparagraph for commercial redevelopment projects has been allocated.

### Sec. 30. [DEVELOPMENT PLAN.]

*The board of directors of the greater Minnesota corporation shall prepare a comprehensive development plan and submit it to the governor and the legislature by November 15, 1986. The development plan must include at least the following:*

- (1) operating procedures;*
- (2) accounting procedures;*
- (3) grant procedures;*
- (4) loan procedures;*
- (5) personnel procedures;*
- (6) investment procedures; and*
- (7) board conduct and ethics.*

*In addition, the development plan must include a budget proposal and a five-year plan. It must identify sources and amounts of available nongovernmental money and the purposes for which that money may be used, and it must suggest any further legislation that may be necessary to carry out the development plan.*

### Sec. 31. [SUPPLEMENTAL EDUCATIONAL GRANT PROGRAM]



## FUNDING.]

*Up to \$250,000 is available for the state supplemental education grant program established in section 26 from the appropriation in Laws 1985, First Special Session chapter 11, section 3, subdivision 3, for the fiscal year ending June 30, 1987.*

## Sec. 32. [RECREATION GRANTS PROGRAM.]

*Notwithstanding Laws 1985, First Special Session chapter 13, section 31, subdivision 5, the appropriation to the department of energy and economic development for the recreation grants program is not subject to the approval of the governor after consultation with the legislative advisory commission. Expenditures for the recreation grant program may be made without recommendation of the legislative commission on Minnesota resources.*

## Sec. 33. [APPROPRIATION.]

*Subdivision 1. [MINERAL RESOURCES PLAN.] \$\_\_\_\_\_ is appropriated from the general fund to the commissioner of natural resources for implementation of section 1, to be available until June 30, 1987.*

*Subd. 2. [FORESTRY MANAGEMENT.] \$\_\_\_\_\_ is appropriated from the general fund to the commissioner of natural resources for implementation of the forestry management plan required in Minnesota Statutes, section 89.011, and for contracts with counties or groups of counties for county forestry assistance programs, to be available until June 30, 1987.*

## Sec. 34. [APPROPRIATION.]

*\$6,500,000 is appropriated from the rural rehabilitation revolving fund to the community development division of the department of energy and economic development, of which \$6,000,000 is to be used for the rural development revolving funds and \$500,000 is to be used for rural development pilot projects. This appropriation is to be available until June 30, 1987.*

## Sec. 35. [APPROPRIATION.]

*\$500,000 is appropriated from the rural rehabilitation revolving fund to the higher education coordinating board for the state supplemental education grant program established in section 26, to be available until expended.*

## Sec. 36. [APPROPRIATION.]

*\$2,100,000 is appropriated from the rural rehabilitation revolving fund to the department of energy and economic development to be used for economic recovery grants, to be used for rural development projects only. This appropriation is available until expended.*

## Sec. 37. [APPROPRIATION.]

*\$200,000 is appropriated from the rural rehabilitation revolving fund to the greater Minnesota corporation created under section 19.*

## Sec. 38. [APPROPRIATION.]

*\$\_\_\_\_\_ is appropriated from the general fund to the Minnesota job skills partnership board for the matching grant program established in section 10, to be available until expended.*

## Sec. 39. [REPEALER.]

*Minnesota Statutes 1985 Supplement, sections 116.18, subdivision 3a; 116J.951; 116J.955; and 116J.961, subdivisions 7, 8, 9, and 10 are repealed.*

Sec. 40. [EFFECTIVE DATE.]

*Sections 16 to 25 and 30 are effective the day after final enactment."*

Delete the title and insert:

"A bill for an act relating to economic development; rural development; providing for time of lease payments for lease of department of natural resources lands; 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 greater Minnesota corporation; establishing the rural development revolving fund program; establishing the state supplemental education grant program; adding criteria for allocation of private activity bonds and available issuance authority; appropriating money; amending Minnesota Statutes 1984, sections 89.17; 116.16, subdivision 5; 116J.61; 116J.873, subdivision 1; 462.384, subdivision 7; 474.19, subdivision 4; Minnesota Statutes 1985 Supplement, sections 92.50; 116.16, subdivision 2; 116M.06, subdivision 3; and 474.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 84, 116J, 116L, and 136A; proposing coding for new law as Minnesota Statutes, chapter 116N; repealing Minnesota Statutes 1985 Supplement, sections 116.18, subdivision 3a; 116J.951; 116J.955; and 116J.961, subdivisions 7, 8, 9, and 10."

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 1600, 857, 1592, 1645 and 1636 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Petty be shown as chief author to S.F. No. 1080. The motion prevailed.

Mr. Merriam moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1645. The motion prevailed.

Mr. Benson moved that the names of Mrs. Kronebusch and Mr. Anderson be added as co-authors to S.F. No. 1656. The motion prevailed.

Mr. Benson moved that the names of Mrs. Kronebusch and Mr. Anderson be added as co-authors to S.F. No. 1657. The motion prevailed.

Mr. Petty moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1718. The motion prevailed.

Mr. Merriam moved that the name of Mr. Diessner be added as a co-author to S.F. No. 1732. The motion prevailed.

Mr. Bertram moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1746. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mrs. Kronebusch be added as a co-author to S.F. No. 1778. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1792. The motion prevailed.

Mr. Lessard moved that the name of Mr. Solon be added as a co-author to S.F. No. 1804. The motion prevailed.

Ms. Berglin moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 1817. The motion prevailed.

Mr. Peterson, C.C. moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 1830. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1864. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 105: A Senate resolution commending the Rosemount High School for being selected for an Excellence in Education Award by the United States Department of Education.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid introduced—

Senate Resolution No. 106: A Senate resolution commending Valley Middle School for being selected for an Excellence in Education award by the United States Department of Education.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid introduced—

Senate Resolution No. 107: A Senate resolution commending Hastings Junior High School for being selected for an Excellence in Education award by the United States Department of Education.

Referred to the Committee on Rules and Administration.

Mr. Wegscheid introduced—

Senate Resolution No. 108: A Senate resolution congratulating the Eagles from Apple Valley High School for winning the 1985 Class AA Girls State High School Volleyball Championship.

Referred to the Committee on Rules and Administration.

Mr. Chmielewski introduced—

Senate Resolution No. 109: A Senate resolution supporting Hands Across America on May 25, 1986.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. moved that the name of Mr. Langseth be added as a co-author to S.F. No. 1636. The motion prevailed.

**CALENDAR**

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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**CONSENT CALENDAR**

S.F. No. 1574: A bill for an act relating to counties; making optional a county building commission law; amending Minnesota Statutes 1984, section 394.01.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

indicated.

Mr. Petty and Mrs. Lantry introduced—

S.F. No. 1871: A bill for an act relating to health; requiring the licensing and certification of contractors and individuals involved in the application or removal of asbestos from certain buildings; authorizing the commissioner of health to adopt rules, issue licenses, certificates, and orders; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Anderson and Kamrath introduced—

S.F. No. 1872: A bill for an act relating to game and fish; deer licenses and seasons for certain landowners; amending Minnesota Statutes 1984, section 98.47, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. DeCramer; Peterson, C.C.; Peterson, R.W.; Lessard and Berg introduced—

S.F. No. 1873: A bill for an act relating to the University of Minnesota; appropriating money for agricultural extension service and experiment station projects.

Referred to the Committee on Finance. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Anderson introduced—

S.F. No. 1874: A bill for an act relating to independent school district No. 820, Sebeka; allowing a fund transfer and a waiver of debt service limits.

Referred to the Committee on Education.

Messrs. Dicklich, Knutson, Storm, Bernhagen and Waldorf introduced—

S.F. No. 1875: A bill for an act relating to the University of Minnesota; appropriating money for agricultural extension service and experiment station projects.

Referred to the Committee on Finance. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Waldorf introduced—

S.F. No. 1876: A bill for an act relating to education; permitting pupils of nonpublic schools to use the post-secondary enrollment options act; appropriating money; amending Minnesota Statutes 1985 Supplement, section 123.3514.

Referred to the Committee on Education.

Ms. Berglin introduced—

S.F. No. 1877: A bill for an act relating to Indian land claims; establishing a commission to investigate and resolve land claim disputes on state-held land located within the White Earth Indian Reservation.

Referred to the Committee on Agriculture and Natural Resources.

Ms. Berglin introduced—

S.F. No. 1878: A bill for an act relating to human services; affecting eligibility for medical assistance and general medical assistance care; augmenting the state's power to recover payments from third parties; abolishing the requirement of a separate application for general assistance medical care; amending Minnesota Statutes 1984, sections 256B.042, subdivision 2; 256B.15; 256B.37; and 256D.03, subdivision 3; and Minnesota Statutes 1985 Supplement, section 256B.06, subdivision 1; repealing Minnesota Statutes 1985 Supplement, section 256D.051, subdivision 12.

Referred to the Committee on Health and Human Services.

Mr. Spear introduced—

S.F. No. 1879: A bill for an act relating to alcoholic beverages; authorizing cities to issue temporary off-sale licenses for the sale of rare wine at auctions; amending Minnesota Statutes 1985 Supplement, section 340A.404, by adding a subdivision.

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

Messrs. Samuelson and Bertram introduced—

S.F. No. 1880: A bill for an act relating to veterans; establishing a veterans' cemetery; proposing coding for new law in Minnesota Statutes, chapter 197.

Referred to the Committee on Veterans and General Legislation.

Mr. Frank introduced—

S.F. No. 1881: A bill for an act relating to state government; establishing an oil furnace audit program; amending Minnesota Statutes 1984, section 268.37, by adding a subdivision; Laws 1985, First Special Session chapter 9, article 1, section 3, subdivision 5.

Referred to the Committee on Energy and Housing.

Messrs. Lessard, Bertram, DeCramer, Mrs. Kronebusch and Mr. Diessner introduced—

S.F. No. 1882: A bill for an act relating to motor vehicles; providing for special license plates for members of the veterans of foreign wars; amending Minnesota Statutes 1984, section 168.12, by adding a subdivision.

Referred to the Committee on Veterans and General Legislation.

Mrs. Lantry and Mr. Sieloff introduced—

S.F. No. 1883: A bill for an act relating to the city of St. Paul; permitting

the establishment of special service districts in the city and providing taxing and other authority.

Referred to the Committee on Local and Urban Government.

Mrs. Lantry introduced—

S.F. No. 1884: A bill for an act relating to housing; requiring notification of the use of pesticides; amending Minnesota Statutes 1984, section 504.22.

Referred to the Committee on Health and Human Services.

Mr. Wegscheid introduced—

S.F. No. 1885: A bill for an act relating to credit unions; permitting certain groups to join existing credit unions; amending Minnesota Statutes 1984, section 52.05.

Referred to the Committee on Economic Development and Commerce.

Mr. Moe, R.D. introduced—

S.F. No. 1886: A bill for an act relating to the city of Hendrum; authorizing the establishment of a detached banking facility in the city of Moorhead by a state bank located in the city of Hendrum.

Referred to the Committee on Economic Development and Commerce.

Mrs. Adkins, Mr. Frank and Mrs. McQuaid introduced—

S.F. No. 1887: A bill for an act relating to energy; changing the administration of the state energy code from the commissioner of energy and economic development to the commissioner of administration; amending certain provisions of the state energy code; amending Minnesota Statutes 1984, sections 16B.64, subdivision 4; and 116J.19, subdivision 8.

Referred to the Committee on Energy and Housing.

Mr. Dahl introduced—

S.F. No. 1888: A bill for an act relating to investments; specifying standards for state investments in venture capital firms; amending Minnesota Statutes 1984, section 11A.24, subdivision 6.

Referred to the Committee on Governmental Operations.

Messrs. Dicklich; Sieloff; Moe, R.D.; Solon and Luther introduced—

S.F. No. 1889: A bill for an act relating to appropriations; changing the recipient of a grant for development of an invention support system; amending Laws 1985, first special session chapter 13, section 28, subdivision 7.

Referred to the Committee on Economic Development and Commerce.

Ms. Peterson, D.C. introduced—

S.F. No. 1890: A bill for an act relating to education; providing for high

school graduation while attending post-secondary institutions; enabling post-secondary institutions to deny admission to secondary pupils; amending Minnesota Statutes 1985 Supplement, section 123.3514, by adding subdivisions.

Referred to the Committee on Education.

Ms. Peterson, D.C. introduced—

S.F. No. 1891: A bill for an act relating to human rights; enabling the University of Minnesota to provide services and benefits to organizations with membership practices that are exempt from certain federal law; amending Minnesota Statutes 1984, section 363.02, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Lessard and Merriam introduced—

S.F. No. 1892: A bill for an act relating to game and fish; affording protection to crows and authorizing a season on crows; amending Minnesota Statutes 1984, sections 100.26, subdivision 2; and 100.27, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Mehrkens introduced—

S.F. No. 1893: A bill for an act proposing an amendment to the Minnesota Constitution, changing article IV, sections 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 23, 24, 25, and 26; article V, sections 3 and 5; article VIII, section 1; article IX, sections 1 and 2; and article XI, section 5; providing for a unicameral legislature; providing by law for a membership of 135 members; amending Minnesota Statutes 1984, sections 2.021; and 2.031, subdivision 1.

Referred to the Committee on Elections and Ethics.

Messrs. Belanger, Freeman, Purfeerst, Mehrkens and Novak introduced—

S.F. No. 1894: A bill for an act relating to transportation; permitting commissioner of transportation to exchange transportation facilities under conditions of clear public benefit; amending Minnesota Statutes 1985 Supplement, section 161.20, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Davis, Stumpf, Pehler and Moe, R.D. introduced—

S.F. No. 1895: A bill for an act relating to natural resources; defining terms; maintaining the purity of state waters by restricting the location of hazardous waste disposal sites; amending Minnesota Statutes 1984, sections 115A.03, subdivisions 9 and 13; 115A.075; 115A.18; 115A.20; and 115A.291.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Benson and Knaak introduced—

S.F. No. 1896: A bill for an act relating to administrative procedure;



defining order; limiting certain agency actions; requiring an order to be rendered in accordance with the contested case procedures of the administrative procedure act; providing penalties; amending Minnesota Statutes 1984, sections 14.02, by adding a subdivision; 14.57; and 609.43; proposing coding for new law in Minnesota Statutes, chapter 14.

Referred to the Committee on Governmental Operations.

Mr. Peterson, R.W. introduced—

S.F. No. 1897: A bill for an act relating to courts; allowing a person 20 days to remove a cause from conciliation court; allowing service by mail when a cause is removed to county court; amending Minnesota Statutes 1984, section 487.30, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Frederickson, Knaak, Lessard, Benson and Dieterich introduced—

S.F. No. 1898: A bill for an act relating to mediation; providing for mediation between debtors and creditors; authorizing mediator training grants to nonprofit regional alternative dispute resolution centers; amending Minnesota Statutes 1984, sections 480.24, by adding a subdivision; and 480.242, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 572.

Referred to the Committee on Judiciary.

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

S.F. No. 1899: A bill for an act relating to education; requiring secondary and post-secondary information and pupil notification of attending a post-secondary institution; requiring courses for secondary or post-secondary credit; limiting participation at a post-secondary institution; authorizing payment for post-secondary summer sessions; establishing a task force on post-secondary enrollment options; amending Minnesota Statutes 1984, sections 123.741, subdivision 1; Minnesota Statutes 1985 Supplement, sections 123.3514, subdivision 5, and by adding subdivisions; 123.741, subdivision 6; and 123.742, subdivision 1a.

Referred to the Committee on Education.

Messrs. Peterson, D.L.; Frederickson; Langseth and Isackson introduced—

S.F. No. 1900: A bill for an act relating to education; providing for state advances to school districts with extraordinary tax delinquency, requiring a reduction in education aids for repayment of state advances; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Mr. Ramstad introduced—

S.F. No. 1901: A bill for an act relating to labor; providing for meet and

confer rights in public sector employment; amending Minnesota Statutes 1984, sections 179A.07, subdivision 4; and 179A.08, subdivision 2.

Referred to the Committee on Employment.

Messrs. Pehler; Novak; Peterson, C.C. and Laidig introduced—

S.F. No. 1902: A bill for an act relating to taxation; income; changing the deduction for corporate contributions to foundations; amending Minnesota Statutes 1984, sections 237.075, subdivision 8; and 290.21, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski, Mrs. Brataas, Messrs. Anderson and Bertram introduced—

S.F. No. 1903: A bill for an act relating to workers' compensation; regulating the obligations and administration of the special compensation fund; regulating the payment and right to benefits; compensation court of appeals; regulating attorneys' fees; providing for the administration of claims; providing penalties; amending Minnesota Statutes 1984, sections 176.041, subdivision 4; 176.081, subdivision 1; 176.101, subdivisions 2, 3f, and 3v; 176.104, subdivision 1; 176.105, subdivision 4; 176.111, subdivisions 6, 12, 15, and 20; 176.129, subdivision 8; 176.131, subdivisions 1a and 3; 176.135, subdivision 1a; 176.138; 176.179; 176.225, subdivision 1; 176.231, subdivisions 1 and 10; 176.242, subdivision 2; 176.243, subdivision 3; 176.361, subdivision 1; 176.421, subdivision 6; 176.461; 176.521, subdivision 3; 176.603; 176.611, subdivision 2; Minnesota Statutes 1985 Supplement, section 176.101, subdivision 3e; proposing coding for new law in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1984, sections 176.265; 176.431; 176.441; and 176.611, subdivisions 3 and 4.

Referred to the Committee on Employment.

Messrs. Dahl and DeCramer introduced—

S.F. No. 1904: A bill for an act relating to commerce; prohibiting surcharges on credit card sales; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Economic Development and Commerce.

Mr. Dahl, Ms. Peterson, D.C. and Mrs. Kronebusch introduced—

S.F. No. 1905: A bill for an act relating to insurance; prohibiting discrimination in auto insurance based upon marital dissolution; amending Minnesota Statutes 1984, section 65B.13; and proposing coding for new law in Minnesota Statutes, chapter 65B.

Referred to the Committee on Economic Development and Commerce.

Messrs. Dahl and Kroening introduced—

S.F. No. 1906: A bill for an act relating to insurance; requiring adjustment of deductibles during the initial period of health insurance coverage; proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Economic Development and Commerce.

Messrs. Waldorf, Diessner, Solon, Mrs. Lantry and Mr. Benson introduced—

S.F. No. 1907: A bill for an act relating to human services; establishing principles for serving persons with mental retardation and related conditions; providing for comprehensive review of regulations and state and county relations; governing reimbursement to intermediate care facilities for persons with mental retardation and related conditions; providing for alternative correction plans for state hospitals; changing the funding formula for semi-independent living services; providing for an exception to the moratorium on construction of intermediate care facilities for persons with mental retardation and related conditions; appropriating money; amending Minnesota Statutes 1984, sections 252.025, by adding a subdivision; 252.275, subdivision 4; and 299F.011, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 252.291, subdivision 2; and 256B.092, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 1985 Supplement, section 256B.501, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 1908: A bill for an act relating to taxation; property; expanding the special homestead classification for certain disabled persons; amending Minnesota Statutes 1985 Supplement, section 273.13, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes, Pehler, Dicklich, Mehrkens and Ms. Olson introduced—

S.F. No. 1909: A bill for an act relating to education; clarifying that private proprietary schools may provide certain placement information; modifying the expiration time for solicitor's permits; amending Minnesota Statutes 1984, section 141.26, subdivision 1; Minnesota Statutes 1985 Supplement, section 141.25, subdivision 10.

Referred to the Committee on Education.

Mr. Johnson, D.E. introduced—

S.F. No. 1910: A bill for an act relating to transportation; adding new route to trunk highway system in substitution of existing route; allowing old highway to be turned back to city of Willmar; directing revisor of statutes to make route substitution; amending Laws 1974, chapter 151, section 3.

Referred to the Committee on Transportation.

Mr. Moe, D.M. introduced—

S.F. No. 1911: A bill for an act relating to retirement; establishing a uniform defined contribution public employee retirement plan; proposing coding for new law as Minnesota Statutes, chapter 356A.

Referred to the Committee on Governmental Operations.

Mr. Knaak introduced—

S.F. No. 1912: A bill for an act relating to intoxicating liquor; authorizing the city of Vadnais Heights to issue up to five additional on-sale licenses.

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

Messrs. Wegscheid; Moe, D.M.; Schmitz; Renneke and Ms. Reichgott introduced—

S.F. No. 1913: A bill for an act relating to metropolitan government; providing for appointments, administration, reports, and duties of metropolitan agencies; amending Minnesota Statutes 1984, sections 473.121, subdivision 6, and by adding subdivisions; 473.123, subdivisions 2a, 3, and 3a; 473.141, subdivisions 2, 3, and 4a; 473.146, subdivisions 1, 2, and 3; 473.161; 473.163, subdivisions 1 and 2; and 473.303, subdivisions 2 and 4a; Minnesota Statutes 1985 Supplement, section 473.38, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1984, sections 473.121, subdivision 7; 473.163, subdivisions 3 and 4; 473.373, subdivision 3; 473.377; and 473.38, subdivision 1.

Referred to the Committee on Local and Urban Government.

Messrs. Petty, Pogemiller, Ramstad and Spear introduced—

S.F. No. 1914: A bill for an act relating to crimes; providing that violations involving theft of services may be aggregated for purposes of criminal prosecution; amending Minnesota Statutes 1984, section 609.52, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Pehler introduced—

S.F. No. 1915: A bill for an act relating to retirement; authorizing inclusion of certain state employees in the correctional officers plan and the purchase of prior service credit; amending Minnesota Statutes 1984, section 352.91, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Nelson introduced—

S.F. No. 1916: A bill for an act relating to state government; ratifying certain labor agreements and compensation and salary plans; granting authority to the legislative commission on employee relations.

Referred to the Committee on Governmental Operations.

Messrs. Lessard; Moe, R.D.; Taylor; Storm and Merriam introduced—

S.F. No. 1917: A bill for an act relating to taxation; providing for certain exemptions from charitable gambling licensure and taxation; amending Minnesota Statutes 1984, section 349.214, subdivision 2, and by adding a

subdivision.

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

Messrs. Diessner and Moe, D.M. introduced—

S.F. No. 1918: A bill for an act relating to retirement; application of the rule of 85 to teachers; amending Minnesota Statutes 1985 Supplement, section 356.70, subdivision 1.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 1919: A bill for an act relating to mental health; extending the patients' bill of rights to cover people receiving out-patient mental health treatment; defining a minimum grievance procedure for health care facilities; including in the patients' bill of rights the right of access to protection and advocacy services; amending Minnesota Statutes 1984, section 144.651, subdivisions 2, 4, 20, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Dicklich and Gustafson introduced—

S.F. No. 1920: A bill for an act relating to retirement; membership of firefighters employed by the department of military affairs in the public employees police and fire fund; amending Minnesota Statutes 1984, section 353.64, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Peterson, C.C.; Stumpf; Bertram; DeCramer and Berg introduced—

S.F. No. 1921: A bill for an act relating to taxation; delaying payment of second installment of property taxes on agricultural property; delaying payment of first installment of property taxes on agricultural homestead property for 1986 only; appropriating money; amending Minnesota Statutes 1984, sections 276.09; 276.10; 278.03; Minnesota Statutes 1985 Supplement, sections 278.05, subdivision 5; and 279.01, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Bernhagen introduced—

S.F. No. 1922: A bill for an act relating to the city of Litchfield; permitting certain investments of municipal power agency funds.

Referred to the Committee on Local and Urban Government.

Mr. Spear, Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1923: A bill for an act relating to crimes; repealing the crime of criminal syndicalism; repealing Minnesota Statutes 1984, section 609.405.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 1924: A bill for an act relating to health; providing for comprehensive school-based health clinic projects; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

### **MEMBERS EXCUSED**

Messrs. Petty, Schmitz and Solon were excused from the Session of today.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 13, 1986. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate