

SEVENTY-FIFTH DAY

St. Paul, Minnesota, Wednesday, February 26, 1986

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

CALL OF THE SENATE

Mr. Willet 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. Terry Danger.

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

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

The President declared a quorum present.

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Department of Employee Relations, Pay Equity in Minnesota Local Governments, 1986; Department of Health, Maternal and Child Health, 1986; Department of Human Services, Public Guardianship Study, 1986; Farm Financial Data Collection Task Force, Farm Financial Status Report, 1985; Ethical Practices Board, Annual Report, 1984-1985; Minnesota Board of Dentistry, Handling of Complaints, 1985; Minnesota Board of Medical Examiners, Handling of Complaints, 1985; Department of Administration, Bills to Implement Reorganization Orders, 1985; State Auditor, Volunteer Firefighters Relief Association, 1985; Department of Education, Hearing and Vision Screening and Assessment Program, 1985; Department of Public

Safety, Bureau of Criminal Apprehension, 1985; Public Employees Retirement Association, 1985; Minnesota Racing Commission, Annual Report, 1985; Minnesota Housing Finance Agency, Deferred Housing Rehabilitation Loans for Members of the Minnesota Chippewa Tribe and the Red Lake Band of Chippewa Indians, 1986; Department of Transportation, Rail User Loan Guarantee Program, 1986; Department of Finance, An Evaluation of the Rule-of-85, 1986; Minnesota Zoological Garden, Annual Report, 1985.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

January 8, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Bruce Bakken, 8395 College Trl. E., Inver Grove Heights, Dakota County, has been appointed by me, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

(Referred to the Committee on Energy and Housing.)

January 14, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Water Resources Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Duane R. Ekman, Rt. 1, Argyle, Marshall County, has been appointed by me, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

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

Sincerely,
Rudy Perpich, Governor

February 24, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 40.

Sincerely,
Rudy Perpich, Governor

February 24, 1986

The Honorable David Jennings
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1986 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1986	Date Filed 1986
40		310	February 24	February 24
	1699	311	February 24	February 24
	1826	Res. No. 6	February 24	February 24

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1574.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned February 24, 1986

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1860, 1930, 1980, 1772 and 1824.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 24, 1986

FIRST READING OF HOUSE BILLS

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

H.F. No. 1860: A bill for an act relating to metropolitan government; permitting the metropolitan mosquito control commission to issue certificates of indebtedness; amending Minnesota Statutes 1984, section 473.711, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1588, now on General Orders.

H.F. No. 1930: A bill for an act relating to public safety; barring traffic

citation quotas; proposing coding for new law in Minnesota Statutes, chapter 299D.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1818, now on General Orders.

H.F. No. 1980: A bill for an act relating to state government; authorizing the Indian affairs council to enter contracts and to accept grants and gifts; amending Minnesota Statutes 1984, section 3.922, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1853, now on General Orders.

H.F. No. 1772: A bill for an act relating to courts; increasing fees to be collected; clarifying existing fee statutes; increasing the penalty assessment imposed on persons convicted of crimes; clarifying the purposes for which it may be used; amending Minnesota Statutes 1984, section 176.451, subdivision 3; 487.31, subdivisions 1 and 4; 487.33; 514.70; 525.031; and 525.033; Minnesota Statutes 1985 Supplement, sections 357.021, subdivision 2; and 609.101.

Referred to the Committee on Judiciary.

H.F. No. 1824: A bill for an act relating to statutes; adopting as amended a gender neutral revision of Minnesota Statutes; providing for no substantive change; granting certain editorial authority to the revisor of statutes; amending Minnesota Statutes 1984, sections 3C.10, subdivision 1; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 645.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1752, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Spear from the Committee on Judiciary, to which was re-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 2, line 18, delete the semicolon and insert "*and*"

Page 2, line 19, delete "*(3) legal backup and support*"

Renumber the remaining clauses in sequence

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

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

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.

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

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

S.F. No. 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.

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1702: A bill for an act relating to local government; granting the city of Brainerd the authority to establish a port authority; authorizing the port authority to exercise the power of a municipal housing and redevelopment authority; authorizing the city to impose restrictions and limitations upon the powers and procedures of the port authority; permitting the city to choose the name of the port authority; providing for removal of port authority commissioners; requiring local approval.

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

Page 3, after line 29, insert:

“Sec. 5. [GENERAL OBLIGATION BONDS; REFERENDUM.]

Subdivision 1. [GENERAL OBLIGATION BONDS.] The port authority commission may issue general obligation bonds in the same manner as provided under Minnesota Statutes, section 458.193, except that no election shall be required to authorize their issuance except as provided in subdivision 2.

Subd. 2. [REFERENDUM ON PETITION.] Before the issuance of the bonds, the city council shall publish in the official newspaper of the city an initial resolution authorizing the issuance of the bonds, and if within ten days after the publication there is filed with the city clerk a petition requesting an election on the proposition of issuing the bonds signed by a number of qualified voters greater than ten percent of the number who voted in the city at the last general election, the bonds must not be issued until the proposition has been approved by a majority of the votes cast on it at a regular or special election.”

Renumber the sections in sequence

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1928: A bill for an act relating to the city of Brooklyn Park; permitting the city to establish a port authority commission.

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

Page 1, line 17, after the period, insert "*The port authority commission may issue general obligation bonds in the same manner as provided under Minnesota Statutes, section 458.193, except that no election shall be required to authorize their issuance except as provided in section 2.*"

Sec. 2. [GENERAL OBLIGATION BONDS; REFERENDUM ON PETITION.]

Before the issuance of the bonds, the city council shall publish in the official newspaper of the city an initial resolution authorizing the issuance of the bonds, and if within ten days after the publication there is filed with the city clerk a petition requesting an election on the proposition of issuing the bonds signed by a number of qualified voters greater than ten percent of the number who voted in the city at the last general election, the bonds must not be issued until the proposition has been approved by a majority of the votes cast on it at a regular or special election."

Renumber the sections in sequence

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

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1996: A bill for an act relating to local government; authorizing home rule charter or statutory cities to establish economic development districts; granting powers to authorities; amending Minnesota Statutes 1984, sections 116D.04, subdivision 1a; 117.521, subdivision 3; 272.01, subdivision 2; 273.72; 273.73, subdivisions 2 and 8; 273.86, subdivision 1; 355.11, subdivision 5; 462C.02, subdivisions 6 and 9; 465.74, subdivision 7; 471.88, subdivisions 1, 9, and 11; 474.02, subdivision 3; and 474.16, subdivision 2; Minnesota Statutes 1985 Supplement, sections 273.75, subdivision 4; 353.01, subdivision 2a; 462C.12, subdivision 2; and 472B.04; proposing coding for new law as Minnesota Statutes, chapter 458C.

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

Page 11, line 7, after "462" insert "*or other law*"

Page 11, line 8, after "472A" insert "*or other law*" and after the period, insert "*If the economic development authority exercises the powers of a housing and redevelopment authority contained in chapter 462 or other law, the city shall exercise the powers relating to a housing and redevelopment authority granted to a city by chapter 462 or other law.*"

Page 14, line 22, before "An" insert "*Except as provided in subdivision 2, clause (d),*"

Page 15, after line 12, insert:

"(d) The enabling resolution may provide that the members of the city council shall serve as the commissioners.

(e) *The enabling resolution may provide for the appointment of members of the city council in excess of the number required in clauses (a), (b) and (c).*"

Page 15, line 13, delete "(d)" and insert "(f)"

Page 15, line 17, after the period, insert "*The city council may set the term of the commissioners who are members of the city council to coincide with their term of office as members of the city council.*"

Page 15, line 19, after "three" insert "*to five or seven members,*" and after "or" insert "*from*"

Page 21, line 15, delete "port"

Page 34, line 31, after "authority" insert "*by special law*"

Page 37, lines 23, 25, and 28, after "authority" insert "*or economic development authority*"

Page 40, after line 26, insert:

"Sec. 44. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after "to" insert "cities and"

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

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

S.F. No. 1829: A resolution memorializing the President and Congress of the United States to enact the Mississippi River National Heritage Corridor Act of 1986.

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

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

S.F. No. 1578: A bill for an act relating to agriculture; moving Wadena county from area one to area four for purposes of potato industry promotion; amending Minnesota Statutes 1984, section 17.54, subdivision 9.

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

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

S.F. No. 1733: A bill for an act relating to agriculture; clarifying the exceptions to prohibition against manufacture of food from adulterated milk

or cream; amending Minnesota Statutes 1985 Supplement, section 32.21, subdivision 2.

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

Page 1, line 10, strike "MANUFACTURER" and insert "MANUFACTURE"

Page 1, line 14, after "Act" insert ", United States Code, Title 21, Section 301 et seq."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1814: A bill for an act relating to human services; modifying the preadmission screening program; establishing requirements for medical assistance rate appeals procedures for intermediate care facilities; amending Minnesota Statutes 1985 Supplement, sections 256B.091, subdivisions 2, 4, 5, and 8; and 256B.501, subdivision 3.

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

Page 1, after line 10, insert:

"Section 1. [144A.35] [TASK FORCE ON LONG-TERM CARE HEALTH PLANNING.]

Subdivision 1. [CREATION.] There is created a task force on long-term care health planning. The nine-member task force appointed by the governor shall include: two members from the legislative commission on long-term care; two representatives from the Minnesota nursing home trade associations; two members from long-term care consumer groups, and one representative each of the commissioners of health and human services. The director of the state planning agency or a designee shall chair and convene the task force.

Subd. 2. [DUTIES.] The task force on long-term care health planning shall conduct a study and report to the legislative commission on long-term care and to the legislature by January 15, 1987. In the study and report, the task force shall:

(1) propose a statewide plan for orderly and rational development of additional long-term care facilities;

(2) examine the need to amend the moratorium law to permit replacement or reconfiguration of beds provided no new beds are added to the system unless necessary;

(3) examine current classification of the intermediate care facilities class two (ICF II) as to the possibility of reclassification or upgrading; and

(4) address the need to modernize and renovate long-term care facilities built in 1950 to 1960 to improve energy efficiency and the quality of life in

those older facilities.

Subd. 3. [TASK FORCE EXPIRATION DATE.] The task force on long-term care health planning expires January 15, 1987.

Sec. 2. Minnesota Statutes 1985 Supplement, section 144.562, subdivision 3, is amended to read:

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

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

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

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

(d) The hospital must agree, in writing, to limit admission to a swing bed only to (1) patients who have been hospitalized and not yet discharged from the facility, and (2) patients who are transferred directly from an acute care hospital bed located outside of the patient's community to a swing bed in a hospital located within the patient's community, provided the hospital documents that, at the time of the transfer, no Medicare-certified nursing home beds were available within 25 miles of the patient's home. For purposes of this paragraph, "patient's community" means the area within 60 miles of the patient's home.

(e) The hospital must agree, in writing, to report to the commissioner of health by December 1, 1985, and annually thereafter, in a manner required by the commissioner (1) the number of patients readmitted to a swing bed within 60 days of a patient's discharge from the facility, (2) the hospital's charges for care in a swing bed during the reporting period with a description of the care provided for the rate charged, and (3) the number of beds used by the hospital for transitional care and similar subacute inpatient care.

(f) The hospital must agree, in writing, to report statistical data on the utilization of the swing beds on forms supplied by the commissioner. The data must include the number of swing beds, the number of admissions to and

discharges from swing beds, medicare reimbursed patient days, total patient days, and other information required by the commissioner to assess the utilization of swing beds.

Sec. 3. Minnesota Statutes 1985 Supplement, section 144.563, is amended to read:

144.563 [NURSING SERVICES PROVIDED IN A HOSPITAL; PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITED PRACTICES.] A hospital that has been granted a license condition under section 144.562 must not provide to patients not reimbursed by medicare or medical assistance the types of services that would be usually and customarily provided and reimbursed under medical assistance or medicare as services of a skilled nursing facility or intermediate care facility for more than 42 days and only for patients who have been hospitalized and no longer require an acute level of care. Permission to extend a patient's length of stay may be granted by the commissioner if requested by the physician at least ten days prior to the end of the maximum length of stay.

Subd. 2. [MONITORING; REPORT.] The commissioner shall monitor the provision of services described in subdivision 1 and services in swing beds under section 144.562, and annually report to the legislature concerning these services, including recommendations on the need for legislation."

Page 1, line 26, after "agency" insert ", both of whom must conduct an on-site screening"

Page 3, line 17, strike "persons" and insert "applicants"

Page 3, strike line 18

Page 3, line 19, strike everything before "must"

Page 3, strike lines 20 and 21

Page 3, line 22, strike "the commissioner." and delete the new language

Page 3, delete lines 23 to 27

Page 3, line 28, delete everything before the period and insert "*the medical assistance program. The total screening cost for each county for applicants who are not eligible for medical assistance must be paid monthly by nursing homes and boarding care homes participating in the medical assistance program in the county. The monthly amount to be paid by each nursing home and boarding care home must be determined by dividing the county's estimate of the total annual cost of screenings allowed by the commissioner in the county for the following rate year by 12 to determine the monthly cost estimate and allocating the monthly cost estimate to each nursing home and boarding care home based on the number of licensed beds in the nursing home or boarding care home. The monthly cost estimate for each nursing home must be submitted to the nursing home and the state by the county no later than February 15 of each year for inclusion in the nursing home's payment rate on the following rate year. The commissioner shall include the reported annual estimated cost of screenings for each nursing home or boarding care home as an operating cost of that nursing home in accordance with section 256B.431, subdivision 2b, clause (g)*"

Page 3, line 34, delete everything after "completed" and insert a period

Page 3, delete lines 35 and 36

Page 4, delete lines 1 to 3

Page 4, line 25, before "Grants" insert "*The commissioner shall establish, by rule, procedures for determining grant allocations, reallocations, limits on the rates for payment of approved services including screenings, and submittal and approval of a biennial county plan for the administration of the preadmission screening and alternative care grants program.*"

Page 5, line 10, delete "eligible" and insert "qualified"

Page 5, line 15, delete "qualified" and insert "potential"

Page 5, line 16, delete "by individuals for the provision of services" and insert "to contract with the agency"

Page 7, after line 15, insert:

"Sec. 9. [GEOGRAPHIC GROUPINGS STUDY.]

By February 1, 1987, the director of the state planning agency, in consultation with the commissioner of human services, shall report to the legislature on the appropriateness of current geographic groupings for reimbursement of nursing home operating costs. The report shall contain recommendations for legislative action which address the following: nursing home input prices and regional variation in costs; and alternative methods for recognizing regional variations in the cost of doing business including approaches used by other states with comparable nursing home reimbursement systems.

Sec. 10. [TRANSFER.]

\$880,000 is transferred from the preadmission screening and alternative care grants account to the medical assistance account."

Page 7, line 17, before "Sections" insert "Section 2 is effective May 1, 1986." and delete "1 to 5" and insert "4 to 8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "to" insert "health and"

Page 1, line 2, after the semicolon, insert "establishing a task force on long-term care planning; requiring the commissioner of health to monitor transitional care; authorizing use of swing beds by patients transferred from hospitals located outside of the patient's community;"

Page 1, line 5, after the semicolon, insert "requiring a study of geographic groupings of nursing homes;"

Page 1, line 6, after "sections" insert "144.562, subdivision 3; 144.563;"

Page 1, line 8; after "3" insert "; proposing coding for new law in Minnesota Statutes, chapter 144A"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1868: A bill for an act relating to human services; establishing demonstration projects to centralize application for all food assistance programs and to promote full participation in food assistance programs; establishing a nutrition council; establishing a coordinated nutrition data bank; requiring the full expenditure of federal funds by agencies administering the special supplemental food program for women, infants, and children; establishing a centralized unit to supervise the food stamp program; requiring food stamps to be provided within 24 hours to persons eligible for expedited issuance; requiring that waivers be obtained, if possible, from the United States government to allow certain individuals to obtain food stamps and medical assistance, to permit reimbursement of costs of home-delivered meals to the elderly, and to implement a pilot school breakfast program; appropriating money; amending Minnesota Statutes 1984, sections 145.892, subdivision 2; 145.894; and 393.07, subdivision 10, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124; 144; 245; and 256B.

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

Delete everything after the enacting clause and insert:

“Section 1. [124.647] [WAIVER; PILOT SCHOOL BREAKFAST PROGRAMS.]

The commissioner of education shall request a waiver from the United States government as necessary to allow pilot school breakfast programs to be implemented in school districts where no program currently exists. The pilot school breakfast program shall provide students with breakfasts designed to be taken with the student and consumed away from the school site.

Sec. 2. [124.6471] [SCHOOL BREAKFAST INCENTIVE.]

The commissioner of education shall provide a cash incentive to schools to increase participation in school breakfast programs or to initiate a school breakfast program if none currently exists. A subsidy of up to three cents per meal will be paid to schools that demonstrate at least a ten percent increase in participation. A subsidy of up to five cents per meal will be paid to schools initiating a breakfast program.

Sec. 3. [144.092] [COORDINATED NUTRITION DATA COLLECTION.]

The commissioner of health shall develop and coordinate a reporting system to improve the state's ability to document inadequate nutrient and food intake of Minnesota's children and adults and to identify problems and determine the most appropriate strategies for improving inadequate nutritional status. The board on aging shall develop a coordinated nutrition system to evaluate the nutritional status and requirements of the elderly in Minnesota. The commissioner of health and the board on aging shall report to the legislature by July 1 of each year on the results of their investigation and their recommendations on the nutritional needs of Minnesotans.

Sec. 4. Minnesota Statutes 1984, section 145.892, subdivision 2, is amended to read:

Subd. 2. "Local health agency" means the ~~county public health nursing service~~ *community health services agency* or any public or private nonprofit organization which enters into a contract with the commissioner of health pursuant to sections 145.891 to 145.897.

Sec. 5. Minnesota Statutes 1984, section 145.894, is amended to read:

145.894 [STATE COMMISSIONER OF HEALTH; DUTIES, RESPONSIBILITIES.]

The commissioner of health shall:

(a) Develop a comprehensive state plan for the delivery of nutritional supplements to pregnant and lactating women, infants, and children;

(b) Contract with existing local public or private nonprofit organizations for the administration of the nutritional supplement program;

(c) Develop and implement a public education program promoting the provisions of sections 145.891 to 145.897, and provide for the delivery of individual and family nutrition education and counseling at project sites;

(d) Develop in cooperation with other agencies and vendors a uniform state voucher system for the delivery of nutritional supplements;

(e) Develop, analyze and evaluate the health aspects of the nutritional supplement program and establish nutritional guidelines for the program;

(f) Apply for and, administer ~~any~~, and annually fully expend all available federal or private funds;

(g) ~~Coordinate with the state and local public welfare agencies in identifying~~ *Aggressively market services to eligible individuals by conducting ongoing outreach activities and by coordinating with and providing marketing materials and technical assistance to local human services and community service agencies and nonprofit service providers;*

(h) *Determine, on July 1 of each year, the number of pregnant women participating in each special supplemental food program for women, infants, and children (W.I.C.) and, at the commissioner's discretion, designate a different food program deliverer if the current deliverer fails to increase the participation of pregnant women in the program by at least ten percent over the previous year's participation rate;*

~~(i)~~ (i) Promulgate all rules and regulations necessary to carry out the provisions of sections 145.891 to 145.897; and

~~(j)~~ (j) Report to the legislature by November 15 of every year on the expenditures and activities under sections 145.891 to 145.897 of the state and local health agencies for the preceding fiscal year.

Sec. 6. [245.771] [SUPERVISION OF FOOD STAMP PROGRAM.]

Subdivision 1. [SUPERVISION OF PROGRAM.] The commissioner of human services shall supervise the food stamp program to aid administration of the food stamp program by county welfare boards pursuant to section 393.07, subdivision 10, to promote excellence of administration and program

operation, and to ensure compliance with all federal laws and regulations so that all eligible persons are able to participate.

Subd. 2. [WAIVERS.] The commissioner of human services shall apply to the United States Department of Agriculture for waivers of monthly reporting and retrospective budgeting requirements.

Sec. 7. Minnesota Statutes 1984, section 256.975, is amended by adding a subdivision to read:

Subd. 4. [HOME-DELIVERED MEALS.] The board on aging shall take appropriate action to secure reimbursement from public and private medical care programs, health plans, and health insurers for home-delivered meals that are a necessary part of medical treatment for the elderly.

Sec. 8. Minnesota Statutes 1984, section 393.07, subdivision 10, is amended to read:

Subd. 10. [FEDERAL FOOD STAMP PROGRAM.] (a) The county welfare board shall establish and administer the food stamp program pursuant to rules of the commissioner of human services and all federal laws and regulations. The commissioner of human services shall monitor food stamp program delivery on an ongoing basis to ensure that each county complies with federal laws and regulations. Program requirements to be monitored include, but are not limited to, number of applications, number of approvals, number of cases pending, length of time required to process each application and deliver benefits, number of applicants eligible for expedited issuance, length of time required to process and deliver expedited issuance, number of terminations and reasons for terminations, client profiles by age, household composition and income level and sources, and the use of phone certification and home visits. The commissioner shall determine the county-by-county and statewide participation rate. The commissioner shall report on the monitoring activities on a county-by-county basis in a report presented to the legislature by July 1 each year. This monitoring activity shall be separate from the management evaluation survey sample required under federal regulations.

(b) On July 1 of each year, the commissioner of human services shall determine a statewide and county-by-county food stamp program participation rate. The commissioner may designate a different agency to administer the food stamp program in a county if the agency administering the program fails to increase the food stamp program participation rate by ten percent or to the statewide average participation rate, whichever is higher, or comply with all federal laws and regulations governing the food stamp program. The commissioner shall review agency performance annually to determine compliance with this paragraph.

(c) The county welfare board shall participate in a food stamp quality control system subject to the supervision of the commissioner of human services and pursuant to federal regulations.

Any person who commits any of the following acts is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (1), (2), and (5):

(a) Obtains or attempts to obtain, or aids or abets any person to obtain by means of a wilfully false statement or representation, or intentional conceal-

ment of a material fact, food stamps to which he is not entitled or in an amount greater than that to which he is entitled; or

(b) Presents or causes to be presented, coupons for payment or redemption knowing them to have been received, transferred or used in a manner contrary to existing state or federal law; or

(c) Willfully uses or transfers food stamp coupons or authorization to purchase cards in any manner contrary to existing state or federal law.

The amount of food stamps incorrectly issued shall be the difference between the amount of food stamps actually received and the amount to which the recipient would have been entitled under state and federal law had the welfare agency been informed of all material facts. The amount of any food stamps determined to have been incorrectly issued, used, transferred or presented shall, unless otherwise determined by the county welfare board in order to prevent undue hardship, be recoverable from the recipient, or user, or his estate by the county as a debt due the county.

Sec. 9. Minnesota Statutes 1984, section 393.07, is amended by adding a subdivision to read:

Subd. 10a. [EXPEDITED ISSUANCE OF FOOD STAMPS.] The commissioner of human services shall continually monitor the expedited issuance of food stamp benefits to ensure that each county complies with federal regulations and that households eligible for expedited issuance of food stamps are identified, processed, and certified within the time frames prescribed in federal regulations. By July 1 each year, the commissioner of human services shall present a report to the governor and the legislature regarding its monitoring of expedited issuance and the degree of compliance with federal regulations on a county-by-county basis.

County food stamp offices shall screen and issue food stamps to applicants on the day of application. Applicants who meet the federal criteria for expedited issuance and have an immediate need for food assistance shall receive either:

(a) a manual Authorization to Participate (ATP) card, or

(b) the immediate issuance of food stamp coupons.

The local food stamp agency shall conspicuously post in each food stamp office a notice of the availability of and the procedure for applying for expedited issuance and verbally advise each applicant of the availability of the expedited process.

Sec. 10. [245.772] [PILOT FOOD ACCESSIBILITY PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services shall establish a food accessibility project in five counties by July 1, 1986, to maximize participation in food programs administered by the county welfare boards pursuant to section 393.07, subdivision 10, and provide a single central access point where persons may apply for food stamps, surplus commodities, the special supplemental food program for women, infants, and children (W.I.C.), and private food assistance programs. The commissioner shall report to the legislature by February 1 of each year on the progress and results of the pilot projects.

Subd. 2. [COUNTIES.] *The five counties shall be chosen by the commissioners of health, human services, and jobs and training and must include one county each from the northeast, northwest, southeast, and southwest sections of the state and one county from the seven-county metropolitan area.*

Subd. 3. [EVALUATION CASELOAD PROFILE REPORT.] *Each county participating in a pilot project shall report to the commissioner of human services annually with an evaluation of the project to facilitate the identification of all factors affecting participation.*

Subd. 4. [DESIGNATED FOOD PROGRAM DELIVERER.] *The commissioner shall allocate all available federal, state, and county food program money for the food stamps, the special supplemental food program for women, infants, and children (W.I.C.), and surplus commodity programs to a single designated food program deliverer for services to eligible low-income persons residing within each of the five pilot project counties. The designated food program deliverer must be the local community action agency, the county government, or an experienced private nonprofit provider of food programs for low-income persons.*

Sec. 11. [APPROPRIATIONS.]

Subdivision 1. [MATERNAL AND CHILD NUTRITION.] \$_____ is appropriated from the general fund to the commissioner of health to allow participation by additional children and pregnant women in the services provided by the maternal and child nutrition act of 1975, pursuant to sections 145.891 to 145.897. This appropriation is available until June 30, 1987.

Subd. 2. [RESERVE FUND FOR MATERNAL AND CHILD NUTRITION.] \$_____ is appropriated from the general fund to the commissioner of health for the purpose of creating a separate reserve fund to enable the commissioner to fully expend all funds allocated from the United States government for services provided through the maternal and child nutrition act of 1975, pursuant to sections 145.891 to 145.897. This allocation is available until June 30, 1987.

Subd. 3. [SURPLUS COMMODITIES.] \$_____ is appropriated from the general fund to the commissioner of jobs and training for the purpose of allowing continued distribution of federal surplus commodities to needy residents. Money must be earmarked for local surplus commodity program operators and is available until June 30, 1987, or until the sunset of the federal surplus commodity program, if sooner.

Subd. 4. [FOOD STAMP ACCESSIBILITY PROJECT.] \$_____ is appropriated from the general fund to the commissioner of human services to develop and implement a pilot food stamp outreach program and a single central access point for food assistance applications pursuant to section 10.

Subd. 5. [SCHOOL BREAKFAST INCENTIVE.] \$_____ is appropriated from the general fund to the commissioner of education for the purpose of the school breakfast incentive cash subsidies provided for in section 2. This appropriation is available until June 30, 1987.

Subd. 6. [INFORMATION SYSTEMS IMPROVEMENTS.]

\$_____ is appropriated from the general fund to the commissioner of human services for the purpose of creating an automated assistance payments and food stamp eligibility system."

Delete the title and insert:

"A bill for an act relating to human services; streamlining food and nutrition programs in the state; establishing demonstration projects for one-stop food and commodities and to promote full participation in food assistance programs; establishing a coordinated nutrition data system; requiring the full expenditure of federal funds by agencies administering the special supplemental food program for women, infants, and children; requiring food stamps to be provided within 24 hours to persons eligible for expedited issuance; requiring the board on aging to pursue reimbursement of costs of home-delivered meals for the elderly; establishing a pilot school breakfast program; appropriating money; amending Minnesota Statutes 1984, sections 145.892, subdivision 2; 145.894; 256.975, by adding a subdivision; and 393.07, subdivision 10, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 124; 144; and 245."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1707: A bill for an act relating to health; requiring planning for services for persons with brain impairment; establishing a statewide clearinghouse for caregiver information; reconvening the task force on needs for persons with brain impairment; amending Minnesota Statutes 1984, sections 145.912, by adding a subdivision; 145.92, subdivision 1; Minnesota Statutes 1985 Supplement, sections 256.01, subdivision 2; and 256E.03, subdivision 2.

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

Pages 1 and 2, delete sections 1 and 2.

Page 6, delete lines 8 to 10 and insert:

"(16) For fiscal years 1987 and 1988, in cooperation with the local county agencies, prepare and distribute an annual resource directory on services to individuals with brain impairment."

Pages 6 and 7, delete section 4 and insert:

"Sec. 2. Minnesota Statutes 1984, section 256E.03, is amended by adding a subdivision to read:

Subd. 8. "Brain impairment" means serious traumatic injury to the brain or degenerative brain disease resulting in significant destruction of brain tissue with resultant loss of brain function and requiring extensive services over an extended period of time.

Sec. 3. Minnesota Statutes 1984, section 256E.09, subdivision 3, is amended to read:

Subd. 3. [PLAN CONTENT.] The biennial community social services plan published by the county shall include:

(a) A statement of the goals of community social service programs in the county;

(b) Methods used pursuant to subdivision 2 to encourage participation of citizens and providers in the development of the plan and the allocation of money;

(c) Methods used to identify persons in need of service and the social problems to be addressed by the community social service programs, including efforts the county proposes to make in providing for early intervention, prevention and education aimed at minimizing or eliminating the need for services for groups of persons identified in section 256E.03, subdivision 2;

(d) A statement describing how the county will fulfill its responsibilities identified in section 256E.08, subdivision 1 to the groups of persons described in section 256E.03, subdivision 2, and a description of each community social service proposed and identification of the agency or person proposed to provide the service. The plan shall specify how the county proposes to make the following services available for persons identified by the county as in need of services: daytime developmental achievement services, subacute detoxification services, residential services and nonresidential social support services as appropriate for the groups identified in section 256E.03, subdivision 2, *and services to individuals with brain impairment*;

(e) The amount of money proposed to be allocated to each service;

(f) An inventory of public and private resources including associations of volunteers which are available to the county for social services;

(g) Evidence that serious consideration was given to the purchase of services from private and public agencies; and

(h) Methods whereby community social service programs will be monitored and evaluated by the county."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 4 and insert "providing for an annual resource directory on services to individuals with brain impairment;"

Page 1, delete lines 7 to 10 and insert "sections 256E.03, by adding a subdivision; 256E.09, subdivision 3; Minnesota Statutes 1985 Supplement, section 256.01, subdivision 2."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1196: A bill for an act relating to child care; establishing child

care resource and referral programs; appropriating money; amending Minnesota Statutes 1984, section 245.83, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

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

Page 1, line 17, delete "245.831" and insert "268.92" and before "CHILD" insert "GRANTS FOR CHILD CARE FACILITIES AND"

Page 1, after line 18, insert:

"Subdivision 1. [AUTHORITY.] The commissioner may make grants to public or private nonprofit agencies for the planning, establishment, expansion, improvement or operation of child care resource and referral programs, as defined in section 245.83, subdivision 6, and child care services according to the provisions of this section and may make grants to county boards to carry out the purposes of section 245.84.

Subd. 2. [FEDERAL DEPENDENT CARE GRANTS PROGRAM.] The commissioner shall submit an application annually to the United States secretary of health and human services for the purpose of obtaining the state's allotment of funds authorized under chapter 8 of Title VI of the omnibus budget reconciliation act, United States Code, title 42, sections 9871 to 9877.

(a) Federal funds received under this allotment for the planning, development, establishment, expansion or improvement of local resource and referral systems and school age child care services which are awarded as grants under subdivision 1 must be used in conformance with the federal requirements.

(b) No more than 75 percent of the cost of any project funded by a grant under subdivision 1 shall come from the funds received under the federal dependent care grants program.

(c) The federal funds may not be used to:

(1) pay the costs of operation of any resource and referral system or before or after school child care programs established, expanded, or improved under clause (a);

(2) Make case payments to intended recipients of dependent care services including child care services;

(3) subsidize the direct provision of dependent care services including child care services;

(4) pay for construction or renovation; or

(5) satisfy any requirement for the expenditure of non-federal funds as a condition for the receipt of federal funds."

Page 1, line 19, delete "Subdivision 1." and insert "Subd. 3." and delete "shall" and insert "may"

Page 1, line 20, delete "establish a program" and insert "make grants to public or private nonprofit entities"

Page 1, line 21, delete everything after "programs"

Page 1, line 22, delete "entities"

Page 2, line 4, delete the second "and"

Page 2, line 5, before the period insert ", and programs for school age children"

Page 2, line 8, delete "and" and before the period insert "; location of the program; eligibility requirements for enrollment; and transportation available to the program"

Page 3, line 16, delete "and"

Page 3, line 17, delete "Facilitation" and insert "facilitation"

Page 3, line 19, after "served" insert "; and

(5) recruitment of licensed providers"

Page 3, line 33, delete "five" and insert "up to 25"

Page 3, delete line 34

Page 3, line 35, delete "subsequent years"

Page 3, after line 35, insert:

"Subd. 4. [APPLICATIONS FOR GRANTS.] Applicants for grants under subdivision 1 shall apply on a form provided by the commissioner. Applications for grants using funds received by the state pursuant to subdivision 2 shall include assurances that federal requirements have been met. The commissioner may adopt emergency rules or permanent rules to implement this section.

Sec. 3. Minnesota Statutes 1984, section 245.84, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county board is authorized to provide child care services, to make grants from the community social service fund or other sources to any municipality, corporation or combination thereof for the cost of providing technical assistance and child care services, or to contract for services with any licensed day care facility, as the board deems necessary or proper to carry out the purposes of sections 245.83 to 245.87.

The board is further authorized to make grants to or contract with any municipality, incorporated licensed child care facility or resource and referral program, or corporation or combination thereof for any of the following purposes:

(a) For creating new licensed day care facilities and expanding existing facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(b) For improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling;

(c) For supportive child development services including, but not limited to, inservice training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(d) For carrying out programs including, but not limited to, staff, supplies,

equipment, facility renovation, and training; ~~and~~,

(e) For interim financing; *and*

(f) *For carrying out the resource and referral program services identified in section 2, subdivision 3."*

Page 3, delete line 36

Page 4, delete lines 1 to 6

Amend the title as follows:

Page 1, line 3, delete "appropriating money;"

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

Page 1, line 5, after the semicolon, insert "and 245.84, subdivision 1;"

Page 1, line 6, delete "245" and insert "268"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1810: A bill for an act relating to human services; providing for conditions requiring monthly reporting by recipients of aid to families with dependent children; amending Minnesota Statutes 1985 Supplement, section 256.73, subdivision 6.

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

Page 1, line 26, after the period, insert "*If assistance payments are terminated because an assistance unit failed to report on income and other circumstances affecting eligibility and assistance amounts in the time specified by the state agency, but does report on or before the last day of the month following the month the report was due, the receipt of the report shall be treated as the filing of a new application, as an assignment under section 256.74, subdivision 5, of all rights to child support and maintenance payments, and as assignment of any rights accruing under private health care coverage. Processing of the new application shall be expedited.*"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 1931: A bill for an act relating to human services; regulating work activities of handicapped persons in state facilities; amending Minnesota Statutes 1985 Supplement, section 246.56, subdivision 2.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1771: A bill for an act relating to education; imposing a limit on

participation in and making other modifications to the post-secondary enrollment options program; modifying the timelines for placing teachers on unrequested leaves of absence; amending Minnesota Statutes 1984, section 125.12, subdivisions 4, 6b, 9, 10, and by adding a subdivision; Minnesota Statutes 1985 Supplement, section 123.3514, by adding subdivisions.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE POST-SECONDARY INSTITUTIONS.] For purposes of this section, an “eligible institution” means a Minnesota public post-secondary institution or a private, residential, *two-year or four-year*, liberal arts, degree-granting college or university located in Minnesota.

Sec. 2. Minnesota Statutes 1985 Supplement, section 123.3514, is amended by adding a subdivision to read:

Subd. 3a. [DISQUALIFICATION.] A pupil may not attend a post-secondary institution under this section if the pupil receives a state or federal scholarship, grant, or loan to defray any direct or indirect costs of attending the post-secondary institution under this section.

Sec. 3. Minnesota Statutes 1985 Supplement, section 123.3514, is amended by adding a subdivision to read:

Subd. 4a. [COUNSELING.] To the extent possible, the school district shall provide counseling services to pupils and their parents before the pupils enroll in courses or programs under this section to ensure that the pupils and their parents are fully aware of the consequences of enrolling in post-secondary courses or programs. The district shall provide information on the program, including who may enroll, what institutions and courses or programs are eligible for participation, the decision-making process for granting academic credits, financial arrangements for tuition, books and materials, eligibility criteria for transportation aid, available support services, the need to arrange an appropriate schedule, the need to consider requirements for high school graduation, consequences of failing or not completing a course in which the pupil enrolls, and the social and academic responsibilities that must be assumed by the pupils and their parents. The person providing counseling services shall also encourage pupils and parents to use available counseling services at the post-secondary institutions before the quarter or semester of enrollment to ensure that anticipated plans are appropriate.

Sec. 4. Minnesota Statutes 1984, section 123.3514, is amended by adding a subdivision to read:

Subd. 4b. [INFORMATION AND NOTIFICATION OF INTENT TO ENROLL.] By March 1 of each year, a school district shall provide general information on the post-secondary enrollment options program to all pupils in grades 10 and 11 in their high schools. To assist the district in planning, a pupil shall inform the district by March 30 of each year of the pupil's intent to enroll in post-secondary courses or programs under this section during the following school year. A pupil is not bound by informing or not informing the

district by March 30.

Sec. 5. Minnesota Statutes 1984, section 123.3514, is amended by adding a subdivision to read:

Subd. 6a. [LIMIT ON PARTICIPATION.] A pupil who first enrolls under this section in grade 11 may not enroll in post-secondary courses or programs under this section in more than six quarters or four semesters. A pupil who first enrolls under this section in grade 12 may not enroll in post-secondary courses or programs under this section in more than three quarters or two semesters. If a pupil in grade 11 or 12 first enrolls in a post-secondary course or program under this section during the school year, the respective limits on the number of quarters or semesters of participation shall be reduced proportionately.

Sec. 6. Minnesota Statutes 1985 Supplement, section 123.3514, is amended by adding a subdivision to read:

Subd. 11. [REGISTRATION PRIORITY.] Pupils in grades 11 and 12 may register to enroll in courses or programs in post-secondary institutions only after post-secondary students have had an opportunity to register during the regular registration period for the particular institution.

Sec. 7. [TASK FORCE ON POST-SECONDARY ENROLLMENT OPTIONS.]

A task force on post-secondary enrollment options of 15 members is established. The task force must consist of seven public members appointed by the state board of education, two members appointed by the president of the University of Minnesota, two members appointed by the chancellor of the state universities, two members appointed by the chancellor of the community colleges, and two members appointed by the state director of vocational technical education. Members shall be from all regions of the state. The provisions of Minnesota Statutes, section 15.059, subdivision 6, shall apply to the task force.

The task force shall examine issues relating to courses offered in a high school and in a post-secondary institution that may be comparable. The issues shall include at least the factors to be considered if determining comparability, ways to measure comparability, appropriate bodies to review courses for comparability, administration of determination of comparability, and advisability and feasibility of prohibiting tuition reimbursement for comparable courses.

The task force shall also examine methods to make post-secondary courses and programs available in all parts of the state.

The department of education and the higher education coordinating board shall make staff assistance available to the task force.

The task force shall report to the education committees of the legislature by February 1, 1987.

Sec. 8. [NOTICE FOR THE 1986-1987 SCHOOL YEAR.]

To assist a school district in planning for the 1986-1987 school year, the district may obtain information from pupils about their intention to enroll in post-secondary courses or programs during the 1986-1987 school year under

Minnesota Statutes, section 123.3514, 30 days after the district provides general information and counseling services, to the extent possible, to pupils in grades 10 and 11 and their parents.

Sec. 9. [EFFECTIVE DATE.]

Sections 1, 3, 5, 6, 7, and 8 are effective the day following final enactment. Sections 2 and 4 are effective for the 1986-1987 school year and thereafter."

Delete the title and insert:

"A bill for an act relating to education; expanding the types of institutions eligible for the post-secondary enrollment options act; requiring school districts to provide information and counseling services; requiring pupils to provide notice of intention to enroll; establishing a task force to study certain issues; amending Minnesota Statutes 1985 Supplement, section 123.3514, subdivision 3, and by adding subdivisions."

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

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

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

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

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

H.F. No. 1871: A bill for an act relating to veterans; clarifying certain terms; providing for payment of compensation to certain patients and residents of state institutions; amending Minnesota Statutes 1984, section 246.151; and Minnesota Statutes 1985 Supplement, section 136C.13, subdivision 4.

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

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

S.F. No. 1941: A bill for an act relating to veterans affairs; providing for use of departmental resources by certain organizations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 196.

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

Page 1, line 15, delete everything after "pay"

Page 1, line 16, delete "the costs of" and insert "for"

And when so amended the bill do pass and be re-referred to the Committee

on Finance. Amendments adopted. Report adopted.

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

S.F. No. 496: A bill for an act relating to state departments and agencies; requiring the commissioner of administration to notify libraries about available surplus documents; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Page 1, line 9, delete "*notify*" and insert "*make available to*"

Page 1, line 10, delete "*about*"

Page 1, line 12, delete everything after the period

Page 1, delete lines 13 and 14

Page 1, line 15, delete everything before "*For*"

Amend the title as follows:

Page 1, line 3, delete "*notify*" and insert "*make surplus documents available to*"

Page 1, line 4, delete everything before the semicolon

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

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

S.F. No. 467: A bill for an act relating to government operations; allowing municipalities to contract to buy sheltered workshop products without getting competitive bids; amending Minnesota Statutes 1984, section 471.345, by adding a subdivision.

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

Page 1, line 11, delete "*10*" and insert "*11*"

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

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

S.F. No. 1790: 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; and 474.19, subdivision 4; Minnesota Statutes 1985 Supplement, sections 92.50; 116.16, subdivision 2; 116M.06, subdivision 3; and 474.19, subdivisions 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.

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

Page 12, delete subdivision 3

Renumber the remaining subdivision

Page 14, line 10, delete "*farm-related*" and insert "*agriculture-related*" and delete everything after "*development*"

Page 14, delete line 11

Page 14, line 12, delete everything before the semicolon

Page 28, after line 6, insert:

"Sec. 33. [TRANSFER.]

(a) Except as provided in paragraphs (b) and (c) of this section, the independent wastewater treatment grant program is transferred from the pollution control agency to the department of energy and economic development in accordance with section 15.039. The sending agency's complement is reduced by four, and the receiving agency's complement is increased by four. The commissioners of employee relations and energy and economic development and the director of the pollution control agency shall determine which employees in which job classes are transferred.

(b) Any continuing obligation with respect to grants made before September 30, 1984, under section 116.18, subdivision 2, remains with the pollution control agency.

(c) Thirty percent of the money appropriated for fiscal year 1987 in Laws 1985, First Special Session chapter 14, article 19, section 37, subdivision 2, for wastewater treatment grants remains with the pollution control agency to cover obligations it has incurred under sections 116.18, subdivisions 2 and 2a."

Renumber the sections in sequence

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

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

S.F. No. 985: A bill for an act relating to administrative procedures; clari-

fying provisions relating to emergency rules; amending Minnesota Statutes 1984, section 14.29, subdivisions 1 and 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 14.02, is amended by adding a subdivision to read:

Subd. 3a. [ORDER.] "Order" means the final disposition of a contested case adjudicated and decided by an agency in accordance with the contested case procedures of the administrative procedure act. "Order" does not include an executive order issued by the governor under section 4.035 or an order issued by the commissioner of natural resources under section 97.53.

Sec. 2. [14.025] [AGENCY ACTIONS.]

Unless otherwise provided by law, an agency shall take action determining the legal rights, duties, or privileges of specific parties only by order, and shall issue a statement of general applicability and future effect only by rule. An agency that violates this section is liable to a person who suffers any damage as a result of the violation, and the person damaged may bring an action against the agency to cover any actual damages sustained, plus costs and reasonable attorney fees. In addition, an aggrieved person may bring an action in district court to compel compliance with this section and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that an action brought under this section is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the agency. An action filed under this section may be commenced in the county in which the person alleging damage or seeking relief resides or in Ramsey county.

Sec. 3. Minnesota Statutes 1984, section 14.29, subdivision 1, is amended to read:

Subdivision 1. ~~When~~ An agency may adopt emergency rules if: (1) an agency is directed by statute, federal law or court order to adopt, amend, suspend or repeal a rule in a manner that does not allow for compliance with sections 14.14 to 14.28; or if (2) an agency is expressly required or authorized by statute to adopt emergency rules; ~~the agency shall adopt emergency rules in accordance with sections 14.29 to 14.36.~~ Emergency rules may only be adopted in accordance with sections 14.29 to 14.36.

Sec. 4. Minnesota Statutes 1984, section 14.29, subdivision 2, is amended to read:

Subd. 2. Unless an agency is directed by federal law or court order to adopt, amend, suspend, or repeal a rule in a manner that does not allow for compliance with sections 14.14 to 14.28, ~~no~~ If an agency is expressly required or authorized by statute to adopt emergency rules under subdivision 1, clause (2), the agency may not adopt an emergency rule later than 180 days after the effective date of the statutory authority, except as provided in subdivision 3. If emergency rules are not adopted within the time allowed, the authority for the rules expires. The time limit of this section does not include any days used for review by the attorney general. If the 180-day period expires while

the attorney general is reviewing the rule and the attorney general disapproves the rule, the agency may resubmit the rule to the attorney general after taking corrective action. The resubmission must occur within five working days after the agency receives written notice of disapproval. If the rule is again disapproved by the attorney general, it is withdrawn.

Sec. 5. Minnesota Statutes 1984, section 14.57, is amended to read:

14.57 [INITIATION; DECISION.]

An agency shall initiate a contested case proceeding when one is required by law. Unless otherwise provided by law, an agency shall decide a contested case *and render its decision and order* only in accordance with the contested case procedures of the administrative procedure act, *and shall issue an order only to decide a contested case.*

Delete the title and insert:

"A bill for an act relating to administrative procedure; clarifying provisions relating to emergency rules; defining order; limiting certain agency actions; requiring an order to be rendered in accordance with the contested case procedures of the administrative procedure act; amending Minnesota Statutes 1984, sections 14.02, by adding a subdivision; 14.29, subdivisions 1 and 2; and 14.57; proposing coding for new law in Minnesota Statutes, chapter 14."

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1698: A bill for an act relating to education; allowing school boards to join the Minnesota rural education association; amending Minnesota Statutes 1984, section 123.33, subdivision 10.

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

Page 1, line 11, after "state" insert "*, including a school board as defined in section 136C.02, subdivisions 8 and 9,*"

Page 1, line 11, strike "the Minnesota"

Page 1, line 12, strike "school boards association" and delete the comma and strike "the Minnesota association of"

Page 1, line 13, strike "public schools," and strike "the metropolitan area school board"

Page 1, line 14, strike "association," and delete "*or the Minnesota rural education association,*" and strike "and"

Page 1, strike line 15

Page 1, line 16, strike "meeting" and insert "*any association of school districts*"

Page 1, line 17, strike "expense incurred in"

Page 1, line 18, strike "attending such meeting" and insert "*expenses of*

membership”

Page 1, after line 19, insert:

“Sec. 2. [REPEALER.]

Minnesota Statutes 1985 Supplement, section 123.33, subdivision 14, is repealed.”

Amend the title as follows:

Page 1, line 3, delete “the Minnesota rural education association” and insert “any association of school districts”

Page 1, line 5, before the period, insert “; repealing Minnesota Statutes 1985 Supplement, section 123.33, subdivision 14”

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

Mr. Pehler from the Committee on Education, to which was referred

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

Reports the same back with the recommendation that the resolution do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 2010: A bill for an act relating to education; permitting research sites on performance based education; permitting waiver of certain legal mandates; proposing coding for new law in Minnesota Statutes, chapter 121.

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

Delete everything after the enacting clause and insert:

“Section 1. [121.111] [PERFORMANCE BASED PROJECTS.]

Subdivision 1. [SELECTION.] By January 1, 1987, the state board may select school districts for research sites in exemplary learning involving the suspension of certain mandates. A research site need not involve an entire district. It may include districts that are cooperating under sections 122.541, 123.351, 471.59, or other formal agreements recognized by the department of education. By June 1, 1986, the state board shall publicize its selection criteria and process. June 1, 1987, is the deadline for applying to be selected. The sites may begin to operate during the 1988-1989 school year. Designation as a research site under this section must end no later than the end of the 1992-1993 school year.

Subd. 2. [SUSPENSION OF MANDATES.] A district selected to have a research site must specify which state statutes and rules it wishes to have suspended as a part of its operation. The proposal must state how it is expected that the suspension will improve the performance of pupils.

According to its procedures, the state board may suspend, for a specified period of time, its rules that require a district to perform, or prevent a district from performing, an action. The suspended rules must be listed for each district. The state board cannot alter any teacher licensure requirements.

Subd. 3. [STATE STATUTES.] The state board shall report to the 1988 legislature about any state statutes that the state board recommends for modification by the legislature. The recommendations shall clearly and in detail state the reasons for and necessity of the modifications and the policy and legal justifications for modifications for certain districts.

Subd. 4. [PERFORMANCE AGREEMENT.] A district selected to have a research site must sign a performance agreement with the state board. The agreement must specify the rules to be suspended and the relation of the suspension to the performance of pupils as measured against specified learning expectations. The agreement must call for a periodic and final evaluation of the site's operation by evaluators from outside the district.

Subd. 5. [TERMINATION; MODIFICATION.] The state board or a district may terminate a performance agreement at any time. Either party may request a modification of the agreement at any time and may terminate the agreement if the modification is not agreed to.

Subd. 6. [REPORTS.] A district selected to have a research site must report to the state board annually within 60 days of the end of a school year on the progress at its site. The state board must report to the education committees of the legislature annually on the progress and suspension of rules at all the sites."

Amend the title as follows:

Page 1, line 3, delete "performance based education" and insert "exemplary learning" and delete "waiver" and insert "suspension"

Page 1, line 4, delete "legal"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

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.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

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

S.F. No. 1593: A bill for an act relating to insurance; providing deposit requirements for domestic companies; providing for the licensing of credit life and accident insurance agents; requiring annual reports of claims by insurers; providing for the form of the reports and the information to be

included in them; requiring the commissioner of insurance to compile and review all reports and to publish a report; regulating covered claims of the insurance guarantee association; providing temporary joint underwriting of medical malpractice insurance; broadening the fair access to insurance provisions applicable to property insurance; regulating insurance rates and forms; authorizing the creation of assigned risk plans for casualty insurance; amending Minnesota Statutes 1984, sections 60A.13, by adding a subdivision; 60C.09, subdivision 1; 62F.06, subdivision 1; 62F.09; 65A.32; 65A.33; 65A.34, subdivision 1; 65A.35, subdivisions 1 and 2; 65A.37; 70A.04, subdivision 2, and by adding a subdivision; 70A.06, subdivision 1; 70A.08, subdivision 2; and 70A.09; Minnesota Statutes 1985 Supplement, sections 60A.10, subdivision 1; and 60A.17, subdivision 1a; repealing Minnesota Statutes 1984, section 70A.06, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 3.736, subdivision 3, is amended to read:

Subd. 3. [EXCLUSIONS.] Without intent to preclude the courts from finding additional cases where the state and its employees should not, in equity and good conscience, pay compensation for personal injuries or property losses; the legislature declares that the state and its employees are not liable for the following losses:

(a) Any loss caused by an act or omission of a state employee exercising due care in the execution of a valid or invalid statute or regulation;

(b) Any loss caused by the performance or failure to perform a discretionary duty, whether or not the discretion is abused;

(c) Any loss in connection with the assessment and collection of taxes;

(d) Any loss caused by snow or ice conditions on any highway, *public sidewalk* or other public place *or by acts taken to secure public safety because of those conditions*, except when the condition is affirmatively caused by the negligent acts of a state employee;

(e) Any loss caused by wild animals in their natural state;

(f) Any loss other than injury to or loss of property or personal injury or death;

(g) Any loss caused by the condition of unimproved real property owned by the state, which means land that the state has not improved, and appurtenances, fixtures and attachments to land that the state has neither affixed nor improved;

(h) Any loss incurred by a user within the boundaries of the outdoor recreation system and arising from the construction, operation, or maintenance of the system, as defined in section 86A.04, or from the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, or from the construction, operation, or maintenance of a water access site created by the iron range resources and rehabilitation board, except that the state is liable for conduct that would entitle a trespasser to damages against a

private person.

(i) Any loss of benefits or compensation due under a program of public assistance or public welfare, except where state compensation for loss is expressly required by federal law in order for the state to receive federal grants-in-aid;

(j) Any loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the state or its agents;

(k) Any loss based on the usual care and treatment, or lack of care and treatment, of any person at a state hospital or state corrections facility where reasonable use of available appropriations has been made to provide care;

(l) Any loss, damage, or destruction of property of a patient or inmate of a state institution;

(m) Any loss for which recovery is prohibited by section 169.121, subdivision 9.

The state will not pay punitive damages.

Sec. 2. Minnesota Statutes 1984, section 60A.06, is amended by adding a subdivision to read:

Subd. 3. Unless specifically authorized by section 60A.06, subdivision 1, clause (4), it is unlawful to combine in one policy coverage permitted by section 60A.06, subdivision 1, clauses (4) and (5)(a). This subdivision does not prohibit the simultaneous sale of these products, but the sale must involve two separate and distinct policies. This subdivision does not apply to group policies.

Sec. 3. Minnesota Statutes 1985 Supplement, section 60A.10, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC COMPANIES.] (1) [DEPOSIT AS SECURITY FOR ALL POLICYHOLDERS REQUIRED.] No company in this state, other than farmers' mutual, or real estate title insurance companies, shall do business in this state unless it has on deposit with the commissioner, for the protection of both its resident and nonresident policyholders, securities to an amount, the actual market value of which, exclusive of interest, shall never be less than \$200,000 until July 1, 1986, \$300,000 until July 1, 1987, \$400,000 until July 1, 1988, and \$500,000 on and after July 1, 1988 or one-half the applicable financial requirement set forth in section 60A.07, whichever is less. The securities shall be retained under the control of the commissioner as long as any policies of the depositing company remain in force.

(2) [SECURITIES DEFINED.] For the purpose of this subdivision, the word "securities" means bonds or other obligations of, or bonds or other obligations insured or guaranteed by, the United States, any state of the United States, any municipality of this state, or any agency or instrumentality of the foregoing.

(3) [PROTECTION OF DEPOSIT FROM LEVY.] No judgment creditor or other claimant may levy upon any securities held on deposit with, or for the account of, the commissioner. Upon the entry of an order by a court of competent jurisdiction for the rehabilitation, liquidation or conservation of

any depositing company as provided in chapter 60B, that company's deposit together with any accrued income thereon shall be transferred to the commissioner as rehabilitator, liquidator, or conservator.

Sec. 4. Minnesota Statutes 1984, section 60A.13, is amended by adding a subdivision to read:

Subd. 8. [ANNUAL REPORTS.] Each insurer licensed to write property and casualty insurance in this state, as a supplement to the annual statement required by this section, shall submit a report on a form furnished by the commissioner showing its direct writings in Minnesota and in the United States on: liquor liability, product liability, medical malpractice, and any other line so designated by the commissioner on January 1 of each year.

The supplemental reports must include the following data for the previous year ending on the 31st day of December:

- (1) direct premiums written;*
- (2) direct premiums earned;*
- (3) net investment income, including net realized capital gains and losses, using appropriate estimates where necessary;*
- (4) incurred claims, developed as the sum, and with figures provided for, of the following:*
 - (a) dollar amount of claims closed with payment, plus*
 - (b) reserves for reported claims at the end of the current year, minus*
 - (c) reserves for reported claims at the end of the previous year, plus*
 - (d) reserves for incurred but not reported claims at the end of the current year, minus*
 - (e) reserves for incurred but not reported claims at the end of the previous year, plus*
 - (f) reserves for loss adjustment expense at the end of the current year, minus*
 - (g) reserves for loss adjustment expense at the end of the previous year;*
- (5) actual incurred expenses allocated separately to loss adjustment, commissions, other acquisition costs, general office expenses, taxes, licenses and fees, and all other expenses;*
- (6) net underwriting gain or loss; and*
- (7) net operation gain or loss, including net investment income.*

This report is due by the first of May of each year and the first report must cover the year 1986. The commissioner shall annually compile and review all reports submitted by insurers pursuant to this section. These filings must be published and made available to any interested insured or citizen.

Sec. 5. Minnesota Statutes 1984, section 60A.25, is amended to read:

60A.25 [INSOLVENT COMPANIES; NOTIFICATION OF POLICYHOLDERS.]

Subdivision 1. [NOTIFICATION OF POLICYHOLDERS.] Whenever

any foreign or domestic insurance company authorized to transact the business of insurance in Minnesota is adjudicated insolvent, or whenever its policies are declared null and void by court order, the commissioner of commerce shall ascertain the names and last known addresses of all Minnesota policyholders of said company, and shall notify all Minnesota policyholders within 30 days of such adjudication or court order. In the case of foreign insurers authorized to do business in this state, the commissioner of commerce may elect to notify all of the company's licensed agents in Minnesota with a directive that the agents notify all insureds of the company's insolvency or that its policies have been declared null and void.

Subd. 2. [REMITTANCE OF PREMIUMS.] Every agency contract written by an insurance company writing property and casualty insurance in Minnesota shall contain or be construed to contain the following provision: "Notwithstanding any other provision of this contract, the obligation of the agent to remit written premiums to the company shall be changed upon the commencement of any administrative or legal proceeding by any state against the carrier regarding its financial condition. After the commencement of the proceedings, the obligation of the agent to remit premiums shall be confined to the premiums earned before the commencement of the proceedings. The agent shall not owe or remit to the company or to the liquidator or receiver any premiums that are unearned as of the date of the commencement of the delinquency proceedings, and any unearned premiums in the possession of the agent on the date shall be returned promptly by the agent to the insured or, with the approval of the insured, be used to purchase new coverage for the insured with a different insurer."

Sec. 6. Minnesota Statutes 1984, section 60C.09, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] A covered claim is any unpaid claim, including one for unearned premium, which:

(a) (1) Arises out of and is within the coverage of an insurance policy issued by a member insurer if the insurer becomes an insolvent insurer after April 30, 1979; or

(2) Would be within the coverage of an extended reporting endorsement to a claims-made insurance policy if insolvency had not prevented the member insurer from fulfilling its obligation to issue the endorsement, if:

(i) the claims-made policy contained a provision affording the insured the right to purchase a reporting endorsement;

(ii) coverage will be no greater than if a reporting endorsement had been issued;

(iii) the insured has not purchased other insurance which applies to the claim; and

(iv) the insured's deductible under the policy is increased by an amount equal to the premium for the reporting endorsement if one had been issued.

(b) Arises out of a class of business which is not excepted from the scope of Laws 1971, chapter 145 by section 60C.02; and

(c) Is made by:

(i) A policyholder, or an insured beneficiary under a policy, who, at the time of the insured event, was a resident of this state; or

(ii) A person designated in the policy as having an insurable interest in or related to property situated in this state at the time of the insured event; or

(iii) An obligee or creditor under any surety bond, who, at the time of default by the principal debtor or obligor, was a resident of this state; or

(iv) A third party claimant under a liability policy or surety bond, if: (a) the insured or the third party claimant was a resident of this state at the time of the insured event; (b) the claim is for bodily or personal injuries suffered in this state by a person who when he suffered the injuries was a resident of this state; or (c) the claim is for damages to real property situated in this state at the time of damage; or

(v) A direct or indirect assignee of a person who except for the assignment might have claimed under (i), (ii) or (iii).

A covered claim also includes any unpaid claim which arises or exists within 30 days after the time of entry of an order of liquidation with a finding of insolvency by a court of competent jurisdiction unless prior thereto the insured replaces the policy or causes its cancellation or the policy expires on its expiration date.

Sec. 7. Minnesota Statutes 1984, section 62A.02, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] No such policy shall be issued, nor shall any application, rider, or endorsement be used in connection therewith, until the expiration of ~~30~~ 60 days after it has been so filed unless the commissioner shall sooner give his written approval thereto.

Sec. 8. Minnesota Statutes 1984, section 62A.02, subdivision 3, is amended to read:

Subd. 3. [DISAPPROVAL.] The commissioner shall, within ~~30~~ 60 days after the filing of any form, disapprove the form:

(1) if the benefits provided therein are unreasonable in relation to the premium charged;

(2) if it contains a provision or provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the policy; or

(3) If the proposed premium rate is excessive because the insurer has failed to exercise reasonable cost control.

For the purposes of clause (1), the commissioner shall establish by rule a schedule of minimum anticipated loss ratios which shall be based on (i) the type or types of coverage provided, (ii) whether the policy is for group or individual coverage, and (iii) the size of the group for group policies. Except for individual policies of disability or income protection insurance, the minimum anticipated loss ratio shall not be less than 50 percent after the first year that a policy is in force. All applicants for a policy shall be informed in writing at the time of application of the anticipated loss ratio of the policy. For the purposes of this subdivision, "anticipated loss ratio" means the ratio at the time of form filing or at the time of subsequent rate revision of the

present value of all expected future benefits, excluding dividends, to the present value of all expected future premiums. Nothing in this paragraph shall prohibit the commissioner from disapproving a form which meets the requirements of this paragraph but which the commissioner determines still provides benefits which are unreasonable in relation to the premium charged. ~~The commissioner may until December 31, 1978, exercise emergency power for the purpose of implementing the minimum anticipated loss ratio requirement, and for this purpose may adopt emergency rules as provided in sections 14.29 to 14.36. Notwithstanding the expiration of the commissioner's emergency power, any emergency rule adopted by him prior to the expiration of his emergency power may remain effective for the periods authorized in sections 14.29 to 14.36.~~

If the commissioner notifies an insurer which has filed any form that the form does not comply with the provisions of this section or sections 62A.03 to 62A.05 and section 72A.20, it shall be unlawful thereafter for the insurer to issue the form or use it in connection with any policy. In the notice the commissioner shall specify the reasons for his disapproval and state that a hearing will be granted within 20 days after request in writing by the insurer.

Sec. 9. Minnesota Statutes 1984, section 62A.17, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBILITY OF EMPLOYEE.] Every eligible employee electing to continue coverage shall pay his former employer, on a monthly basis, the cost of the continued coverage. If the policy, contract, or health care plan is administered by a trust, every eligible employee electing to continue coverage shall pay the trust the cost of continued coverage according to the eligibility rules established by the trust. The employee shall be eligible to continue the coverage until he becomes re-employed and ~~eligible for~~ *has obtained* health care coverage under a group policy, contract, or plan sponsored by the same or another employer, or for a period of 12 months after the termination of or lay off from employment, whichever is shorter.

Sec. 10. Minnesota Statutes 1984, section 62B.07, subdivision 2, is amended to read:

Subd. 2. The commissioner shall within ~~30~~ 60 days after the filing of policies, certificates of insurance, notices of proposed insurance, applications for insurance, endorsements and riders, disapprove any such form if the premium rates charged or to be charged are excessive in relation to benefits, or if it contains provisions which are unjust, unfair, inequitable, misleading, deceptive or encourage misrepresentation of the coverage, or are contrary to any provision of the insurance laws or of any rule or regulation promulgated thereunder. In order to determine whether the premium to be charged under a particular policy form submitted by an insurer is excessive in relation to benefits, and to facilitate the submission and approval of policy forms and premium rates to be used in connection therewith, the commissioner shall give full consideration to and make reasonable allowances for underwriting expenses including, but not limited to, claim adjustment expenses, general administrative expenses including costs for handling return premiums, compensation to agents, expense allowances to creditors, if any, branch and field expenses and other acquisition costs, the types of policies actually issued and authorized as defined in section 62B.03, (1); (2); (3) and (4), and any and all

other factors and trends demonstrated to be relevant. An insurer may support these factors by statistical information, experience, actuarial computations, and/or estimates certified by an executive officer of the insurer, and the commissioner shall give due consideration to such supporting data.

Sec. 11. Minnesota Statutes 1984, section 62B.07, subdivision 3, is amended to read:

Subd. 3. If the commissioner notifies the insurer that the form is disapproved, it is unlawful thereafter for the insurer to issue or use it. In his notice, the commissioner shall specify the reason for his disapproval and state that a hearing will be granted within 20 days after a request in writing by the insurer. No policy, certificate of insurance, notice of proposed insurance, nor any application, endorsement or rider, shall be issued or used until the expiration of 30 60 days after it has been filed, unless the commissioner gives his prior written approval thereto.

Sec. 12. Minnesota Statutes 1984, section 62C.14, subdivision 10, is amended to read:

Subd. 10. Except as otherwise provided in subdivision 9, all forms received by the commissioner shall be deemed filed 30 60 days after received unless disapproved by order transmitted to the corporation stating that the form used in a specified respect is contrary to law, contains a provision or provisions which are unfair, inequitable, misleading, inconsistent or ambiguous, or is in part illegible. It shall be unlawful to issue or use a document disapproved by the commissioner.

Sec. 13. Minnesota Statutes 1984, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PRE-EXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any pre-existing condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application. *Notwithstanding this restriction, terminated employees subject to sections 62A.17 and 62E.16 may, in lieu of a conversion contract election, enroll with a waiver of the preexisting condition limitation.*

Sec. 14. Minnesota Statutes 1984, section 62F.06, subdivision 1, is amended to read:

Subdivision 1. A policy issued by the association shall provide for a continuous period of coverage beginning with its effective date and terminating automatically at 12:01 a.m. on September 1, 1988, or sooner as provided in sections 62F.01 to 62F.14. The policy shall be issued subject to the group retrospective rating plan and the stabilization reserve fund authorized by section 62F.09. The policy shall be written to apply to ~~injury which results from acts or omissions~~ *claims first made against the insured and reported to the association during the policy period.* No policy form shall be used by the association unless it has been filed with the commissioner, and the commissioner may disapprove the form within 30 days if he determines it is misleading or violates public policy.

Sec. 15. Minnesota Statutes 1984, section 62F.09, is amended to read:

62F.09 [STABILIZATION RESERVE FUND.]

Subdivision 1. There is created a stabilization reserve fund administered by three directors, as follows: the commissioner; a representative of the association appointed by the commissioner; and a representative of the policyholders of the association, appointed by the commissioner.

Subd. 2. The directors shall act by majority vote with two directors constituting a quorum for the transaction of any business or the exercise of any power of the fund. The directors shall serve without salary, but shall be reimbursed for expenses in the manner provided for state employees. The directors shall not be subject to personal liability or accountability in the administration of the fund *the association or its designee*.

Subd. 3 2. Each policyholder shall pay to the association a stabilization reserve fund charge of 33 percent of each premium payment due for insurance through the association. This charge shall be separately stated in the policy. The association shall cancel the policy of any policyholder who fails to pay the stabilization reserve fund charge.

Subd. 4 3. The association shall promptly pay into the stabilization reserve fund charges which it collects from its policyholders and any retrospective premium refunds payable under the group retrospective rating plan.

Subd. 5 4. All moneys paid into the fund shall be held in trust by a corporate trustee selected by the directors. The corporate trustee may invest the moneys held in trust, subject to the approval of the *directors association*. All *investment income gains or losses from the investment of stabilization reserve fund money* shall be credited to the fund. All expenses of administration of the fund shall be charged against the fund. *The moneys held in trust* *Stabilization reserve fund money* shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders of the association under the group retrospective rating plan. Payment of retrospective premium charges shall be made *by the directors* upon certification *to them* by the association of the amount due. If all moneys accruing to the fund are exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any moneys remaining in the fund after all retrospective premium charges have been paid shall be returned to policyholders under procedures authorized by the *directors association*.

Sec. 16. Minnesota Statutes 1984, section 62G.16, subdivision 9, is amended to read:

Subd. 9. All forms received by the commissioner shall be deemed filed 30 60 days after received unless disapproved by order transmitted to the legal service plan corporation stating that the form used in a specified respect is contrary to law, contains a provision or provisions which are unfair, inequitable, misleading, inconsistent or ambiguous, or is in part illegible. It shall be unlawful to issue or use a document disapproved by the commissioner.

Sec. 17. [62I.01] [CITATION.]

Sections 17 to 36 may be cited as the Minnesota joint underwriting association act.

Sec. 18. [621.02] [MINNESOTA JOINT UNDERWRITING ASSOCIATION.]

Subdivision 1. [CREATION.] The Minnesota joint underwriting association is created to provide insurance coverage to any person or entity unable to obtain insurance through ordinary methods if the insurance is required by statute, ordinance, or otherwise required by law, or is necessary to earn a livelihood or conduct a business. Prudent business practice or mere desire to have insurance coverage is not a sufficient standard to require the association to offer insurance coverage to a person or entity. The association is specifically authorized to provide insurance coverage to day care providers, foster parents, foster homes and day activity centers for mentally, emotionally, or physically handicapped persons. Because the activities of certain persons or entities present a risk that is so great, the association may refuse to offer insurance coverage to any person or entity the board of directors of the association determines is outside the intended scope and purpose of the association because of the gravity of the risk of offering insurance coverage. The association is not required to offer environmental impairment liability insurance, product liability, or coverage for activities that are significantly conducted outside the state of Minnesota. Every insurer authorized to write insurance in this state shall be a member of the association as a condition to obtaining and retaining a license to write insurance in this state. Insurers who only write life insurance or only types of insurance for which another joint underwriting association or assigned risk plan is provided by state statute shall not be required to be a member of the joint underwriting association.

Subd. 2. [DIRECTOR.] The association shall have a board of directors composed of 11 persons chosen annually as follows: five persons elected by members of the association at a meeting called by the commissioner; three public members, as defined in section 214.02, appointed by the commissioner; and three members, appointed by the commissioner representing groups to whom coverage has been extended by the association. If at any time no coverage is currently extended by the association, then either additional public members may be appointed to fill these three positions or, at the option of the commissioner, representatives from groups who had previously been covered by the association may serve as directors.

Sec. 19. [621.03] [DEFINITION.]

Subdivision 1. [SCOPE.] As used in sections 17 to 36 the following terms have the meanings given them in this section.

Subd. 2. [ASSOCIATION.] "Association" means the Minnesota joint underwriting association.

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

Subd. 4. [MEMBER.] "Member" means every insurer authorized to write and writing insurance in this state except for those who only write personal lines of health, property and life insurance to the extent that the insurer writes lines of personal health, property and life insurance, or only types of insurance for which another joint underwriting association or assigned risk plan is provided by Minnesota statute.

Subd. 5. [DIRECT WRITTEN PREMIUMS.] "Direct written premiums"

means that amount at column (2), line 31, page 14, of the annual statement filed annually with the department of commerce pursuant to section 60A.13.

Subd. 6. [DEFICIT.] "Deficit" means, for a particular policy year and line or type of insurance, that amount by which total paid and outstanding losses and loss adjustment expenses exceed premium revenue, including retrospective premium revenue.

Sec. 20. [62I.04] [POLICY ISSUANCE.]

Any person or entity that is a resident of the state of Minnesota who has a current written notice of refusal to insure from an insurer licensed to offer insurance in the state of Minnesota may make written application to the association for coverage. The applicable premium or required portion of it must be paid prior to coverage by the association.

The application shall be filed simultaneously with the association and the market assistance plan for the association.

The association is authorized to (1) issue or cause to be issued insurance policies to applicants subject to limits specified in the plan of operation; (2) underwrite the insurance and adjust and pay losses with respect to it, or appoint service companies to perform those functions; (3) assume reinsurance from its members; and (4) cede reinsurance.

Sec. 21. [62I.05] [PLAN OF OPERATION.]

Within 45 days after the appointment of the directors of the association, the directors shall submit to the commissioner for review, a proposed plan of operation, consistent with the provisions of this chapter.

The plan of operation shall provide economic, fair, and nondiscriminatory administration and for the prompt, efficient provision of insurance coverage of the types provided by section 18. It shall provide for an expedited review and determination by the board of any application for a type of coverage that has not been previously excluded or authorized. The action of the board on the application shall be an amendment to the plan of operation and the type of coverage shall thereafter be specified in the plan as either excluded or authorized. It may contain other provisions necessary for the operation of the association, including but not limited to preliminary assessment of all members for initial expenses necessary to commence operations, establishment of necessary facilities, management of the association, assessment of members to defray losses and expenses, commission arrangements, reasonable and objective underwriting standards, acceptance and cessation of reinsurance, appointment of servicing carriers or other servicing arrangements and procedures for determining amounts of insurance to be provided by the association.

The plan of operation is subject to approval by the commissioner. If the commissioner disapproves all or any part of the proposed plan of operation, the directors shall within 15 days submit for review an appropriate revised plan of operation. If a revised plan is not submitted within 15 days the commissioner shall promulgate a plan of operation. The plan of operation approved or promulgated by the commissioner is effective and operational upon the order of the commissioner.

Amendments to the plan of operation may be made by the directors of the

association subject to approval by the commissioner.

Sec. 22. [621.06] [POLICY FORMS; PREMIUM RATE.]

Subdivision 1. [REQUIREMENT.] The policies and contracts of coverage issued pursuant to this chapter shall contain the usual and customary provisions of similar insurance policies issued by private insurance companies. If a standard form is used in the private marketplace for any type of coverage that is to be extended by the association, then the association shall use that form. If there are varying types of forms used in the marketplace the association may choose to use a standard policy form issued by a service organization or other entity who commonly prepares standardized types of forms. If the board determines that neither of these alternatives is appropriate, then it shall adopt a policy form based upon the terms and conditions of the policies used for this type of coverage that are the most commonly used in the private market. As far as practical the board shall attempt to adopt forms that are consistent with the practice in the private market. No policy forms shall be used by the association unless it has been filed with the commissioner, and the commissioner may disapprove the form within 30 days if the commissioner determines that it is misleading, it violates public policy, or for any reason that the commissioner would be empowered to reject a similar form filed by a private company.

Subd. 2. [CANCELLATION.] If the insured fails to pay a stabilization reserve fund charge the association may cancel the policy by mailing or delivering to the insured at the insured's address shown on the policy at least ten days written notice stating the date that the cancellation is effective.

Subd. 3. [RATES.] The rates, rating plan, rating rules, rating classification and territories applicable to insurance written by the association and related statistics are subject to chapter 70A. Rates shall be on an actuarially sound basis, giving consideration to the group retrospective rating plan. The commissioner shall take all appropriate steps to make available, upon request of the association, loss and expense experience of insurers previously writing or currently writing insurance of any type the association offers or intends to offer.

Subd. 4. [APPROVAL.] All policies issued by the association are subject to the group retrospective rating plan approved by the commissioner under which the final premium for the insureds of the association, as a group, will be equal to the administrative expenses, loss and loss adjustment expenses and taxes, plus a reasonable allowance for contingency and servicing. If the board of directors feels it is appropriate and in the interest of fairness and equity, the insureds of the association may be broken down into more than one group. The rating plan may provide for varying rates within the rating plan for such groups as their relative burden to the group as a whole would merit. Policyholders shall be given full credit for all investment income, net of expenses and reasonable management fee on policyholder supplied funds. The standard premium, before retrospective adjustment, for each policy issued by the association shall be established for portions of the policy period coinciding with the association's fiscal year on the basis of the association rates, rating plans, rating rules, rating classifications and territories then in effect. The maximum premium for all policyholders of the association as a group shall be limited as provided in sections 17 to 36.

Subd. 5. [EXAMINATIONS.] The commissioner shall examine the business of the association as often as is appropriate to insure that the group retrospective rating plan is operating in a manner consistent with this chapter or other Minnesota laws. If it is found that the operation is deficient or inconsistent with this chapter or other Minnesota laws the commissioner may order the association to take corrective action.

Subd. 6. [DEFICITS.] The association shall certify to the commissioner the estimated amount of any deficit remaining after the stabilization reserve fund has been exhausted and payment of the maximum final premium for all policyholders of the association. Within 60 days after the certification, the commissioner shall authorize the association to recover the members' respective shares of the deficit by assessing all members an amount sufficient to fully fund the obligations of the association. The assessment of each member shall be determined in the manner provided in section 23. An assessment made pursuant to this section shall be deductible by the member from past or future premium taxes due the state.

Subd. 7. [AMENDMENTS TO RATING PLAN.] In addition to the usual manner of amending the rating plan set forth in this section and section 21, the following procedure may also be used:

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

(2) The commissioner shall forward a copy of the petition to the chief administrative law judge within three business days of its receipt. The chief administrative law judge shall, within three business days of receipt of the copy of the petition or a request for hearing by the commissioner, set a hearing date, assign an administrative law judge to hear the matter, and notify the commissioner of the hearing date and the administrative law judge assigned to hear the matter. The hearing date must be set not less than 60 days nor more than 90 days from the date of receipt of the petition by the commissioner or the date of the commissioner's request for hearing if the commissioner is the person requesting a hearing.

(3) The commissioner shall publish a notice of the hearing in the State Register at least 30 days before the hearing date. The notice should be similar to that used for rulemaking under the administrative procedure act. Approval of the notice by the administrative law judge is not required.

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

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

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

(7) A petition for a hearing to amend the rating plan or any part of the rating

plan received by the commissioner within 180 days of the date of the commissioner's decision in a prior proceeding to amend the rating plan is invalid and requires no action provided the petition involves the same rates as the previous hearing. If the petition involves matters in addition to those dealt with in the previous hearing, then the additional matters shall be treated as a separate petition for hearing and a hearing may be held on those matters.

Sec. 23. [621.07] [MEMBERSHIP ASSESSMENTS.]

A member of the association shall participate in its writings, expenses, servicing allowance, management fees and losses in the proportion that the direct written premiums of the member, excluding that portion of premiums attributable to personal lines of life, health and property insurance, and excluding that portion of premiums attributable to the operation of the association written during the premium year bears to the aggregate direct written premiums written in this state by all members. The members' participation in the association shall be determined annually on the direct written premiums written during the preceding calendar year as reported in the annual statements and other reports filed by the member with the commissioner.

Sec. 24. [621.08] [APPLICATION PROCEDURE.]

A person or entity that has been denied coverage or is unable to find an insurer willing to write coverage is eligible to make an application to the association. The application shall be on a form approved by the board of directors. To show eligibility to participate in the association the applicant shall certify that the applicant has been unable to find anyone to offer the coverage sought by the applicant. No further proof shall be required of the applicant. The application shall be filed simultaneously with the association and the market assistance plan of the association.

Sec. 25. [621.09] [MARKET ASSISTANCE PLAN.]

Subdivision 1. [CREATION.] A market assistance program committee consisting of 12 members is created. The 12 members shall be appointed by the commissioner of commerce. The commissioner's designated representative shall serve as an ex officio member. The commissioner shall appoint six members of the committee as representatives of insurers; two members who are insurance agents; two public members; and two members representative of groups to whom the association has issued coverage. If, at any time after appointment, a member of the committee, through change of employment or similar circumstances, is no longer representative of the group the member was appointed to represent, that member shall be deemed unable to continue to serve as a member of the committee and the commissioner shall appoint a replacement for the balance of that member's term.

Subd. 2. [TERMS AND VACANCIES.] In the event of a member's inability to continue to serve, the commissioner shall appoint a replacement. The committee shall elect a chair and vice chair from among the members. The term of each member is one year commencing on June 1, except that the first members to be appointed to the committee shall serve from the date of their appointment until June 1 immediately following their appointment.

Subd. 3. [MEETINGS.] The committee shall convene upon the call of the commissioner, the chair or vice chair or at the request of one of the committee members. No quorum requirements are necessary.

Sec. 26. [62I.10] [DISPOSITION OF APPLICATION.]

Subdivision 1. [ACTION UPON APPLICATION.] Upon receipt of an application, the committee or persons the committee appoints or designates will immediately review the application to determine what assistance the committee can give. The assistance may include: (1) discussion with the applicant's most recent underwriter, if any, to determine if the applicant's coverage can be maintained with the most recent carrier; (2) discussion with other known available insurance markets to determine if any other carrier will accept the applicant; (3) negotiating extensions of coverage with the most recent carrier or a temporary carrier, if possible, to permit additional exploration of insurance markets or accumulation of essential underwriting data; and (4) referring the application to the first five participating insurers (participants) on the relevant list provided in subdivision 2. Subsequent applications will be sent to the next five participants on a rotating basis. If at any time there are less than ten participants on the master list then the master list will no longer be utilized.

Subd. 2. [LIST OF PARTICIPATING INSURERS.] A list of participants shall be prepared and updated at least every two years in the following manner: (1) the committee will secure a mailing list from the department of commerce of every licensed insurer admitted to do business as well as every eligible licensed surplus lines licensee; (2) the committee will mail to each admitted insurer and eligible surplus lines licensee an outline of the conditions of participation; (3) a master list of participants willing to take part in the market assistance program will be created from the responses to the initial mailing. The master list will be updated at least every two years pursuant to clauses (1) and (2). Order on the master list will be determined by random selection.

Subd. 3. [REFERRAL TO PARTICIPANTS.] Upon receipt of an application, the committee or the persons the committee appoints or designates may mail or telex copies of the application to the first five participants on the master list.

Subd. 4. [QUOTES.] Participants must quote on at least one out of every three applications submitted. Each participant will have the right to individually evaluate the risk the applicant poses and develop a price commensurate with that risk.

Subd. 5. [REFERRAL.] If no quote is received from the first five participants on the list, the next five participants on the list shall receive the application and the same procedure shall be followed until a quote is obtained or the list is exhausted. All participants may, if the committee feels it appropriate, be given the application at once.

Subd. 6. [RESPONSE FROM PARTICIPANT.] Participants may provide a quote on the same coverage basis they normally provide for similar coverage for that type of insurance in Minnesota. Participants will return their quotations or refusals to quote to the committee within ten days. The applicant or the applicant's agent, if any, will be notified of the quotations. The agent will then complete the placement of the insurance, if the applicant accepts coverage from the participant at the price quoted, without need for an agency appointment from that participant. The insurer is not required to pay the agent any commission, but the agent may negotiate a fee with the appli-

cant prior to initial submission of the application.

Subd. 7. [LIMITATION ON REAPPLICATION.] *An applicant provided a quotation in accordance with the above procedure will not be eligible to seek additional quotations from the market assistance plan or to obtain coverage from the association if the quotation received would not be deemed to be a notice of refusal for purposes of determining eligibility for participation in the association.*

Subd. 8. [REVIEW BY THE COMMITTEE.] *If the procedures in subdivisions 1 to 7 do not produce a quote, the application may be submitted to the committee. The committee after reviewing the application shall proceed as follows: (1) attempt to place the applicant with a single carrier; or (2) attempt to arrange coverage on a quota share basis with a number of carriers.*

Subd. 9. [DISQUALIFICATION AFTER COVERAGE GRANTED.] *If an application is filed with the market assistance program less than 15 business days before the expiration date of the applicant's current insurance coverage the market assistance program may continue to seek coverage for the applicant after coverage is extended by the association. The market assistance program will have 15 business days from the date of filing of the application with the market assistance program to obtain an offer of coverage for the applicant. If the market assistance program is able to secure an offer of coverage for the applicant within 15 business days of filing of the application and if the offer of coverage would not otherwise be considered a refusal for purposes of the association, the applicant will be deemed to not be qualified to participate in the association and coverage, if any, shall be terminated. If the applicant accepts the coverage obtained by the market assistance plan, coverage from the association will terminate when the new coverage begins.*

Subd. 10. [NOTIFICATION OF FAILURE TO PLACE.] *If the market assistance program does not produce a quote, it shall notify the submitting agent or the applicant at least 24 hours before the time the applicant's current insurance coverage terminates. A copy of the notification must be submitted to the commissioner and the association at the same time notice is made to the agent or applicant. Notwithstanding the foregoing, the market assistance program may continue to act pursuant to subdivision 9. Notice that the market assistance program is continuing to act pursuant to subdivision 9 shall be included in the notice required by this subdivision.*

Sec. 27. [62I.11] [PROGRAM PARTICIPATION:]

Subdivision 1. [TERMINATION.] *A participant may terminate its participation in the program at any time by providing written notice of the termination 90 days in advance of the effective date of the termination to the commissioner and to the committee.*

Subd. 2. [NEW PARTICIPANTS.] *New participants may join the program at any time by submitting a written request to the commissioner and to the committee.*

Sec. 28. [62I.12] [ASSOCIATION ADMINISTRATION:]

Subdivision 1. [ADMINISTRATOR.] *The association shall be administered by a qualified insurer or vendor of risk management services selected*

by the commissioner. If the commissioner deems it necessary, the commissioner may select more than one person to administer the association.

Subd. 2. [DUTIES.] The administrator shall perform all services necessary to accomplish the purposes of the association, including the servicing of policies or contracts of coverage, data management, and collection of assessments.

Subd. 3. [APPEALS.] Anyone adversely affected by the decision of the administrator may object to the decision by appealing to the commissioner within 15 days after the decision. The appeal must be made by letter mailed to the commissioner with a copy to the administrator within the 15-day period. The letter must include a summary of the administrator's decision from which the appeal is taken, the basis for the objection to the administrator's decision, and any argument or evidence in support of the appeal. Within 15 days after receipt of the letter, the administrator shall file a response, including the basis of the administrator's decision and all argument and evidence in support of the decision, with the commissioner. Within ten days after receipt of the administrator's response, the commissioner shall either affirm, reverse, or modify the administrator's decision as the commissioner deems appropriate.

Sec. 29. [62I.13] [ACTION BY THE MINNESOTA JOINT UNDERWRITING ASSOCIATION UPON THE APPLICATION.]

Subdivision 1. [GENERALLY.] Eligibility for coverage by the association is subject to the terms and conditions of subdivisions 2 and 3.

Subd. 2. [MINIMUM OF QUALIFICATIONS.] Anyone who is unable to obtain insurance in the private market and who so certifies to the association in the application is eligible to make written application to the association for coverage. Payment of the applicable premium or required portion of it must be paid prior to coverage by the association. An offer of coverage at a rate in excess of the rate that would be charged by the association for similar coverage and risk shall be deemed to be a refusal of coverage for purposes of eligibility for participation in the association. It shall not be deemed to be a written notice of refusal if the rate for coverage offered is less than five percent in excess of the joint underwriting association rates for similar coverage and risk. However, the offered rate must also be the rate that the insurer has filed with the department of commerce if the insurer is required to file its rates with the department. If the insurer is not required to file its rates with the department, the offered rate must be the rate generally charged by the insurer for similar coverage and risk.

Subd. 3. [DISQUALIFYING FACTORS.] For good cause, coverage may be denied or terminated by the association. Good cause may exist if the applicant or insured: (1) has an outstanding debt due or owing to the association at the time of application or renewal arising from a prior policy; (2) refuses to permit completion of an audit requested by the commissioner or administrator; (3) submits misleading or erroneous information to the commissioner or administrator; (4) disregards safety standards, laws, rules or ordinance pertaining to the risk being insured; (5) fails to supply information requested by the commissioner or administrator; (6) fails to comply with the terms of the policies or contracts for coverage issued by the association; and (7) has not satisfied the requirements of the market assistance program as set

forth in section 25.

Subd. 4. [DISQUALIFICATION AFTER COVERAGE GRANTED.] *If an application is filed with the market assistance program less than 15 business days before the expiration of the applicant's current insurance coverage, the market assistance program may continue to seek coverage for the applicant after coverage is extended by the assigned risk plan. The market assistance program will have 15 business days from the date of filing the application with the market assistance program to obtain an offer of coverage for the applicant. If the market assistance program is able to secure an offer of coverage for the applicant within 15 business days of filing of the application and if the offer of coverage would not otherwise be considered refusal for purposes of the assigned risk plan, the applicant will be deemed to be not qualified to participate in the association plan and coverage, if any, shall be terminated.*

Subd. 5. [NOTICE.] *An application for coverage under the association must be granted or denied within ten days after receipt by the administrator of a properly completed application and any supplemental information requested by the administrator. Anyone covered by the association must be given at least 30 days notice of nonrenewal or cancellation of coverage.*

Sec. 30. [621.14] [ASSESSMENTS.]

In the event the commissioner deems it necessary to make an assessment, an assessed insurer must pay the assessment within 30 days of receipt of notice of the assessment. The commissioner may suspend or revoke an insurer's certificate of authority and impose a civil penalty in an amount not to exceed \$5,000 for an insurer's failure to pay the assessment within the 30 day period.

Sec. 31. [621.15] [EXTENSION OF COVERAGE.]

If the association determines that the applicant meets the underwriting standards of the association as described in the plan of operation and there is no unpaid, uncontested premium due from the application for prior insurance, including failure to make written objections to premium charges within 30 days after billing, or if there is no other allowable reason as set forth in this chapter for denial of coverage, the association upon receipt of the premium or portion of it as described in the plan of operation shall issue a policy of insurance to the applicant.

Sec. 32. [621.16] [STABILIZATION RESERVE FUND.]

Subdivision 1. [CREATION.] *There is created a stabilization reserve fund. Each policyholder shall pay to the association a stabilization reserve fund charge of 33 percent of each premium payment due for insurance through the association. This charge shall be separately stated in the policy. The association shall cancel the policy of any policyholder who fails to pay the stabilization reserve fund charge.*

Subd. 2. [PAYMENT.] *The association shall promptly pay into the stabilization reserve fund all fund charges it collects from its policyholders and any retrospective premium refunds payable under the group retrospective rating plan.*

Subd. 3. [SUPERVISION.] *All money paid into the fund shall be held in*

trust by the corporate trustee selected by the board of directors. The corporate trustee may invest the money held in trust subject to the approval of the board. All investment income shall be credited to the fund. All expenses of the administration of the fund shall be charged against the fund. The money held in trust shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders and any retrospective premium refunds payable to policyholders under the group retrospective rating plan. Payment of retrospective premium charges shall be made upon certification of the amount due. If all money accruing to the fund is exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any stabilization reserve fund charges from a particular policy year and line or type of insurance not used to pay retrospective premiums must be returned to policyholders after all claims and expense obligations from that particular policy year and line or type of insurance are satisfied.

Subd. 4. [EXEMPTION.] The board of directors may, upon their own motion or upon application of any applicant or insured, exempt any group from the payment of the stabilization reserve charge. The exemption shall be granted only to those groups who are unable to obtain insurance coverage in the private market as a result of the private market's refusal to write coverage for that group rather than because of loss experiences or risks posed by the applicant or insured as an individual. It shall be presumed that a group is qualified for this exemption if more than 20 percent of the members of that group are unable to obtain the insurance coverage that they seek. The board of directors shall also consider granting exemption if any members of the same group are unable to obtain coverage in the private market even though no claims have been made against them or payments made on their behalf by any insurer within the last three years.

Subd. 5. [SURCHARGE.] In addition to determining the basic rate for coverages to be offered by the joint underwriting association, the association shall also develop a surcharge plan or similar method for adjusting the rate to be charged to those persons who have had claims made against them. The surcharge plan shall take into effect the risk posed to the association by the applicant or the insured. The surcharge plan shall be sufficient to provide for the sound financial operation of the plan based upon commonly agreed upon actuarial principles.

Sec. 33. [621.17] [IMMUNITY FROM LIABILITY.]

No cause of action of any nature shall arise against the association, the commissioner or the commissioner's authorized representatives, or any other person or organization, for any statements made in good faith by them during any proceedings or concerning any matters within the scope of this chapter.

Sec. 34. [621.18] [RIGHT OF APPEAL.]

Any applicant to the association, any person insured pursuant to this chapter or their representatives, any affected insurer, or any person who has applied for coverage pursuant to this chapter may appeal to the commissioner within 30 days after any ruling, action, or decision by or on behalf of the association with respect to those items that the plan of operation defines as

appealable matters.

Sec. 35. [62I.19] [ANNUAL STATEMENTS.]

On March 1 of each year the association shall file with the commissioner a report of its transactions, financial conditions, and operations during the preceding year. The report shall be on a form approved by the commissioner. The commissioner may at any time require the association to furnish additional information to assist in evaluating the scope, operation, and experience of the association.

Sec. 36. [62I.20] [MERGER OF OTHER PLANS.]

Upon application by the governing body of the liquor liability assigned risk plan authorized by section 340A.409 or the temporary joint underwriting association authorized by chapter 62F to be merged with the association, the commissioner shall, if the commissioner deems it appropriate, hold a public hearing in regard to the merger. The commissioner upon motion or upon the motion of any insured under plans shall hold a hearing. Unless it can be shown that the rights of the insured would be adversely affected by the merger or that it would be less efficient or more costly to merge the plans, the commissioner shall consent to the merger. The commissioner shall also consent to the merger at any time there are less than ten insureds in any plan.

Sec. 37. Minnesota Statutes 1985 Supplement, section 64B.03, is amended to read:

64B.03 [REPRESENTATIVE FORM OF GOVERNMENT.]

(a) A society has a representative form of government when it has a supreme governing body constituted in one of the following ways:

(1) The supreme governing body is an assembly composed of delegates elected directly by the members or at intermediate assemblies or conventions of members or their representatives, together with other delegates as may be prescribed in the society's laws. A society may provide for election of delegates by mail. The elected delegates shall constitute a majority in number and shall not have less than two-thirds of the votes and not less than the number of votes required to amend the society's laws. The assembly shall be elected and shall meet at least once every four years and shall elect a board of directors to conduct the business of the society between meetings of the assembly. Vacancies on the board of directors between elections may be filled in the manner prescribed by the society's laws.

(2) The supreme governing body is a board composed of persons elected by the members, either directly or by their representatives in intermediate assemblies, and any other persons prescribed in the society's laws. A society may provide for election of the board by mail. Each term of a board member may not exceed four years. Vacancies on the board between elections may be filled in the manner prescribed by the society's laws. Those persons elected to the board shall constitute a majority in number and not less than the number of votes required to amend the society's laws. A person filling the unexpired term of an elected board member shall be considered to be an elected member. The board shall meet at least quarterly to conduct the business of the society.

(b) A society has a representative form of government when the officers of

the society are elected either by the supreme governing body or by the board of directors.

(c) A society has a representative form of government when only benefit members are eligible for election to the supreme governing body, ~~the and~~ board of directors; ~~or any intermediate assembly.~~

(d) A society has a representative form of government when each voting member shall have one vote and no vote may be cast by proxy.

Sec. 38. Minnesota Statutes 1984, section 65A.32, is amended to read:

65A.32 [PURPOSES.]

The purposes of sections 65A.31 to 65A.43 are:

(1) To encourage stability in the property *and liability* insurance market for property located in ~~urban areas of~~ this state;

(2) To encourage maximum use, in obtaining ~~basic~~ property *and liability* insurance, as defined in sections 65A.31 to 65A.43, of the normal insurance market provided by the private property *and casualty* insurance industry;

(3) To encourage the improvement of the condition of properties located in ~~urban areas of~~ this state and to further orderly community development generally;

(4) To provide for the formulation and administration by an industry placement facility of a plan assuring fair access to insurance requirements (FAIR Plan) in order that no property shall be denied ~~basic~~ property *or liability* insurance through the normal insurance market provided by the private property *and casualty* insurance industry except after a physical inspection of such property and a fair evaluation of its individual underwriting characteristics;

(5) To publicize the purposes and procedures of the FAIR Plan to the end that no one may fail to seek its assistance through ignorance thereof;

(6) To provide for the formulation and administration by the industry placement facility of a reinsurance arrangement whereby property *and casualty* insurers shall share equitably the responsibility for insuring insurable property for which ~~basic~~ property *and liability* insurance cannot be obtained through the normal insurance markets; and

(7) To provide a framework for participation by the state in a sharing of insured losses resulting from riots and other civil disorders occurring in this state as required by section 1223 of the Housing and Urban Development Act of 1968 (Public Law 90-448, Ninetieth Congress, August 1, 1968).

Sec. 39. Minnesota Statutes 1984, section 65A.33, is amended to read:

65A.33 [DEFINITIONS.]

Subdivision 1. As used in sections 65A.31 to 65A.43, unless the context otherwise requires, the terms defined in this section have the following meaning given to them.

Subd. 2. "Insurer" means any insurance company or other organization licensed to write and engaged in writing property *or liability* insurance business, including the property *or liability* insurance components of multi-peril

policies, on a direct basis, in this state, except where such insurer is specifically exempted by statute from participation in this program.

Subd. 3. "**Basic Property or liability insurance**" means the coverage against direct loss to real or tangible personal property at a fixed location that is provided in the standard fire policy, extended coverage endorsement, *homeowners insurance*, as defined in section 65A.27, subdivision 4, *cooperative housing insurance*, *condominium insurance*, builders risk, and such vandalism and malicious mischief insurance and such other classes of insurance as may be added to the program with respect to said property by amendment as hereinafter provided. **Basic Property or liability insurance** does not include automobile, ~~farm~~ or such manufacturing risks as may be excluded by the commissioner.

Subd. 4. "**Industry placement facility**", hereinafter referred to as the facility, means the organization formed by insurers to assist applicants ~~in~~ **urban areas** in securing **basic property or liability insurance** and to administer the FAIR Plan and the joint reinsurance association.

Subd. 5. "**Inspection bureau**" means the ~~fire insurance~~ rating organization designated by the facility with the approval of the commissioner to make inspections as required under this program and to perform such other duties as may be authorized by the facility.

Subd. 6. "**Urban area**" includes ~~any municipality or other political subdivision, subject to population or other limitations defined in rules and regulations of the secretary and such additional areas as may be designated by the commissioner.~~

~~Subd. 7.~~ "**Premiums written**" means gross direct premiums, excluding that portion of premium on risks ceded to the joint reinsurance association, charged during the second preceding calendar year with respect to property in this state on all policies of **basic property or liability insurance** and the **basic property or liability insurance** premium components of all multi-peril policies, as computed by the facility, less return premiums, dividends paid or credited to policyholders, or the unused or unabsorbed portions of premium deposits.

Subd. 8 7. "**Commissioner**" means the commissioner of commerce of the state of Minnesota.

Subd. 9 8. "**Secretary**" means the secretary of the United States department of housing and urban development.

~~Subd. 10.~~ "**Servicing Insurer**" means ~~an insurer designated by the governing committee to issue policies on behalf of the industry placement facility.~~

Sec. 40. Minnesota Statutes 1984, section 65A.34, subdivision 1, is amended to read:

Subdivision 1. Any person having an insurable interest in real or tangible personal property ~~at a fixed location in an urban area~~ shall be entitled upon oral or written application therefor to the facility to a prompt inspection of the property by the inspection bureau without cost.

Sec. 41. Minnesota Statutes 1984, section 65A.35, subdivision 1, is

amended to read:

65A.35 [FAIR PLAN BUSINESS; DISTRIBUTION AND PLACEMENT.]

Subdivision 1. [MEMBERSHIP.] Each insurer which is authorized to write and is engaged in writing within this state, on a direct basis, ~~basic property or liability~~ insurance or any component thereof contained in a multi-peril policy, including homeowners and commercial multi-peril policies, shall participate in the industry placement facility, as hereinafter described, as a condition of its authority to write such kinds of insurance within this state.

Sec. 42. Minnesota Statutes 1984, section 65A.35, subdivision 2, is amended to read:

Subd. 2. [PURPOSES.] The purposes of the facility shall be twofold, as more fully set forth in this section:

(1) To formulate and administer, subject to the approval of the commissioner, a plan assuring fair access to insurance requirements in order that no property in urban areas shall be denied ~~basic property or liability~~ insurance through the normal insurance market provided by the private property and casualty insurance industry, except after a physical inspection of such property and a fair evaluation of its individual underwriting characteristics; and

(2) To formulate and administer, subject to the approval of the commissioner, a reinsurance arrangement whereby the members of the facility shall share equitably the responsibility for insuring property in urban areas which is insurable but for which ~~basic property or liability~~ insurance cannot be obtained through normal insurance markets.

Sec. 43. Minnesota Statutes 1984, section 65A.37, is amended to read:

65A.37 [STANDARD POLICY COVERAGE.]

All policies ~~issued~~, *except homeowners policies*, shall be ~~for basic property insurance~~ on standard policy forms at rates published by ~~the inspection bureau~~ *Insurance Services Office* and shall be issued for a term of one year. *All homeowners, farmowners and operators, cooperative housing insurance, and condominium insurance policies must be on forms published by Insurance Services Office and approved by the commissioner.*

Sec. 44. Minnesota Statutes 1984, section 70A.04, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS; MARKET TEST.] (a) Rates are presumed not to be excessive if a reasonable degree of price competition exists at the consumer level with respect to the class of business to which they apply. In determining whether a reasonable degree of price competition exists, the commissioner shall consider all relevant tests, including, but not limited to, the following:

1. ~~The number of insurers actively engaged in the class of business~~ *Whether five or fewer insurers issue more than 90 percent of the direct written premiums.*

2. The nature of rate differentials in that class of business.

3. Whether long-run profitability for insurers generally of the class of

business is unreasonably high in relation to its riskiness.

(b) If such competition does not exist, rates are excessive if they are likely to produce a long-run profit that is unreasonably high in relation to the riskiness of the class of business, or if expenses are unreasonably high in relation to the services rendered.

Sec. 45. Minnesota Statutes 1984, section 70A.06, subdivision 1, is amended to read:

Subdivision 1. Every licensed insurer and every rate service organization licensed under section 70A.14 shall ~~furnish~~ file with the commissioner all rates and all changes and amendments of rates made by it for use in this state not later than their effective date. *No rates contained in a filing shall become effective unless they have been filed with the commissioner. In any filing, the commissioner may require the insurer or rate service organization to file supporting data and explanatory data which shall include:*

(1) the experience and judgment of the filer, and, to the extent it wishes or the commissioner requires, of other insurers or rate service organizations;

(2) its interpretation of any statistical data relied upon;

(3) descriptions of the actuarial and statistical methods employed; and

(4) any other matters deemed relevant by the commissioner or the filer.

Notwithstanding the foregoing, if the supporting data is not filed within 30 days after so requested by the commissioner, the rate is no longer effective and is presumed to be an excessive rate.

Sec. 46. Minnesota Statutes 1984, section 70A.06, subdivision 2, is amended to read:

Subd. 2. No policy form shall be delivered or issued for delivery unless it has been filed with the commissioner and either (i) he has approved it or (ii) ~~30~~ 60 days have elapsed and he has not disapproved it as misleading or violative of public policy, which period may be extended by the commissioner for an additional period not to exceed ~~30~~ 60 days.

Sec. 47. Minnesota Statutes 1984, section 70A.08, is amended by adding a subdivision to read:

Subd. 3. Until January 1, 1988, the commissioner may restrict approval on claims-made policies to forms filed by a rate service organization which have been approved.

Sec. 48. Minnesota Statutes 1984, section 70A.10, is amended to read:

70A.10 [DELAYED EFFECT OF RATES.]

Subdivision 1. [RULE ORDER INSTITUTING DELAYED EFFECT.] If the commissioner finds, after a hearing, that competition is not an effective regulator of the rates charged or that a substantial number of companies are competing irresponsibly through the rates charged, or that there are widespread violations of this chapter, in any kind or line of insurance or subdivision thereof or in any rating class or rating territory, he may issue a ~~rule~~ *an order* requiring that in the kind or line of insurance or subdivision thereof or rating class or rating territory comprehended by the finding any subsequent

changes in the rates or supplementary rate information be filed with him at least 30 60 days before they become effective. He may extend the waiting period for not to exceed 15 30 additional days by written notice to the filer before the 30 60 day period expires.

Subd. 2. [SUPPORTING DATA.] In the ~~rule~~ *order* issued under subdivision 1 or in any supplementary ~~rule~~ *order*, the commissioner may require the filing of supporting data as to any or all kinds or lines of insurance or subdivisions thereof or classes of risks or combinations thereof as he deems necessary for the proper functioning of the rate monitoring and regulating process. The supporting data shall include:

- (a) The experience and judgment of the filer, and, to the extent it wishes or the commissioner requires, of other insurers or rate service organizations;
- (b) Its interpretation of any statistical data relied upon;
- (c) Descriptions of the actuarial and statistical methods employed; and
- (d) Any other matters deemed relevant by the commissioner or the filer.

Subd. 3. [EXPIRATION OF ~~REGULATION ORDER~~.] ~~A regulation~~ *An order* issued under subdivision 1 shall expire no more than ~~one year~~ *two years* after issue. ~~The commissioner may renew it after a hearing and appropriate findings as provided under subdivision 1-~~

Subd. 4. [SUPPORTING INFORMATION.] Whenever a filing is not accompanied by such information as the commissioner has required under subdivision 2, he may so inform the insurer and the filing shall be deemed to be made when the information is furnished.

Sec. 49. Minnesota Statutes 1984, section 70A.11, is amended to read:

70A.11 [DISAPPROVAL OF RATES.]

Subdivision 1. [ORDER IN ~~EVENT OF VIOLATION AFTER HEARING~~.] If the commissioner finds after a ~~hearing~~ *contested case proceeding under chapter 14* that a rate is not in compliance with section 70A.04, he shall order that its use is to be discontinued ~~on a date not less than 30 days after the order and shall order the excess premium plus interest at the rate specified in section 334.011 to be refunded to the policyholder. Interest must be computed from the date the rate was filed as simple interest per annum.~~

Subd. 2. [TIMING OF ORDER.] The order under subdivision 1 shall be issued within 30 60 days after the close of the hearing or within such reasonable time extension as the commissioner may fix.

Subd. 3. [APPROVAL OF SUBSTITUTED RATE.] No rate replacing a disapproved rate may be used until it has been filed with the commissioner and not disapproved within 30 60 days thereafter, except that the rate disapproved under subdivision 1, with the consent of the commissioner, or the last previous rate in effect for the insurer may be used for a period of not more than three months pending the approval of a substituted rate. The commissioner's order may include provision for a premium adjustment in a rate charged pending approval of a substituted rate.

Sec. 50. Minnesota Statutes 1984, section 72A.13, subdivision 1, is amended to read:

Subdivision 1. Any company, corporation, association, society, or other insurer, or any officer or agent thereof, which or who solicits, issues or delivers to any person in this state any policy in violation of the provisions of sections 2 or 62A.01 to 62A.10, may be punished by a fine of not more than \$100 for each offense, and the commissioner may revoke the license of any company, corporation, association, society, or other insurer of another state or country, or of the agent thereof, which or who wilfully violates any provision of sections 2 or 62A.01 to 62A.10.

Sec. 51. Minnesota Statutes 1984, section 72A.20, is amended by adding a subdivision to read:

Subd. 18. [RENEWAL OF INSURANCE POLICY WITH ALTERED RATES.] If an insurance company licensed to do business in this state offers or purports to offer to renew any commercial liability and/or property insurance policy at less favorable terms as to the dollar amount of coverage or deductibles, higher rates, and/or higher rating plan, the new terms, the new rates and/or rating plan may take effect on the renewal date of the policy if the insurer has sent to the policyholder notice of the new terms, new rates and/or rating plan at least 30 days prior to the expiration date. If the insurer has not so notified the policyholder, the policyholder may elect to cancel the renewal policy within the 30-day period after receipt of the notice. Earned premium for the period of coverage, if any, shall be calculated pro rata upon the prior rate. This subdivision does not apply to ocean marine insurance, accident and health insurance, and reinsurance.

Sec. 52. Minnesota Statutes 1984, section 72A.20, is amended by adding a subdivision to read:

Subd. 19. [MID TERM CANCELLATION.] In addition to the requirements of Minnesota Statutes 1984, section 176.185, subdivision 1, no policy of insurance issued to cover the liability to pay compensation under Minnesota Statutes 1984, chapter 176, shall be canceled by the insurer within the policy period unless the insurer has also complied with the requirements of such rules as the commissioner of commerce may adopt in regard to the cancellation of commercial liability and/or commercial property insurance policies.

Sec. 53. Minnesota Statutes 1984, section 466.01, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITY.] For the purposes of sections 466.01 to 466.15, "municipality" means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, special district, school district, however organized, county agricultural society organized pursuant to chapter 38, joint powers board or organization created under section 471.59 or other statute, public library, regional public library system, multicounty multitype library system, or other political subdivision.

Sec. 54. Minnesota Statutes 1984, section 466.03, subdivision 4, is amended to read:

Subd. 4. [ACCUMULATIONS OF SNOW AND ICE.] Any claim based on snow or ice conditions on any highway, public sidewalk, or other public place or on acts taken to secure public safety because of those conditions,

except when the condition is affirmatively caused by the negligent acts of the municipality.

Sec. 55. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 6d. [PARKS AND RECREATION AREAS.] Any claim based upon the construction, operation, or maintenance of any property owned or leased by the municipality that is intended or permitted to be used as a park, as a playground, as an open area for recreational purposes, or for the provision of recreational services, or from any claim based on the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, if the claim arises from a loss incurred by a user of park and recreation property or services. Nothing in this subdivision limits the liability of a municipality for conduct that would entitle a trespasser to damages against a private person.

Sec. 56. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 8. Any claim for a loss other than injury to or loss of property or personal injury or death.

Sec. 57. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 9. Any claim for a loss of benefits or compensation due under a program of public assistance or public welfare, except where municipal compensation for loss is expressly required by federal law in order for the municipality to receive federal grants-in-aid.

Sec. 58. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 10. Any claim for a loss based on the failure of any person to meet the standards needed for a license, permit, or other authorization issued by the municipality or its agents.

Sec. 59. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 11. Any claim for a loss based on the usual care and treatment, or lack of care and treatment, of any person at a municipal hospital or corrections facility where reasonable use of available funds has been made to provide care.

Sec. 60. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 12. Any claim for a loss, damage, or destruction of property of a patient or inmate of a municipal institution.

Sec. 61. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 13. Any claim for a loss caused by the condition of unimproved real property owned by a municipality, which means land that the municipality has not improved, and appurtenances, fixtures and attachments to land that the municipality has neither affixed nor improved.

Sec. 62. Minnesota Statutes 1984, section 466.03, is amended by adding a subdivision to read:

Subd. 14. Any claim for a loss for which recovery is prohibited by section 169.121, subdivision 9.

Sec. 63. Minnesota Statutes 1984, section 466.05, is amended to read:

466.05 [NOTICE OF CLAIM.]

Subdivision 1. [NOTICE REQUIRED.] Except as provided in subdivisions 2 and 3, every person, *whether plaintiff, defendant or third party plaintiff or defendant*, who claims damages from any municipality or *municipal employee acting within the scope of employment* for or on account of any loss or injury within the scope of section 466.02 shall cause to be presented to the governing body of the municipality within 180 days after the alleged loss or injury is discovered a notice stating the time, place and circumstances thereof, *the names of the municipal employees known to be involved*, and the amount of compensation or other relief demanded. Actual notice of sufficient facts to reasonably put the governing body of the municipality or its insurer on notice of a possible claim shall be construed to comply with the notice requirements of this section. Failure to state the amount of compensation or other relief demanded does not invalidate the notice; but in such case, the claimant shall furnish full information regarding the nature and extent of the injuries and damages within 15 days after demand by the municipality. ~~No action therefor shall be maintained unless such notice has been given and unless the action is commenced within one year after such notice.~~ The time for giving such notice does not include the time, ~~not exceeding 90 days~~, during which the person injured is incapacitated by the injury from giving the notice.

Subd. 2. ~~[EXCEPTIONS TO THE NOTICE REQUIREMENT.] Notice shall not be required to maintain an action for damages for or on account of any loss or injury within the scope of section 466.02 if such injury or loss:~~

(a) ~~arises out of an intentional tort committed by an officer, employee or agent of the municipality; or~~

(b) ~~involves a motor vehicle or other equipment owned by the municipality or operated by an officer, employee or agent of the municipality.~~

~~Where no notice of claim is required under this chapter, no action shall be maintained unless the action is commenced within two years after the date of the incident, accident or transaction out of which the cause of action arises.~~

Subd. 3 2. [CLAIMS FOR WRONGFUL DEATH; NOTICE.] When the claim is one for death by wrongful act or omission, the notice may be presented by the personal representative, surviving spouse, or next of kin, or the consular officer of the foreign country of which the deceased was a citizen, within one year after the alleged injury or loss resulting in such death; if the person for whose death the claim is made has presented a notice that would have been sufficient had he lived an action for wrongful death may be brought without any additional notice.

Sec. 64. Minnesota Statutes 1984, section 466.07, is amended by adding a subdivision to read:

Subd. 4. [PUNITIVE DAMAGES.] A municipality may not save harm-

less, indemnify or insure an officer or employee for punitive damages levied against the officer or employer. The municipality may provide a defense against a claim for punitive damages as a necessary incident to other elements of a defense.

Sec. 65. Minnesota Statutes 1984, section 471.982, subdivision 3, is amended to read:

Subd. 3. Self-insurance pools established and open for enrollment on a statewide basis by the Minnesota league of cities insurance trust, the Minnesota school boards association insurance trust or the Minnesota association of counties insurance trust *and the political subdivisions that belong to them* are exempt from the requirements of this section *and section 65B.48, subdivision 3.*

Sec. 66. [REPEALER.]

Minnesota Statutes 1984, section 70A.06, subdivision 4, is repealed.

Sec. 67. [APPLICATION.]

Sections 2 and 53 to 65 apply to claims arising from incidents that occur after June 30, 1986.

Sec. 68. [EFFECTIVE DATE.]

Sections 2 to 52 and 66 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to insurance; requiring certain annual reports of property and casualty insurers; prohibiting certain tying arrangements; providing for remitting of certain premiums; providing deposit requirements for domestic companies; extending coverage under the insurance guaranty association act; extending certain filing, approval, and disapproval dates; creating a joint underwriting association; requiring participation by insurers; broadening fair plan coverage; regulating fraternal benefit societies; regulating rates, forms and cancellations; amending Minnesota Statutes 1984, sections 60A.06, by adding a subdivision; 60A.13, by adding a subdivision; 60A.25; 60C.09, subdivision 1; 62A.02, subdivisions 2 and 3; 62A.17, subdivision 2; 62B.07, subdivisions 2 and 3; 62C.14, subdivision 10; 62E.14, subdivision 3; 62F.06, subdivision 1; 62F.09; 62G.16, subdivision 9; 65A.32; 65A.33; 65A.34, subdivision 1; 65A.35, subdivisions 1 and 2; 65A.37; 70A.04, subdivision 2; 70A.06, subdivisions 1 and 2; 70A.08, by adding a subdivision; 70A.10; 70A.11; 72A.13, subdivision 1; 72A.20, by adding subdivisions; 466.01, subdivision 1; 466.03, subdivision 4, and by adding subdivisions; 466.05; 466.07, by adding a subdivision; 471.982, subdivision 3; Minnesota Statutes 1985 Supplement, sections 3.736, subdivision 3; 60A.10, subdivision 1; and 64B.03; proposing coding for new law as Minnesota Statutes, chapter 62I; repealing Minnesota Statutes 1984, section 70A.06, subdivision 4."

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

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

S.F. No. 2016: A bill for an act relating to commerce; revising the Uniform

Trade Secret Act; clarifying remedies; amending Minnesota Statutes 1984, sections 325C.02; 325C.03; and 325C.07; Minnesota Statutes 1985 Supplement, section 325C.01, subdivision 5.

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

Page 1, delete section 1.

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete the third semicolon and insert a period

Page 1, delete lines 5 and 6

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. 1930: A bill for an act relating to real estate; providing for cancellation of real estate contract depending upon when contract was executed; providing for determination of purchase price; amending Minnesota Statutes 1984, section 559.21, by adding subdivisions; and Minnesota Statutes 1985 Supplement, section 559.21, subdivisions 2a, 3, and 4.

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

Page 3, line 21, delete "25" and insert "10"

Page 3, line 21, delete "50" and insert "25"

Page 3, line 23, delete "50" and insert "25"

Page 4, line 1, delete "\$200" and insert "\$250"

Page 4, delete lines 10 to 19 and insert:

"(a) The purchase price is the sale price under the contract alleged to be in default, including the initial down payment. Mortgages, prior contracts for deed, special assessments, delinquent real estate taxes, or other obligations or encumbrances assumed by the purchaser are excluded in determining the purchase price.

(b) The amount paid by the purchaser is the total of payments of principal made under the contract alleged to be in default, including the initial down payment. Interest payments and payments made under mortgages, prior contracts for deed, special assessments, delinquent real estate taxes, or other obligations or encumbrances assumed by the purchaser are excluded in determining the amount paid by the purchaser."

Page 5, line 33, after "type" insert ", or 8-point type if published,"

Page 7, line 28, before "notice" insert "published"

Page 8, line 19, after "I" insert ", 2, 3,"

Page 8, line 25, after "I" insert ", 2, 3,"

Page 9, after line 7, insert:

"Sec. 8. [FORMER TERMINATION NOTICE LAW VALID.]

The legislature hereby reaffirms the validity of Laws 1985, First Special Session chapter 18, sections 6 to 11, with respect to all termination notices served after July 31, 1985, and before August 1, 1986. Nothing contained in sections 1 to 7 shall be construed to invalidate any contract termination when the termination notice was first served on any party or first published before August 1, 1986.

Sec. 9. [APPLICABILITY.]

Sections 1 to 7 apply to termination notices first served on any party or first published on or after August 1, 1986."

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. 1934: A bill for an act relating to marriage dissolution; providing that a surviving spouse benefit may be awarded to certain former spouses; amending Minnesota Statutes 1984, sections 69.62; 352.15, subdivision 1; 352B.071; 353.15; 354.10; 354A.11; 422A.24; 423.39; 423.61; 423.813; 423A.16; 424.27; and Minnesota Statutes 1985 Supplement, section 424A.02, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Page 7, delete lines 2 to 25

Page 7, line 26, delete everything before "Under" and insert:

"Subdivision 1. [AWARD OF BENEFIT.] If a current or former public employee's marriage is dissolved, the court may order the employee, the public retirement plan, or both, to pay amounts as part of the division of vested pension rights which the court may make under section 518.58, or as an award of maintenance in the form of a percentage of periodic or other payments or in the form of a fixed dollar amount. The court may, as part of the order, award a spouse all or part of any survivor benefit.

Subd. 2. [PAYMENT OF FUNDS BY RETIREMENT PLAN.] In any case where the court has ordered that a spouse has an interest in a public pension plan, the court may order the public retirement plan to withhold payment of any refund upon termination of employment or lump sum distribution to the extent of the spouse's interest in the plan."

Page 7, delete lines 31 to 36

Page 8, delete lines 1 to 6, and insert:

"Subd. 3. [NOTICE TO FORMER SPOUSE.] A former spouse must be notified by a public retirement system of any application by the employee for a refund of retirement benefits if the former spouse has filed with the employee's pension fund:

(1) a copy of the court order, including a withholding order, determining the former spouse's rights;

(2) the name and last known address of the employee; and

(3) the name and address of the former spouse.

A public pension plan shall comply with any court order, including a withholding order, issued by a court having jurisdiction over dissolution of marriage that is served on the pension plan and states the name, last known address of the payees, and name and address of the former spouse or if the names and addresses are provided to the retirement plan with service of the order."

Renumber the remaining subdivision

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. 1942: A bill for an act relating to guardianships and conservatorships; establishing a standard for best interests of the ward or conservatee; requiring findings regarding best interests; amending Minnesota Statutes 1984, sections 525.539, by adding a subdivision; 525.544; 525.551, subdivision 5; and 525.61.

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

Page 1, line 19, after "guardian" insert "or conservator"

Page 1, line 20, after the semicolon, insert "and"

Page 1, delete lines 21 to 26

Page 2, line 1, delete "(4)" and insert "(3)" and after "guardian" insert "or conservator"

Page 2, line 3, after "guardian's" insert "or conservator's"

Page 2, line 5, after the period, insert "In the case of a ward or a conservatorship of the person, welfare includes:

(i) food, clothing, shelter, and appropriate medical care;

(ii) social, emotional, and recreational requirements; and

(iii) training, education, and rehabilitation."

Page 3, line 28, delete "indicated to" and insert "petitioned"

Page 3, line 28, delete "that the person is available and willing"

Page 3, line 29, delete "to discharge the trust" and insert "to serve as guardian or conservator, or if the petition is contested"

Page 5, line 18, after "5" insert a period and delete ", in any case where"

Page 5, delete lines 19 and 20

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

adopted.

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

S.F. No. 2033: A bill for an act relating to economic development; defining the duties and terms of office of the members of the world trade center board; amending Minnesota Statutes 1984, sections 44A.01, subdivision 1; 44A.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 44A.

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

Page 2, after line 12, insert:

"Sec. 2. Minnesota Statutes 1984, section 44A.02, is amended to read:

44A.02 [EXECUTIVE DIRECTOR PRESIDENT.]

Subdivision 1. [SELECTION.] The ~~executive director~~ *president* of the world trade center board is selected by a majority of the board and serves at the pleasure of the board. The ~~executive director~~ *president* must be familiar with the international business community, and have demonstrated proficiency in communication skills, ~~and administration and management, and public and private joint ventures.~~ The salary of the ~~executive director~~ *president* is set by the board within the limit set by sections 15A.081, subdivision 1, and 43A.17.

Subd. 2. [DUTIES.] The ~~executive director~~ *president* is the chief administrative officer of the board and is responsible for performing the executive duties of the board. The ~~executive director~~ *president* is not a member of the board.

Subd. 3. [EMPLOYEES.] The ~~executive director~~ *president* may appoint unclassified employees in accordance with chapter 43A and prescribe their duties. The ~~executive director~~ *president* may delegate to a subordinate the exercise of specified statutory powers or duties as the ~~executive director~~ *president* deems advisable, subject to the control of the ~~executive director~~ *president*."

Page 2, line 23, delete "employee relations" and insert "administration"

Pages 2 and 3, delete section 3 and insert:

"Sec. 4. [44A.08] [SERVICE INFORMATION; CLASSIFICATION OF DATA.]

Subdivision 1. [SERVICE INFORMATION.] Information, including data bases, purchased by the board, or developed by the board for sale pursuant to section 44A.07, is not subject to chapter 13.

Subd. 2. [CLASSIFICATION OF DATA.] For purposes of this subdivision, "business transaction" means a transaction between persons other than the board. The following data received or developed by the board is private with respect to data on individuals and nonpublic with respect to data not on individuals:

(1) data relating to the financial condition of individuals or businesses

receiving or performing services by or on behalf of the board;

(2) at the request of either party to the transaction, data on business transactions of the board; and

(3) at the request of the person or business seeking the information, the identities of persons or businesses requesting business or trade information from the board, the nature of the information, and the information itself."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "classifying data held by the board;"

Page 1, line 5, delete "44A.07, subdivision 1" and insert "44A.02"

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

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

S.F. No. 1946: A bill for an act relating to courts; altering the responsibility for establishing the salary of the state court administrator and district court administrator; amending Minnesota Statutes 1984, sections 15A.083, subdivision 4; 480.13; and 484.68, subdivision 6.

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

Page 1, line 23, before "The" insert "*The supreme court shall set the salary of the state court administrator and the salaries of district court administrators. The salary of the state court administrator or a district court administrator may not exceed 95 percent of the salary of a district court judge. If district court administrators die, the amounts of their unpaid salaries for the months in which their deaths occur must be paid to their estates.*"

Page 2, line 1, delete "January 1, 1988" and insert "*the effective date of this act*"

Page 2, delete sections 2 and 3 and insert:

"Sec. 2. [REPEALER.]

Minnesota Statutes 1984, section 484.68, subdivision 6, is repealed."

Amend the title as follows:

Page 1, line 6, delete "480.13; and" and insert "repealing Minnesota Statutes 1984, section"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred the following appointment as reported in the Journal for February 5, 1986:

DEPARTMENT OF REVENUE
COMMISSIONER
Tom Triplett

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 1689: A bill for an act relating to education; making a technical correction to the capital expenditure aid provision; amending Minnesota Statutes 1985 Supplement, section 124.245, subdivision 1.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 123.71, subdivision 1, is amended to read:

Subdivision 1. Every school board shall, no later than ~~September 1~~ *October 1*, publish the revenue and expenditure budgets submitted to the commissioner of education in accordance with section 121.908, subdivision 4, for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the state board of education after consultation with the advisory council on uniform financial accounting and reporting standards. The forms prescribed shall be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances shall be published in a qualified newspaper of general circulation in the district.

Sec. 2. Minnesota Statutes 1985 Supplement, section 124.17, subdivision 1a, is amended to read:

Subd. 1a. [AFDC PUPIL UNITS.] In addition to the pupil units counted under subdivision 1, pupil units shall be counted as provided in this subdivision, beginning with the 1986-1987 school year.

(1) Each pupil in subdivision 1 from a family receiving aid to families with dependent children or its successor program who is enrolled in the school district on October 1 *of the previous school year* shall be counted as an additional five-tenths pupil unit.

(2) In every district in which the number of pupils from families receiving aid to families with dependent children or its successor program equals six percent or more of the actual pupil units in the district for the same year as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent for this paragraph. In districts in which the percent of concentration is less than six, additional pupil units must not be counted under this paragraph for pupils from families receiving aid to families with dependent children or its successor program. A pupil must not be

counted as more than 1-1/10 additional pupil units under this subdivision. The weighting in this paragraph is in addition to the weighting provided in subdivision 1 and paragraph (1).

Sec. 3. Minnesota Statutes 1985 Supplement, section 124.195, subdivision 11, is amended to read:

Subd. 11. [NONPUBLIC AIDS.] The state shall pay to each school district 85 percent, unless a higher rate has been established according to section 121.904, subdivision 4d, of its aid for pupils attending nonpublic schools according to sections 123.931 to 123.947 and nonpublic transportation aid requested by a district and approved by the commissioner according to sections 123.931 to 123.947 section 124.223 by October 31. The final aid distribution shall be made by October 31 of the following school year.

Sec. 4. Minnesota Statutes 1985 Supplement, section 124.2162, subdivision 2, is amended to read:

Subd. 2. [AID.] Beginning in fiscal year 1987, the state shall pay each district for each fiscal year, teacher retirement and F.I.C.A. aid in the amount of the teacher retirement and F.I.C.A. aid allowance under subdivision 1 times the number of pupils in average daily membership in the district for the current school year. However, in no case shall the amount of aid paid to a district for any fiscal year exceed the sum of the district's teacher retirement obligations and F.I.C.A. obligations for that year. *The revenue received from these payments shall be recognized in the appropriate funds of the district in proportion to the related expenditures from each fund.*

Sec. 5. Minnesota Statutes 1985 Supplement, section 124.2163, subdivision 2, is amended to read:

Subd. 2. [AID.] Each year beginning with fiscal year 1987, the state shall pay teacher retirement and F.I.C.A. aid to intermediate school districts, joint vocational technical school districts, and other employing units equal to the district's or employing unit's aid under subdivision 1. However, in no case shall the amount of aid paid to an intermediate school district, joint vocational technical school district, or the employing unit exceed the sum of the intermediate school district, joint vocational technical school district, or other employing unit's teacher retirement obligations and F.I.C.A. obligations for that year. *The revenue received from these payments shall be recognized in the appropriate funds of the intermediate school districts, joint vocational technical school districts, and other employing units in proportion to the related expenditures from each fund.*

Sec. 6. Minnesota Statutes 1985 Supplement, section 124.225, subdivision 10, is amended to read:

Subd. 10. [DEPRECIATION.] Any school district which owns school buses or mobile units shall transfer annually from the unappropriated fund balance account in its transportation fund to the appropriated fund balance account for bus purchases in its transportation fund at least an amount equal to 12-1/2 percent of the original cost of each type one or type two bus or mobile unit until the original cost of each type one or type two bus or mobile unit is fully amortized, plus 20 percent of the original cost of each type three bus included in the district's authorized cost under the provisions of subdivision 1, clause (b)(4), until the original cost of each type three bus is fully

amortized, plus 33-1/3 percent of the cost to the district as of July 1 of each year for school bus reconditioning done by the department of corrections until the cost of the reconditioning is fully amortized; provided, if the district's transportation aid is reduced pursuant to subdivision 8a because the appropriation for that year is insufficient, this amount shall be reduced in proportion to the reduction pursuant to subdivision 8a as a percentage of the sum of

(1) the district's total transportation aid without the reduction pursuant to subdivision 8a, plus

(2) for fiscal years 1985 and 1986 an amount equal to 1.75 mills times the adjusted assessed valuation of the district for the preceding year, and for fiscal year 1987 and thereafter, 2.25 mills times the adjusted assessed valuation of the district for the preceding year, plus

(3) the district's contract services aid reduction under subdivision 8k, plus

(4) the district's nonregular transportation levy limitation under section 275.125, subdivision 5c.

Sec. 7. Minnesota Statutes 1985 Supplement, section 124.245, subdivision 1, is amended to read:

Subdivision 1. [BASIC COMPUTATION.] (a) Each year the state shall pay a school district the difference by which an amount equal to \$90 per \$135 times the total pupil unit units in that school year or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit in that school year, exceeds the amount raised by seven nine mills times the adjusted assessed valuation of the taxable property in the district for the preceding used to compute the levy attributable to the same year. To qualify for aid pursuant to this subdivision in any school year, a district must have levied seven EARC mills for use for capital expenditures in that year levy pursuant to section 275.125, subdivision 11a for use in that year.

(b) The aid under clause (a) for any district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program shall be computed using a dollar amount per pupil unit which is \$5 higher than the amount specified in clause (a):

(c) If the sum of a district's capital expenditure levy under section 275.125, subdivision 11a, attributable to any school year and its capital expenditure equalization aid, if any, under this subdivision for that school year exceeds \$90 per pupil unit or, in districts where the number of actual pupil units has increased from the prior year, \$95 per pupil unit, the amount of the excess may be expended only for the purpose of capital expenditures for equipment for secondary vocational education programs or senior secondary industrial arts programs.

Sec. 8. Minnesota Statutes 1985 Supplement, section 124.245, subdivision 3, is amended to read:

Subd. 3. [HAZARDOUS SUBSTANCE COMPUTATION.] The state shall pay a school district the difference by which an amount equal to \$25 per times the total pupil unit units exceeds the amount raised by two mills times the adjusted assessed valuation of the taxable property in the district for the preceding used to compute the levy attributable to the same year. To qualify

for aid pursuant to this subdivision in any school year, a district must levy pursuant to section 275.125, subdivision 11c for use in that year. Aid paid pursuant to this subdivision may be used only for the purposes for which the proceeds of the levy authorized in section 275.125, subdivision 11c may be used.

Sec. 9. Minnesota Statutes 1985 Supplement, section 124.271, subdivision 2b, is amended to read:

Subd. 2b. [AID; 1985, 1986, 1987, 1988 AND AFTER.] (1) Each fiscal year a district which is operating a community education program in compliance with rules promulgated by the state board shall receive community education aid. ~~For fiscal year 1985, the aid shall be an amount equal to the difference obtained by subtracting~~

~~(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from~~

~~(b) the greater of~~

~~\$7,000, or~~

~~\$5 times the population of the district.~~

For fiscal year 1986, the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

\$7,000, or

\$5.25 times the population of the district.

For fiscal year 1987 ~~and each year thereafter~~, the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

\$7,140, or

\$5.35 times the population of the district.

For fiscal year 1988 and each year thereafter, the aid shall be an amount equal to the difference obtained by subtracting

(a) an amount equal to .8 mill times the adjusted assessed valuation used to compute the community education levy limitation for the levy attributable to that school year, from

(b) the greater of

\$7,540, or

\$5.65 times the population of the district.

(2) However, for any district which certifies less than the maximum permissible levy under the provisions of section 275.125, subdivision 8, clause (1), the district's community education aid under clause (1) of this subdivision shall be reduced by multiplying the aid amount computed pursuant to clause (1) of this subdivision by the ratio of the district's actual levy under section 275.125, subdivision 8, clause (1), to its maximum permissible levy under section 275.125, subdivision 8, clause (1). For purposes of computing the aid reduction pursuant to this clause, the amount certified pursuant to section 275.125, subdivision 8, clause (1), shall not reflect reductions made pursuant to section 275.125, subdivision 9.

~~(3) In addition to the amount in clause (1), in fiscal year 1985 a district which makes a levy for community education programs pursuant to section 275.125, subdivision 8, shall receive additional aid of 50 cents per capita.~~

Sec. 10. Minnesota Statutes 1984, section 124.32, subdivision 1c, is amended to read:

Subd. 1c. [FOUNDATION AID FORMULA ALLOWANCE.] For purposes of this section, "foundation aid formula allowance" shall have the meaning attributed to it in section 124A.02, subdivision 9, and "summer school revenue allowance" shall have the meaning attributed to it in section 124.201. For the purposes of computing foundation aid formula allowances pursuant to this section, each handicapped child shall be counted as prescribed in section 124.17, subdivision 1, ~~clause (1) or (2).~~

Sec. 11. Minnesota Statutes 1985 Supplement, section 124A.01, is amended to read:

124A.01 [FOUNDATION AID COMPONENTS.]

Foundation aid shall equal the sum of the following:

- (a) basic aid;
- (b) cost differential tier aid;
- (c) second tier aid;
- (d) third tier aid;
- (e) fourth tier aid;
- (f) fifth tier aid;
- (g) minimum aid; and
- (h) ~~declining pupil unit aid; and~~
- (i) shared time pupil aid.

Sec. 12. Minnesota Statutes 1985 Supplement, section 124A.02, subdivision 9, is amended to read:

Subd. 9. [FORMULA ALLOWANCE.] "Foundation aid formula allowance" or "formula allowance" means the amount of revenue per pupil unit used in the computation of foundation aid for a particular school year and in the computation of permissible levies for use in that school year. ~~The formula allowance shall be \$1,475 for the 1983 payable 1984 levies and for foundation aid for the 1984-1985 school year.~~ The formula allowance shall be \$1,585 for

the 1984 payable 1985 levies and for foundation aid for the 1985-1986 school year. The formula allowance shall be \$1,690 for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year. *The formula allowance is \$1,700 for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year.*

Sec. 13. Minnesota Statutes 1984, section 124A.02, subdivision 15, is amended to read:

Subd. 15. [PUPIL UNITS, ACTUAL.] "Actual pupil units" means pupil units identified in section 124.17, subdivision 1, clauses (1) and (2).

Sec. 14. Minnesota Statutes 1985 Supplement, section 124A.03, subdivision 1a, is amended to read:

Subd. 1a. [ESTABLISHMENT OF BASIC MAINTENANCE MILL RATE.] (a) The commissioner of revenue shall establish the basic maintenance mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The established basic maintenance mill rate shall be a rate, rounded up to the nearest tenth of a mill, which when applied to the adjusted assessed valuation of taxable property for each school district under subdivision 1 or 3, as applicable, raises the total amount specified in this section.

(b) The basic maintenance mill rate for the 1985 payable 1986 levies and for foundation aid for the 1986-1987 school year shall be established at a rate that raises a total of \$702,000,000. *The basic maintenance mill rate for the 1986 payable 1987 levies and for foundation aid for the 1987-1988 school year shall be set at a rate that raises \$685,000,000.* The basic maintenance mill rate computed by the commissioner of revenue must not be recomputed due to changes or corrections made in a school district's adjusted assessed valuation after the mill rate has been certified to the department of education pursuant to paragraph (a).

Sec. 15. Minnesota Statutes 1985 Supplement, section 124A.03, subdivision 3, is amended to read:

Subd. 3. [BASIC MAINTENANCE LEVY; DISTRICTS OFF THE FORMULA.] In any year when the amount of the maximum levy limitation under subdivision 1 for any district, exceeds the product of the district's foundation aid formula allowance for the year in which the levy is recognized as revenue times the estimated number of total pupil units for that district for that school year, the levy limitation for that district under subdivision 1 shall be limited to the greater of the dollar amount of the levy the district certified in 1977 under Minnesota Statutes 1978, section 275.125, subdivision 2a, clause (1), or the following difference but not to exceed the levy limitation under subdivision 1:

(a) *the sum of (1) the product of the district's foundation aid formula allowance for the school year in which the levy is recognized as revenue, times the estimated number of total pupil units for that district for that school year, and (2) the amount of the aid reduction for the same school year pursuant to section 16, less*

(b) *the estimated amount of any payments which would reduce the district's foundation aid entitlement as provided in section 124A.035, subdivi-*

sion 4 in the school year in which the levy is recognized as revenue.

A levy made by a district pursuant to this subdivision shall be construed to be the levy made by that district pursuant to subdivision 1, for purposes of statutory cross-reference.

Sec. 16. [124A.038] [REVENUE EQUITY.]

If the amount of a district's maximum basic maintenance levy under section 124A.03, subdivision 1, for fiscal year 1988 or any year thereafter exceeds the district's basic foundation revenue for the corresponding fiscal year, an amount shall be deducted from special state aids of chapter 124 receivable for the same fiscal year, not including aid authorized in sections 124.2137 and 124.646. However, no amount shall be deducted if the assessed valuation of agricultural land identified in section 273.13, subdivisions 4, 6, and 6a, comprises 55 percent or more of the assessed valuation of the district.

The amount of the deduction shall be the lesser of:

(1) the total amount of special state aids of chapter 124 receivable for the same fiscal year, not including aid authorized in sections 124.2137 and 124.646; or

(2) the difference between: (i) the sum of the amount of the district's maximum basic maintenance levy under section 124A.03, subdivision 1, plus the amount of any reductions to that maximum levy pursuant to sections 124A.03, subdivision 3, and 275.125, subdivision 9; and (ii) the district's basic foundation revenue.

Sec. 17. Minnesota Statutes 1985 Supplement, section 129B.38, subdivision 1, is amended to read:

Subdivision 1. [AID AMOUNT.] A district that purchases or leases courseware packages that qualify as high quality according to section 129B.37 shall receive state aid for the 1985-1986 school year. The aid shall be equal to the lesser of:

(a) \$1 times the number of pupils in average daily membership for the 1984-1985 school year; or

(b) 25 percent of the actual expenditures of the district for purchase or lease of the courseware packages between July 1, 1985, and May 31, 1987 1986.

Sec. 18. Minnesota Statutes 1985 Supplement, section 275.125, subdivision 8, is amended to read:

Subd. 8. [COMMUNITY EDUCATION LEVY.] (1) Each year, a district which has established a community education advisory council pursuant to section 121.88, may levy the amount raised by .8 mill times the most recent adjusted assessed valuation of the district, but no more than the greater of

~~\$5.35~~ \$5.65 times the population of the district, or

~~\$7,140~~ \$7,540.

(2) In addition to the levy authorized in clause (1), ~~in 1983~~ each year a district may levy an additional amount for community education programs equal to the difference obtained by subtracting

(a) the sum in fiscal year 1984 of

(i) the district's estimated maximum permissible revenue for fiscal year 1985 from community education aid under section 124.271, subdivision 2b, clause (1), and

(ii) the community education levy authorized in clause (1) of this subdivision, from

(b) the sum in fiscal year 1983 of

(i) the district's maximum permissible revenue from community education aid under Minnesota Statutes 1984, section 124.271, subdivision 2, excluding any reductions from community education aid made pursuant to Laws 1981, Third Special Session chapter 2, article 2, section 2, clause (mm), and Laws 1982, Third Special Session chapter 1, article 3, section 6, and

(ii) the maximum community education levy authorized in this subdivision for the district for the levy made in 1981, payable in 1982, before any reduction in the levy pursuant to subdivision 9.

(3) Each year, in addition to the levy authorized in clause (1), a district may levy an amount equal to the amount the district was entitled to levy pursuant to clause (2) in 1983. A district having an approved adult basic and continuing education program, according to section 124.26, may levy an amount not to exceed the amount raised by .2 mill times the adjusted assessed valuation of the district for the preceding year.

(4) In addition to the levy amounts authorized in this subdivision, A district having an approved program and budget may levy for a handicapped adult program. The levy amount may not exceed the lesser of one-half of the amount of the approved budget for the program for the fiscal year beginning in the calendar year after the levy is certified or \$25,000 for one program. In the case of a program offered by a group of districts, the levy amount shall be divided among the districts according to the agreement submitted to the department. The proceeds of the levy shall be used only for a handicapped adult program or, if the program is subsequently not offered, for community education programs. For programs not offered, the department of education shall reduce the community education levy by the amount levied the previous year for handicapped adult programs.

(5) The levies authorized in this subdivision shall be used for community education, including nonvocational adult programs, recreation and leisure time activity programs, and programs authorized by sections 121.85 to 121.88 and 129B.06 to 129B.09, and 121.882. A school district may levy pursuant to this subdivision only after it has filed a certificate of compliance with the commissioner of education. The certificate of compliance shall certify that the governing boards of the county, municipality and township in which the school district or any part thereof is located have been sent 15 working days written notice of a meeting and that a meeting has been held to discuss methods of increasing mutual cooperation between such bodies and the school board. The failure of a governing board of a county, municipality or township to attend the meeting shall not affect the authority of the school district to levy pursuant to this subdivision.

(6) The population of the district for purposes of this subdivision is the

population determined as provided in section 275.14 or as certified by the department of education from the most recent federal census.

Sec. 19. Minnesota Statutes 1984, section 275.125, is amended by adding a subdivision to read:

Subd. 9c. [1985 OPERATING DEBT LEVY.] (1) Each year, a district may make an additional levy to eliminate a deficit in the net unappropriated balance in the general fund of the district, determined as of June 30, 1985, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the amount raised by a levy of 1.5 mills times the adjusted assessed valuation of the district for the preceding year. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the general fund of the district as of June 30, 1985. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(2) A district, if eligible, may levy under this subdivision or subdivision 9b but not both.

(3) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(4) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.03, subdivision 1 or 3 in that same year.

Sec. 20. Minnesota Statutes 1985 Supplement, section 275.125, subdivision 11a, is amended to read:

Subd. 11a. [CAPITAL EXPENDITURE LEVY.] (a) Each year a school district may levy an amount not to exceed the amount equal to \$90 per \$135 times the total pupil unit, or \$95 per total pupil unit in districts where the number of actual pupil units has increased from the prior year units in the year to which the levy is attributable. No levy under this clause shall exceed seven nine mills times the adjusted assessed valuation of the taxable property in the district for the preceding year.

(b) The proceeds of the levy shall be placed in the district's capital expenditure fund and may be used only:

(1) to acquire land, to equip and reequip buildings and permanent attached fixtures, to rent or lease buildings for school purposes;

(2) to purchase textbooks, to purchase and lease computer systems hardware, software, and related materials to support software; and;

(3) to purchase or lease photocopy machines and telecommunications equipment. The proceeds may also be used;

(4) for capital improvement and repair of school sites, buildings and permanent attached fixtures, energy assessments, and;

(5) for energy audits on district-owned buildings and for funding those energy conservations and renewable energy measures that the energy audits indicate will reduce the use of nonrenewable sources of energy to the extent

that the projected energy cost savings will amortize the cost of the conservation within a period of ten years or less;

(6) for the payment of any special assessments levied against the property of the district authorized ~~pursuant to under~~ section 435.19 or any other law or charter provision authorizing assessments against publicly owned property; provided that a district may not levy amounts to pay assessments for service charges, such as those described in section 429.101, whether levied ~~pursuant to under~~ that section or ~~pursuant to~~ any other law or home rule provision. ~~The proceeds may also be used;~~

(7) for capital expenditures to reduce or eliminate barriers to or increase access to school facilities by handicapped individuals. ~~The proceeds may also be used;~~

(8) to make capital improvements to schoolhouses ~~to be leased pursuant according to~~ section 123.36, subdivision 10. ~~The proceeds may also be used;~~

(9) to pay fees for capital expenditures assessed and certified to each participating school district by the educational cooperative service unit board of directors. ~~The proceeds may also be used;~~

(10) to pay principal and interest on loans from the state authorized by sections 116J.37 and 298.292 to 298.298;

(11) ~~for capital expenditures to bring district facilities into compliance with the uniform fire code adopted according to chapter 299F;~~

(12) ~~for expenditures for the removal of asbestos from school buildings or property, asbestos encapsulation, or asbestos-related repairs;~~

(13) ~~for expenditures for the cleanup and disposal of polychlorinated biphenyls found in school buildings or property;~~

(14) ~~for the cleanup, removal, disposal, and repairs related to storing transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01; and~~

(15) ~~for levies payable in 1987 and thereafter, for capital expenditures needed to implement an interdistrict agreement to discontinue grades according to section 122.541.~~

(c) Subject to the commissioner's approval, the proceeds may also be used to acquire or construct buildings. The state board shall promulgate rules establishing the criteria to be used by the commissioner in approving and disapproving district applications requesting the use of capital expenditure tax proceeds for the acquisition or construction of buildings. The approval criteria for purposes of building acquisition and construction shall include: the appropriateness of the proposal for the district's long-term needs; the availability of adequate existing facilities; and the economic feasibility of bonding because of the proposed building's size or cost.

(d) ~~The board shall establish a fund in which the proceeds of this tax shall be accumulated until expended. Notwithstanding anything in paragraphs (b) and (c) to the contrary, a district that levies the maximum amount under this subdivision shall expend at least \$5 times the total pupil units of the sum of the proceeds of the amount levied under this subdivision and the aid paid under section 124.245, subdivision 1, for capital expenditures for equipment~~

for secondary vocational education programs or senior secondary industrial arts programs.

(e) The proceeds of the levy shall not be used for custodial or other maintenance services.

(f) Each year, subject to the mill limitation of clause (a), a school district which operates an approved secondary vocational education program or an approved senior secondary industrial arts program may levy an additional amount equal to \$5 per total pupil unit for capital expenditures for equipment for these programs.

Sec. 21. Minnesota Statutes 1985 Supplement, section 275.125, subdivision 11c, is amended to read:

Subd. 11c. [HAZARDOUS SUBSTANCE CAPITAL EXPENDITURE LEVY.] In addition to the levy authorized in subdivisions 11a and 11b, each year a school district may levy an amount not to exceed the amount equal to \$25 per times the total pupil unit units in the year to which the levy is attributable. No levy under this subdivision shall exceed two mills times the adjusted assessed valuation of the property in the district for the preceding year. The proceeds of the tax shall be placed in the district's capital expenditure fund and may be used only for expenditures necessary for the removal or encapsulation of asbestos from school buildings or property, asbestos related repairs, cleanup and disposal of polychlorinated biphenyls found in school buildings or property, or the cleanup, removal, disposal, and repairs related to storing transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01.

Sec. 22. Minnesota Statutes 1985 Supplement, section 298.28, subdivision 1, is amended to read:

Subdivision 1. [DISTRIBUTION.] The proceeds of the taxes collected under section 298.24, except the tax collected under section 298.24, subdivision 2, shall, upon certification of the commissioner of revenue, be allocated as follows:

(1) 2.5 cents per gross ton of merchantable iron ore concentrate, hereinafter referred to as "taxable ton," to the city or town in the county in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. If the mining, quarrying, and concentration, or different steps in either thereof are carried on in more than one taxing district, the commissioner shall apportion equitably the proceeds of the part of the tax going to cities and towns among such subdivisions upon the basis of attributing 40 percent of the proceeds of the tax to the operation of mining or quarrying the taconite, and the remainder to the concentrating plant and to the processes of concentration, and with respect to each thereof giving due consideration to the relative extent of such operations performed in each such taxing district. His order making such apportionment shall be subject to review by the tax court at the instance of any of the interested taxing districts, in the same manner as other orders of the commissioner.

(2) (a) 12.5 cents per taxable ton, less any amount distributed under clause (7), paragraph (a), and paragraph (b) of this clause, to be distributed as provided in section 298.282.

(b) An amount annually certified by the county auditor of a county con-

taining a taconite tax relief area within which there is an organized township if, as of January 2, 1982, more than 75 percent of the assessed valuation of the township consists of iron ore. The amount will be the portion of a township's certified levy equal to the proportion of (1) the difference between 50 percent of the township's January 2, 1982, assessed value and its current assessed value to (2) the sum of its current assessed value plus the difference determined in (1). The county auditor shall extend the township's levy against the sum of the township's current assessed value plus the difference between 50 percent of its January 2, 1982, assessed value and its current assessed value. If the current assessed value of the township exceeds 50 percent of the township's January 2, 1982, assessed value, this clause shall not apply.

(3) 29 cents per taxable ton plus the increase provided in paragraph (c) to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, as follows:

(a) Six cents per taxable ton to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in clause (1).

(b) 23 cents per taxable ton, less any amount distributed under part (d), shall be distributed to a group of school districts comprised of those school districts wherein the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district tax levies as follows: each district shall receive that portion of the total distribution which its certified levy for the prior year, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125, comprises of the sum of certified levies for the prior year for all qualifying districts, computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. For purposes of distributions pursuant to this part, certified levies for the prior year computed pursuant to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125 shall not include the amount of any increased levy authorized by referendum pursuant to section 124A.03, subdivision 2.

(c) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by clause (3)(b) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in clause (3)(b) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988 and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1,

clauses (1) and (2), enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of 1-3/4 mills times the district's taxable valuation in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of 1-3/4 mills times the district's taxable valuation in the second previous year.

If the total amount provided by clause (3)(c) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to clause (3)(c) shall not be applied to reduce foundation aids which the district is entitled to receive pursuant to section 124A.02 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in clause (9).

(d) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

(4) 19.5 cents per taxable ton to counties to be distributed, based upon certification by the commissioner of revenue, as follows:

(a) 15.5 cents per taxable ton shall be distributed to the county in which the taconite is mined or quarried or in which the concentrate is produced, less any amount which is to be distributed pursuant to part (b). The apportionment formula prescribed in clause (1) is the basis for the distribution.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, one cent per taxable ton of the tax distributed to the counties pursuant to part (a) and imposed on and collected from such taxpayer shall be paid to the county in which the power plant is located.

(c) Four cents per taxable ton shall be paid to the county from which the taconite was mined, quarried or concentrated to be deposited in the county road and bridge fund. If the mining, quarrying and concentrating, or separate steps in any of those processes are carried on in more than one county, the commissioner shall follow the apportionment formula prescribed in clause (1).

(5) (a) 17.75 cents per taxable ton, less any amount required to be distributed under part (b), to St. Louis county acting as the counties' fiscal agent, to be distributed as provided in sections 273.134 to 273.136.

(b) If an electric power plant owned by and providing the primary source of power for a taxpayer mining and concentrating taconite is located in a county other than the county in which the mining and the concentrating processes are conducted, .75 cent per taxable ton of the tax imposed and collected from

such taxpayer shall be paid to the county and school district in which the power plant is located as follows: 25 percent to the county and 75 percent to the school district.

(6) Three cents per taxable ton shall be paid to the iron range resources and rehabilitation board for the purposes of section 298.22. The amount determined in this clause shall be increased in 1981 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1 and shall be increased in 1988 and subsequent years according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1. The amount distributed pursuant to this clause shall be expended within or for the benefit of a tax relief area defined in section 273.134. No part of the fund provided in this clause may be used to provide loans for the operation of private business unless the loan is approved by the governor and the legislative advisory commission.

(7) (a) .20 cent per taxable ton shall be paid to the range association of municipalities and schools, for the purpose of providing an areawide approach to problems which demand coordinated and cooperative actions and which are common to those areas of northeast Minnesota affected by operations involved in mining iron ore and taconite and producing concentrate therefrom, and for the purpose of promoting the general welfare and economic development of the cities, towns and school districts within the iron range area of northeast Minnesota.

(b) 1.5 cents per taxable ton shall be paid to the northeast Minnesota economic protection trust fund.

(8) the amounts determined under clauses (4)(a), (4)(c), (5), and (7)(b) shall be increased in 1979 and subsequent years prior to 1988 in the same proportion as the increase in the steel mill products index as provided in section 298.24, subdivision 1. Those amounts shall be increased in 1988 and subsequent years in the same proportion as the increase in the implicit price deflator as provided in section 298.24, subdivision 1.

(9) the proceeds of the tax imposed by section 298.24 which remain after the distributions and payments in clauses (1) to (8), as certified by the commissioner of revenue, and parts (a) and (b) of this clause have been made, together with interest earned on all money distributed under this subdivision prior to distribution, shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 as follows: Two-thirds to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. The proceeds shall be placed in the respective special accounts.

(a) There shall be distributed to each city, town, school district, and county the amount that they received under section 294.26 in calendar year 1977; provided, however, that the amount distributed in 1981 to the unorganized territory number 2 of Lake county and the town of Beaver Bay based on the between-terminal trackage of Erie Mining Company will be distributed in 1982 and subsequent years to the unorganized territory number 2 of Lake county and the towns of Beaver Bay and Stony River based on the miles of track of Erie Mining Company in each taxing district.

(b) There shall be distributed to the iron range resources and rehabilitation

board the amounts it received in 1977 under section 298.22.

On or before October 10 of each calendar year each producer of taconite or iron sulphides subject to taxation under section 298.24 (hereinafter called "taxpayer") shall file with the commissioner of revenue an estimate of the amount of tax which would be payable by such taxpayer under said law for such calendar year; provided such estimate shall be in an amount not less than the amount due on the mining and production of concentrates up to September 30 of said year plus the amount becoming due because of probable production between September 30 and December 31 of said year; less any credit allowable as hereinafter provided. The commissioner of revenue shall annually on or before October 10 report an estimated distribution amount to each taxing district and the officers with whom such report is so filed shall use the amount so indicated as being distributable to each taxing district in computing the permissible tax levy of such county or city in the year in which such estimate is made, and payable in the next ensuing calendar year, except that one cent per taxable ton of the amount distributed under clause (4)(c) shall not be deducted in calculating the permissible levy. In any calendar year in which a general property tax levy subject to sections 275.50 to 275.59 has been made, if the taxes distributable to any such county or city are greater than the amount estimated by the commissioner to be paid to any such county or city in such year, the excess of such distribution shall be held in a special fund by the county or city and shall not be expended until the succeeding calendar year, and shall be included in computing the permissible levies under sections 275.50 to 275.59, of such county or city payable in such year. If the amounts distributable to any such county or city after final determination by the commissioner of revenue under this section are less than the amounts by which a taxing district's levies were reduced pursuant to this section, such county or city may issue certificates of indebtedness in the amount of the shortage, and may include in its next tax levy, in excess of the limitations of sections 275.50 to 275.59 an amount sufficient to pay such certificates of indebtedness and interest thereon, or, if no certificates were issued, an amount equal to such shortage.

Sec. 23. Minnesota Statutes 1985 Supplement, section 354.43, subdivision 3, is amended to read:

Subd. 3. Each school district, state university, community college and any other employing authority of members of the fund shall pay employer contributions at least once each month in accordance with the provisions of sections 354.42, subdivisions 3 and 5, and 355.46, subdivision 3. Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the ~~district's or area vocational technical institute's general~~ *appropriate fund of the district or area vocational technical institute*. With respect to state employees, each department and agency shall pay the amounts required by section 354.42, subdivisions 3 and 5 from the accounts and funds from which each department or agency receives its revenue, including appropriations from the general fund and from any other fund, now or hereafter existing, for the payment of salaries and in the same proportion as it pays therefrom the amounts of the salaries. The payments shall be charged as an administrative cost by these units of state government.

Sec. 24. Minnesota Statutes 1985 Supplement, section 354A.12, subdivi-

sion 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

The employing units shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	5.79 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	13.35 percent
St. Paul teachers retirement fund association	12.63 percent

The employer contributions shall be remitted directly to each teachers retirement fund association each month.

Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the ~~district's or area vocational technical institute's~~ general appropriate fund of the district or area vocational technical institute.

Sec. 25. Minnesota Statutes 1985 Supplement, section 355.208, is amended to read:

355.208 [EMPLOYER CONTRIBUTIONS.]

Contributions required under the agreement or modification entered into pursuant to section 355.207 to be made by political subdivisions employing teachers, and payments required by section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the political subdivisions. Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the

~~district's or area vocational technical institute's general appropriate fund of the district or area vocational technical institute.~~

Sec. 26. Minnesota Statutes 1985 Supplement, section 355.287, is amended to read:

355.287 [EMPLOYER CONTRIBUTIONS.]

Contributions required under the agreement or modification entered into pursuant to section 355.286 to be made by political subdivisions employing teachers, and payments required by section 355.49, which shall apply to political subdivisions employing teachers, shall be paid by the political subdivision. Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the ~~district's or area vocational technical institute's general appropriate fund of the district or area vocational technical institute.~~

Sec. 27. Minnesota Statutes 1985 Supplement, section 355.46, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SECURITY CONTRIBUTIONS.] The employer taxes due with respect to employment by educational employees who have made their selection pursuant to section 218(d) (6) (C) of the Social Security Act, shall be paid in the following manner:

(a) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the political subdivision. Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the ~~district's or area vocational technical institute's general appropriate fund of the district or area vocational technical institute.~~ The state shall make payments for services rendered prior to July 1, 1986.

(b) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

Sec. 28. Laws 1985, First Special Session chapter 12, article 3, section 28, subdivision 9, is amended to read:

Subd. 9. [SECONDARY VOCATIONAL HANDICAPPED.] For aid for secondary vocational education for handicapped pupils according to section 124.574, there is appropriated:

\$3,534,000 _____ 1986,

\$3,606,300 _____ 1987.

The appropriation for 1986 includes \$551,700 for aid for fiscal year 1985 payable in fiscal year 1986, and \$2,982,300 for aid for fiscal year 1986 payable in fiscal year 1986. ~~This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1986 of federal money received for vocational education programs pursuant to the vocational education act of 1963, as amended.~~

The appropriation for 1987 includes \$526,300 for aid for fiscal year 1986

payable in fiscal year 1987, and \$3,080,000 for aid for 1987 payable in fiscal year 1987. ~~This appropriation is based on the assumption that the state will spend for this purpose an amount at least equal to \$230,000 in fiscal year 1987 of federal money received for vocational education programs pursuant to the vocational education act of 1963, as amended.~~

The appropriations are based on aid entitlements of \$3,508,600 for fiscal year 1986 and \$3,623,500 for fiscal year 1987.

Sec. 29. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 9, is amended to read:

Subd. 9. [TECHNOLOGY SERVICES.] For the purposes of Minnesota Statutes, sections 129B.35, 129B.37, 129B.39, and 129B.40, there is appropriated:

\$649,000 _____ 1986,

~~\$649,000~~ \$1,000,000 _____ 1987.

\$351,000 shall be used to increase the fiscal year 1987 allocation for purchase of courseware package duplication rights according to Minnesota Statutes, section 129B.39.

Sec. 30. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 12, is amended to read:

Subd. 12. [COURSEWARE PURCHASE SUBSIDY.] For subsidies for purchases of courseware packages according to Minnesota Statutes, section 129B.38 there is appropriated:

\$351,000 _____ 1986,

~~\$351,000~~ _____ 1987.

Sec. 31. Laws 1985, First Special Session chapter 12, article 8, section 62, subdivision 13, is amended to read:

Subd. 13. [MASTERY LEARNING PROGRAM.] For the purposes of section 42, subdivisions 3 and 10 and section 59, there is appropriated:

\$160,000 _____ 1986,

~~\$1,290,000~~ _____ 1987.

\$125,000 of the appropriation for fiscal year 1986 shall be used for a computerized mastery management system and support materials. The remaining \$35,000 in fiscal year 1986 shall be used for planning aid to districts under section 42, subdivision 3.

~~\$1,250,000 of the appropriation in fiscal year 1987 shall be used for mastery learning project grants. The remaining \$40,000 for fiscal year 1987 may be used by the department to administer and evaluate the program.~~

Sec. 32. [APPROPRIATION FOR SPECIAL EDUCATION AID DEFICIENCY.]

There is appropriated from the general fund to the department of education the sum of \$1,290,000 for fiscal year 1986 for the payment of a deficiency in funds available for payment of special education aid in that fiscal year. This sum shall be added to the sum appropriated for fiscal year 1986 for the same

purpose in Laws 1985, First Special Session chapter 12, article 3, section 28, subdivision 2.

Sec. 33. [REPEALER.]

Subdivision 1. [IMMEDIATE.] Minnesota Statutes 1985 Supplement, sections 129B.61, 129B.62, 129B.63, 129B.64, 129B.65, and 129B.66 are repealed.

Subd. 2. [JULY 1, 1986.] Minnesota Statutes 1984, section 275.125, subdivision 16, and Minnesota Statutes 1985 Supplement, sections 124.245, subdivision 5, 129B.38, and 275.125, subdivision 11b, are repealed.

Subd. 3. [JUNE 30, 1987.] Minnesota Statutes 1985 Supplement, section 124.245, subdivision 2, and 124A.20 are repealed.

Sec. 34. [EFFECTIVE DATES.]

Sections 7, 11, and 33, subdivision 3, are effective June 30, 1987. Sections 3, 5, 6, 8, 10, 13, 17, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, and 33, subdivision 1, are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; revising and increasing capital expenditure aid and levy; modifying community education formula and levy; establishing the foundation formula allowance and basic maintenance levy; establishing revenue equity; eliminating mastery learning programs and appropriations; appropriating money for the special education deficiency; making technical and clarifying changes; amending Minnesota Statutes 1984, sections 123.71, subdivision 1; 124.32, subdivision 1c; 124A.02, subdivision 15; Minnesota Statutes 1985 Supplement, sections 124.17, subdivision 1a; 124.195, subdivision 11; 124.2162, subdivision 2; 124.2163, subdivision 2; 124.225, subdivision 10; 124.245, subdivisions 1 and 3; 124.271, subdivision 2b; 124A.01; 124A.02, subdivision 9; 124A.03, subdivisions 1a and 3; 129B.38, subdivision 1; 275.125, subdivisions 8, 11a, 11c, and by adding a subdivision; 298.28, subdivision 1; 354.43, subdivision 3; 354A.12, subdivision 2; 355.287; 355.46, subdivision 3; Laws 1985 First Special Session chapter 12, article 3, section 28, subdivision 9; chapter 12, article 8, section 62, subdivisions 9, 12, and 13; proposing coding for new law in Minnesota Statutes, chapter 124A; repealing Minnesota Statutes 1984, section 275.125, subdivision 16; Minnesota Statutes 1985 Supplement, sections 124.245, subdivisions 2 and 5; 124A.20; 129B.38; 129B.61; 129B.62; 129B.63; 129B.64; 129B.65; 129B.66; and 275.125, subdivision 11b."

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

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

S.F. No. 1959: A bill for an act relating to the family farm security program; authorizing the issuance of general obligation bonds to finance certain payments to be made by the state on family farm loan guarantees; appropriating money; amending Minnesota Statutes 1984, sections 41.51; and

41.56, subdivision 4b; Minnesota Statutes 1985 Supplement, section 41.61; and proposing coding for new law in Minnesota Statutes, chapter 41.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Schmitz from the Committee on Local and Urban Government, to which was referred

S.F. No. 1968: A bill for an act relating to the city of Bloomington; authorizing the city to impose certain taxes; exempting certain assessed valuation within the city from metropolitan revenue distribution; permitting the city to establish a special taxing district; authorizing the port authority of the city to pledge certain tax revenues to pay certain bonds and permitting it to develop leased land; authorizing development in accordance with the Generic EIS and Generic Indirect Source Permit.

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

Page 1, line 16, delete everything after "with"

Page 1, line 24, after "legislature" insert "therefore"

Page 1, line 26, delete "for the" and insert a comma

Page 1, line 27, delete everything before the first "the" and insert "and that"

Page 1, line 28, delete "will" and insert "should"

Page 2, line 1, delete "major public" and insert "highway" and delete "within the" and insert a period

Page 2, delete lines 2 and 3

Page 2, line 4, delete everything before "allocation" and insert:

"The legislature makes these findings for the following reasons: (i)"

Page 2, line 8, delete "(iii)" and insert "(ii)"

Page 2, line 11, delete "(iv)" and insert "(iii)"

Page 2, line 12, delete "major public" and insert "highway" and delete "within the project area"

Page 2, line 13, delete "subject"

Page 2, line 14, delete "property" and insert "project area" and delete "(v)" and insert "(iv)"

Page 2, line 18, delete "(vi)" and insert "(v)"

Page 2, line 23, delete "Therefore," and insert a paragraph coding

Page 2, line 24, after "legislature" insert "further"

Page 3, line 22, delete "Related" and insert "Highway" and delete "highway"

Page 3, line 30, delete "related" and insert "highway"

Page 4, line 3, delete "*the percentage*" and insert "*40 percent*"

Page 4, line 5, delete ", as provided by law"

Page 4, line 6, delete "*the purposes*"

Page 4, line 7, delete "*stated in section 1*" and insert "*highway improvements*"

Page 4, line 12, delete the first "*the*" and insert "*40*"

Page 4, line 13, delete ", as"

Page 4, line 14, delete "*provided by law*"

Page 4, line 17, delete "*the percentage*" and insert "*40 percent*"

Page 4, line 19, delete "*as provided by*"

Page 4, line 20, delete "*law*"

Page 4, line 29, delete "*The percentage*" and insert "*Forty percent*" and delete ", as provided by law,"

Page 4, line 35, delete "*the percentage*" and insert "*40 percent*"

Page 5, lines 4 and 10, delete "*related*" and insert "*highway*"

Page 5, line 14, delete "*pursuant to section 1,*"

Page 5, line 16, delete everything after the period

Page 5, delete lines 17 to 26

Page 5, line 27, delete the paragraph coding

Page 5, line 32, before "*Because*" insert:

"*Therefore,*"

Page 5, line 33, before the comma, insert "*to the project*"

Page 6, line 17, delete "*section*" and insert "*sections*" and after "*477A.016*" insert "*and 477A.018, subdivision 2,*"

Page 6, line 20, delete "*two*" and insert "*five*"

Page 6, line 23, after the period, insert "*The authority to impose the sales tax under this section shall not be construed as authority additional to that provided in Minnesota Statutes, section 477A.018, subdivision 2.*"

Page 7, line 12, before "*The*" insert:

"*Subdivision 1. [USE OF PROCEEDS.]*"

Page 7, line 13, delete "*public purpose*" and insert "*project*"

Page 7, line 14, delete "*stated in section 1,*" and delete "*(i)*" and insert:

"*(a)*"

Page 7, lines 16 and 23, delete "*related*" and insert "*highway*"

Page 7, line 18, delete "*; (ii)*" and insert "

"*(b)*"

Page 7, line 20, delete "*related*" and insert "*highway*" and after

“improvements” insert “; any improvements authorized by section 429.021; funding, including lease payment, of parking services provided or contracted for by the port authority;”

Page 7, line 21, delete “; (iii)” and insert “.

(c)”

Page 7, line 25, after the period insert:

“Subd. 2. [TRANSFER OF FUNDS.]”

Page 7, after line 28, insert:

“Subd. 3. [LIMITATION.] The proceeds of the taxes imposed under section 3, 4, 5, or 6 may not be used to provide direct subsidies to private interest.”

Page 8, line 33, delete “and”

Page 8, line 35, before the period, insert *“and any other local, state, or federal permits required by law”*

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1923, 1897, 1829, 1578, 1733, 1707, 1196, 1810, 1931, 1771, 1880, 496, 467, 985, 1698, 2010, 2016, 1930, 1934, 1942, 2033 and 1946 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 1871 was read the second time.

MOTIONS AND RESOLUTIONS

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mrs. Kronebusch introduced—

S.F. No. 2118: A bill for an act relating to property; requiring service of notice of foreclosure sale upon the mortgagor; amending Minnesota Statutes 1984, section 580.03.

Referred to the Committee on Judiciary.

Messrs. Isackson and Pehler introduced—

S.F. No. 2119: A bill for an act relating to capital improvements; removing

conditions for the construction of certain highway rest areas; amending Laws 1985, First Special Session chapter 15, section 9, subdivision 5.

Referred to the Committee on Finance.

Mr. Petty introduced—

S.F. No. 2120: A bill for an act relating to financial institutions; extending the EFT law to terminals located on the premises of a financial institution; amending Minnesota Statutes 1984, section 47.61, subdivision 3.

Referred to the Committee on Economic Development and Commerce.

Mr. Petty introduced—

S.F. No. 2121: A bill for an act relating to metropolitan government; providing for the composition of the metropolitan airports commission; amending Minnesota Statutes 1984, section 473.604; and Minnesota Statutes 1985 Supplement, section 473.605, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Luther introduced—

S.F. No. 2122: A bill for an act relating to corporations; regulating control share acquisitions; providing for solicitations of proxies and meetings of shareholders; amending Minnesota Statutes 1985 Supplement, sections 302A.449, subdivision 7; and 302A.671, subdivision 3.

Referred to the Committee on Judiciary.

Mr. Diessner introduced—

S.F. No. 2123: A bill for an act relating to education; requiring the state department of education to maintain a health education specialist; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Lessard introduced—

S.F. No. 2124: A bill for an act relating to courts; providing for termination of the public defender system in a judicial district; requiring provision of counsel; proposing coding for new law in Minnesota Statutes, chapter 611.

Referred to the Committee on Judiciary.

Messrs. Lessard, Wegscheid, Bernhagen, Frederickson and Jude introduced—

S.F. No. 2125: A bill for an act relating to administrative procedures; providing regulatory oversight; defining a rule; creating a legislative regulatory oversight commission; amending Minnesota Statutes 1984, section 14.39; Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; 14.40; proposing coding for new law in Minnesota Statutes, chapter 14.

Referred to the Committee on Governmental Operations.

Mr. Renneke introduced—

S.F. No. 2126: A bill for an act relating to public employment labor relations; defining public employer, public employee, and charitable hospital; regulating the right to organize; defining appropriate units; restricting arbitration decisions to final offers; regulating the right to strike; amending Minnesota Statutes 1984, sections 179A.03, subdivisions 14, 15, and by adding a subdivision; 179A.06, subdivision 2; 179A.09, subdivision 1; 179A.18, subdivision 1; 179A.20, subdivision 4; Minnesota Statutes 1985 Supplement, sections 179A.16, subdivision 7, and 179A.18, subdivision 3; repealing Minnesota Statutes 1984, sections 179.35; 179.36; 179.37; 179.38; and 179.39.

Referred to the Committee on Employment.

Mr. Renneke introduced—

S.F. No. 2127: A bill for an act relating to the city of Cologne; exempting certain general obligation bonds and tax levies from debt and levy limitations.

Referred to the Committee on Local and Urban Government.

Mr. Dicklich introduced—

S.F. No. 2128: A bill for an act relating to insurance; health and accident; requiring health maintenance organizations to provide chiropractic care equivalent to that provided by health insurance; amending Minnesota Statutes 1984, sections 62A.15; and 62D.02, subdivision 7.

Referred to the Committee on Health and Human Services.

Mr. Waldorf introduced—

S.F. No. 2129: A bill for an act relating to the city of St. Paul; permitting the imposition of an additional tax on transient lodging.

Referred to the Committee on Taxes and Tax Laws.

Mr. Solon introduced—

S.F. No. 2130: A bill for an act relating to labor; independent school district No. 709, Duluth; removing certain educational assistants from civil service; amending Laws 1967, chapter 252, section 2, as amended.

Referred to the Committee on Employment.

Messrs. Wegscheid, Schmitz, Mehrkens, Renneke and Knutson introduced—

S.F. No. 2131: A bill for an act relating to the pollution control agency; allowing the termination of the metropolitan sludge ash siting process.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Frank introduced—

S.F. No. 2132: A bill for an act relating to energy; clarifying the authority

of a municipality to enforce certain energy efficiency standards; amending Minnesota Statutes 1984, section 116J.27, subdivisions 4 and 4a.

Referred to the Committee on Local and Urban Government.

Messrs. Renneke and Willet introduced—

S.F. No. 2133: A bill for an act relating to courts; altering the procedure for providing notice in certain family court proceedings; amending Minnesota Statutes 1984, sections 518.177; 518.55, subdivision 2; 518.641, subdivision 2; and Minnesota Statutes 1985 Supplement, sections 518.611, subdivision 2; and 518.645.

Referred to the Committee on Judiciary.

Mr. Renneke introduced—

S.F. No. 2134: A bill for an act relating to intoxicating liquor; allowing municipalities to issue wine licenses to clubs; amending Minnesota Statutes 1985 Supplement, section 340A.404, subdivision 5.

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

Ms. Reichgott introduced—

S.F. No. 2135: A bill for an act relating to child abuse; providing immunity from liability for disclosure; amending Minnesota Statutes 1985 Supplement, section 626.556, subdivision 4.

Referred to the Committee on Judiciary.

Ms. Berglin introduced—

S.F. No. 2136: A bill for an act relating to human services; providing for charges against persons wrongfully obtaining public assistance or food stamps; suspending a rule of criminal procedure under certain circumstances; providing penalties; amending Minnesota Statutes 1984, sections 256.98 and 393.07, subdivision 10.

Referred to the Committee on Judiciary.

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

S.F. No. 2137: A bill for an act relating to state government; providing for the use, administration, or disposal of certain fees and property within the jurisdiction of the commissioner of administration; amending Minnesota Statutes 1985 Supplement, sections 16B.29; 16B.42, subdivision 4; and 16B.48, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Taylor introduced—

S.F. No. 2138: A bill for an act relating to local government; permitting the establishment of special service districts in the city of Mankato; providing

taxing and other financial authority.

Referred to the Committee on Local and Urban Government.

Mrs. Kronebusch introduced—

S.F. No. 2139: A bill for an act relating to small businesses; expanding limitations on eligibility for the set-aside and preference programs for small businesses owned and operated by socially or economically disadvantaged persons; defining “bona fide permanent place of business”; expanding the definition of a “socially or economically disadvantaged person”; imposing new conditions for participation in the set-aside and preference programs for small businesses owned and operated by socially or economically disadvantaged persons; amending Minnesota Statutes 1984, section 116J.68, subdivision 2; and Minnesota Statutes 1985 Supplement, sections 16B.19, subdivisions 5 and 6; 16B.22, subdivision 1; and 645.445, subdivision 5.

Referred to the Committee on Governmental Operations.

Mr. Benson introduced—

S.F. No. 2140: A bill for an act relating to the legislature; expanding when fiscal notes must be prepared on statutes, executive orders, or rules; requiring fiscal notes for new or increased fees; amending Minnesota Statutes 1985 Supplement, section 3.981, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Johnson, D.E. introduced—

S.F. No. 2141: A bill for an act relating to energy; clarifying the method by which schedules for the repayment of district heating loans are established; amending Minnesota Statutes 1985 Supplement, section 116J.36, subdivision 6.

Referred to the Committee on Energy and Housing.

Mr. Davis, Mrs. Adkins, Messrs. DeCramer, Berg and Johnson, D.E. introduced—

S.F. No. 2142: A bill for an act relating to transportation; providing an alternative procedure to record town roads; proposing coding for new law in Minnesota Statutes, chapter 164.

Referred to the Committee on Transportation.

Messrs. DeCramer and Purfeerst introduced—

S.F. No. 2143: A bill for an act relating to transportation; clarifying procedures in certain contested matters brought before the transportation regulation board; amending Minnesota Statutes 1984, sections 174A.02, subdivision 4; and 216A.05, subdivision 5.

Referred to the Committee on Transportation.

Messrs. DeCramer and Purfeerst introduced—

S.F. No. 2144: A bill for an act relating to transportation; railroads; per-

mitting transportation regulation board to approve certain rate changes and applications for track abandonment or discontinuance of service in certain cases without a public hearing; amending Minnesota Statutes 1984, section 221.041, subdivision 1; Minnesota Statutes 1985 Supplement, sections 219.741; and 219.85.

Referred to the Committee on Transportation.

Messrs. Davis and DeCramer introduced—

S.F. No. 2145: A bill for an act relating to education; requiring instruction in stewardship of land and water resources in all schools; authorizing aid for education in stewardship of land and water resources; requiring the commissioner of education to perform certain duties; requiring the board of teaching to amend rules relating to teacher preparation institutions and entrance licenses; proposing coding for new law in Minnesota Statutes, chapters 124 and 126.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 2146: A bill for an act relating to transportation; railroads; permitting the transportation regulation board to grant clearance variances without evidentiary hearings in certain cases; amending Minnesota Statutes 1985 Supplement, section 219.47, subdivision 1.

Referred to the Committee on Transportation.

Mr. Benson introduced—

S.F. No. 2147: A bill for an act relating to health; requiring transportation services involving the use of a stretcher to meet life support transportation licensing standards; amending Minnesota Statutes 1984, sections 144.801, subdivision 4; and 174.29, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Petty introduced—

S.F. No. 2148: A bill for an act relating to human services; clarifying members of screening team for intermediate care facilities; amending Minnesota Statutes 1985 Supplement, section 256B.092, subdivision 7.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 2149: A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; amending Minnesota Statutes 1984, section 168.27, subdivisions 1 and 8; Minnesota Statutes 1985 Supplement, sections 168.27, subdivisions 10 and 24; 325E.0951, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Economic Development and Commerce.

Messrs. Wegscheid, Knutson, Schmitz and Vega introduced—

S.F. No. 2150: A bill for an act relating to Dakota county; authorizing the issuance of bonds for the construction of library buildings and an annual levy for debt retirement.

Referred to the Committee on Local and Urban Government.

Mr. Novak introduced—

S.F. No. 2151: A bill for an act relating to occupations and professions; providing for the regulation of the practice of chiropractic; providing grounds for license revocation; prescribing penalties; appropriating money; amending Minnesota Statutes 1984, sections 148.01, subdivision 1; 148.06, subdivision 1; 148.07, subdivision 2; 148.08, subdivision 3; 148.10; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1984, section 148.101.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 2152: A bill for an act relating to taxation; income; providing for additional withholding exemptions in certain instances; imposing a penalty; amending Minnesota Statutes 1984, section 290.92, subdivision 5; Minnesota Statutes 1985 Supplement, section 290.92, subdivisions 5a and 15.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Peterson, C.C.; Bertram; Davis; Stumpf and Bernhagen introduced—

S.F. No. 2153: A bill for an act relating to agricultural finance; renaming the agricultural resource loan guaranty board; providing powers; authorizing the board to participate in loans; appropriating money; amending Minnesota Statutes 1984, section 41A.02, subdivisions 3 and 6; Minnesota Statutes 1985 Supplement, sections 41A.01; 41A.02, subdivision 11; and 41A.05, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 41A; repealing Minnesota Statutes 1984, section 41A.06, subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Mrs. Kronebusch introduced—

S.F. No. 2154: A bill for an act relating to retirement; Winona police relief association audit, reports, financing.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 2155: A bill for an act relating to human services; establishing administrative and computer systems for human services programs; strengthening the commissioner's power to determine and recover overpayments; creating incentives for county recovery of overpayments; disallowing

increases due to related-party transactions; clarifying payment methods for ancillary services; establishing requirements for property transfers under the general assistance program; counting human services long-term care rates and audit experience toward requirements for a certified public accountant license; requiring a report; appropriating money; amending Minnesota Statutes 1984, sections 256.98; 256B.02, subdivision 7; 256B.064, subdivisions 1a and 1c; 256B.27, subdivisions 3, 4, and by adding a subdivision; 256B.433; 256B.48, subdivision 1; 256D.05, by adding a subdivision; 256D.14; and 326.19, subdivision 4; Minnesota Statutes 1985 Supplement, section 256B.0641; proposing coding for new law in Minnesota Statutes, chapters 256 and 256B.

Referred to the Committee on Health and Human Services.

Mrs. Adkins introduced—

S.F. No. 2156: A bill for an act relating to local government; exempting other departments or agencies of the same county from having to be billed by county recorder for certain recording transactions; amending Minnesota Statutes 1985 Supplement, section 386.77.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.J. introduced—

S.F. No. 2157: A bill for an act relating to taxation; authorizing the expansion of a certain enterprise zone; providing for the local contribution for that zone; amending Minnesota Statutes 1985 Supplement, section 273.1314, subdivisions 6 and 16a.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.J.; Dicklich and Ms. Berglin introduced—

S.F. No. 2158: A bill for an act relating to health; removing a restriction on use of hospital swing beds; amending Minnesota Statutes 1985 Supplement, section 144.562, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Peterson, C.C.; Willet; Davis; Merriam and Stumpf introduced—

S.F. No. 2159: A bill for an act relating to the environment; disapproving a nuclear waste repository in Minnesota; making findings on economics of nuclear power; requiring a report from nuclear power generators on the economic feasibility of nuclear power; requiring nuclear power plants to be decommissioned by December 31, 1990; proposing coding for new law in Minnesota Statutes, chapters 116C and 216B.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Willet, DeCramer, Pehler and Peterson, C.C. introduced—

S.F. No. 2160: A bill for an act relating to unclaimed property; requiring that the sum payable on an abandoned warrant issued by a county be conveyed to the issuing county for deposit in the county treasury; amending

Minnesota Statutes 1984, section 345.48, subdivision 1.

Referred to the Committee on Local and Urban Government.

Mr. Dicklich introduced—

S.F. No. 2161: A bill for an act relating to employment; providing training opportunities for technically qualified individuals who may be exposed to hazardous substances, harmful physical agents, or infectious agents; amending Minnesota Statutes 1985 Supplement, section 182.653, subdivisions 4b, 4c, and 4f.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 2162: A bill for an act relating to transportation; providing for the terms of regional railroad authority commissioners; amending Minnesota Statutes 1984, section 398A.03, subdivision 5.

Referred to the Committee on Transportation.

Messrs. Dicklich, Gustafson and Solon introduced—

S.F. No. 2163: A bill for an act relating to counties; setting conditions for St. Louis county to appoint a county administrator; amending Minnesota Statutes 1984, section 375A.06, subdivision 5.

Referred to the Committee on Local and Urban Government.

Messrs. Pehler, Peterson, R.W. and Hughes introduced—

S.F. No. 2164: A bill for an act relating to education; establishing exemplary centers for learning opportunities; requiring the state board of education to select exemplary programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Mr. Jude introduced—

S.F. No. 2165: A bill for an act relating to state government; clarifying the definition of "rule" in the administrative procedure act; assigning additional duties to the legislative commission to review administrative rules; amending Minnesota Statutes 1985 Supplement, sections 14.02, subdivision 4; and 14.40.

Referred to the Committee on Governmental Operations.

Messrs. Merriam, Schmitz and Davis introduced—

S.F. No. 2166: A bill for an act relating to local government units; authorizing the privatization of facilities for the treatment of wastewater and the furnishing of water; amending Minnesota Statutes 1984, section 474.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, section 297A.25, subdivision 1; proposing coding for new law as Minnesota Stat-

utes, chapter 471A.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, C.C. introduced—

S.F. No. 2167: A bill for an act relating to charitable gambling; regulating bingo; authorizing the charitable gambling control board to establish an additional class of license; regulating lawful gambling on leased premises; amending Minnesota Statutes 1984, sections 349.16, subdivision 3; 349.162, by adding a subdivision; 349.17, by adding a subdivision; and 349.18, subdivision 2.

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

Messrs. Frank; Peterson, C.C. and Chmielewski introduced—

S.F. No. 2168: A bill for an act relating to charitable gambling; modifying the definition of "profit"; regulating the use of profits; amending Minnesota Statutes 1984, sections 349.12, subdivision 13; and 349.15.

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

Mr. Peterson, C.C. introduced—

S.F. No. 2169: A bill for an act relating to charitable gambling; authorizing the charitable gambling control board to grant permits of exemption; amending Minnesota Statutes 1984, section 349.214, by adding a subdivision.

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

Mr. Dieterich introduced—

S.F. No. 2170: A bill for an act relating to charitable gambling; requiring the licensing of manufacturers of registered gambling equipment; requiring disclosure of the identities of employers of licensed distributors; amending Minnesota Statutes 1984, section 349.161, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 349.

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

Mr. Benson introduced—

S.F. No. 2171: A bill for an act relating to health; providing exemptions for certain air ambulance services; allowing certified first responders to drive certain basic life support transportation service vehicles; amending Minnesota Statutes 1984, sections 144.802, subdivision 5, and by adding a subdivision; and 144.804, subdivisions 1 and 3.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2172: A bill for an act relating to retirement; expanding the

membership of the Minnesota state retirement system unclassified program; amending Minnesota Statutes 1984, sections 352D.01; 352D.015; 352D.02, as amended; 352D.05; subdivision 4; 352D.06, subdivision 1; 352D.065, subdivision 5; 352D.085, subdivision 1; 352D.09, subdivisions 1 and 7; 352D.11, subdivisions 1 and 4; 354.05, subdivision 2; Minnesota Statutes 1985 Supplement, section 353.01, subdivision 2a.

Referred to the Committee on Governmental Operations.

Mr. Laidig introduced—

S.F. No. 2173: A bill for an act relating to state lands; authorizing exchange of state property with Minnesota transportation museum property.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Merriam, Diessner, Waldorf and Benson introduced—

S.F. No. 2174: A bill for an act relating to human services; exempting certain nursing homes from financial statement audits; amending Minnesota Statutes 1985 Supplement, section 256B.48, subdivision 1b.

Referred to the Committee on Health and Human Services.

Messrs. Samuelson, Freeman and Belanger introduced—

S.F. No. 2175: A bill for an act relating to health; authorizing the commissioner of commerce to adopt rules related to financial affairs of health maintenance organizations; requiring certificates of authority to be issued by the commissioner of commerce; providing for supervision of health maintenance organizations; amending Minnesota Statutes 1984, sections 62D.03; 62D.04; 62D.041, by adding a subdivision; 62D.05, by adding a subdivision; 62D.08; 62D.12, subdivision 9; 62D.14; 62D.15, subdivision 1; 62D.16; 62D.17; 62D.20; and 62D.21; repealing Minnesota Statutes 1984, section 62D.041, subdivisions 6, 7, and 8; and Minnesota Statutes 1985 Supplement, section 62D.041, subdivision 5.

Referred to the Committee on Health and Human Services.

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

S.F. No. 2176: A bill for an act relating to utilities; defining terms; establishing a code of conduct for members of the public utilities commission; prohibiting public utilities commissioner from being employed by public utilities for two years before and two years following service as commissioner; transferring the rulemaking authority of the public utilities commission to the director of the department of public service; transferring certain other administrative and investigatory responsibilities of the commission to the department of public service; amending Minnesota Statutes 1984, sections 216A.02, by adding subdivisions; 216A.035; 216A.05; 216A.07, subdivision 1; 216A.095; 216B.02, by adding a subdivision; 216B.05; 216B.08; 216B.09; 216B.10; 216B.12, subdivision 1; 216B.13, subdivision 1; 216B.14; 216B.16, subdivisions 1 and 3; 216B.164, subdivisions 4, 6, 7, and 9; 216B.17, subdivisions 1 and 2; 216B.18; 216B.21, subdivisions 1 and 2; 216B.24, subdivisions 1 and 2; 216B.241, subdivision 2; 216B.242;

216B.243, subdivision 1; 216B.25; 216B.30; 216B.48, subdivision 6; 237.075, subdivision 3; 237.081, subdivisions 1, 1a, and 2; 237.10; 237.16, subdivision 3; and 237.28; Minnesota Statutes 1985 Supplement, section 216B.243, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 216A.

Referred to the Committee on Governmental Operations.

Messrs. Belanger and Moe, R.D. introduced—

S.F. No. 2177: A bill for an act relating to retirement; authorizing the purchase of prior service credit for a certain city health administrator.

Referred to the Committee on Governmental Operations.

Mr. Davis introduced—

S.F. No. 2178: A bill for an act relating to environment; regulating release of radionuclides into groundwater; proposing coding for new law in Minnesota Statutes, chapter 116C.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Dahl introduced—

S.F. No. 2179: A bill for an act relating to commerce; consumer protection; requiring the repair, refund, or replacement of new motor vehicles under certain circumstances; prescribing certain settlement procedures; amending Minnesota Statutes 1984, section 325F.665, as amended.

Referred to the Committee on Economic Development and Commerce.

Messrs. Moe, D.M.; Wegscheid; Knaak and Freeman introduced—

S.F. No. 2180: A bill for an act relating to metropolitan government; establishing the metropolitan taxicab commission; empowering it to set taxicab rates and to license taxicabs and taxicab drivers; amending Minnesota Statutes 1984, sections 368.01, subdivision 12; and 412.221, subdivision 20; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Transportation.

Messrs. DeCramer; Moe, R.D.; Langseth and Bernhagen introduced—

S.F. No. 2181: A bill for an act relating to traffic regulations; increasing area of state in which weight limitations on highways may be seasonally increased; providing that weight limitations are increased seasonally for transporting sugar beets and potatoes under certain conditions; increasing weight limitations under which special permits may be issued; imposing fees; amending Minnesota Statutes 1984, sections 169.825, subdivision 11; and 169.86, subdivision 5.

Referred to the Committee on Transportation.

Messrs. Bertram and Chmielewski introduced—

S.F. No. 2182: A bill for an act relating to crimes; making it a felony to

cause the death of or injure an unborn child; prescribing penalties; amending Minnesota Statutes 1984, section 609.035; proposing coding for new law in Minnesota Statutes, chapter 609.

Referred to the Committee on Judiciary.

Mr. Mehrkens introduced—

S.F. No. 2183: A bill for an act relating to commerce; exempting certain dredge material from requirements for state permits; proposing coding for new law in Minnesota Statutes, chapter 105.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Anderson, Sieloff, Jude and Mrs. Lantry introduced—

S.F. No. 2184: A bill for an act relating to corporations; providing for the resignation of registered agents of foreign corporations; amending Minnesota Statutes 1984, section 303.10, by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Renneke introduced—

S.F. No. 2185: A bill for an act relating to the state board of investment; prohibiting investment decisions made for noneconomic reasons; amending Minnesota Statutes 1984, section 11A.04.

Referred to the Committee on Governmental Operations.

Messrs. Novak and Merriam introduced—

S.F. No. 2186: A bill for an act relating to the environment; amending Minnesota Statutes 1985 Supplement, sections 116.46, by adding a subdivision; and 116.48, subdivision 4.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Davis introduced—

S.F. No. 2187: A bill for an act relating to environment; abolishing the waste management board and transferring certain board functions to the pollution control agency effective June 30, 1986; amending Minnesota Statutes 1984, sections 115A.13; and 115A.81, by adding a subdivision.

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

Ms. Reichgott introduced—

S.F. No. 2188: A bill for an act relating to taxation; income; eliminating the age restrictions on the pension income exclusion; modifying the income offset; amending Minnesota Statutes 1985 Supplement, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 2189: A bill for an act relating to transportation; providing for use of county state-aid highway funds on highways providing access to outdoor recreation areas; providing that motor vehicles do not exceed length restrictions, whether unladen or with load; defining tandem axles; providing for weight restrictions on highways including market arteries; increasing tax on gasoline and special fuel; reducing complement of department of transportation; creating legislative transportation commission; appropriating money; amending Minnesota Statutes 1984, sections 162.06, subdivision 5; 169.81, subdivision 2; 169.825, subdivisions 8, 10, and by adding a subdivision; 169.832, subdivision 11, and by adding a subdivision; and 296.02, subdivision 1b.

Referred to the Committee on Transportation.

Mr. Sieloff introduced—

S.F. No. 2190: A bill for an act relating to marriage; setting out the requirements and effect of premarital agreements; enacting the Uniform Premarital Agreement Act; amending Minnesota Statutes 1985 Supplement, section 524.2-204; proposing coding for new law in Minnesota Statutes, chapter 519; repealing Minnesota Statutes 1984, section 519.11.

Referred to the Committee on Judiciary.

Messrs. Frank and Storm introduced—

S.F. No. 2191: A bill for an act relating to utilities; authorizing stipulated settlements in certain cases; amending Minnesota Statutes 1984, sections 216B.16, subdivisions 1a and 2; and 237.075, subdivisions 1a and 2.

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

Mrs. Kronebusch introduced—

S.F. No. 2192: A bill for an act relating to the pollution control agency; removing authority to impose certain fees; changing certain appropriations; amending Minnesota Statutes 1985 Supplement, section 116.07, subdivision 4d; and Laws 1985 First Special Session chapter 13, section 26, subdivisions 2 and 3.

Referred to the Committee on Agriculture and Natural Resources.

Mrs. Kronebusch introduced—

S.F. No. 2193: A bill for an act relating to drivers' licenses; providing for side-profile photograph on driver's license or identification card of person under the age of 19; amending Minnesota Statutes 1984, section 171.07, subdivisions 1 and 3.

Referred to the Committee on Transportation.

Mr. Peterson, C.C. introduced—

S.F. No. 2194: A bill for an act relating to public safety; regulating trans-

portation of firearms and bows; amending Minnesota Statutes 1984, section 100.29, subdivision 5.

Referred to the Committee on Agriculture and Natural Resources.

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

S.F. No. 2195: A bill for an act relating to housing; landlord and tenant; requiring heating standards; requiring notice by landlords before entering leased premises; amending Minnesota Statutes 1984, section 504.18, subdivisions 1 and 6; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Energy and Housing.

Mr. Pehler introduced—

S.F. No. 2196: A bill for an act relating to the city of Sartell; authorizing the establishment of a redevelopment district.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Benson and Renneke introduced—

S.F. No. 2197: A bill for an act relating to utilities; prohibiting public utility commissioners from accepting gifts; amending Minnesota Statutes 1984, section 216A.035.

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

Mr. Dicklich introduced—

S.F. No. 2198: A bill for an act relating to civil actions; providing for changes in certain time periods relating to the commencement of civil actions; amending Minnesota Statutes 1984, section 541.07.

Referred to the Committee on Judiciary.

Mr. Wegscheid introduced—

S.F. No. 2199: A bill for an act relating to metropolitan waste control; appropriating money to reimburse Farmington for excess charges.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.E. introduced—

S.F. No. 2200: A bill for an act relating to intoxicating liquor; authorizing Pope County to issue one seasonal on-sale license.

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

Mrs. Kronebusch introduced—

S.F. No. 2201: A bill for an act relating to wildlife; providing for a wildlife

damage abatement and claims program.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Knutson introduced—

S.F. No. 2202: A bill for an act relating to intoxicating liquor; requiring municipal on-sale liquor stores to give equal sales emphasis to nonalcoholic beverages; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

Mr. Storm introduced—

S.F. No. 2203: A bill for an act relating to local improvements; providing for the rate of interest on special assessments; amending Minnesota Statutes 1984, section 429.061, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Bertram introduced—

S.F. No. 2204: A bill for an act relating to independent school district No. 750, Cold Spring; authorizing the district to make an equal levy for debt service over the next five years.

Referred to the Committee on Education.

Mr. Diessner introduced—

S.F. No. 2205: A bill for an act relating to Washington county; permitting the county to finance water systems on behalf of cities and towns in the county by the issuance of county general obligation bonds.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, C.C. introduced—

S.F. No. 2206: A bill for an act relating to taxation; authorizing certain refunds of sales tax paid on agricultural electricity; amending Minnesota Statutes 1984, section 297A.35, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Pogemiller introduced—

S.F. No. 2207: A bill for an act relating to economic development; permitting certain loan repayments received by municipalities to be used for economic development purposes and authorizing the issuance of revenue bonds payable from loan repayments; proposing coding for new law as Minnesota Statutes, chapter 116N.

Referred to the Committee on Taxes and Tax Laws.

Mr. Ramstad introduced—

S.F. No. 2208: A bill for an act relating to retirement; authorizing the

purchase of allowable service credit by a certain member of the public employees retirement association.

Referred to the Committee on Governmental Operations.

Mrs. Brataas and Mr. Benson introduced—

S.F. No. 2209: A bill for an act relating to Olmsted county; increasing the amount the county board may appropriate annually for use as a contingent fund; amending Laws 1965, chapter 433, section 1, as amended.

Referred to the Committee on Local and Urban Government.

Mr. Solon introduced—

S.F. No. 2210: A bill for an act relating to insurance; joint self-insurance employee health plans; providing an exemption from regulation; amending Minnesota Statutes 1984, section 62H.08.

Referred to the Committee on Economic Development and Commerce.

Mr. Wegscheid introduced—

S.F. No. 2211: A bill for an act relating to taxation; providing for reduction in the rate of excise tax on gasoline sold for marine use at qualified service stations; amending Minnesota Statutes 1984, section 296.02, subdivision 6.

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

Mr. DeCramer introduced—

S.F. No. 2212: A bill for an act relating to transportation; bonding; reallocating proceeds of bridge bonds to counties and cities; appropriating money; amending Laws 1979, chapter 280, section 2, as amended.

Referred to the Committee on Finance.

Mr. Peterson, C.C. introduced—

S.F. No. 2213: A bill for an act relating to taxation; reducing the tax credit for agricultural alcohol gasoline; providing for payments to producers of agricultural alcohol; appropriating money; amending Minnesota Statutes 1985 Supplement, section 296.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 41A.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Kronebusch introduced—

S.F. No. 2214: A bill for an act relating to taxation; requiring the board of equalization to use involuntary sales in the sales ratio study under certain conditions; requiring certificates of value to be recorded by 90 days after a sale; amending Minnesota Statutes 1984, sections 270.12, subdivision 2; and 272.115, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson, C.C. introduced—

S.F. No. 2215: A bill for an act relating to game and fish; dedicating revenues from the fishing license surcharge, small game surcharge, migratory waterfowl stamp, pheasant stamp, and trout and salmon stamp; requiring preparation and presentation of work plans before fishing license surcharge appropriation is spent; clarifying allowed administrative expenses from dedicated receipts; amending Minnesota Statutes 1984, sections 97.4841, subdivision 4; 97.4842, subdivision 3; 97.4843, subdivision 4; 97.49, subdivision 1; and 97.86, subdivisions 1 and 2.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Dahl introduced—

S.F. No. 2216: A bill for an act relating to metropolitan government; providing for the treatment of watershed costs in certain local government units; amending Minnesota Statutes 1985 Supplement, section 473.882, subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Chmielewski introduced—

S.F. No. 2217: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and recreation areas.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Berg; Johnson, D.E.; Benson and Bernhagen introduced—

S.F. No. 2218: A bill for an act relating to utilities; providing that installation and maintenance of electric transmission lines that comply with code are not activities subjecting utility to strict liability; amending Minnesota Statutes 1985 Supplement, section 326.243.

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

Mr. Schmitz introduced—

S.F. No. 2219: A bill for an act relating to the town of Louisville; permitting the town to impose a fee for certain landfill deposits.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Peterson, R.W. introduced—

S.F. No. 2220: A bill for an act relating to public utilities; defining a telephone company to exclude a radio common carrier; amending Minnesota Statutes 1985 Supplement, section 295.01, subdivision 10.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 2221: A bill for an act relating to public works; providing a

replacement for an appropriation to the city of Cloquet for the construction of a public water facility.

Referred to the Committee on Finance.

Mr. Bertram introduced—

S.F. No. 2222: A bill for an act relating to education; vocational; specifying use of appropriation for firefighter training programs in AVTI's; amending Laws 1985, First Special Session chapter 11, section 4, subdivision 3.

Referred to the Committee on Finance.

Mr. Bertram introduced—

S.F. No. 2223: A bill for an act relating to the city of Bowlus; permitting the city to exceed its debt limit for a firehall.

Referred to the Committee on Local and Urban Government.

Mr. Samuelson introduced—

S.F. No. 2224: A bill for an act relating to taxation; tax-forfeited lands; requiring payment for a certain tract in Morrison county by the state of Minnesota.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Samuelson introduced—

S.F. No. 2225: A bill for an act relating to public contracts; regulating the use of subcontractors by a prime contractor; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on Governmental Operations.

Messrs. Dicklich and Solon introduced—

S.F. No. 2226: A bill for an act relating to natural resources; enacting a reorganization of the department of natural resources and requiring the commissioner of natural resources to implement the same by December 31, 1986; amending Minnesota Statutes 1984, sections 84.01, subdivision 3; 84.028, subdivision 3; 84.082; 84.086; 97.41, subdivision 2; 105.40, subdivisions 1 and 2; repealing Minnesota Statutes 1984, sections 84.081; 84.083; and 89.014.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Johnson, D.J. introduced—

S.F. No. 2227: A bill for an act relating to taxes; exempting from gasoline excise tax propane fuel for vehicles operating under permit; amending Minnesota Statutes 1985 Supplement, sections 296.01, subdivision 25; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.026; and 296.028.

Referred to the Committee on Taxes and Tax Laws.

Mr. Dieterich introduced—

S.F. No. 2228: A bill for an act relating to commerce; regulating licensing of installers of certain low-voltage electrical systems; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Economic Development and Commerce.

Messrs. Moe, D.M.; Wegscheid; Spear; Pogemiller and Renneke introduced—

S.F. No. 2229: A bill for an act relating to retirement; certain public retirement systems; setting age 62 as the normal retirement age; changing eligibility requirements for a surviving spouse benefit; providing for actuarial reduction of benefits for early retirement in certain public retirement systems; extending the time for termination of service for retirement under the rule of 85; amending Minnesota Statutes 1984, sections 352.01, subdivision 19; 352.113, subdivisions 1, 3, 4, 10, and 12; 352.115, subdivision 2; 352.116, subdivisions 1 and 2; 352.12, subdivision 2; 352.72, subdivision 5; 352.91, subdivision 3; 352.93, subdivision 3; 352.95, subdivision 5; 353.29, subdivision 1; 353.30, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 3, and 11; 353.71, subdivision 5; 353.75; 354.44, subdivisions 1 and 1a; 354.46, subdivisions 1 and 2; 354.48, subdivision 10; 354.49, subdivision 3; 354A.31, subdivisions 5 and 6; 354A.35, subdivision 2; 354A.36, subdivisions 3 and 10; 354A.37, subdivision 4; 356.32, subdivision 1; and 356.325; amending Minnesota Statutes 1985 Supplement, sections 352.01, subdivision 2B; 353.657, subdivision 2a; 354.44, subdivision 6; 354.48, subdivision 3; 354.55, subdivision 11; and 356.70, subdivision 1; repealing Minnesota Statutes 1984, section 353.30, subdivisions 1a, 1b, and 1c.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 2230: A bill for an act relating to health; requiring licensure to practice naturopathy; providing for conditions of licensure; qualifications and exemptions; establishing a state board of naturopathic examiners; providing for discipline and penalties; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Mr. Chmielewski introduced—

S.F. No. 2231: A bill for an act relating to employment; regulating systems of sharing or pooling gratuities; defining service charges; amending Minnesota Statutes 1984, section 177.23, subdivision 9; Minnesota Statutes 1985 Supplement, section 177.24, subdivision 3.

Referred to the Committee on Employment.

Mr. Chmielewski introduced—

S.F. No. 2232: A bill for an act relating to human services; requiring federal mental health block grants to be used for qualified community mental

health centers; amending Minnesota Statutes 1984, section 245.712, subdivision 1.

Referred to the Committee on Health and Human Services.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Berglin moved that S.F. No. 912 be withdrawn from the Committee on Finance and re-referred to the Committee on Health and Human Services. The motion prevailed.

RECESS

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

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

APPOINTMENTS

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

S.F. No. 5: Messrs. Diessner, Purfeerst and Johnson, D.E.

H.F. No. 628: Messrs. Peterson, R.W.; Bernhagen; Merriam; Benson and DeCramer.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1794: A bill for an act relating to human services; extending the deadline for permanent rules for nursing home reimbursement under the medical assistance program; amending Minnesota Statutes 1984, sections 144.072, subdivision 2; and 256B.431, subdivision 6.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

CONFIRMATION

Mr. Spear moved that the appointments of notaries public received February 13, 1986, be taken from the table. The motion prevailed.

Mr. Spear moved that the Senate do now consent to and confirm the appointments of the notaries public.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Petty moved that H.F. No. 671 and S.F. No. 607 be taken from the table and referred to the Committee on Rules and Administration for comparison. The motion prevailed.

Mr. Pehler moved that S.F. No. 2117 be withdrawn from the Committee on Local and Urban Government and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Lessard moved that S.F. No. 2052 be withdrawn from the Committee on Local and Urban Government and re-referred to the Committee on Veterans and General Legislation. The motion prevailed.

Mr. Storm moved that his name be stricken as a co-author to S.F. No. 1717. The motion prevailed.

Mr. Nelson moved that the name of Ms. Olson be added as a co-author to S.F. No. 1771. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1777. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1880. The motion prevailed.

Mr. Laidig moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1925. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 2019. The motion prevailed.

Ms. Berglin moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2039. The motion prevailed.

Ms. Berglin moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2045. The motion prevailed.

Mr. Benson moved that the name of Mr. Laidig be added as a co-author to S.F. No. 2061. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2074. The motion prevailed.

Ms. Berglin moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2076. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2097. The motion prevailed.

Mr. Jude moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2098. The motion prevailed.

Mr. Pehler moved that the names of Messrs. Taylor and Merriam be added as co-authors to S.F. No. 2164. The motion prevailed.

Mr. Peterson, C.C. moved that the name of Mr. Novak be added as a co-author to S.F. No. 2167. The motion prevailed.

Mr. Frank moved that the name of Mr. Novak be added as a co-author to S.F. No. 2168. The motion prevailed.

Mr. Peterson, C.C. moved that the name of Mr. Novak be added as a co-author to S.F. No. 2169. The motion prevailed.

Mr. Mehrkens introduced—

Senate Resolution No. 111: A Senate resolution congratulating the football team from Zumbrota High School for winning Runnerup in the 1985 Class C State High School Football Championship.

Referred to the Committee on Rules and Administration.

MEMBERS EXCUSED

Mr. Bernhagen was excused from the Session of today. Mr. Wegscheid

was excused from the Session of today at 3:30 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, February 27, 1986. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate