

EIGHTY-SECOND DAY

St. Paul, Minnesota, Monday, March 10, 1986

The Senate met at 10:30 a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Berg 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. Mark Woodward.

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

Adkins	Diessner	Knutson	Novak	Schmitz
Anderson	Dieterich	Kroening	Olson	Sieloff
Belanger	Frank	Kronebusch	Pehler	Solon
Benson	Frederick	Laidig	Peterson, C. C.	Spear
Berg	Frederickson	Langseth	Peterson, D. C.	Storm
Berglin	Freeman	Lantry	Peterson, D. L.	Stumpf
Bernhagen	Gustafson	Lessard	Peterson, R. W.	Taylor
Bertram	Hughes	Luther	Petty	Vega
Brataas	Isackson	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D. E.	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	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 3, 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. 1574

Sincerely,

Rudy Perpich, Governor

March 5, 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. Nos. 1575, 1587 and 1612.

Sincerely,

Rudy Perpich, Governor

March 5, 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
1574		312	March 3	March 3
1612		313	March 5	March 5
1587		314	March 5	March 5
1575		315	March 5	March 5
	1794	316	March 5	March 5

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 Files, herewith returned: S.F. Nos. 496 and 1851.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 7, 1986

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 2466.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 7, 1986

FIRST READING OF HOUSE BILLS

The following bill was read the first time and referred to the committee

indicated.

H.F. No. 2466: A bill for an act relating to natural resources; permitting use of metal detectors on certain state lands under certain conditions; authorizing additions to and deletions from certain state parks and recreation areas; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 85.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2217.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted with the exception of the report on S.F. No. 1621. The motion prevailed.

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

S.F. No. 2029: A bill for an act relating to the state high school league; providing for the appointment of certain board members; providing penalties for recruiting students; providing for student athletics and activity eligibility after certain transfers; providing standards for student participation in non-scholastic activities; providing administrative appeals from various decisions; amending Minnesota Statutes 1984, section 129.121, subdivision 1, and 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 1984, section 129.121, subdivision 1, is amended to read:

Subdivision 1. The governing board of any *Minnesota* high school may delegate the control, supervision and regulation of interscholastic athletics and other extracurricular activities, referred to in section 123.38, to the Minnesota state high school league, a nonprofit incorporated voluntary association. Membership in ~~said Minnesota state high school~~ the league shall be composed of ~~such Minnesota~~ high schools whose governing boards have certified in writing to the ~~state~~ commissioner of education that they have elected to delegate the control, supervision and regulation of their interscholastic athletic events and other extracurricular activities to ~~said~~ the league. The ~~Minnesota state high school~~ league is hereby empowered to exercise the, *within the limits established in this section, may control, supervision super-* ~~viser, and regulation of regulate~~ interscholastic athletics, musical, dramatic and other contests by and between pupils of ~~the Minnesota member~~ high schools; ~~delegated to it pursuant to this section.~~ The ~~Minnesota high school~~ league may ~~establish a policy or guidelines for the guidance of guide~~ member high schools in the voluntary formation or alteration of athletic or other extracurricular conferences. *The board of directors of the league shall include a licensed teacher, a representative appointed by the Minnesota association of secondary school principals, a public member appointed by the governor, and other members selected and appointed according to the*

procedures of the league. The commissioner of education, or his representative, shall be an ex officio member of the governing body of ~~such~~ the league, with the same rights and privileges as other members of its governing body. The rules ~~and regulations~~ of ~~said~~ the league ~~shall be~~ are exempt from the provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45, ~~and 14.57 to 14.62.~~

Sec. 2. Minnesota Statutes 1984, section 129.121, is amended by adding a subdivision to read:

Subd. 1a. [NONSCHOLASTIC AND OUT-OF-SEASON ACTIVITIES.] The high school league may not regulate, directly or indirectly, pupil participation in a nonscholastic athletic activity or event during the period the pupil is not participating in interscholastic athletics. A pupil may participate in any nonscholastic athletic activity or event out-of-season without loss of eligibility to participate in interscholastic athletics.

A school, or an employee, coach, or agent of a school may not require a pupil to participate in any athletic activity or event outside of or separate from those sponsored by the school as a condition of participation in the school's interscholastic athletic activity.

Sec. 3. Minnesota Statutes 1984, section 129.121, is amended by adding a subdivision to read:

Subd. 1b. [ADMINISTRATIVE HEARING.] Any party aggrieved by a league action or decision affecting an individual's or school's participation in interscholastic athletics or other activities may appeal the action or decision by requesting a hearing within seven days after the action is taken or decision is issued. The request must be in writing and filed with the league. Within three working days after receiving a request for a hearing, the league shall refer the matter to the office of administrative hearings where the hearing shall be conducted as a contested case according to the provisions of chapter 14. The hearing shall commence within seven days after the office has received the request and shall be conducted according to the conference contested case rules adopted by the chief administrative law judge. The administrative law judge shall issue a final written decision within seven days following the close of the hearing. Any party aggrieved by that decision may seek judicial review according to sections 14.62 to 14.69.

The fee for the administrative law judge's services shall be paid by the league.

Sec. 4. Minnesota Statutes 1984, section 129.121, is amended by adding a subdivision to read:

Subd. 1c. [ELIGIBILITY FOR COMPETITION.] A pupil who transfers from one high school to another is eligible to compete at all levels of competition until all proceedings under league rules and, if applicable, section 3, excluding judicial review, have been completed."

Amend the title as follows:

Page 1, line 2, delete "providing"

Page 1, delete lines 3 to 5

Page 1, line 6, delete "certain transfers;"

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

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

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 Statutes, chapter 471A.

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

Delete everything after the enacting clause and insert:

"Section 1. [297A.258] [PRIVATE SUPPLIERS OF PUBLIC SERVICES.]

A private vendor that has entered into a service contract with a municipality under sections 3 and 4 is a political subdivision for purposes of determining the tax imposed under this chapter. This section applies only to the extent that the vendor is acting for the purposes of constructing, maintaining, or operating related facilities pursuant to the service contract.

The commissioner may provide for the issuance of a limited exemption certificate to a private vendor for purposes of administering this section. The commissioner may further require a vendor to obtain a certificate in order to qualify as a political subdivision under this section.

For purposes of this section, "private vendor," "service contract," and "related facilities" have the meanings given in sections 3 and 4.

Sec. 2. [471A.01] [PUBLIC PURPOSE FINDINGS.]

The legislature finds that the privatization of facilities for the prevention, control, and abatement of water pollution, and the furnishing of potable water provides municipalities an opportunity under appropriate circumstances to provide those capital intensive public services in a manner that will speed construction and is less costly and more efficient than the furnishing of those services through facilities exclusively owned and operated by municipalities. The legislature further finds that existing law creates unnecessary and costly obstacles to the privatization of those capital intensive public services and that a comprehensive act is required to permit municipalities to enter into appropriate contractual arrangements with private parties to facilitate the privatization of those capital intensive public services.

Sec. 3. [471A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 13.

Subd. 2. [ADMINISTRATOR.] "Administrator" means the pollution control agency or any other agency, instrumentality, or political subdivision

of the state responsible for administering the loan or grant program described in section 8.

Subd. 3. [CAPITAL COST COMPONENT.] "Capital cost component" means that part of the service fee that the municipality determines is intended to reimburse the private vendor for the capital cost, including debt service expense, of the related facilities.

Subd. 4. [CAPITAL COST COMPONENT GRANT.] "Capital cost component grant" means any grant made to the municipality by the pollution control agency over a term of at least ten years to pay or reimburse the municipality for the payment of all or part of the capital cost component of the service fee.

Subd. 5. [CAPITAL COST COMPONENT LOAN.] "Capital cost component loan" means any loan made to the municipality by the pollution control agency over a term of at least ten years to pay or reimburse the municipality for the payment of all or part of the capital cost component of the service fee.

Subd. 6. [CAPITAL INTENSIVE PUBLIC SERVICES.] "Capital intensive public services" means the prevention, control, and abatement of water pollution through wastewater treatment facilities as defined by section 115.71, subdivision 8, and the furnishing of potable water. Capital intensive public services may be limited to the acquisition, construction, and ownership by the private vendor of related facilities, but does not include the furnishing of heating or cooling energy.

Subd. 7. [CONTROLLING INTEREST.] "Controlling interest" means either (1) the power, by ownership interest, contract, or otherwise, to direct the management of the private vendor or to designate or elect at least a majority of the private vendor's governing body or board, or (2) having more than a 50 percent ownership interest in the private vendor.

Subd. 8. [MUNICIPALITY.] "Municipality" means a home rule charter or statutory city, county, sanitary district, or other governmental subdivision or public corporation, including the metropolitan council and the metropolitan waste control commission.

Subd. 9. [PERMITTED OBLIGATION.] "Permitted obligation" means the obligation of the municipality under the service contract to pay a service fee or perform any other obligation under the service contract except an obligation to pay, in a future fiscal year of the municipality from a revenue source other than funds on hand, a stated amount of money for money borrowed or for related facilities purchased by the municipality under the service contract.

Subd. 10. [PRIVATE VENDOR.] "Private vendor" means one or more persons who are not a municipality and in which no governmental entity or group of governmental entities has a controlling interest.

Subd. 11. [RELATED FACILITIES.] "Related facilities" means all real and personal property used by the private vendor in furnishing capital intensive public services, excluding any product of the related facilities, such as drinking water, furnished under the service contract.

Subd. 12. [SERVICE CONTRACT.] "Service contract" means any

agreement or agreements between a municipality and a private vendor under which:

(1) the private vendor agrees to furnish to the municipality or any other user capital intensive public services in accordance with performance standards set forth in the agreement or agreements and the municipality agrees to pay or cause to be paid to the private vendor a service fee for the services, and

(2) other covenants incident to clause (1) are made.

Subd. 13. [SERVICE FEE.] "Service fee" means the payments the municipality is required under the service contract to make, or cause to be made, to the private vendor, including payments made by third parties to the private vendor for products or services and credited against payments the municipality would otherwise have to make, or cause to be made, under the service contract.

Subd. 14. [USEFUL LIFE OF THE RELATED FACILITIES.] "Useful life of the related facilities" means the economic useful life of the related facilities as determined by the municipality.

Subd. 15. [UNRESTRICTED FUNDS.] "Unrestricted funds" means any funds other than funds granted to the state or administrator by the federal government or any agency of the federal government and unavailable under federal law for the purposes set forth in section 8.

Subd. 16. [USER.] "User" means the municipality and all other persons which use the capital intensive public services furnished by the private vendor.

Sec. 4. [471A.03] [BASIC AUTHORIZATION AND RELATED POWERS.]

Subdivision 1. [BASIC AUTHORIZATION.] A municipality may contract with a private vendor to furnish in accordance with a service contract any capital intensive public services the municipality is authorized by law to furnish, and for that purpose a municipality may exercise any and all of the powers provided in this section.

Subd. 2. [SERVICE CONTRACT.] Subject to the provisions of section 10, a municipality may enter into a service contract for a term of not more than 30 years. However, the service contract may permit the municipality to either extend or renew the term of the service contract so long as the municipality is not bound under the service contract for an extended or renewal period of more than 30 years. Under the service contract the municipality may, under terms and conditions agreed to by the municipality and the private vendor:

(1) obligate itself to pay or cause to be paid a service fee for the availability and use of the capital intensive public services to be furnished under the service contract;

(2) enter into other obligations the municipality considers appropriate that are not otherwise contrary to law; and

(3) either pledge its full faith and credit or obligate a specific source of payment for the payment of the service fee and the performance of other

obligations under the service contract and the payment of damages for failure to perform the obligations.

The obligation of the municipality to pay the service fee and perform any other permitted obligations under the service contract are not considered a debt within the meaning of any statutory or charter provision, and no election is required as a precondition to the municipality entering into any permitted obligation or undertaking a project under a service contract.

Subd. 3. [PROCUREMENT PROCEDURES.] The municipality may agree under the service contract that the private vendor will acquire and construct any and all related facilities without compliance with any competitive bidding requirements; provided (1) the municipality, or municipalities if the related facilities furnish capital intensive public services to more than one municipality, has in the aggregate either no or no more than a 50 percent ownership interest in the related facilities, and (2) the municipality enters into the service contract only after requesting from two or more private vendors proposals for the furnishing of the capital intensive public services, under terms and conditions the municipality determines to be fair and reasonable. After making the request and receiving any proposals in response to the request, the municipality may negotiate the service contract with any private vendor.

Subd. 4. [SOURCES OF PAYMENT.] For the payment of a service fee or other monetary obligation under an existing service contract or in anticipation of need under a future service contract, the municipality may:

(1) levy property taxes, impose rates and charges, levy special assessments, and exercise any other revenue producing authority granted to it and apply public funds for the payment of the service fee and any other monetary obligations under the service contract in the same manner, and subject to the same conditions and limitations, except as provided in section 5, that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality; and

(2) establish by ordinance, revise when considered advisable, and collect just and reasonable rates and charges for the capital intensive public services provided under the service contract. The ordinance may obligate the owners, lessees, or occupants of property, or any or all of them, to pay charges for the capital intensive public services available for their properties and may obligate the user of a related facility to pay a reasonable charge for the use of the related facility. Rates and charges may take into account the character, kind, and quality of the capital intensive public service and all other factors that enter into the cost of the capital intensive public service, including but not limited to the service fee payable with respect to it, depreciation, and payment of principal and interest on money borrowed for the acquisition or betterment of related facilities. The rates and charges may be billed and collected in a manner the municipality shall determine. On or before October 15 in each year, the municipality shall certify to the county auditor all unpaid outstanding charges for services provided under the service contract and a statement of the description of the lands against which the charges arose. It is the duty of the county auditor, upon order of the governing body of the municipality, to extend the rates and charges with interest as provided for by ordinance upon the tax rolls of the county for the

taxes of the year in which the rate or charge is filed. For each year ending October 15 the rates and charges with interest shall be carried into the tax becoming due and payable in January of the following year, and shall be enforced and collected in the manner provided for the enforcement and collection of real property taxes in accordance with the provisions of the laws of the state. The rates and charges, if not paid, shall become delinquent and be subject to the same penalties and the same rate of interest as the taxes under the general laws of the state. All rates and charges shall be uniform in their application to use and service of the same character or quantity. A public hearing on the proposed ordinance shall be held prior to the meeting at which it is to be considered by the governing body of the municipality and after notice of the hearing has been published in the official newspaper of the municipality not less than ten days prior to the hearing. The notice shall state the subject matter and the general purpose of the proposed ordinance.

Subd. 5. [SALE OR LEASE OF EXISTING FACILITIES.] For purposes of carrying out the service contract, the municipality may, without compliance with any competitive bidding requirement, sell or lease to the private vendor or any other municipality on terms and conditions as the municipality considers appropriate any existing related facilities, including land, owned by the municipality. If the facilities are sold to a private vendor, the municipality may provide that title to the facilities reverts to the municipality if the private vendor defaults under any specified provisions in the service contract. The municipality may reacquire any existing facilities it leases or sells to the private vendor and terminate the service contract in accordance with its terms notwithstanding that the service contract may constitute an equitable mortgage. No lease of existing facilities by the municipality to the private vendor is subject to the provisions of section 504.02, unless expressly so provided in the service contract.

Subd. 6. [INTEREST IN THE RELATED FACILITIES.] The municipality may retain or acquire, on terms and conditions it considers appropriate, a present or future interest in all or part of the related facilities and grant a mortgage or security interest in its interest in the related facilities.

Subd. 7. [INTEREST IN THE PRIVATE VENDOR.] The municipality may, on terms and conditions it considers appropriate, acquire an interest in the private vendor, whether as a joint venturer, stockholder, partner, or otherwise and grant a security interest in its interest in the private vendor. However, no municipality or group of municipalities may have a controlling interest in the private vendor.

Subd. 8. [USE OF BOND PROCEEDS.] The municipality may issue bonds and other obligations and apply their proceeds toward the payment of the costs of the related facilities in the same manner and subject to the same conditions and limitations that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality and for these purposes, related facilities shall be considered to be a project within the meaning of section 474.02, subdivision 1a.

Subd. 9. [REQUIRED PUBLIC USE.] The municipality may agree, subject to any applicable state statutory requirements as to designated use of the related facilities, that the sole and exclusive right to provide the capital intensive public services within its jurisdiction be assumed by the private

vendor under the service contract and may require that any and all members of the public within its jurisdiction use the services provided under the service contract in the same manner and subject to the same limitations and conditions that would apply if the related facilities were acquired, constructed, owned, and operated exclusively by the municipality.

Subd. 10. [CONDEMNATION POWERS.] The municipality may exercise the right of eminent domain in the manner provided by chapter 117, for the purpose of acquiring for itself or the private vendor any and all related facilities. If the related facilities are acquired for the private vendor, the service contract shall be for a term of at least five years.

Subd. 11. [CONTRACTOR'S BOND AND MECHANICS' LIENS.] The municipality may waive or require the furnishing of a contractor's payment and performance bond of the kind described in section 574.26 in connection with the installation and construction of any related facilities. If the bond is required, the provisions of chapter 514 relating to liens for labor and materials are not applicable with respect to work done or labor or materials supplied for the related facilities. If the bond is waived, the provisions of chapter 514 apply with respect to work done or labor or materials supplied for the related facilities.

Sec. 5. [471A.04] [LEVY LIMITS.]

For purposes of applying sections 275.50 to 275.56, any property taxes levied for the payment of the service fee shall be treated as a special levy under the provisions of section 275.50, to the same extent and subject to the same limitations that would apply if the capital cost component of the service fee represented principal and interest payments on bonded indebtedness of the municipality within the meaning of section 275.50, subdivision 5, clause (e), and if the balance of the service fee represented operation and maintenance expenses for related facilities owned and operated exclusively by the municipality. The provisions of section 275.11 and any levy limits imposed by home rule charter do not apply to taxes levied to pay the service fee.

Sec. 6. [471A.05] [EXEMPTION FROM PROPERTY TAXES.]

If the service contract provides that property taxes imposed with respect to the related facilities are to be included in the service fee as pass-through costs, the municipality may apply to the commissioner of revenue for an exemption from property taxation of the related facilities. The property is exempt from ad valorem taxation, if the commissioner of revenue determines that the related facilities serve the general public and that similar municipally-owned facilities are exempt from ad valorem property taxation. The commissioner of revenue must notify the assessor that the property is exempt from taxation. The exemption is only effective during the term of the service contract from and after the date of filing the certificate in the case of property taxes. The exemption is not effective with respect to any property taxes levied or imposed but not collected prior to the date of approval of the exemption by the commissioner of revenue.

Sec. 7. [471A.06] [JOINT POWERS AGREEMENT.]

Two or more municipalities may enter into joint powers agreements they consider appropriate under the provisions of section 471.59 for purposes of exercising the powers granted in sections 2 to 13.

Sec. 8. [471A.07] [STATE GRANTS AND LOANS.]

On or before January 1, 1987, the pollution control agency shall submit to the legislature proposed legislation and draft implementing regulations providing for (1) the use by the administrator of unrestricted funds to provide grants and loans for related facilities that constitute wastewater treatment facilities as defined by section 115.71, subdivision 8, and (2) the use of such funding as a means of speeding construction of wastewater treatment facilities and better targeting scarce unrestricted funds to help finance wastewater treatment facilities (including reimbursement of municipalities for a portion of the capital cost component in service contracts under capital cost component loans and capital cost component grants).

Sec. 9. [471A.08] [HEARING.]

Subdivision 1. [PUBLIC HEARING REQUIRED.] Except as provided in subdivision 2, a municipality shall, before entering into a service contract under sections 2 to 13, conduct a public hearing on the proposal to provide specified capital intensive public services under sections 2 to 13. The hearing may be conducted either before or after the date on which any request for proposals is made under section 4, subdivision 3, clause (2). A notice of the hearing shall be published in the local official newspaper of the municipality no less than 15 and no more than 45 days prior to the date set for hearing and shall describe the general nature of the proposal. Any written information developed for the proposal prior to the hearing shall be available to the public for inspection prior to the hearing. The hearing on the proposal shall be sufficient even though the site of the related facilities, the name of the private vendor, and the specific structure of the contractual arrangements with the private vendor are not known at the time of the hearing.

Subd. 2. [EXISTING CONTRACTS.] A municipality that entered into a service contract prior to the effective date of sections 2 to 13 may exercise any of the powers authorized by those sections without complying with subdivision 1.

Sec. 10. [471A.09] [INVESTMENT OF FUNDS.]

Any sums paid to the private vendor under the service contract are not considered public funds and may be invested in any securities in which the private vendor is authorized by law to invest.

Sec. 11. [471A.10] [PUBLIC EMPLOYEE LAWS.]

Unless expressly provided therein, no state law, charter provision, or ordinance of a municipality relating to public employees shall apply to a person solely by reason of that person's employment by a private vendor in connection with services rendered under a service contract.

Sec. 12. [471A.11] [REGULATION OF RATES AND CHARGES AND PUBLIC UTILITY LAWS.]

A municipality may regulate by ordinance, contract, or otherwise the rates and charges imposed by the private vendor with respect to any capital intensive public services provided to the public under the service contract. Whether or not the imposition of such rates and charges is so regulated, no capital intensive public services provided under the service contract are subject to regulation under the provisions of chapter 216B, unless the

municipality elects to subject the services to regulation under that chapter. An election for regulation may be affected by resolution of the governing body of the municipality requesting regulation and filing the resolution with the state public utilities commission.

Sec. 13. [471A.12] [POWERS; ADDITIONAL AND SUPPLEMENTAL.]

The powers conferred by sections 2 to 13 shall be liberally construed in order to accomplish their purposes and shall be in addition and supplemental to the powers conferred by any other law or charter. If any other law or charter is inconsistent with sections 2 to 13, those sections are controlling as to service contracts entered into under those sections. However, nothing in sections 2 to 13 limits or qualifies (1) any other law that a municipality must comply with to obtain any permit in connection with related facilities or (2) any performance standard or effluent limitations applicable to related facilities.

Sec. 14. Minnesota Statutes 1984, section 474.02, is amended by adding a subdivision to read:

Subd. 1h. The term "project" shall also include related facilities as defined by section 3, subdivision 11.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after "of" insert "potable"

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete everything before "proposing" and insert "proposing coding for new law in Minnesota Statutes, chapter 297A;"

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

S.F. No. 1953: A bill for an act relating to crime victims; providing increased protections and rights to victims of crime; increasing the criminal witness fee; providing new procedures for enforcing restitution orders; establishing local victim-witness assistance programs; making a variety of changes to the crime victims reparations act; increasing the membership of the crime victim and witness advisory council; amending Minnesota Statutes 1984, sections 357.22; 357.24; 609.115, subdivision 1c; 609.135, by adding a subdivision; 611A.03, subdivision 1; 611A.04, subdivision 2; 611A.06; 611A.53, subdivision 1, and by adding a subdivision; and 611A.61; and Minnesota Statutes 1985 Supplement, sections 609.101; 611A.52; 611A.53, subdivision 2; 611A.54; 611A.56, subdivision 1; 611A.71, subdivisions 1 and 2; 631.046; and 631.07; proposing coding for new law in Minnesota Statutes, chapters 43A and 611A.

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

Pages 1 and 2, delete sections 1 to 3

Page 2, lines 29 and 30, reinstate the old language and delete the new language

Pages 3 to 7, delete sections 5 to 12

Page 7, delete lines 6 to 9 and insert *"No victim providing testimony in court proceedings may be compelled to state the victim's home or employment address on the record in open court."*

Pages 7 to 8, delete sections 14 to 17

Page 8, line 26, delete "Suplement" and insert "Supplement"

Page 11, delete line 16, and insert *"parts 9502.0315 to 9502.0445, or parts 9545.0510 to 9545.0670,"*

Page 11, line 17, delete "Minnesota"

Page 11, line 18, delete everything before the period, and insert *"section 245.791"*

Page 12, line 4, delete *"in three year installments"* and insert *"for three years or"*

Page 12, line 5, before the period insert *" , whichever is the shorter period"* and delete everything after the period

Page 12, line 6, delete *"years,"* and insert *"After three years, if the child is less than 18 years old"*

Page 12, line 17, delete everything after the headnote

Page 12, line 18, delete the new language

Page 12, delete lines 25 to 28

Page 13, line 30, delete *"unable reasonably"* and after *"have"* insert *"been unable to have"*

Page 14, line 13, delete *"seciton"* and insert *"section"*

Page 15, after line 1, insert:

"No employer may deny an employee an award of benefits based on the employee's eligibility or potential eligibility for reparations."

Page 15, after line 22, insert:

"Sec. 9. Minnesota Statutes 1984, section 611A.57, is amended by adding a subdivision to read:

Subd. 6. Claims for reparations and supporting documents and reports are investigative data and subject to the provisions of section 13.39 until the claim is paid, denied, withdrawn, or abandoned. Following the payment, denial, withdrawal, or abandonment of a claim, the claim and supporting documents and reports are private data on individuals as defined in section 13.02, subdivision 12."

Page 16, delete lines 7 to 14

Pages 16 to 18, delete sections 25 to 28

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to crime victims; providing protections and rights to victims of crime; making changes to the crime victims reparations act; amending Minnesota Statutes 1984, sections 611A.53, subdivision 1, and by adding a subdivision; 611A.57, by adding a subdivision; 611A.61; Minnesota Statutes 1985 Supplement, sections 609.101; 611A.52; 611A.53, subdivision 2; 611A.54; and 611A.56, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A."

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

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

H.F. No. 2317: 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.

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

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

H.F. No. 839: A bill for an act relating to crimes; prohibiting escape from custody by certain mental patients; amending Minnesota Statutes 1984, section 609.485, subdivisions 2, 4, and by adding a subdivision.

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

Page 1, line 23, before the period, insert "*of a crime against the person, as defined in section 253B.02, subdivision 4a*"

Page 2, line 5, delete "14" and insert "30"

Page 2, line 6, delete "*the escape*" and insert "*a reasonable effort has been made to provide written notice to the person that failure to return within 30 days may result in felony charges being filed*"

Page 2, line 18, before the comma, insert "*of a crime against the person, as defined in section 253B.02, subdivision 4a*"

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. 2279: A bill for an act relating to nonprofit corporations; adoption services corporations; providing that pledges to make contributions to reimburse the corporation for expenses shall be voidable at the option of the person making the pledge and payment of expenses shall not be a prerequisite to providing adoption services; amending Minnesota Statutes 1984, section 317.65, subdivision 7.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 1, lines 26 and 27, delete the new language

Page 2, lines 1 and 2, delete the new language

Page 2, line 11, after "pledge" insert "by an adoption applicant"

Page 2, line 12, after "a" insert "voluntary" and delete everything after "contribution"

Page 2, line 13, delete "expenses"

Amend the title as follows:

Page 1, line 4, delete "to reimburse the corporation for"

Page 1, line 5, delete "expenses"

Page 1, line 6, delete "and payment of expenses shall not be" and insert a semicolon

Page 1, delete line 7

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

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

S.F. No. 1621: A bill for an act relating to public indebtedness; permitting the investment of debt service funds in face amount certificates; amending Minnesota Statutes 1985 Supplement, section 475.66, subdivision 3.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1984, section 136.31, subdivision 5, is amended to read:

Subd. 5. Whenever the board shall by resolution determine that there are moneys in the possession of its treasurer not currently needed, or which are set aside in any reserve, the board may in and by such resolution authorize and direct the treasurer to invest a specified amount thereof in treasury bonds or bills, certificates of indebtedness, bonds or notes of the United States of America, or in face amount certificates issued by a face amount certificate investment company registered under the Federal Investment Company Act of 1940 whose face amount certificates are registered under the Federal Securities Act of 1933. Securities so purchased shall be deposited with and held for the board by the board treasurer. Whenever funds so invested are needed by the board it shall direct its treasurer to sell the same or a designated amount thereof. All moneys collected thereon by the board treasurer, as principal, interest, or proceeds of sales, shall be credited to and constitute a part of the fund and account for which the investment was made."

Page 2, after line 21, insert:

"Sec. 3. [CITY OF HUTCHINSON; PUBLIC SAFETY FACILITY.]

Notwithstanding Minnesota Statutes, section 475.65, the city of Hutchinson may by resolution devote the use of any balance of proceeds of the obligations issued to finance construction of the municipal firehall to finance the acquisition and betterment of a police station, without submitting the question to the voters."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for use of bonds proceeds for construction of a municipal public safety facility by the city of Hutchinson;" and after "amending" insert "Minnesota Statutes 1984, section 136.31, subdivision 5;"

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 2252: A bill for an act relating to land surveying; providing for the surveying of lands by a county board; providing for the establishment of an office of county auditor or the assignment of its duties; providing a penalty; amending Minnesota Statutes 1984, sections 381.01; 381.02; 381.03; 381.04; 381.05; 381.06; 381.07; 381.08; 381.09; 381.10; 381.12; 381.13; 389.011; 389.02; 389.03; 389.04; 389.08; Minnesota Statutes 1985 Supplement, section 389.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 381; repealing Minnesota Statutes 1984, section 389.06.

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

Amend the title as follows:

Page 1, line 4, delete "auditor" and insert "surveyor"

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 re-referred

S.F. No. 1998: A bill for an act relating to the city of McIntosh; authorizing the city to issue bonds in excess of its net debt limitations.

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

Page 1, line 13, after the period, insert "Any levy for the payment of debt service on bonds issued pursuant to this act is not subject to the levy limitation of Minnesota Statutes, section 275.11, or any other law."

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 re-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 do pass. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1725: A bill for an act relating to the city of East Grand Forks; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 2238: A bill for an act relating to Hennepin county; creating a county housing and redevelopment authority; applying the provisions of the municipal housing and redevelopment act to Hennepin county; providing for local approval of projects.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1948: A bill for an act relating to natural resources; authorizing watershed management organizations to establish taxing districts within minor watershed units of watersheds; amending Minnesota Statutes 1984, sections 473.882, subdivision 3; 473.883, subdivisions 2, 3, 6, and 7; Minnesota Statutes 1985 Supplement, section 473.882, subdivision 1.

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

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

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.

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 116.48, subdivision 4, is amended to read:

Subd. 4. [DEPOSIT INFORMATION.] Beginning January 1, 1986, and until July 1, 1987, a person who ~~deposits~~ *transfers the title to* regulated substances ~~in to be placed directly into~~ an underground storage tank must inform the owner or operator in writing of the notification requirement of this section.”

Amend the title as follows:

Page 1, line 3, delete everything after the first comma

Page 1, line 4, delete everything before “116.48” and insert “section”

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

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

S.F. No. 2271: A bill for an act relating to state lands; directing transfer of the Croft Mine Park, and all artifacts, machinery, and other personal property used in its operation, to any one or a combination of the city of Ironton, the city of Crosby, and the Croft historical park board.

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

Page 1, line 11, delete “shall” and insert “may”

Page 2, line 19, delete “along with” and insert “*In addition to the real property being transferred the commissioner of administration may transfer*”

Page 2, line 20, delete “its” and after “operation” insert “*of the Croft Mine Park*”

Page 2, lines 21 and 23, delete “shall” and insert “may only”

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

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

S.F. No. 1978: A bill for an act relating to environment; providing terms and conditions for the administration of wastewater treatment plant construction grants and loans; appropriating money; amending Minnesota Statutes 1984, sections 115.07, subdivision 1; 115A.14, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

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

Page 2, line 18, delete “it” and insert “*if requested.*”

Page 2, delete lines 19 and 20

Page 3, delete section 6

Page 5, line 2, delete "8" and insert "7"

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. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 2245: A bill for an act relating to elections; providing for the use of certain optical scan electronic voting systems; amending Minnesota Statutes 1984, sections 203B.08, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 206.

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

Page 1, delete section 1

Page 2, after line 19, insert:

"Subd. 4. [ABSENTEE VOTING.] An optical scan voting system may be used for absentee voting as long as an appropriate marking instrument is supplied to the voter along with the ballot."

Renumber the subdivisions in sequence

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 4

Page 1, line 5, delete everything before "proposing"

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

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

S.F. No. 1854: A bill for an act relating to commerce; regulating securities; regulating the assignment of certain real property loans and the administration of certain escrow accounts; providing certain exemptions; regulating real estate brokers and salespersons; modifying re-examination requirements; providing trust account requirements for licensees acting as principals; granting certain enforcement powers to the commissioner; providing certain remedies; amending Minnesota Statutes 1984, sections 47.20, subdivision 9; 80A.14, subdivision 18; 80A.15, subdivision 1; 82.17, subdivision 4; 82.22, subdivisions 3, 6, and 13; 82.24, subdivision 2; 82.26; 82.27, subdivision 1; 82.33, subdivision 2; and Minnesota Statutes 1985 Supplement, section 80A.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 47.

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

Page 2, line 16, delete "*permitted under the mortgage contract,*"

Page 2, line 18, delete "*may be*" and insert "*is*"

Page 2, line 19, delete "*if the following conditions are satisfied*"

Page 2, line 20, delete "*notifies*" and insert "*shall notify*"

Page 2, line 24, before the semicolon, insert "*and the notification must also include a detailed written financial breakdown, including but not limited to, interest rate, monthly payment amount, and current escrow balance*"

Page 2, line 25, delete "*issues*" and insert "*shall issue*"

Page 2, line 26, delete "*provides*" and insert "*shall provide*"

Page 2, line 30, delete "*. The purchasing*" and insert "*, and*"

Page 2, line 31, delete "*lender*" and delete "*also provide information to*" and insert "*inform*"

Page 2, line 32, after "*regarding*" insert "*the mortgage*"

Page 2, line 33, before the semicolon, insert "*including, but not limited to, interest rate, monthly payment amount, and current escrow balance*"

Page 2, line 34, delete "*agrees to*" and insert "*shall*" and delete "*ten*" and insert "*15*"

Page 2, line 35, after "*to a*" insert "*written*"

Page 2, line 36, delete "*name and*"

Page 3, line 1, delete "*in*" and insert a period

Page 3, delete lines 2 to 4

Page 4, lines 9 to 11, reinstate the stricken language and delete the new language

Page 6, after line 14, insert:

"Sec. 3. Minnesota Statutes 1985 Supplement, section 80A.13, subdivision 1, is amended to read:

Subdivision 1. The commissioner may issue a stop order denying effectiveness to, or suspending or revoking the effectiveness of, any registration statement if he finds (a) that the order is in the public interest and (b) that

(1) the registration statement as of its effective date or as of any earlier date in the case of an order denying effectiveness, or any amendment under section 80A.12, subdivision 9, as of its effective date, or any report under section 80A.12, subdivision 8, is incomplete in any material respect or contains any statement which was, in the light of the circumstances under which it was made, false or misleading with respect to any material fact;

(2) any provision of sections 80A.01 to 80A.31 or any rule, order, or condition lawfully imposed under sections 80A.01 to 80A.31 has been willfully violated in connection with the offering, by (i) the person filing the registration statement, (ii) the issuer, any partner, officer, or director of the issuer, any person occupying a similar status or performing similar functions, or any person directly or indirectly controlling or controlled by the issuer, but

only if the person filing the registration statement is directly or indirectly controlled by or acting for the issuer, or (iii) any underwriter;

(3) the security registered or sought to be registered is the subject of an administrative stop order or similar order or a permanent or temporary injunction of any court of competent jurisdiction entered under any other federal or state act applicable to the offering; but (i) the commissioner may not institute a proceeding against an effective registration statement under this clause more than one year from the date of the order or injunction relied on, and (ii) may not enter an order under this clause on the basis of an order or injunction entered under any other state act unless that order or injunction was based on facts which would currently constitute a ground for a stop order under this section;

(4) the issuer's enterprise or method of business includes or would include activities which are illegal where performed;

(5) the offering has worked or tended to work a fraud upon purchasers or would so operate;

(6) except with respect to securities which are being registered by notification, the terms of the securities are unfair and inequitable; provided, however, that the commissioner may not determine that an offering is unfair and inequitable solely on the grounds that the securities are to be sold at an excessive price where the offering price has been determined by arms length negotiation between nonaffiliated parties. The selling price of any security being sold by a broker-dealer licensed in this state shall be presumed to have been determined by arms length negotiation;

(7) when a security is sought to be registered by coordination there has been a failure to comply with the undertaking required by section 80A.10, subdivision 2, clause (d);

(8) the applicant or registrant has failed to pay the proper filing fee; but the commissioner may enter only a denial order under this clause and he shall vacate any such order when the deficiency has been corrected; or

(9) the offering of securities sought to be registered is not firmly underwritten and (i) the ~~maximum~~ minimum amount of proceeds from the sale of the securities is ~~(i)~~ not more than \$500,000, and (ii) *the maximum amount of proceeds is more than 200 percent of the minimum amount of proceeds required to go forward with the offering.*

The commissioner may not institute a stop order proceeding against an effective registration statement solely on the basis of a fact or transaction known to him when the registration statement became effective unless the proceeding is instituted within the next 30 days."

Page 16, line 5, delete "banking" and insert "financial"

Page 16, line 9, delete the first "or" and insert "of"

Page 17, line 18, after the period, insert "Every salesperson licensed after January 1, 1987, shall, within one year of licensure, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner."

Page 18, line 8, delete "1986" and insert "1987"

Page 18, line 13, strike "within" and delete "one" and insert "each"

Page 20, line 22, delete "may" and insert "shall"

Page 21, after line 25, insert:

"Sec. 15. Minnesota Statutes 1984, section 386.375, is amended to read:

386.375 ~~[ABSTRACT OF TITLE; STORAGE WITHIN MINNESOTA OF ABSTRACTS.]~~

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "lender" means all state banks and trust companies, national banking associations, state and federally chartered savings and loan associations, mortgage banks, mutual savings banks, insurance companies, credit unions making a loan, or any person making a conventional loan as defined under section 47.20, subdivision 2, clause (3), or cooperative apartment loan as defined under section 47.20, subdivision 2, clause (4). A "selling lender" is a lender who sells, assigns, or transfers a loan and/or the servicing of a loan to a "purchasing lender" or "servicing agent."

Subd. 2. [RESPONSIBILITY FOR STORAGE.] Any title company, lender, or anyone other than the mortgagor or fee simple owner holding an abstract of title to Minnesota real estate shall be stored within the state of Minnesota transfer the abstract of title to the mortgagor or fee simple owner of the real estate to which the abstract pertains before August 1, 1987. After August 1, 1987, the abstract of title shall be provided to the mortgagor or fee simple owner at the time of closing. This section does not apply if the holder of the abstract of title is the mortgagor or fee simple owner of the real estate to which the abstract pertains.

Subd. 3. [PENALTIES.] If a title company or lender fails to comply with the requirements of subdivision 2, the mortgagor or fee simple owner has the right to have an abstract made at the expense of the lender or title company holding the abstract."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the second semicolon, insert "requiring storage of abstracts of title within Minnesota;"

Page 1, line 15, after the semicolon insert "386.375;"

Page 1, line 16, delete "section" and insert "sections 80A.13, subdivision 1; and"

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

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

H.F. No. 2427 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2427	2173				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 2170 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2170	1925				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2170 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2170 and insert the language after the enacting clause of S.F. No. 1925, the first engrossment; further, delete the title of H.F. No. 2170 and insert the title of S.F. No. 1925, the first engrossment.

And when so amended H.F. No. 2170 will be identical to S.F. No. 1925, and further recommends that H.F. No. 2170 be given its second reading and substituted for S.F. No. 1925, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2344 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2344	2163				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2344 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2344 and insert the language after the enacting clause of S.F. No. 2163, the first engrossment; further, delete the title of H.F. No. 2344 and insert the title of S.F. No. 2163, the first engrossment.

And when so amended H.F. No. 2344 will be identical to S.F. No. 2163, and further recommends that H.F. No. 2344 be given its second reading and

substituted for S.F. No. 2163, and that the Senate File be indefinitely postponed.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2029, 1953, 2279, 2252, 1998, 1702, 1725, 2238, 1948, 2186, 2271, 2245 and 1854 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2317, 839, 2427, 2170 and 2344 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Stumpf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2233. The motion prevailed.

Mr. Mehrkens moved that the name of Mr. Laidig be added as a co-author to S.F. No. 2240. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 122: A Senate resolution congratulating Jill Scheffert of New Hope upon being selected Minnesota's 1986 Junior Miss.

Referred to the Committee on Rules and Administration.

Mrs. Lantry introduced—

Senate Concurrent Resolution No. 20: A Senate concurrent resolution commending those people responsible for planning and constructing the 1986 St. Paul Winter Carnival ice palace.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 20 be laid on the table. 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. 2265: A bill for an act relating to juvenile justice; providing for membership terms, removal, and filling of vacancies on the juvenile justice advisory committee; amending Minnesota Statutes 1984, section 116J.404.

Mr Merriam moved that the amendment made to H.F. No. 2265 by the Committee on Rules and Administration in the report adopted March 7, 1986, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2265 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 41 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Knaak	Pehler	Sieloff
Anderson	Frederick	Laidig	Peterson, C.C.	Storm
Belanger	Freeman	Lessard	Peterson, D.C.	Stumpf
Benson	Hughes	McQuaid	Peterson, D.L.	Taylor
Bertram	Isackson	Merriam	Peterson, R.W.	Wegscheid
Chmielewski	Johnson, D.E.	Moe, R.D.	Petty	
Davis	Johnson, D.J.	Nelson	Pogemiller	
DeCramer	Jude	Novak	Purfeerst	
Dieterich	Kamrath	Olson	Reichgott	

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Diessner moved that the following members be excused for a Conference Committee on S.F. No. 5 from 10:30 to 11:15 a.m.:

Messrs. Purfeerst; Johnson, D.E. and Diessner. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

S.F. No. 2090: A bill for an act relating to counties; clarifying county commissioner conflict of interest provisions; authorizing counties to develop and market computer software products; providing a method for consolidation of the offices of county auditor and county treasurer; changing certain referendum provisions for adoption of optional forms of county 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 1984, sections 375.09; 375.18, subdivision 7; 375A.11, subdivision 3; 375A.12, subdivisions 3 and 4; and 383C.17; Minnesota Statutes 1985 Supplement, section 386.77; proposing coding for new law in Minnesota Statutes, chapter 375; repealing Minnesota Statutes 1984, sections 394.01 to 394.05.

Mrs. Adkins moved to amend S.F. No. 2090 as follows:

Page 2, line 24, delete "provide" and insert "sell or license"

Page 2, line 25, delete "to other than Minnesota counties" and insert "either on competitive bids or in the open market, in the discretion of the county board"

Page 2, line 32, after "code" insert ", object code,"

Page 5, after line 3, insert:

"Sec. 12. [EFFECTIVE DATE.]

Section 1 does not become effective for any county commissioner currently holding two elected offices until the term of one of the offices expires."

The motion prevailed. So the amendment was adopted.

S.F. No. 2090 was read the third time, as amended, and placed on its final

passage.

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

The roll was called, and there were yeas 52 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kroening	Olson	Samuelson
Anderson	Frederick	Kronebusch	Pehler	Schmitz
Belanger	Freeman	Laidig	Peterson, C.C.	Sieloff
Benson	Hughes	Lantry	Peterson, D.C.	Spear
Berg	Isackson	Lessard	Peterson, D.L.	Storm
Berglin	Johnson, D.E.	Luther	Peterson, R.W.	Stumpf
Bertram	Johnson, D.J.	McQuaid	Petty	Taylor
Chmielewski	Jude	Mehrkins	Pogemiller	Willet
Davis	Kamrath	Moe, R.D.	Ramstad	
Dicklich	Knaak	Nelson	Reichgott	
Dieterich	Knutson	Novak	Renneke	

Messrs. DeCramer and Merriam voted in the negative.

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

SPECIAL ORDER

S.F. No. 1580: A bill for an act relating to human services; requiring adoption of the 1985 life safety code standards for intermediate care facilities for persons with mental retardation.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1704: A bill for an act relating to vital statistics; authorizing Minneapolis and Hennepin county to merge their registration districts; amending Minnesota Statutes 1984, section 144.214, subdivision 1.

Mr. Kroening moved to amend S.F. No. 1704 as follows:

Page 2, after line 1, insert:

“Sec. 3. [HENNEPIN COUNTY HOUSING AND REDEVELOPMENT

AUTHORITY.]

Subdivision 1. A public body corporate and politic to be known as the Hennepin county housing and redevelopment authority is created in the county of Hennepin. It shall have all of the powers and duties of a housing and redevelopment authority under the municipal housing and redevelopment act, Minnesota Statutes, sections 462.411 to 462.716. For the purposes of applying the municipal housing and redevelopment act to Hennepin county, the county has all of the powers and duties of a municipality, the county board has all the powers and duties of a governing body, the chairman of the county board has all of the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.

Subd. 2. This act does not limit or restrict any existing housing and redevelopment authority or prevent a municipality from creating an authority. The county authority shall not exercise its powers in a municipality where a municipal housing and redevelopment authority is established pursuant to Minnesota Statutes, section 462.425. If a municipal housing and redevelopment authority requests the county housing and redevelopment authority to perform any function of the municipal authority, the county authority may do so.

Sec. 4. [LOCAL APPROVAL.]

If a housing or redevelopment project is undertaken in Hennepin county pursuant to this act, and if all or any part of the area in which the proposed project is located is within the boundaries of a home rule charter or statutory city, the governing body of the city must approve the project before it is undertaken."

Page 2, line 3, delete "This act is" and insert "Sections 1 and 2 are"

Page 2, line 6, after the period, insert "Sections 3 and 4 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Hennepin county board."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1704 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 54 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Kroening	Olson	Samuelson
Anderson	Dieterich	Kronebusch	Pehler	Schmitz
Belanger	Frank	Laidig	Peterson, C.C.	Sieloff
Benson	Frederick	Lantry	Peterson, D.C.	Spear
Berg	Frederickson	Lessard	Peterson, D.L.	Storm
Berglin	Hughes	Luther	Peterson, R.W.	Stumpf
Bertram	Isackson	McQuaid	Petty	Taylor
Chmielewski	Johnson, D.E.	Mehrkins	Pogemiller	Waldorf
Dahl	Jude	Merriam	Purfeerst	Wegscheid
Davis	Kamrath	Moe, R.D.	Ramstad	Willet
DeCramer	Knutson	Novak	Reichgott	

Mr. Knaak voted in the negative.

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

SPECIAL ORDER

S.F. No. 1707: A bill for an act relating to health; providing for an annual resource directory on services to individuals with brain impairment; reconvening the task force on needs for persons with brain impairment; amending Minnesota Statutes 1984, sections 256E.03, by adding a subdivision; 256E.09, subdivision 3; Minnesota Statutes 1985 Supplement, section 256.01, subdivision 2.

Mr. Diessner moved to amend S.F. No. 1707 as follows:

Page 5, after line 8, insert:

“Sec. 2. Minnesota Statutes 1984, section 256B.04, is amended by adding a subdivision to read:

Subd. 16. [ORGAN TRANSPLANTS.] The commissioner shall monitor and follow outcomes of organ transplant procedures and related medical care paid for by the medical assistance program and set standards for the approval of and payment for transplant procedures and related care using criteria recommended by the national center for health services research and health care technology assessment and other relevant information including data concerning long-term cost-effectiveness. To the extent allowed by federal law, the commissioner shall not approve payment for experimental transplant procedures.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert “requiring the commissioner of health to monitor and establish standards for organ transplant procedures under the medical assistance program;”

Page 1, line 6, after “sections” insert “256B.04, by adding a subdivision;”

The motion prevailed. So the amendment was adopted.

S.F. No. 1707 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 871: A bill for an act relating to health; authorizing the commissioner of health to inspect certain business premises; providing for disclosure of hazardous substances information in certain cases; proposing coding for new law in Minnesota Statutes, chapter 145.

Mr. Pehler moved to amend S.F. No. 871 as follows:

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

Page 2, line 3, delete "*to section 13.02, subdivision 9,*" and insert "*, including data made nonpublic by law,*"

Page 2, line 21, before the period, insert "*except for patient health records subject to section 144.355*"

The motion prevailed. So the amendment was adopted.

S.F. No. 871 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 48 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Langseth	Peterson, C.C.	Schmitz
Anderson	Frederick	Lantry	Peterson, D.C.	Sieloff
Belanger	Freeman	Luther	Peterson, R.W.	Solon
Berglin	Gustafson	McQuaid	Petty	Spear
Chmielewski	Hughes	Mehrkens	Pogemiller	Storm
Dahl	Johnson, D.E.	Merriam	Purfeerst	Stumpf
Davis	Jude	Moe, D.M.	Ramstad	Waldorf
DeCramer	Knutson	Moe, R.D.	Reichgott	Willet
Dicklich	Kroening	Novak	Renneke	
Dieterich	Laidig	Pehler	Samuelson	

Those who voted in the negative were:

Benson	Bertram	Kamrath	Kronebusch	Peterson, D.L.
Berg	Isackson			

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

SPECIAL ORDER

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

Mr. Sieloff moved to amend S.F. No. 1735 as follows:

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1984, section 524.3-805, is amended to read:

524.3-805 [CLASSIFICATION OF CLAIMS.]

(a) If the applicable assets of the estate are insufficient to pay all claims in full, the personal representative shall make payment in the following order:

- (1) costs and expenses of administration;
- (2) reasonable funeral expenses;
- (3) debts and taxes with preference under federal law;
- (4) reasonable and necessary medical and hospital expenses of the last illness of the decedent, including compensation of persons attending him and including a claim filed pursuant to section 256B.15, and any reasonable and necessary outstanding nursing home costs;
- (5) debts with preference under other laws of this state, and state taxes;
- (6) all other claims.

(b) No preference shall be given in the payment of any claim over any other claim of the same class, and a claim due and payable shall not be entitled to a preference over claims not due, except that if claims for expenses of the last illness involve only claims filed under section 246.53 for costs of state hospital care and claims filed under section 256B.15, claims filed under section 246.53 have preference over claims filed under section 256B.15."

Page 2, after line 35, insert:

"Sec. 4. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment for claims filed on or after the effective date of section 2."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "allowing nursing home care costs to be a claim of the same class as medical and hospital expenses;"

Page 1, line 6, before "and" insert "524.3-805;"

The motion prevailed. So the amendment was adopted.

S.F. No. 1735 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 2082: A bill for an act relating to human services; excluding

certain programs from licensing requirements; amending Minnesota Statutes 1984, section 245.791.

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 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Langseth	Peterson, D.C.	Spear
Belanger	Freeman	Lantry	Peterson, R.W.	Storm
Benson	Hughes	Luther	Petty	Stumpf
Berglin	Isackson	McQuaid	Pogemiller	Taylor
Bertram	Johnson, D.E.	Mehrkens	Purfeerst	Vega
Brataas	Jude	Merriam	Ramstad	Waldorf
Chmielewski	Kamrath	Moe, D.M.	Reichgott	Wegscheid
Davis	Knutson	Novak	Samuelson	Willett
DeCramer	Kroening	Olson	Schmitz	
Dicklich	Kronebusch	Pehler	Sieloff	
Frank	Laidig	Peterson, C.C.	Solon	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1789: A bill for an act relating to municipal civil service systems; personnel boards; permitting city councils to set the compensation of board members and secretaries; providing that certain positions in the city of Minneapolis be appointed in the unclassified service; amending Minnesota Statutes 1984, section 44.04, subdivision 4; and Laws 1969, chapter 937, section 1, subdivisions 1, as amended, 9, as amended, 11 and 15, and by adding subdivisions:

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1801: A bill for an act relating to criminal procedure; providing for in camera hearings on certain evidentiary issues in criminal sexual con-

duct cases; amending Minnesota Statutes 1984, section 609.347, subdivision 4.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1808: A bill for an act relating to labor; regulating grants to area labor-management committees; amending Minnesota Statutes 1985 Supplement, sections 179.81, subdivision 2, and by adding a subdivision; 179.84; and 179.85.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1940: A bill for an act relating to local government; regulating payment of severance pay; amending Minnesota Statutes 1984, section 465.72.

Mr. Dicklich moved to amend S.F. No. 1940 as follows:

Page 2, line 5, delete "provision" and insert "provisions"

Page 2, line 6, delete "within" and insert "over a period not to exceed" and delete "of" and insert "from"

Page 2, line 7, delete "the provisions of"

Page 2, line 8, delete everything before "limiting"

Page 2, line 9, delete the third "to"

Page 2, delete line 10 and insert "constituting compensation for"

Page 2, line 11, delete "that is used to make" and insert "in the form of periodic" and delete "on"

Page 2, line 12, delete everything before "toward"

Page 2, line 13, after "provided" insert "for a former employee" and delete "the" and insert "a"

Page 2, line 14, delete "payments made prior to" and insert "periodic contributions that have commenced before"

Page 2, line 15, delete "to payments" and insert "that are required" and after "contracts" insert "or, with respect to employees not covered by contracts, personnel policies, formally adopted by the governing body of the governmental subdivision,"

Page 2, line 16, after the period, insert "After the effective date of this act, a governmental subdivision may not enter into a contract or adopt a personnel policy providing for a payment in violation of subdivision 1. A personnel policy or portion of a personnel policy in existence on the effective date of this act and providing for a payment in violation of subdivision 1 is null and void (i) upon the expiration of a collective bargaining agreement containing a similar provision and covering employees of the governmental subdivision that has adopted the policy, or (ii) two years from the effective date of this act, whichever is earlier."

Page 2, line 16, after "payments" delete "of"

Page 2, line 17, delete "severance pay made" and delete "according to" and insert "in accordance with"

Page 2, after line 19, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

S.F. No. 1940 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

S.F. No. 1581: A bill for an act relating to human services; establishing requirements for the regulation of child day care; prohibiting local governments from establishing special fire code requirements for small family day care homes; limiting the liability of municipalities for licensing activities; providing for indemnification of municipalities by the state; establishing a task force; requiring reports; amending Minnesota Statutes 1984, sections 245.802, subdivision 1; 299F.011, subdivision 4a; and 466.03, by adding a subdivision; proposing code for new law in Minnesota Statutes, chapters 245 and 466.

Mr. Stumpf moved to amend S.F. No. 1581 as follows:

Pages 1 to 3, delete section 1

Page 5, line 11, after "(3)" insert "*with respect to requests from providers in cities or towns that have populations of under 5,000 persons, give priority to requests for licenses of substantial compliance;*

(4)"

Page 5, line 15, delete "(4)" and insert "(5)"

Page 5, line 17, delete "(5)" and insert "(6)"

Page 5, line 20, delete "(6)" and insert "(7)"

Page 5, line 22, delete "(7)" and insert "(8)"

Page 5, line 24, delete "(8)" and insert "(9)"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 1581 as follows:

Page 7, line 11, before the period, insert "*, unless the municipality had actual knowledge of a failure to meet licensing standards that resulted in a dangerous condition that foreseeably threatened the plaintiff*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1581 was read the third time, as amended, and placed on its final

passage.

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

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

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

SPECIAL ORDER

S.F. No. 2086: A bill for an act relating to tax-forfeited lands; providing a conveyance of tax-forfeited land in St. Louis county.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1800: A bill for an act relating to local government; authorizing the counties of Becker, Grant, Hubbard, Otter Tail, Stevens, Todd, Traverse, Wadena, and Wilkin to enter into contracts and agreements for solid waste management.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2159: A bill for an act relating to the environment; disapproving a nuclear waste repository in Minnesota; approval of new nuclear power plants; requiring nuclear power plants to be decommissioned by December 31, 1990; proposing coding for new law in Minnesota Statutes, chapter 116C.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2094: A bill for an act relating to nonprofit corporations; providing for succession of fiduciary capacity in mergers and consolidations; clarifying authority for separate entities to hold church employee benefit plans; amending Minnesota Statutes 1984, sections 317.38; and 317.66, subdivision 1, and by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Laidig	Novak	Renneke
Anderson	Frederick	Langseth	Pehler	Schmitz
Belanger	Frederickson	Lantry	Peterson, C.C.	Sieloff
Berg	Gustafson	Lessard	Peterson, D.C.	Solon
Berglin	Hughes	Luther	Peterson, D.L.	Spear
Bertram	Isackson	McQuaid	Peterson, R.W.	Storm
Chmielewski	Johnson, D.E.	Mehrkins	Petty	Stumpf
Dahl	Johnson, D.J.	Merriam	Pogemiller	Vega
Davis	Jude	Moe, D.M.	Purfeerst	Waldorf
DeCramer	Kamrath	Moe, R.D.	Ramstad	Wegscheid
Dicklich	Kroening	Nelson	Reichgott	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1852: A bill for an act relating to cemeteries; changing procedures for dealing with certain burial sites; increasing a penalty; amending Minnesota Statutes 1984, section 307.08.

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 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Nelson	Reichgott
Anderson	DeCramer	Kroening	Novak	Samuelson
Belanger	Dieterich	Laidig	Pehler	Schmitz
Benson	Frank	Langseth	Peterson, C.C.	Solon
Berg	Frederick	Lantry	Peterson, D.C.	Spear
Berglin	Frederickson	Lessard	Peterson, R.W.	Stumpf
Bertram	Gustafson	Luther	Petty	Vega
Chmielewski	Hughes	Merriam	Pogemiller	Waldorf
Dahl	Isackson	Moe, R.D.	Purfeerst	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1619: A bill for an act relating to civil actions; providing a cause of action for sexual exploitation; proposing coding for new law as Minnesota Statutes, chapter 148A.

Mr. Spear moved to amend S.F. No. 1619 as follows:

Page 3, line 24, after "of" insert "*the psychotherapist or*"

Page 4, line 12, delete "*paragraph (b)*" and insert "*this section*"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend S.F. No. 1619 as follows:

Page 4, delete section 5

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 34 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kamrath	Merriam	Renneke
Anderson	DeCramer	Kronebusch	Moe, R. D.	Schmitz
Belanger	Frank	Laidig	Pehler	Sieloff
Benson	Frederickson	Langseth	Peterson, D. L.	Stumpf
Berg	Gustafson	Lessard	Peterson, R. W.	Taylor
Bertram	Isackson	McQuaid	Petty	Wegscheid
Chmielewski	Jude	Mehrkens	Purfeerst	

Those who voted in the negative were:

Berglin	Hughes	Moe, D. M.	Peterson, D. C.	Samuelson
Dahl	Lantry	Novak	Pogemiller	Spear
Dieterich	Luther	Peterson, C. C.	Reichgott	Willet

The motion prevailed. So the amendment was adopted.

S.F. No. 1619 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Pehler	Schmitz
Anderson	Dieterich	Laidig	Peterson, C. C.	Sieloff
Belanger	Frank	Langseth	Peterson, D. C.	Spear
Benson	Frederickson	Lantry	Peterson, D. L.	Stumpf
Berg	Gustafson	Lessard	Peterson, R. W.	Taylor
Berglin	Hughes	Luther	Petty	Waldorf
Bertram	Isackson	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D. E.	Mehrkens	Purfeerst	Willet
Dahl	Jude	Merriam	Reichgott	
Davis	Kamrath	Moe, R. D.	Renneke	
DeCramer	Kroening	Novak	Samuelson	

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

SPECIAL ORDER

S.F. No. 1196: A bill for an act relating to child care; establishing child care resource and referral programs; amending Minnesota Statutes 1984, sections 245.83, by adding a subdivision; and 245.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kronebusch	Pehler	Samuelson
Anderson	Dieterich	Laidig	Peterson, C. C.	Schmitz
Belanger	Frank	Lantry	Peterson, D. C.	Sieloff
Benson	Frederickson	Lessard	Peterson, D. L.	Spear
Berg	Freeman	Luther	Peterson, R. W.	Stumpf
Berglin	Hughes	McQuaid	Petty	Taylor
Bertram	Isackson	Mehrkens	Pogemiller	Waldorf
Chmielewski	Johnson, D. E.	Merriam	Purfeerst	Wegscheid
Dahl	Jude	Moe, D. M.	Ramstad	Willet
Davis	Knaak	Moe, R. D.	Reichgott	
DeCramer	Kroening	Novak	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1807: A bill for an act relating to local government; providing for the coordination of various development authorities in the city of Moorhead and Clay county.

Mr. Langseth moved to amend H.F. No. 1807 as follows:

Page 8, after line 30, insert:

"Sec. 10. [MOORHEAD POLICE.]

Notwithstanding any other law or charter provision, the chief of police and deputy chief of police of the city of Moorhead are not subject to the jurisdiction of the Moorhead police civil service commission and are exempt from the police civil service system adopted by the city of Moorhead pursuant to Minnesota Statutes, chapter 419."

Page 9, after line 1, insert:

"Section 10 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Moorhead. Section 10 shall not apply to any incumbent holding the position of chief of police or deputy chief of police on the effective date of section 10."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "county" insert "; providing an exception from the Moorhead police civil service system for the chief and deputy chief of police"

The motion prevailed. So the amendment was adopted.

H.F. No. 1807 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

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

SPECIAL ORDER

S.F. No. 1730: A bill for an act relating to theft; modifying circumstances

justifying detention of suspects in business establishments; modifying immunity from liability for detention; amending Minnesota Statutes 1985 Supplement, section 629.366, subdivisions 1 and 3.

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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Kroening	Olson	Reichgott
Benson	Frank	Kronebusch	Pehler	Renneke
Berg	Frederickson	Laidig	Peterson, C.C.	Schmitz
Berglin	Freeman	Lantry	Peterson, D.C.	Sieloff
Bertram	Hughes	Lessard	Peterson, D.L.	Spear
Brataas	Isackson	Luther	Peterson, R.W.	Stumpf
Chmielewski	Johnson, D.J.	McQuaid	Petty	Taylor
Dahl	Jude	Merriam	Pogemiller	Waldorf
Davis	Kamrath	Moe, D.M.	Purfeerst	Wegscheid
DeCramer	Knaak	Novak	Ramstad	Willet

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1879: A bill for an act relating to alcoholic beverages; authorizing cities to issue temporary off-sale licenses for the sale of vintage wine at auctions; amending Minnesota Statutes 1985 Supplement, section 340A.405, by adding a subdivision.

Mr. Waldorf moved to amend S.F. No. 1879 as follows:

Page 1, after line 8, insert:

“Section 1. Minnesota Statutes 1985 Supplement, section 340A.312, is amended to read:

340A.312 [JOINT PURCHASES; VOLUME PRICES.]

Subdivision 1. [JOINT PURCHASES.] The joint purchase by two or more licensed retailers of ~~up to 300, 1.75 liter or smaller, bottles of~~ distilled spirits or wine for resale to the public is lawful.

Subd. 2. [VOLUME PRICES.] A variable volume price offered by a wholesaler to a licensed retailer on sales of distilled spirits or wine ~~may not be for a quantity of more than 300 one-liter or smaller bottles is lawful.~~

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “eliminating the restrictions for joint purchases and volume discounts;”

Page 1, line 5, delete “section” and insert “sections 340A.312; and”

Mr. Dieterich questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Bertram moved to amend S.F. No. 1879 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1985 Supplement, section 340A.308, is amended to read:

340A.308 [PROHIBITED TRANSACTIONS.]

(a) No brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

- (1) give, or lend money, credit, or other thing of value to a retailer;
- (2) give, lend, lease, or sell furnishing or equipment to a retailer;
- (3) have an interest in a retail license; or
- (4) be bound for the repayment of a loan to a retailer.

(b) This section does not prohibit a manufacturer or wholesaler from:

(1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to \$100 excluding installation and repair costs;

(2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to \$100 in a year;

(3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to \$100 per tap in a year;

(4) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or nonintoxicating malt liquor at retail; or

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, *or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only.*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1879 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

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.

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 53 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Kronebusch	Olson	Samuelson
Belanger	Frank	Laidig	Pehler	Schmitz
Benson	Frederickson	Lantry	Peterson, D.C.	Sieloff
Berglin	Freeman	Lessard	Peterson, D.L.	Spear
Bertram	Hughes	Luther	Peterson, R.W.	Storm
Brataas	Isackson	McQuaid	Petty	Stumpf
Chmielewski	Jude	Mehrkens	Pogemiller	Taylor
Dahl	Kamrath	Merriam	Purfeerst	Waldorf
Davis	Knaak	Moe, R.D.	Ramstad	Willet
DeCramer	Knutson	Nelson	Reichgott	
Dicklich	Kroening	Novak	Renneke	

Mrs. Adkins voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

Mrs. Lantry moved to amend S.F. No. 1884 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 504.22, is amended by adding a subdivision to read:

Subd. 4b. [PESTICIDE DISCLOSURE STATEMENT.] It shall be the duty of any person applying rodenticide to any residential rental unit to provide written notice of the application to an adult resident of any occupied unit, or if no adult resident is present, the notice may be left on the unit door. The notification must list the names of any rodenticides that will be applied within the unit and contain the name and the address of the person or firm applying the rodenticide. A label or package wrapper bearing the required information is sufficient notification.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for rodenticides applied on or after January 1, 1987."

The motion prevailed. So the amendment was adopted.

Mr. Frank moved to amend the Lantry amendment to S.F. No. 1884,

adopted by the Senate March 10, 1986, as follows:

Page 1, after line 2, insert:

"Section 1. Minnesota Statutes 1984, section 116J.27, subdivision 4, is amended to read:

Subd. 4. [INSPECTIONS.] The commissioner shall conduct inspections on a random basis for compliance with the provisions of subdivision 3. The commissioner may authorize a municipality, with its consent, to conduct the inspections within the municipality's jurisdiction, or to otherwise enforce the provisions of subdivision 3. Any municipality which conducts an inspections or other enforcement program shall have authority under *subdivision 4a and all subdivisions of section 116J.30* to enforce the provisions of subdivision 3; provided that 100 percent of the penalties for violation of subdivision 3 shall be paid to the municipality. With respect to low-rent housing owned by a public housing authority or a housing and redevelopment authority described in chapter 462, the commissioner or the municipality which conducts the inspection shall submit the results of the inspection to the housing and redevelopment authority or the public housing authority for review. If the housing and redevelopment authority or the public housing authority does not concur in the findings of the commissioner or the municipality, then the housing and redevelopment authority or the public housing authority and the commissioner or the municipality shall select a mutually acceptable independent third party or panel of experts knowledgeable in the area of energy conservation. The results of the inspection, the conclusions of the commissioner or the municipality as to compliance with the standards established pursuant to subdivision 1, and the basis for such conclusions, and the position of the housing and redevelopment authority or the public housing authority and the basis for such position shall be submitted to the independent third party or panel for a determination of the specific energy conservation measures which must be completed for compliance with the standards established pursuant to subdivision 1. The costs of the independent third party or panel shall be paid equally by the housing and redevelopment authority or the public housing authority and the commissioner or the municipality.

Sec. 2. Minnesota Statutes 1984, section 116J.27, subdivision 4a, is amended to read:

Subd. 4a. [ENFORCEMENT AFTER INSPECTION.] If the commissioner or municipality determines, after an inspection conducted by or on behalf of the department or municipality, that a renter-occupied residence is not in compliance with the standards prescribed pursuant to subdivision 1, the commissioner or municipality may issue to the owner of the renter-occupied residence or the owner's agent a determination of noncompliance and may commence a contested case proceeding under ~~sections 14.57 to 14.62~~ *chapter 14*. The determination shall (1) specify the reasons for the determination, (2) include a copy of the inspection report, (3) state the actions that must be taken to bring the residence into compliance with the standards, (4) state that if the residence is not brought into compliance with the standards within 90 days following the date of the determination, a contested case proceeding will be commenced, and (5) specify a fine that will be assessed upon the conclusion of the contested case proceeding in the absence of a showing of good cause in that proceeding. The contested case proceed-

ing hearing shall be held in the county in which the renter-occupied residence is located. Notwithstanding the provisions of sections 14.50 and 14.61, the administrative law judge in the contested case proceeding shall make findings of fact and conclusions of law and issue a decision, and if the administrative law judge decides that the residence is not in compliance with the standards, the administrative law judge shall enter an order directing the owner to take such affirmative action as in the judgment of the administrative law judge will effectuate the purposes of section 116J.27. *A municipality electing to proceed under this subdivision is authorized to enter into a contract with the office of administrative hearings pursuant to section 14.55.*"

Page 1, line 16, delete "1" and insert "3"

Renumber the sections in sequence

Amend the title of S.F. No. 1884 as follows:

Page 1, line 2, after the semicolon, insert "clarifying the authority of a municipality to enforce certain energy efficiency standards;"

Page 1, line 4, delete "section" and insert "sections 116J.27, subdivisions 4 and 4a; and"

Mr. Benson questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

S.F. No. 1884 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 54 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Frederick	Knutson	Peterson, D.L.	Renneke
Brataas	Kamrath	Kronebusch		

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

SPECIAL ORDER

S.F. No. 2111: A bill for an act relating to labor; creating the labor interpretative center; establishing an advisory council governing policies and program purposes.

Mr. Benson moved to amend S.F. No. 2111 as follows:

Page 1, delete subdivision 1

Renumber the subdivisions in sequence

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

S.F. No. 2111 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 58 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mr. Kamrath, Ms. Olson and Mr. Ramstad voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1962: A bill for an act relating to taxation; property; changing the payment date for taxes on certain manufactured homes; amending Minnesota Statutes 1984, section 274.19, subdivision 5; Minnesota Statutes 1985 Supplement, section 274.19, subdivisions 3 and 4.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1963: A bill for an act relating to metropolitan government;

changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1984, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1984, section 473.517, subdivisions 4, 5, and 7.

Mr. Benson moved to amend S.F. No. 1963 as follows:

Page 5, line 24, delete "*the commission*" and insert "*section 15.059*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1963 was then progressed.

SPECIAL ORDER

S.F. No. 1671: A bill for an act relating to the city of Minneapolis; authorizing the city to construct and own certain facilities; authorizing the city to levy and collect certain taxes; authorizing the city to issue bonds and expend certain funds including taxes to finance the acquisition and betterment of a convention center and related facilities.

Ms. Berglin moved to amend S.F. No. 1671 as follows:

Page 2, line 24, delete "*October 9, 1985, and adopted October 25, 1985*" and insert "*March 8, 1986*"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 1671 as follows:

Page 6, after line 35, insert:

"Sec. 7. [LEGISLATIVE INTENT.]

In enacting sections 1 to 6 the legislature intends to dispose of the matter of financing for the convention center. Financial assistance from the state shall in no event be used to replace revenues not forthcoming from city sources for any reason."

Renumber the sections in sequence.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 30, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Jude	Lessard	Renneke
Anderson	Frederick	Kamrath	McQuaid	Sieloff
Berg	Frederickson	Knaak	Mehrkens	Storm
Bertram	Gustafson	Knutson	Olson	Taylor
Brataas	Isackson	Kronebusch	Peterson, D.L.	Wegscheid
Dahl	Johnson, D.E.	Laidig	Ramstad	

Those who voted in the negative were:

Berglin	Freeman	Luther	Peterson, C.C.	Schmitz
Davis	Hughes	Merriam	Peterson, D.C.	Spear
DeCramer	Johnson, D.J.	Moe, D.M.	Peterson, R.W.	Stumpf
Dicklich	Kroening	Moe, R.D.	Petty	Vega
Dieterich	Langseth	Nelson	Pogemiller	Waldorf
Frank	Lantry	Pehler	Samuelson	Willet

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

Mr. Kroening moved to amend S.F. No. 1671 as follows:

Page 5, lines 12, 14, and 16 delete "city" and insert "downtown taxing area"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Dieterich	Knutson	Purfeerst	Willet
Benson	Frederickson	Kroening	Renneke	
Berg	Isackson	Kronebusch	Sieloff	
Bertram	Johnson, D.J.	Petty	Solon	
Dicklich	Kamrath	Pogemiller	Vega	

Those who voted in the negative were:

Adkins	Gustafson	Lessard	Pehler	Spear
Berglin	Hughes	Luther	Peterson, C.C.	Storm
Dahl	Johnson, D.E.	McQuaid	Peterson, D.C.	Stumpf
Davis	Jude	Merriam	Peterson, D.L.	Waldorf
DeCramer	Knaak	Moe, R.D.	Peterson, R.W.	Wegscheid
Diessner	Laidig	Nelson	Ramstad	
Frank	Langseth	Novak	Reichgott	
Freeman	Lantry	Olson	Schmitz	

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

Mr. Petty moved to amend S.F. No. 1671 as follows:

Page 2, line 30, before "The" insert "Subdivision 1. [ACTIVITIES; CONTRACTS.]"

Page 3, after line 27, insert:

"Subd. 2. [LIMITATION ON EXPENDITURES.] A reasonable estimate for demolition and construction costs under construction contracts, not including costs for construction managers, architectural, engineering, and other professional fees, insurance, bonds, permits, licenses, taxes, and similar costs for constructing or improving the convention facilities may not require more than \$118,000,000 in public funds."

Page 5, after line 27, insert:

"A tax may be imposed under this section only if the taxes imposed under section 5 are imposed at the maximum rate allowed under that section. The maximum rate of a tax under this section shall be no more than the highest one-tenth of one percent necessary to produce revenue needed to finance the cost of the facility as limited in section 3, subdivision 2, after imposition of the taxes imposed under section 5."

Mr. Spear requested division of the Petty amendment to S.F. No. 1671 as follows:

First Portion:

Page 5, after line 27, insert:

"A tax may be imposed under this section only if the taxes imposed under section 5 are imposed at the maximum rate allowed under that section."

Second Portion:

Page 2, line 30, before "The" insert "Subdivision 1. [ACTIVITIES; CONTRACTS.]"

Page 3, after line 27, insert:

"Subd. 2. [LIMITATION ON EXPENDITURES.] A reasonable estimate for demolition and construction costs under construction contracts, not including costs for construction managers, architectural, engineering, and other professional fees, insurance, bonds, permits, licenses, taxes, and similar costs for constructing or improving the convention facilities may not require more than \$118,000,000 in public funds."

Page 5, after line 27, insert:

"The maximum rate of a tax under this section shall be no more than the highest one-tenth of one percent necessary to produce revenue needed to finance the cost of the facility as limited in section 3, subdivision 2, after imposition of the taxes imposed under section 5."

The question was taken on the adoption of the first portion of the amendment. The motion prevailed. So the first portion of the amendment was adopted.

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

The roll was called, and there were yeas 42 and nays 19, as follows:

Those who voted in the affirmative were:

Anderson	Gustafson	Laidig	Petty	Stumpf
Benson	Isackson	Langseth	Purfeerst	Taylor
Berg	Johnson, D.E.	Lessard	Ramstad	Vega
Bertram	Jude	McQuaid	Renneke	Waldorf
Brataas	Kamrath	Mehrkens	Samuelson	Wegscheid
Dahl	Knaak	Moe, D.M.	Schmitz	Willet
Dicklich	Knutson	Olson	Sieloff	
Dieterich	Kroening	Peterson, D.L.	Solon	
Frederickson	Kronebusch	Peterson, R.W.	Storm	

Those who voted in the negative were:

Adkins	DeCramer	Lantry	Nelson	Pogemiller
Berglin	Frank	Luther	Pehler	Reichgott
Chmielewski	Frederick	Merriam	Peterson, C.C.	Spears
Davis	Hughes	Moe, R.D.	Peterson, D.C.	

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

S.F. No. 1671 was then progressed.

SPECIAL ORDER

S.F. No. 1974: A bill for an act relating to probate; providing for the exclusion of the homestead from the augmented estate; providing for the inclusion of certain insurance and other items in the augmented estate; amending Minnesota Statutes 1985 Supplement, sections 524.2-109; 524.2-202; 524.2-205; and 525.145.

Mr. Sieloff moved to amend S.F. No. 1974 as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1984, section 501.125, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROPERTIES AND INVESTMENTS.] (a) In acquiring, investing, reinvesting, exchanging and managing property, a trustee is authorized to acquire every kind of property, real, personal or mixed, and every kind of investment, specifically including, but not by way of limitation, bonds, debentures and other individual or corporate obligations, mutual funds, and corporate stocks, ~~which an ordinarily prudent person of discretion and intelligence, who is a trustee of the property of others, would acquire as such trustee.~~ A trustee, in determining the prudence of a particular investment, shall consider the role that the proposed investment or investment course of action plays within the overall portfolio of assets. In applying the total asset management approach, a trustee shall exercise the judgment and care under the circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds. If the trustee has special skills or expertise or if the trustee holds itself out as having special skills or expertise, the trustee is under a duty to use those skills or expertise.

(b) Except as may be provided to the contrary in the instrument, the following are among the factors that should be considered by a trustee in applying the total asset management approach:

- (1) the probable income as well as the probable safety of the capital;
- (2) marketability of investments;
- (3) length of the term of investments;
- (4) duration of the trust;
- (5) liquidity needs;
- (6) requirements of the beneficiary or beneficiaries;
- (7) other assets of the beneficiary or beneficiaries, including earning capacity; and
- (8) effect of investments in increasing or diminishing liability for taxes.

Sec. 2. Minnesota Statutes 1984, section 501.125, is amended by adding a subdivision to read:

Subd. 1a. [INVESTMENT IN CERTAIN GROWTH ENTERPRISES.] Subject to the standards of subdivision 1, a trustee is authorized to invest in new, unproven, untried, or other enterprises with a potential for significant growth whether producing a current return, either by investing directly or by investing as a limited partner or otherwise in one or more commingled funds which in turn invest primarily in those enterprises. The aggregate amount of investments held by a trustee under the authority of this subdivision valued at cost may not exceed ten percent of the net fair market value of the trust corpus, including investments made under the authority of this section valued at fair market value, immediately after the investment is made. Any investment that would have been authorized by this subdivision if it had been

in effect at the time the investment was made is authorized by this subdivision.

Sec. 3. Minnesota Statutes 1985 Supplement, section 501.125, subdivision 6, is amended to read:

Subd. 6. [INVESTMENT COMPANIES.] (a) In the absence of an express prohibition in the trust instrument, ~~whenever the instrument directs, requires, authorizes, or permits investment in obligations of the United States or obligations, the payment of the principal of and interest on which is unconditionally guaranteed by the United States, the trustee may invest in and hold those obligations either directly or in the form of securities of, or other interests in, an acquire and retain securities of any open-end or closed-end management type investment company~~ (1) ~~or investment trust~~ registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose investments are limited to these obligations and repurchase agreements fully collateralized by these obligations, if the repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks.

(b) Nothing in this subdivision shall be construed to alter the degree of care and judgment required of trustees by subdivision 1.

Sec. 4. Minnesota Statutes 1984, section 501.66, is amended by adding a subdivision to read:

Subd. 6a. The trustee may invest and reinvest trust assets in new, unproven, untried, or other enterprises with a potential for significant growth whether producing a current return, either by investing directly or by investing as a limited partner or otherwise in one or more commingled funds which in turn invest primarily in those enterprises; provided that the aggregate amount of investments held by a trustee under the authority of this subdivision valued at cost may not exceed ten percent of the net fair market value of the trust corpus, including investments made under the authority of this section valued at fair market value, immediately after the investment is made.

Sec. 5. Minnesota Statutes 1984, section 501.66, subdivision 28, is amended to read:

Subd. 28. The trustee may employ attorneys, accountants, investment advisors, agents or other persons, even if they are associated with the trustee, to advise or assist the trustee in the performance of his duties; to act without independent investigation upon their recommendations; and instead of acting personally, to employ one or more agents to perform any act of administration, whether or not discretionary; *except that:*

(1) the trustee may not delegate all of the trustee's duties; and

(2) the employment does not relieve the trustee of liability for the discretionary acts of a person, which if done by the trustee, would result in liability to the trustee, or of the duty to select and retain a person with reasonable care."

Page 8, after line 31, insert:

"Sec. 10. [SCOPE OF APPLICATION.]

(a) *Nothing in sections 1 to 5 invalidates:*

(1) *any instrument or property relationship that is executed and irrevocable as of the effective date of sections 1 to 5; or*

(2) *any action commenced prior to the effective date of sections 1 to 5, provided that the instrument, property relationship, or action otherwise complies with the provisions of Minnesota Statutes, chapter 501, in effect when the action was commenced.*

(b) *Sections 1 to 5 apply to all instruments, property relationships, and proceedings existing on or after the effective date of sections 1 to 5."*

Page 8, line 33, delete "This act is" and insert "Sections 6 to 9 are"

Amend the title as follows:

Page 1, line 2, delete "probate" and insert "courts" and after the semicolon, insert "providing for the standard of care of trustees; authorizing certain investments of trust property; providing for powers of trustees;"

Page 1, line 5, after "amending" insert "Minnesota Statutes 1984, sections 501.125, subdivision 1, and by adding a subdivision; and 501.66, subdivision 28, and by adding a subdivision;"

Page 1, line 6, after "sections" insert "501.125, subdivision 6;"

The motion prevailed. So the amendment was adopted.

Mr. Sieloff then moved to amend S.F. No. 1974 as follows:

Page 3, line 11, reinstate everything before the stricken comma and after the stricken comma insert "or" and reinstate the stricken "accident"

Page 3, line 12, reinstate the stricken "insurance"

Page 3, reinstate lines 13 and 14

Page 3, line 30, delete everything after the semicolon

Page 3, delete line 31

Page 3, line 32, delete everything before "any"

Page 4, lines 11 and 12, reinstate the stricken language

Page 4, line 13, reinstate everything before the stricken comma and after the stricken comma insert "or" and reinstate the stricken "accident insurance"

Page 4, line 14, reinstate the stricken "nor does it include"

Page 4, reinstate line 15

Page 4, delete lines 34 to 36

Page 5, delete line 1

Page 5, line 2, delete "(ii)" and insert "(i)"

Page 5, line 6, delete "(iii)" and insert "(ii)"

Page 5, delete lines 27 to 36

Page 6, delete lines 1 to 10

Amend the title as follows:

Page 1, line 4, delete "insurance and other"

The motion prevailed. So the amendment was adopted.

S.F. No. 1974 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

SPECIAL ORDER

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 deposited in the issuing county's general fund; amending Minnesota Statutes 1984, section 345.48, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr.

Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1599:

H.F. No. 1599: A bill for an act relating to state monuments; authorizing development of a plan for a memorial to Native Americans; amending Minnesota Statutes 1984, section 138.585, by adding a subdivision.

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

McDonald, Frederickson, Boerboom, Valan and Schoenfeld have been appointed as such committee on the part of the House.

House File No. 1599 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 10, 1986

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1599, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2009:

H.F. No. 2009: 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; classifying data held by the board; amending Minnesota Statutes 1984, sections 44A.01, subdivision 1; 44A.02; 44A.07, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 44A.

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

Forsythe; Carlson, D.; Olsen, S.; DenOuden and Carlson, J. have been appointed as such committee on the part of the House.

House File No. 2009 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 10, 1986

Mr. Willet moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2009, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part

of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1815:

H.F. No. 1815: A bill for an act relating to taxation; real property; prescribing requirements of the sales ratio study used by the state board of equalization; amending Minnesota Statutes 1984, section 270.12, subdivision 2.

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

Schreiber, Himle, Dempsey, Kvam and McKasy have been appointed as such committee on the part of the House.

House File No. 1815 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 10, 1986

Mr. Johnson, D.J. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1815, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

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:

H.F. No. 2009: Messrs. Willet, Kroening, Luther, Samuelson and Nelson.

H.F. No. 1599: Messrs. Davis, Berg, Stumpf, DeCramer and Langseth.

H.F. No. 1815: Messrs. Johnson, D.J.; Novak; Ms. Berglin, Messrs. Merriam and Peterson, C.C.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 7:00 p.m. The motion prevailed.

The hour of 7:00 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

MOTIONS AND RESOLUTIONS

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Executive and Official Communications, Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated.

February 3, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Metropolitan Waste Control Commission is hereby respectfully submitted to the Senate for confirmation as required by law:

Arthur L. Cunningham, 8124 - 35th Ave. N., Crystal, Hennepin County, was appointed by the Metropolitan Council, effective July 9, 1985, for a term expiring January 1, 1987.

(Referred to the Committee on Local and Urban Government.)

Sincerely,
Sandra S. Gardebring, Chair
Metropolitan Council

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1349, 1742, 1794, 2018 and 1797.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 10, 1986

Mr. President:

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

S.F. No. 1919: A bill for an act relating to mental health; extending the

patients' bill of rights to cover people receiving out-patient mental health treatment; defining a minimum grievance procedure for health care facilities; including in the patients' bill of rights the right of access to protection and advocacy services; amending Minnesota Statutes 1984, section 144.651, subdivisions 2, 4, 20, and by adding a subdivision.

Senate File No. 1919 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 10, 1986

Mr. Moe, R.D. moved that S.F. No. 1919 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2236, 2418, 2464, 1892, 2023, 2198, 2428, 651, 1950 and 2407.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 10, 1986

FIRST READING OF HOUSE BILLS

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

H.F. No. 2236: A bill for an act relating to the city of Grand Rapids; permitting the creation of the Central School commission.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2052, now on General Orders.

H.F. No. 2418: 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 Rules and Administration for comparison with S.F. No. 2205.

H.F. No. 2464: 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 Taxes and Tax Laws.

H.F. No. 1892: A bill for an act relating to energy; changing the administration of the state energy code from the commissioner of energy and economic development to the commissioner of administration; amending certain provisions of the state energy code; amending Minnesota Statutes 1984, sections 16B.64, subdivision 4; and 116J.19, subdivision 8.

Referred to the Committee on Energy and Housing.

H.F. No. 2023: A bill for an act relating to elections; changing certain procedures in absentee voting; increasing minimum number of election judges in certain precincts; changing certain official ballots for judicial candidates; requiring vendor bonds for certain voting systems; requiring public

notice and demonstration for new voting equipment; authorizing standard ballot format; limiting number of ballots at single counting centers; amending Minnesota Statutes 1984, sections 203B.08, subdivisions 1a and 3a; 204B.22, by adding a subdivision; 204B.36, subdivision 4; 204D.14, subdivision 2; 206.56, by adding a subdivision; 206.57, by adding a subdivision; 206.58, subdivision 1; 206.82, by adding a subdivision; 206.84, subdivision 3; and 206.85, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2032, now on General Orders.

H.F. No. 2198: 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.

H.F. No. 2428: A bill for an act relating to public employment labor relations; regulating fair share fees; regulating arbitration; defining employer and employee; amending Minnesota Statutes 1984, sections 179A.03, subdivisions 14, 15, and by adding a subdivision; 179A.05, subdivision 6; 179A.07, subdivision 2; 179A.13, by adding a subdivision; 179A.16, subdivisions 4 and 8; and 179A.21, subdivision 2; Minnesota Statutes 1985 Supplement, section 179A.04, subdivision 3.

Referred to the Committee on Employment.

H.F. No. 651: A bill for an act relating to health; authorizing inclusion of physical fitness therapies in grant programs for the mentally ill; providing for study of the administration of mental health services; amending Minnesota Statutes 1984, sections 245.73, by adding a subdivision; and 256E.12, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1395.

H.F. No. 1950: A bill for an act relating to civil liability; limiting the liability of practitioners for the violent acts of patients; providing immunity to municipalities for certain claims that occur as a result of the use of parks and recreation areas; providing for the manner of claiming punitive damages in civil actions; amending Minnesota Statutes 1984, sections 466.03, by adding a subdivision; 549.20, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1727.

H.F. No. 2407: A bill for an act relating to state lands; directing transfer of the Croft Mine Park, and all artifacts, machinery, and other personal property used in its operation, to any one or a combination of the city of Ironton, the city of Crosby, and the Croft historical park board.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2271, 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. Merriam from the Committee on Agriculture and Natural Resources, to which was referred

H.F. No. 1882: A bill for an act relating to gasoline; changing the definition of agricultural alcohol gasoline; changing the identification marking on gasoline-alcohol blends; amending Minnesota Statutes 1985 Supplement, sections 296.01, subdivision 24; and 296.22, subdivision 13.

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

Page 1, line 19, delete "*feed grains,*" and strike "or"

Page 1, line 20, reinstate the stricken language

Page 1, after line 20, insert:

"Sec. 2. Minnesota Statutes 1984, section 296.03, is amended to read:

296.03 [EXEMPTION FOR PRODUCTS OF WASTE MATERIALS.]

No excise tax shall be imposed pursuant to sections 296.02 or 296.025 on (1) any substitute product for petroleum which has been manufactured from waste materials, including agricultural waste and byproducts, household waste, solid waste, and wood byproducts; or on (2) any alcohol mixture of less than 60 percent purity that contains no petroleum products."

Page 2, line 5, reinstate the stricken language

Page 2, line 6, delete "*both sides*"

Page 2, line 11, delete "*Sections 1 and 2 are*" and insert "*This act is*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after "amending" insert "Minnesota Statutes 1984, section 296.03; 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. 2060: A bill for an act relating to game and fish; establishing a special elk season; prescribing application for licenses, and application and license fees; appropriating money to reimburse nongame wildlife fund for elk removal; dedicating license and application fees for elk depredation; amending Minnesota Statutes 1985 Supplement, section 98.46, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 100; repealing Laws 1985, chapter 272, section 2.

Reports the same back with the recommendation that the bill be amended

as follows:

Page 4, after line 1, insert:

“Sec. 5. [ELK REMOVAL.]

The commissioner of administration shall contract with fish and wildlife agencies of other states or the federal government, or persons to remove elk from the northwestern part of the state and relocate them to other areas of the state that requests them.

Sec. 6. [APPROPRIATION.]

\$10,000 is appropriated from the general fund to the commissioner of administration to contract for elk removal and relocation.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “providing for the removal and relocation of elk;”

Page 1, line 5, after “removal” insert “and relocation”

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. 1945: A bill for an act relating to health; providing that mosquito research and management activities are not ecologically disruptive; amending Minnesota Statutes 1985 Supplement, section 144.95, subdivisions 1, 2, 3, 7, 9, and 10.

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

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

S.F. No. 2064: A bill for an act relating to agriculture; establishing a windbreak management program; exempting certain windbreaks from property taxes; providing a state-paid windbreak credit; appropriating money; amending Minnesota Statutes 1985 Supplement, section 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 40 and 273.

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

Page 2, line 15, after “year” insert “or shall affect any rights or obligations in an existing easement”

Page 2, line 28, after “agreement” insert “not closer than 30 feet from any electric line”

Page 3, line 20, delete “immediately”

Page 4, line 32, delete “must” and insert “may”

Page 5, line 3, delete "must" and insert "may"

Page 5, line 10, delete "must" and insert "may"

Page 5, line 14, delete "must" and insert "may"

Page 5, lines 20 and 21, delete ", including emergency rules,"

Page 10, line 13, delete "1-1/2" and insert "3/4 of a"

Page 10, delete lines 18 to 21

Page 10, line 22, delete "3" and insert "2"

Page 10, line 25, after the period, insert "*Trees within a windbreak may be trimmed to comply with statutes, rules, ordinances, or safety codes concerning minimum clearance with electric lines.*"

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. 2014: A bill for an act relating to game and fish; designation and use of waterfowl feeding or resting areas; amending Minnesota Statutes 1984, section 99.26, subdivision 5.

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

Page 2, lines 3 to 5, delete the new language

Page 2, after line 7, insert:

"Sec. 2. If S. F. No. 1526 is enacted during the 1986 regular session, article 1, section 18, subdivision 2, is amended to read:

Subd. 2. [WATERFOWL FEEDING AND RESTING AREAS.] The commissioner may, by order designate any part of ~~up to 43 lakes~~ *a lake* as a migratory feeding ~~and or~~ resting area. Before designation, the commissioner must receive a petition signed by at least ten resident licensed hunters describing the area of the lake that is a substantial feeding ~~and or~~ resting ground for migratory waterfowl, and find that the statements in the petition are correct, and that adequate, free public access to the lake exists near the designated area. The commissioner shall post the area as a migratory waterfowl feeding and resting area. A person may not enter a posted migratory waterfowl feeding and resting area during the open migratory waterfowl season with watercraft or aircraft propelled by a motor.

Sec. 3. [EFFECTIVE DATE.]

This act is effective August 1, 1986, except if S. F. No. 1526 is enacted during the 1986 regular session, section 1 is not effective."

Amend the title as follows

Page 1, line 4, before the period, insert "; and article 1, section 18, subdivision 2 of S.F. No. 1526, if enacted"

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

adopted:

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

S.F. No. 2015: A bill for an act relating to natural resources; disposition of wild rice license fees; amending Minnesota Statutes 1984, section 97.49, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1984, section 97.49, is amended by adding a subdivision to read:

Subd. 8. [WILD RICE MANAGEMENT ACCOUNT.] (a) The wild rice management account is established as a separate account in the state treasury. Receipts from the sale of wild rice licenses shall be deposited into the state treasury and credited to the wild rice management account. Money in the account may only be used for management of designated public waters to improve natural wild rice production.

(b) For the purposes of this subdivision, “wild rice licenses” means licenses issued by the commissioner under the provisions of section 98.46, subdivision 3, clause (1), and subdivision 18, clause (1).

Sec. 2. If S. F. No. 1526 is enacted during the 1986 regular session, article 4, section 9, is amended by adding a subdivision to read:

Subd. 4. [WILD RICE MANAGEMENT ACCOUNT.] (a) The wild rice management account is established as a separate account in the state treasury. Receipts from the sale of wild rice licenses shall be deposited into the state treasury and credited to the wild rice management account. Money in the account may only be used for management of designated public waters to improve natural wild rice production.

(b) For the purposes of this subdivision, “wild rice licenses” means licenses issued by the commissioner under subdivision 3, clauses (1), (3), and (4).

Sec. 3. [EFFECTIVE DATE.]

This act is effective August 1, 1986, except if S. F. No. 1526 is enacted during the 1986 regular session, section 1 is not effective.”

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “establishing a wild rice management account;”

Page 1, line 4, before the period, insert “; and by adding a subdivision to article 4, section 9, of S.F. No. 1526, if enacted”

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1966: A bill for an act relating to the city of St. Cloud; authorizing the city to impose certain taxes to construct, operate, and promote a convention center facility.

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

Page 1, line 19, after "food" insert "*and beverages not subject to the liquor tax*"

Page 1, line 21, after the comma, insert "*the city shall define*"

Page 1, line 22, delete everything after "*refreshment*"

Page 1, line 23, delete everything before the period and insert "*by resolution*", and after the period, insert "*The governing body of the city may adopt an ordinance establishing a convention center taxing district. The ordinance shall describe with particularity the area within the city to be included in the district. If the city establishes a convention center taxing district, the sales taxes authorized under this subdivision may be imposed only upon the sales occurring at on-sale liquor establishments, restaurants, or other places of refreshment located within the district.*"

Page 2, line 7, after "all" insert "*publicly owned*"

Page 2, line 21, after "a" insert "*tax at a rate not to exceed*" and delete "tax"

Page 2, line 31, after "to" insert "*promote.*"

Page 2, line 32, delete "*and to promote St. Cloud as a*"

Page 2, line 33, delete "*tourist and convention center*"

Page 3, line 9, delete "*collection*" and insert "*proceeds*"

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

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.

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

Page 2, lines 33 to 35, strike the old language and delete the new language

Page 2, line 36, strike "*miles driven.*"

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 re-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 2, delete lines 10 to 16

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 re-referred

S.F. No. 2040: A bill for an act relating to taxation; providing for reduction of the original assessed value of a tax increment financing district in the city of Litchfield.

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

Page 1, line 18, after the period, insert *"In no case may the reduction result in an original assessed value for the district that is less than the assessed value of the district determined immediately after the date of the fire."*

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

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

H.F. No. 1773: A bill for an act relating to consumer protection; regulating the distribution of tobacco products; providing remedies; clarifying a definition; amending Minnesota Statutes 1984, section 609.685, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 1, line 15, delete *"to be chewed or sucked"*

Page 1, after line 15, insert:

"Subd. 3. [DISTRIBUTE.] 'Distribute' means to give products to the general public at no cost or at nominal cost for product promotional purposes."

Page 1, line 24, delete *"pulverised"* and insert *"pulverized"*

Page 2, delete lines 1 to 3

Renumber the subdivisions in sequence

Page 2, line 4, delete *"PROHIBITED"*

Page 2, line 5, before *"No"* insert *"Subdivision 1. [SMOKELESS TOBACCO.]"*

Page 2, line 6, before *"No"* insert *"Subd. 2. [TOBACCO SUITABLE FOR SMOKING.]"*

Page 3, lines 9 and 11, delete "3" and insert "4"

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. 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.

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 148.06, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED; QUALIFICATIONS.] No person shall practice chiropractic in this state without first being licensed by the state board of chiropractic examiners. The applicant shall have earned at least one-half of all academic credits required for awarding of a baccalaureate degree from the University of Minnesota, or other university, college or community college of equal standing, in subject matter determined by the board, and taken a four-year resident course of at least eight months each in a school or college of chiropractic that is fully accredited by the council on chiropractic education or fully accredited by an agency approved by the United States office of education or their successors. The board may recommend a two-year prechiropractic course of instruction to any university, college or community college which in its judgment would satisfy the academic prerequisite for licensure as established by this section.

An examination for a license shall be in writing and shall include testing in:

(a) The basic sciences including but not limited to anatomy, physiology, bacteriology, pathology, hygiene, and chemistry as related to the human body or mind;

(b) The clinical sciences including but not limited to the science and art of chiropractic, chiropractic physiotherapy, diagnosis, roentgenology and nutrition; and

(c) Professional ethics and any other subjects that the board may deem advisable.

The board may consider a valid certificate of examination from the National Board of Chiropractic Examiners as evidence of compliance with the written examination requirements of this subdivision. The applicant shall be required to give practical demonstration in vertebral palpation, nerve tracing, adjusting and any other subject that the board may deem advisable. A license, counter-signed by the members of the board and authenticated by

the seal thereof, shall be granted to each applicant who ~~correctly answers 75 percent of the questions propounded~~ *qualifies* in each of the subjects required by this subdivision and meets the standards of practical demonstration established by the board. Each application shall be accompanied by a fee set by the board. The fee shall not be returned ~~in the event of failure to pass~~, but the applicant may, within one year, ~~present himself for submit to~~ examination without the payment of an additional fee. The board may grant a license to an applicant who holds a valid license to practice chiropractic issued by the appropriate licensing board of another state or country, provided the applicant meets the other requirements of this section and satisfactorily passes the practical examination before the board. *The burden of proof is on the applicant to demonstrate these qualifications or satisfaction of these requirements.*

Effective January 30, 1990, the applicant after graduation from an accredited chiropractic college shall successfully complete a nine-month residency program approved by the board as a condition for application for licensure.

The board shall employ the following criteria in determining whether a residency program shall be approved:

(a) The residency must enhance the knowledge and skill in the practice of chiropractic.

(b) The resident shall have available for use laboratory, x-ray, and physiotherapy equipment for training and diagnosis.

(c) The residency program must be administered by a college accredited by the Council on Chiropractic Education.

(d) The residency shall contain a minimum of 1,280 hours over not less than a nine-month time span of clinical instruction.

The resident before beginning the residency must complete all Council on Chiropractic Education accredited college clinic and academic requirements for graduation including:

(1) Satisfactorily completing two student clinic trimester and three public clinic trimesters.

(2) Be certified by the National Board of Chiropractic Examiners as passing both Part I and Part II of the written examinations.

The residency requirement purpose is to provide practical clinical training and experience. The resident evaluates and treats patients with a wide variety of health conditions under supervision in a clinic or institutional setting.

Sec. 2. Minnesota Statutes 1984, section 148.07, subdivision 2, is amended to read:

Subd. 2. [EXPENSES.] The expenses of administering sections 148.01 to ~~148.101~~ 148.105 shall be paid from the appropriation made to the state board of chiropractic examiners. Expenditures and revenues must be managed in accordance with the statewide accounting principles and requirements of the commissioner of finance.

Sec. 3. Minnesota Statutes 1984, section 148.08, subdivision 3, is

amended to read:

Subd. 3. [RULES.] The board of chiropractic examiners shall promulgate rules necessary to administer sections 148.01 to ~~148.101~~ 148.105 to protect the health, safety, and welfare of the public, including rules governing the practice of chiropractic and defining any terms, whether or not used in sections 148.01 to ~~148.101~~ 148.105, if the definitions are not inconsistent with the provisions of sections 148.01 to ~~148.101~~ 148.105.

Sec. 4. Minnesota Statutes 1984, section 148.10, is amended to read:

148.10 [LICENSES REVOKED; NEW LICENSES.]

Subdivision 1. [GROUNDS.] The state board of chiropractic examiners may refuse to grant, or may revoke, suspend, condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the clerk of the district court for:

(1) ~~the publishing or distributing, or causing to be published or distributed, in newspapers, magazines, directories, pamphlets, posters, cards, or in any other manner by advertisement, wherein the term "cure" or "guarantee to cure" or similar terms are used; which is hereby declared to be fraudulent and misleading to the general public; Advertising that is false or misleading; that violates a rule of the board; that claims the cure of any condition or disease, or professional superiority to or greater skill than that possessed by another doctor of chiropractic; or that uses the words physician or chiropractic physician.~~

(2) The employment of fraud or deception in applying for a license or in passing the examination provided for in section 148.06; *or conduct which subverts or attempts to subvert the licensing examination process.*

(3) The practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name;

(4) The conviction of a crime involving moral turpitude;

(5) *The conviction in any court of a felony or conviction, during the previous five years, of a felony reasonably related to the practice of chiropractic.*

(6) Habitual intemperance in the use of alcohol or drugs;

~~(6)~~ (7) Failure to pay the annual renewal license fees;

~~(7)~~ (8) Advanced physical or mental disability;

~~(8)~~ (9) The revocation or suspension of a license to practice chiropractic; or other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country; *or failure to report to the board that charges regarding the person's license have been brought in another state or jurisdiction.*

~~(9)~~ (10) The violation of, or failure to comply with, the provisions of sections 148.01 to ~~148.101~~ 148.104, the rules of the state board of chiropractic examiners, or a lawful order of the board;

~~(10)~~ (11) Unprofessional conduct; ~~or.~~

(11) (12) Being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material, or as a result of any mental or physical condition, *including deterioration through the aging process or loss of motor skills*. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given his consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations against him, unless the failure was due to circumstances beyond his control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that he can resume the competent practice of chiropractic with reasonable skill and safety to patients.

In addition to ordering a physical or mental examination, the board may, notwithstanding section 13.42, 144.651, or any other law limiting access to health data, obtain health data and health records relating to a licensee or applicant without the licensee's or applicant's consent if the board has probable cause to believe that a doctor of chiropractic comes under subdivision 1, clause (12). The health data may be requested from a provider, as defined in section 144.335, subdivision 1, paragraph (b), an insurance company, or a government agency, including the department of human services. A provider, insurance company, or government agency shall comply with any written request of the board under this subdivision and is not liable in any action for damages for releasing the data requested by the board if the data are released pursuant to a written request under this subdivision, unless the information is false and the provider or entity giving the information knew, or had reason to believe, the information was false. Information obtained under this subdivision is classified as private under sections 13.01 to 13.87.

In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding.

(13) *Aiding or abetting an unlicensed person in the practice of chiropractic, except that it is not a violation of this clause for a doctor of chiropractic to employ, supervise, or delegate functions to a qualified person who may or may not be required to obtain a license or registration to provide health services if that person is practicing within the scope of his or her license or registration or delegated authority.*

(14) *Improper management of health records, including failure to maintain adequate health records, to comply with a patient's request made pursuant to section 144.335 or to furnish a health record or report required by law.*

(15) *Failure to make reports required by section 5, subdivision 2, or to*

cooperate with an investigation of the board as required by section 7, or the submission of a knowingly false report against another doctor of chiropractic under section 5.

(16) Splitting fees, or promising to pay a portion of a fee or a commission, or accepting a rebate.

(17) Revealing a privileged communication from or relating to a patient, except when otherwise required or permitted by law.

For the purposes of clause (2), conduct that subverts or attempts to subvert the licensing examination process includes, but is not limited to: (a) conduct that violates the security of the examination materials, such as removing examination materials from the examination room or having unauthorized possession of any portion of a future, current, or previously administered licensing examination; (b) conduct that violates the standard of test administration, such as communicating with another examinee during administration of the examination, copying another examinee's answers, permitting another examinee to copy one's answers, or possessing unauthorized materials; or (c) impersonating an examinee or permitting an impersonator to take the examination on one's own behalf.

For the purposes of ~~clause~~ clauses (4) and (5), conviction shall be deemed to include a criminal proceeding in which a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered as used in these subdivisions includes a conviction of an offense that if committed in this state would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

For the purposes of clauses (4) and (5), and (6), a copy of the judgment or proceeding under seal of the clerk of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

For the purposes of clause ~~(10)~~ (11), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

(a) Gross ignorance of, or incompetence in, the practice of chiropractic;

(b) ~~Making suggestive, lewd, lascivious or improper advances to a patient~~
Engaging in conduct with a patient that is sexual or may reasonably be interpreted by the patient as sexual, or in any verbal behavior that is seductive or sexually demeaning to a patient;

(c) Performing unnecessary services;

(d) Charging a patient an unconscionable fee or charging for services not rendered;

(e) Directly or indirectly engaging in threatening, dishonest, or misleading

fee collection techniques;

(f) Perpetrating fraud upon patients, third party payers, or others, relating to the practice of chiropractic; ~~and~~, including violations of the Medicare or Medicaid laws or state medical assistance laws;

(g) Soliciting patients with the promise, enticement, or implication, that the providing doctor of chiropractic will not charge more than a patient's health coverage plan or organization will pay, regardless of the nature of the diagnosis and/or treatment and/or regardless of the nature of the health coverage plan or organization's scope of coverage; or

~~(g)~~ (h) Any other act that the board by rule may define.

Subd. 2. [ISSUANCE FOLLOWING REFUSAL, REVOCATION OR CANCELATION.] The state board of chiropractic examiners may, at any time within two years of the refusal or revocation or cancelation of a license under this section, by a majority vote, issue a new license or grant a license to the person affected, restoring him to, or conferring upon him, all the rights and privileges of, and pertaining to, the practice of chiropractic, as defined and regulated by sections 148.01 to 148.10. Any person to whom such have been restored shall pay a fee set by the board upon issuance of a new license.

Subd. 3. [REPRIMAND; PENALTIES; PROBATION.] In addition to the other powers granted to the board under this chapter, the board may, in connection with any person whom the board, after a hearing, adjudges unqualified or whom the board, after a hearing, finds to have performed one or more of the acts described in subdivision 1:

(a) Publicly reprimand or censure the person;

(b) Place the person on probation for the period and upon the terms and conditions that the board may prescribe; ~~and~~

(c) Require payment of all costs of proceedings resulting in the disciplinary action; ~~and~~

(d) *Impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the doctor of chiropractic of any economic advantage gained by reason of the violation charged or to reimburse the board for the cost of the investigation and proceeding.*

Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a person has violated a statute or rule which the board is empowered to enforce and continued practice by the person would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the person, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the Administrative Procedure Act. The person shall be provided with at least 20 days notice of any hearing held pursuant to this subdivision.

Subd. 5. [EFFECT OF APPEAL.] *A suspension, revocation, condition, limitation, qualification, or restriction of a license shall be in effect pending determination of an appeal unless the court, upon petition and for good cause*

shown, shall otherwise order.

A license to practice chiropractic is automatically suspended if (1) a guardian of the person of a licensee is appointed by order of a probate court pursuant to sections 525.54 to 525.61, for reasons other than the minority of the licensee; or (2) the licensee is committed by order of a probate court pursuant to chapter 253B or sections 526.09 to 526.11. The license remains suspended until the licensee is restored to capacity by a court and, upon petition by the licensee, the suspension is terminated by the board after a hearing.

Sec. 5. [148.102] [REPORTS OF STATE OR LOCAL SOCIETIES.]

Subdivision 1. [REQUIREMENT.] A state or local chiropractic society shall report to the board any termination, revocation, or suspension of membership or any other disciplinary action taken against a doctor of chiropractic. If the society has received a complaint which might be grounds for discipline under section 148.10 against a member doctor of chiropractic on which it has not taken any disciplinary action, the society shall report the complaint and the reason why it has not taken action on it or shall direct the complainant to the board of chiropractic examiners.

Subd. 2. [LICENSED PROFESSIONALS.] A licensed health professional shall report to the board personal knowledge of any conduct which the professional reasonably believes constitutes grounds for disciplinary action under section 148.10 by any doctor of chiropractic including any conduct indicating that the doctor of chiropractic may be incompetent, or may have engaged in unprofessional conduct, or may be physically unable to engage safely in the practice of chiropractic. No report shall be required if the information was obtained in the course of a patient relationship if the patient: (1) is a doctor of chiropractic and the treating health professional successfully counsels the doctor of chiropractic to limit or withdraw from practice to the extent required by the impairment; or (2) is a patient or former patient of the doctor of chiropractic and the treating professional is a psychologist from whom the patient is receiving psychotherapeutic services.

Subd. 3. [INSURERS.] Two times each year each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to chiropractors shall submit to the board a report concerning the chiropractors against whom malpractice settlements or awards have been made to the plaintiff. The report must contain at least the following information:

(1) the total number of malpractice settlements or awards made to the plaintiff;

(2) the date the malpractice settlements or awards to the plaintiff were made;

(3) the allegations contained in the claim or complaint leading to the settlements or awards made to the plaintiff;

(4) the dollar amount of each malpractice settlement or award;

(5) the regular address of the practice of the doctor of chiropractic against whom an award was made or with whom a settlement was made; and

(6) the name of the doctor of chiropractic against whom an award was

made or with whom a settlement was made.

The insurance company shall, in addition to the above information, report to the board any information it possesses which tends to substantiate a charge that a doctor of chiropractic may have engaged in conduct violating section 148.10 and this section.

Subd. 4. [COURTS.] The clerk of district court or any other court of competent jurisdiction shall report to the board any judgment or other determination of the court which adjudges or includes a finding that a doctor of chiropractic is mentally ill, mentally incompetent, guilty of a felony, guilty of an abuse or fraud, appoints a guardian of the doctor of chiropractic pursuant to sections 525.54 to 525.61 or commits a doctor of chiropractic pursuant to chapter 253B or sections 526.09 to 526.11.

Subd. 5. [SELF-REPORTING.] A doctor of chiropractic shall report to the board any action concerning himself or herself which would require that a report be filed with the board by any person, health care facility, business, or organization pursuant to subdivision 4.

Subd. 6. [DEADLINES; FORMS.] Reports required by subdivisions 1 to 5 must be submitted not later than 30 days after the occurrence of the reportable event or transaction. The board may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to assure prompt and accurate reporting.

Subd. 7. [SUBPOENAS.] The board may issue subpoenas for the production of any reports required by subdivisions 1 to 5 or any related documents.

Sec. 6. [148.103] [IMMUNITY FOR REPORTING OR INVESTIGATING.]

Subdivision 1. [REPORTING.] Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to the board pursuant to section 5 or for otherwise reporting to the board violations or alleged violations of section 148.10. The reports are private.

Subd. 2. [INVESTIGATION.] Members of the board and persons employed by the board or engaged in the investigation or prosecution of violations and in the preparation and management of charges of violations of sections 148.01 to 148.105 on behalf of the board are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under sections 148.01 to 148.105.

Sec. 7. [148.104] [COOPERATION DURING INVESTIGATIONS.]

A doctor of chiropractic who is the subject of an investigation by or on behalf of the board shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of patient health records, as reasonably requested by the board, to assist the board in its investigation.

Sec. 8. [148.105] [VIOLATION.]

Subdivision 1. [GENERALLY.] Any person who practices, or attempts to practice, chiropractic manipulation, or who uses any of the terms or letters "Doctors of Chiropractic," "Chiropractor," "D.C.," or any other title or letters under any circumstances as to lead the public to believe that the persons who so use the terms are engaged in the practice of chiropractic, without having complied with the provisions of sections 148.01 to 148.104, are guilty of a gross misdemeanor; and, upon conviction, fined not less than \$1,000 nor more than \$10,000 or be imprisoned in the county jail for not less than 30 days nor more than six months or punished by both fine and imprisonment, in the discretion of the court. It is the duty of the county attorney of the county in which the person practices to prosecute. Nothing in sections 148.01 to 148.105 shall be considered as interfering with any person:

(a) licensed by a health related licensing board, as defined in section 214.01, subdivision 2, including licensed psychologists with respect to the use of hypnosis;

(b) registered by the commissioner of health pursuant to section 214.13; or

(c) engaged in other methods of healing regulated by law in the state of Minnesota;

provided that the person confines activities within the scope of the license or other regulation and does not practice or attempt to practice chiropractic.

Subd. 2. [EXCEPTIONS.] The following persons shall not be in violation of subdivision 1:

(1) a student practicing under the direct supervision of a preceptor while the student is enrolled in and regularly attending a recognized chiropractic college; and

(2) a student who is in continuing training and performing the duties of an intern or resident or engaged in postgraduate work considered by the board to be the equivalent of an internship or residency in any institution approved for training by the board.

Sec. 9. Minnesota Statutes 1984, section 319A.02, subdivision 2, is amended to read:

Subd. 2. "Professional service" means personal service rendered by a professional pursuant to a license or certificate issued to him by the state of Minnesota to practice medicine and surgery pursuant to sections 147.01 to 147.29, chiropractic pursuant to sections 148.01 to ~~148.101~~ 148.105, nursing pursuant to sections 148.171 to 148.285, optometry pursuant to sections 148.52 to 148.62, psychology pursuant to sections 148.88 to 148.98, dentistry pursuant to sections 150A.01 to 150A.12, pharmacy pursuant to sections 151.01 to 151.40, podiatry pursuant to sections 153.01 to 153.15, veterinary medicine pursuant to sections 156.001 to 156.14, architecture, engineering, surveying and landscape architecture pursuant to sections 326.02 to 326.15, accountancy pursuant to sections 326.17 to 326.23, or law pursuant to sections 481.01 to 481.17, or pursuant to a license or certificate issued to him by another state pursuant to similar laws.

Sec. 10. [APPROPRIATION.]

The sum of \$120,000 is appropriated from the special revenue account for

health boards to the state board of chiropractic examiners for the purposes of funding the board's operation.

Fees assessed shall be adjusted to provide for this appropriation.

The appropriation is available until June 30, 1987.

Sec. 11. [REPEALER.]

Minnesota Statutes 1984, section 148.101, is repealed."

Amend the title as follows:

Page 1, line 6, delete "148.01, subdivision 1;"

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. 1964: A bill for an act relating to health; establishing a statewide cancer surveillance system; providing for rule authority to administer the system and collect and distribute data; appropriating money; amending Minnesota Statutes 1984, sections 144.68; and 144.69; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1984, sections 144.66 and 144.67.

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

Page 2, line 12, delete "and"

Page 2, line 13, delete "and" and insert "*for research. The criteria may include requirements for a written protocol for the proposed research that outlines the purpose and public benefit of the study, the description, purpose, methods and projected results of the study, the methods, and facilities to protect the privacy of the data, and the qualifications of the researcher proposing to undertake the study; and*

(5) The commissioner may establish with the approval of the commissioner of finance,"

Page 2, line 15, after the period, insert "*Fees collected are appropriated to the commissioner to offset the costs of providing the data."*

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. 1395: A bill for an act relating to health; authorizing inclusion of physical fitness therapies in grant programs for the mentally ill; amending Minnesota Statutes 1984, sections 245.73, by adding a subdivision; and 256E.12, subdivision 1.

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

Page 1, line 13, delete "including" and insert "related to"

Page 1, line 25, delete "including" and insert "relating to"

Page 2, after line 1, insert:

"Sec. 3. [MENTAL HEALTH SERVICES STUDY.]

The state planning agency shall study the need for a central point in state government to administer a system of mental health services. Alternatives to be studied shall include, but not be limited to:

(1) the creation of a mental health authority within the department of human services, under its commissioner;

(2) the creation of a mental health authority within the department of health, under its commissioner; and

(3) the creation by the legislature of a separate and independent department of mental health.

Results of the study and recommendations shall be reported to the legislature by December 15, 1986.

Sec. 4. [LICENSING FUNCTIONS STUDY.]

The state planning agency shall study methods of unifying mental health licensing functions presently divided between the departments of health and human services, gaining consistency in licensing and regulating functions, and attempting to consolidate the number of rules promulgated by these departments. In addition, the study shall address methods to improve the quality assurance system, including standards, mechanisms to monitor, and enforcement authority. The study must address quality assurance as an activity conducted by the state to assess the status of quality in a service, to track that status over time, and to improve the correspondence between standards and performance. Results of the study and recommendations shall be made to the legislature by December 15, 1986."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for study of the administration of mental health services; requiring a report to the legislature;"

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

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

H.F. No. 654: A bill for an act relating to crimes; establishing mandatory minimum terms of imprisonment for the crimes of residential burglary, burglary of an occupied dwelling, aggravated robbery of a pharmacy, and selling cocaine, heroin, and hallucinogens; amending Minnesota Statutes 1984, sections 152.15, by adding subdivisions; 609.245; and 609.582, 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 1984, section 152.09, subdivision 2, is amended to read:

Subd. 2. It shall be unlawful for any person to:

(1) procure, attempt to procure, possess or have in his control a controlled substance by ~~any of the following means:~~ (1) fraud, deceit, misrepresentation or subterfuge; (2) using a false name or giving false credit; (3) or falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathy licensed to practice medicine, dentist, podiatrist, veterinarian, or other authorized person for the purpose of obtaining a controlled substance; or

(2) knowingly obtain or possess a controlled substance obtained by a prescription that does not comply with this chapter.

Sec. 2. Minnesota Statutes 1984, section 152.09, is amended by adding a subdivision to read:

Subd. 3. It shall be unlawful for any person to:

(1) prescribe a controlled substance for one's own use;

(2) intentionally prescribe, administer, or furnish a controlled substance except under the conditions and in the manner provided by this chapter;

(3) make a false statement in any prescription, order, report, or record required under this chapter; or

(4) affix a false or forged label to a package or receptacle containing a controlled substance.

Sec. 3. Minnesota Statutes 1984, section 152.11, subdivision 1, is amended to read:

Subdivision 1. No person may dispense a controlled substance included in Schedule II of section 152.02 without a prescription written by a doctor of medicine, a doctor of osteopathy licensed to practice medicine, a doctor of dental surgery, a doctor of dental medicine, a doctor of podiatry, or a doctor of veterinary medicine, lawfully practicing his profession in this state. ~~Provided that~~ In emergency situations, as authorized by federal law, such a schedule II drug may be dispensed upon oral prescription reduced promptly to writing and filed by the pharmacist, as authorized by federal law. ~~Such~~ Oral prescriptions for schedule II substances shall be processed and retained in conformity with section 152.101 and section 4, subdivision 4. A prescription for a schedule II substance must be filled within seven days from the date the prescription was written. No prescription for a Schedule II substance may be refilled. Beginning July 1, 1987, a prescription for a schedule II substance must be recorded on an official prescription blank in the manner required in section 4, unless the prescription is written for a person who is a patient of a hospital or nursing home at the time the prescription is written and filled and the drug is dispensed directly without the prescription being given to the patient.

For the purposes of ~~Laws 1971, Chapter 937~~ this chapter, a written prescription or oral prescription, which shall be reduced to writing, for a controlled substance in Schedules II, III, IV or V is void unless (1) it is written in ink and contains the name and address of the person for whose use it is

intended; (2) it states the amount of the controlled substance to be compounded or dispensed, with directions for its use; (3) if a written prescription, it contains the signature, address and federal registry number of the prescriber and a designation of the branch of the healing art pursued by the prescriber; and if an oral prescription, the name and address of the prescriber and a designation of his branch of the healing art; and (4) it shows the date when signed by the prescriber, or the date of acceptance in the pharmacy if an oral prescription. Every licensed pharmacist who compounds any such prescription shall retain such prescription in a file for a period of not less than two years, open to inspection by any officer of the state, county, or municipal government, whose duty it is to aid and assist with the enforcement of this chapter. Every such pharmacist shall distinctly label the container with the directions contained in the prescription for the use thereof.

Sec. 4. [152.115] [MULTIPLE PRESCRIPTION SYSTEM.]

Subdivision 1. [OFFICIAL PRESCRIPTION BLANKS.] The commissioner of public safety shall furnish serially-numbered, triplicate-copy official prescription blanks to persons authorized to write prescriptions for schedule II substances. Prior to distributing blanks to authorized persons, the commissioner shall imprint upon each blank the name, address, category of professional licensure and specialization, federal drug enforcement administration number, and state professional license number of the person to whom the blanks will be furnished. Each official prescription blank must contain spaces for: (1) the date the prescription is written; (2) the name, address, and age of the person for whom the substance is prescribed or, if the ultimate user is an animal, the species of the animal and the name and address of the owner; (3) information concerning the form of identification presented to the pharmacist or other methods used to authenticate the prescription; (4) the drug prescribed, the numerical and written dosage, instructions for use, and a notation of whether the drug was dispensed directly to the patient by the practitioner; (5) the date the prescription is filled; (6) the name, address, and federal drug enforcement administration number of the dispensing pharmacy and the name and license number of the pharmacist who fills the prescription; and (7) the national drug code product identification number of the substance prescribed. The commissioner of public safety shall charge a fee for the blanks that is sufficient to cover printing and distribution costs. Official prescription blanks are not transferable. Lost or stolen blanks must be immediately reported to the commissioner of public safety. Within seven days after a practitioner's license to practice or federal drug enforcement administration number has been suspended, canceled, denied, surrendered, or revoked, the practitioner shall return to the commissioner of public safety all official prescription blanks in the practitioner's possession that have not been used for prescriptions. A person who possesses an official prescription blank other than as authorized in this section is guilty of a misdemeanor.

Subd. 2. [DUTIES OF PRESCRIBERS.] Except as allowed under subdivision 4 and section 152.11, subdivision 1, a prescription for a schedule II drug authorized by section 152.11 must be written on an official prescription blank issued by the commissioner of public safety under subdivision 1. No more than one prescription may be written on each blank. The prescribing practitioner shall enter on the blank the following information: (1) the date

the prescription is written; (2) the drug prescribed, the dosage, and instructions for use; and (3) the name, address, and age of the patient (or, in the case of an animal, its owner) for whom the substance is prescribed. This information must be legible on all three copies of the blank. The prescriber shall sign the first and second copies and give them to the person authorized to receive the prescription. If a practitioner dispenses a schedule II drug directly to a patient, the practitioner must mark the appropriate space on the prescription form, enter the national drug code product identification number, and send the first and second copies to the commissioner of public safety. The prescriber shall retain the third copy for a period of not less than two years from the date the prescription is written.

Subd. 3. [DUTIES OF PHARMACISTS.] A pharmacist shall not dispense a schedule II substance except pursuant to a prescription properly written on an official prescription blank or pursuant to an emergency oral prescription authorized under subdivision 4. Before filling a prescription written on an official prescription blank, the pharmacist shall request identification from the person presenting the prescription. If the identification provided reasonably satisfies the pharmacist that the person is the patient for whom the prescription was written or is the legitimate representative of the patient, the pharmacist shall record identifying numbers and a brief description of the identification provided. If no satisfactory identification is available, the pharmacist shall contact the prescriber for information verifying the authenticity of the prescription and generally identifying the person presenting the prescription. The pharmacist must not deny a person medication solely because no identification is provided, but only if circumstances create a reasonable question regarding the legitimacy of the prescription or the authority of the person presenting the prescription to receive the substance. A pharmacist who dispenses a prescription recorded on an official prescription blank shall enter on copies one and two of the blank, in the spaces provided,

(1) the date the prescription is filled;

(2) identifying numbers and a brief description of the identification provided by the person presenting the prescription or, if no form of identification was provided, the method used to authenticate the prescription and establish the authority of the person to receive it;

(3) the name, address, and federal drug enforcement administration number of the dispensing pharmacy;

(4) the name and state professional license number of the pharmacist who fills the prescription; and

(5) the national drug code product identification number.

The dispensing pharmacist shall sign the first copy and send it to the commissioner of public safety within 40 days from the date the prescription is filled. The dispensing pharmacist shall retain the second copy for a period of not less than two years in conformity with section 152.101.

Subd. 4. [EMERGENCY ORAL PRESCRIPTIONS.] A schedule II substance may be dispensed without an official prescription blank pursuant to an emergency oral prescription as authorized by federal law. A substance dispensed pursuant to an emergency oral prescription must not be dispensed

later than 24 hours after the oral authorization was received and the amount of the substance dispensed must not exceed a three-day supply if taken according to the directions for its use. At the time the oral prescription is given, the prescriber shall provide the pharmacist with the information required to be entered upon an official blank by the prescriber under subdivision 2. The pharmacist shall promptly record the information provided by the prescriber and the information required to be entered on an official blank by the dispensing pharmacist under subdivision 3. Within 72 hours after authorizing an emergency oral prescription, the prescribing practitioner shall record the information required under subdivision 2 upon an official prescription blank and deliver to the pharmacist the original and one copy upon which has been written the words "authorization for emergency dispensing." The pharmacist shall enter the required information upon the official form, file a copy with the commissioner of public safety as required under subdivision 3, and retain a copy in conformity with subdivision 3 and section 152.101. If the pharmacist does not receive the prescription within 72 hours after dispensing the substance, the pharmacist shall notify the commissioner of public safety no later than seven days after the substance was dispensed.

Subd. 5. [USE AND RELEASE OF INFORMATION.] Information submitted to the commissioner of public safety under this section is confidential data on individuals, as defined in section 13.02, subdivision 3, and must be used only for bona fide drug-related criminal investigations or prosecutions; by one or more of the state boards responsible for regulating persons authorized to write or dispense prescriptions, for investigations or disciplinary actions; or by the commissioner of human services. The commissioner of public safety shall not release or permit access to information received under this section except for these purposes to authorized officers of the department of public safety and authorized representatives or investigators of the commissioner of human services or the boards of medical examiners, podiatry, dentistry, veterinary medicine, or pharmacy. Prescription blanks and information concerning specific prescribers, patients, or pharmacists must be destroyed after two years unless related to an active investigation or pending civil, criminal, or disciplinary proceeding. The system for retrieving information submitted to the commissioner of public safety under this section must be designed to preclude improper access to information through the use of automated information security techniques and devices. The commissioner of public safety shall consult the commissioner of human services, the board of pharmacy and each of the state boards responsible for regulating persons authorized to write or dispense prescriptions during the process of developing the information system and the standards and criteria for evaluating data, and shall submit the proposed design to the boards and the commissioner of human services for final review and comment before implementation.

Subd. 6. [IMPLEMENTATION.] The commissioner of public safety, with the assistance of the commissioner of human services and the boards of pharmacy, medical examiners, veterinary medicine, podiatry, and dentistry, shall provide information to all affected practitioners, in a timely manner, to assist them in complying with this act.

Subd. 7. [RULEMAKING.] The commissioner of public safety may adopt

permanent rules to implement this section.

Sec. 5. Minnesota Statutes 1984, section 152.15, subdivision 1, is amended to read:

Subdivision 1. Any person who violates section 152.09, subdivision 1, clause (1) with respect to:

(1) Seven or more grams or ten or more dosage units, when the substance is not sold by weight, of any controlled substance classified in schedule I or II which is a narcotic drug, or of phencyclidine or any hallucinogen listed in section 152.02, subdivision 2, clause (3), or Minnesota Rules, part 6800.4210, item C, except marijuana or tetrahydrocannabinols, is guilty of a crime and upon conviction may be imprisoned for not more than 20 years or fined not more than \$60,000, or both for a first violation, and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than two years nor more than 30 years or fined not more than \$100,000, or both;

~~(1)~~ *A (2) Any other amount of any controlled substance classified in Schedule I or II which is a narcotic drug, is guilty of a crime and upon conviction may be imprisoned for not more than 15 years or fined not more than \$40,000, or both for a first violation, and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than one year nor more than 30 years or fined not more than \$50,000, or both;*

~~(2)~~ *(3) Any other controlled substance classified in Schedule I, II, or III, is guilty of a crime and upon conviction may be imprisoned for not more than five years, fined not more than \$30,000, or both for a first violation, and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than one year nor more than ten years or fined not more than \$45,000, or both;*

~~(3)~~ *(4) A substance classified in Schedule IV, is guilty of a crime and upon conviction may be imprisoned for not more than three years, fined not more than \$20,000, or both for a first violation, and for a second or subsequent violation, upon conviction, shall be imprisoned for not less than six months nor more than six years or fined not more than \$35,000, or both;*

~~(4)~~ *(5) A substance classified in Schedule V, is guilty of a crime and upon conviction may be imprisoned for not more than one year, fined not more than \$3,000, or both;*

~~(5)~~ *(6) The distribution of a small amount of marijuana for no remuneration, shall be treated as provided in subdivision 2, clause (5).*

Sec. 6. Minnesota Statutes 1984, section 152.15, subdivision 3, is amended to read:

Subd. 3. Any person who violates section 152.09, subdivision 2 or 3, is guilty of a crime and upon conviction may be imprisoned for not more than four years, or fined not more than \$45,000, or both.

Sec. 7. Minnesota Statutes 1984, section 152.15, subdivision 4, is amended to read:

Subd. 4. Any person 18 years of age or over who violates section 152.09, subdivision 1, clause (1), by distributing a controlled substance listed in

Schedules I or II which is a narcotic drug to a person under 18 years of age who is at least three years his junior is punishable by the fine authorized by section 152.15, subdivision 1, ~~clause clauses~~ (1) or (2), by a term of imprisonment of up to twice that authorized by section 152.15, subdivision 1, ~~clause clauses~~ (1) or (2), or by both. Any person 18 years of age or over who violates section 152.09, subdivision 1, by distributing any other controlled substance listed in Schedules I, II, III, IV, and V, except marijuana, to a person under 18 years of age who is at least three years his junior is punishable by the fine authorized by section 152.15, subdivision 1, clauses (2), (3), ~~or~~ (4), or (5), by a term of imprisonment up to twice that authorized by section 152.15, subdivision 1, clauses (2), (3), ~~or~~ (4), or (5), or both.

Sec. 8. Minnesota Statutes 1984, section 152.15, subdivision 5, is amended to read:

Subd. 5. Any person convicted of a second or subsequent offense under ~~Laws 1971, Chapter 937~~ this chapter, except as provided in subdivision 1, clauses (1), (2), (3), (4), and ~~(5)~~ (6) may be imprisoned for a term up to twice the term otherwise authorized, fined an amount up to twice that otherwise authorized, or both.

Sec. 9. [REPORT.]

Before January 1, 1989, the commissioner of public safety, with the cooperation and assistance of the commissioner of human services and the boards of pharmacy, medical examiners, veterinary medicine, podiatry, and dentistry, shall report to the legislature on the implementation and effectiveness of the multiple prescription system including:

- (1) the number of official prescription blanks issued;*
- (2) the number of lost or stolen blanks;*
- (3) the number of indictments, convictions, and disciplinary actions attributable to the program;*
- (4) the cost of administering the program;*
- (5) information about changes in the consumption and diversion of controlled substances in the state as a result of the program;*
- (6) a cost-benefit analysis of the program comparing the benefits of the program in terms of drugs confiscated; channels of diversion closed; perpetrators identified, indicted, or convicted; statewide or regional decreases in consumption and diversion of controlled drugs; reduced overprescribing by practitioners; identification and prevention of fraud and recoupment of overpayments in public medical care programs; referral of chemical abusers to treatment; and other benefits of the program in comparison to the costs of the program to state agencies, prescribers, patients, pharmacists, and other affected persons, and the other undesirable consequences of the program;*
- (7) recommendations for program changes; and*
- (8) other relevant information pertaining to the program.*

Prior to implementation of the project a study group of all involved parties shall be established and shall report to the legislature regarding the antici-

pated benefits and costs of the project.

Sec. 10. Minnesota Statutes 1984, section 260.181, is amended by adding a subdivision to read:

Subdivision 1a. [DISPOSITION PLAN; REQUIREMENT; INTENT.] The court shall decide on a disposition plan based on evidence presented at the disposition hearing. In making its decision, the court shall:

(1) employ, among the dispositions available, the least restrictive means and duration of disposition appropriate to the achievement of the objectives of the disposition plan chosen;

(2) preserve the family unit whenever possible;

(3) transfer custody of the child from the parent only when there is no less drastic appropriate alternative;

(4) consider, in delinquency cases, the need to protect the public in addition to the child's need for treatment and rehabilitation; and

(5) not adversely consider the exercise by any party of that party's constitutional rights.

Sec. 11. Minnesota Statutes 1984, section 260.181, subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] The court may dismiss the petition or otherwise terminate its jurisdiction on its own motion or on the motion or petition of any interested party at any time. ~~Unless terminated by the court, the jurisdiction of the court shall continue until the individual becomes 19 years of age if the court determines it is in the best interest of the individual to do so.~~

Sec. 12. Minnesota Statutes 1984, section 260.181, is amended by adding a subdivision to read:

Subd. 5. [ORDER.] *The disposition order must meet the following requirements:*

(a) The order must contain findings of fact and conclusions of law. The findings of fact shall be supported by clear and convincing evidence.

(b) The findings must document the facts prompting the court to reject as inappropriate less restrictive dispositional choices and shall state reasons for the chosen disposition.

(c) Except as provided in paragraph (d), if a child is placed outside the child's home or present residence, the order must contain a finding that:

(1) reasonable efforts have been made to prevent the need to place the child and, if required by the adoption assistance and child welfare act, United States Code, title 42, section 670, that reasonable efforts have been made to make it possible for the child to return home;

(2) the placement facility chosen by the court provides services suitable to addressing the child's needs or problems; and

(3) in the case of substitute care placement, the requirements of subdivision 3 and the Indian Child Welfare Act, United States Code, title 25, sec-

tions 1911 to 1963, have been met.

(d) If the court has ordered that a child adjudicated delinquent be placed outside the child's home or present residence solely to protect the public, the court shall find that the child is a danger to the public and needs restrictive custodial care.

(e) The order must contain a plan of appropriate rehabilitation, care, treatment, services, and punishment, including specific objectives to be achieved. If appropriate, the order must identify academic, social, and vocational skills to be gained by the child.

(f) The order must identify the agency that is primarily responsible for carrying out the plan ordered by the court. If legal custody is transferred, the order must identify the custodian.

(g) If the child is placed outside the child's home or present residence, the order must identify the placement facility. This paragraph does not apply to foster family homes.

(h) If the court makes the determination provided for in section 260.251, subdivision 1, the order must require the child's parent, guardian, custodian, or trustee to pay the cost of services provided to the child and must designate the amount of the support.

Sec. 13. Minnesota Statutes 1984, section 260.181, is amended by adding a subdivision to read:

Subd. 6. [DURATION OF ORDER.] (a) A disposition order based on an adjudication of a child as an habitual truant or a runaway or for any one of the following offenses is effective for a length of time specified by the court, but not more than one year:

(1) a juvenile petty offense;

(2) a juvenile alcohol offense;

(3) a juvenile controlled substance offense;

(4) a juvenile traffic offense other than a violation of section 169.121 or 169.129; and

(5) a delinquency offense that would be a misdemeanor if committed by an adult.

(b) If legal custody of the child has been transferred by commitment to the commissioner of corrections pursuant to section 260.185, subdivision 1, paragraph (d), the disposition order must provide that the transfer of legal custody is effective until terminated by the commissioner, or until the child becomes 19 years old, whichever occurs first.

(c) All other disposition orders are effective for a length of time specified by the court, but not beyond the date the child becomes 19 years old.

(d) If a child becomes 18 years old before the disposition order expires, the duration of the order is not affected unless the court orders otherwise. However, the court's disposition order must terminate when the child reaches age 19 if jurisdiction is not terminated earlier pursuant to another provision of this chapter.

Sec. 14. Minnesota Statutes 1984, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or his parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in his own home under conditions prescribed by the court including reasonable rules for his conduct and the conduct of his parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless he is licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(4) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for his physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until his 18th birthday, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license with-

out a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

This subdivision applies to dispositions of juveniles found to be delinquent as defined in section 260.015, subdivision 5, clause (c) or (d) made prior to, on, or after January 1, 1978.

Sec. 15. Minnesota Statutes 1984, section 260.194, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS PERMITTED.] If the court finds that the child is a habitual truant, a runaway, or a juvenile petty offender, it shall enter an order making any of the following dispositions of the case which it deems necessary to the rehabilitation of the child:

(a) Counsel the child or his parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of his parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with consent of the commissioner of corrections, in a group foster care facility which is under the commissioner's management and supervision;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless he is licensed as a residential facility pursuant to sections 245.781 to 245.813; or

(4) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Require the child to pay a fine of up to \$100; the court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(e) If the child is in need of special treatment and care for his physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treat-

ment or care, the court may order it provided;

(f) Require the child to participate in a community service project;

(g) Order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program, or an inpatient or outpatient chemical dependency treatment program;

(h) Require the child to perform any other activities or participate in any other treatment programs deemed appropriate by the court;

(i) If the court believes that it is in the best interests of the child and of public safety that the child's driver's license be cancelled, the court may recommend to the commissioner of public safety that the child's license be cancelled for any period up to the child's 18th birthday. The commissioner is authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

Any order for a disposition authorized by this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why they were not appropriate in the instant case.

Sec. 16. [297D.01] [DEFINITIONS.]

Subdivision 1. "Marijuana" means any marijuana, whether real or counterfeit, as defined in section 152.01, subdivision 9, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws.

Subd. 2. "Controlled substance" means any drug or substance, whether real or counterfeit, as defined in section 152.01, subdivision 4, that is held, possessed, transported, transferred, sold, or offered to be sold in violation of Minnesota laws. "Controlled substance" does not include marijuana.

Subd. 3. "Dealer" means a person who in violation of Minnesota law manufactures, produces, ships, transports, or imports into Minnesota or in any manner acquires or possesses more than 42½ grams of marijuana, or seven or more grams of any controlled substance, or ten or more dosage units of any controlled substance which is not sold by weight.

Subd. 4. "Commissioner" means the commissioner of revenue.

Sec. 17. [297D.02] [ADMINISTRATION.]

The commissioner of revenue shall administer this chapter. Payments required by this chapter must be made to the commissioner on the form provided by the commissioner. The commissioner shall collect all taxes under this chapter.

Sec. 18. [297D.03] [RULES.]

The commissioner may adopt rules necessary to enforce this chapter. The commissioner shall adopt a uniform system of providing, affixing, and displaying official stamps, official labels, or other official indicia for marijuana and controlled substances on which a tax is imposed.

Sec. 19. [297D.04] [TAX PAYMENT REQUIRED FOR POSSESSION.]

No dealer may possess any marijuana or controlled substance upon which a tax is imposed by section 23 unless the tax has been paid on the marijuana or other controlled substance as evidenced by a stamp or other official indicia.

Sec. 20. [297D.05] [NO IMMUNITY.]

Nothing in this chapter may in any manner provide immunity for a dealer from criminal prosecution pursuant to Minnesota law.

Sec. 21. [297D.06] [PHARMACEUTICALS.]

Nothing in this chapter requires persons registered under chapter 151 or otherwise lawfully in possession of marijuana or a controlled substance to pay the tax required under this chapter.

Sec. 22. [297D.07] [MEASUREMENT.]

For the purpose of calculating the tax under section 23, an ounce of marijuana or other controlled substance is measured by the weight of the substance in the dealer's possession.

Sec. 23. [297D.08] [TAX RATE.]

A tax is imposed on marijuana and controlled substances as defined in section 16 at the following rates:

- (1) on each gram of marijuana, or each portion of a gram, \$3.50; and*
- (2) on each gram of controlled substance, or portion of a gram, \$200; or*
- (3) on each 50 dosage units of a controlled substance that is not sold by weight, or portion thereof, \$2,000.*

Sec. 24. [297D.09] [FAILURE TO FILE, FILING FALSE OR FRAUDULENT RETURN; INTENT TO EVADE TAX; CRIMINAL PROVISIONS.]

Subdivision 1. [PENALTIES.] Any dealer violating this chapter is subject to a penalty of 100 percent of the tax in addition to the tax imposed by section 23. In addition to the tax penalty imposed, a dealer distributing or possessing marijuana or controlled substances without affixing the appropriate stamps, labels, or other indicia is guilty of a crime and, upon conviction, may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 2. [STATUTE OF LIMITATIONS.] Notwithstanding section 628.26, or any other provision of the criminal laws of this state, an indictment may be found and filed upon any criminal offense specified in this section, in the proper court within six years after the commission of this offense.

Sec. 25. [297D.10] [STAMP PRICE.]

Official stamps, labels, or other indicia to be affixed to all marijuana or

controlled substances shall be purchased from the department. The purchaser shall pay 100 percent of face value for each stamp, label, or other indicia at the time of the purchase. The department shall make the stamps, labels, or other indicia in denominations in multiples of ten dollars.

Sec. 26. [297D.11] [PAYMENT DUE.]

Subdivision 1. [STAMPS AFFIXED.] When a dealer purchases, acquires, transports, or imports into this state marijuana or controlled substances on which a tax is imposed by section 23, and if the indicia evidencing the payment of the tax have not already been affixed, the dealer shall have them permanently affixed on the marijuana or controlled substance immediately after receiving the substance. Each stamp or other official indicia may be used only once.

Subd. 2. [PAYABLE ON POSSESSION.] Taxes imposed upon marijuana or controlled substances by this chapter are due and payable immediately upon acquisition or possession in this state by a dealer.

Sec. 27. [297D.12] [ALL ASSESSMENTS ARE JEOPARDY.]

Subdivision 1. [ASSESSMENT PROCEDURE.] An assessment for a dealer not possessing stamps or other official indicia showing that the tax has been paid shall be considered a jeopardy assessment or collection, as provided in section 270.70. The commissioner shall assess a tax based on personal knowledge or information available to the commissioner; mail the taxpayer at the taxpayer's last known address or serve in person, a written notice of the amount of tax; demand its immediate payment; and, if payment is not immediately made, collect the tax by any method prescribed in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. Section 270.70, subdivision 4, paragraph (a), does not apply to this chapter.

Subd. 2. [INJUNCTION PROHIBITED.] No person may bring suit to enjoin the assessment or collection of any taxes, interest, or penalties imposed by this chapter.

Subd. 3. [STANDARD OF PROOF.] The tax and penalties assessed by the commissioner are presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show their incorrectness or invalidity. Any statement filed by the commissioner with the court administrator, or any other certificate by the commissioner of the amount of tax and penalties determined or assessed is admissible in evidence and is prima facie evidence of the facts it contains.

Sec. 28. [297D.13] [CONFIDENTIAL NATURE OF INFORMATION.]

Neither the commissioner nor a public employee may reveal facts contained in a report or return required by this chapter, nor can any information contained in such a report or return be used against the dealer in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under this chapter from the taxpayer making the return.

Sec. 29. [297D.14] [INVESTIGATORY POWERS.]

For the purpose of determining the correctness of any return, determining

the amount of tax that should have been paid, determining whether or not the dealer should have made a return or paid taxes, or collecting any taxes under this chapter, the commissioner may examine, or cause to be examined, any books, papers, records, or memoranda, that may be relevant to making such determinations, whether the books, papers, records, or memoranda, are the property of or in the possession of the dealer or another person. The commissioner may require the attendance of any person having knowledge or information that may be relevant, compel the production of books, papers, records, or memoranda by persons required to attend, take testimony on matters material to the determination, and administer oaths or affirmations. Upon demand of the commissioner or any examiner or investigator, the court administrator of any court shall issue a subpoena for the attendance of a witness or the production of books, papers, records, and memoranda. The commissioner may also issue subpoenas. Disobedience of subpoenas issued under this chapter is punishable by the district court of the district in which the subpoena is issued, or, if the subpoena is issued by the commissioner, by the district court of the district in which the party served with the subpoena is located, in the same manner as contempt of district court.

Sec. 30. Minnesota Statutes 1984, section 609.50, is amended to read:

609.50 [OBSTRUCTING LEGAL PROCESS OR ARREST.]

Whoever intentionally obstructs, hinders or prevents the lawful execution of any legal process, civil or criminal, or apprehension of another on a charge or conviction of a criminal offense or interferes with a peace officer while the officer is engaged in the performance of his official duties, or by force or threat of force endeavors to intimidate or impede any employee of the department of revenue while the employee is lawfully engaged in the performance of official duties for the purpose of deterring or interfering with the performance of those duties, may be sentenced as follows:

(1) If the act was accompanied by force or violence or the threat thereof, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(2) In other cases to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

Sec. 31. Minnesota Statutes 1984, section 609.582, is amended by adding a subdivision to read:

Subd. 1a. [MANDATORY MINIMUM SENTENCE FOR BURGLARY OF OCCUPIED DWELLING.] A person convicted of committing burglary of an occupied dwelling, as defined in subdivision 1, clause (a), must be committed to the commissioner of corrections or county workhouse for a mandatory minimum term of imprisonment of not less than six months.

Sec. 32. Minnesota Statutes 1984, section 609.583, is amended to read:

609.583 [SENTENCING; FIRST BURGLARY OF A DWELLING.]

Except as provided in section 609.582, subdivision 1a, in determining an appropriate disposition for a first offense of burglary of a dwelling, the court shall presume that a stay of execution with a 90-day period of incarceration as a condition of probation shall be imposed unless the defendant's criminal

history score determined according to the sentencing guidelines indicates a presumptive executed sentence, in which case the presumptive executed sentence shall be imposed unless the court departs from the sentencing guidelines pursuant to section 244.10. A stay of imposition of sentence may be granted only if accompanied by a statement on the record of the reasons for it. The presumptive period of incarceration may be waived in whole or in part by the court if the defendant provides restitution or performs community work service.

Sec. 33. [REPEALER.]

Minnesota Statutes 1984, sections 260.185, subdivision 4; 260.194, subdivision 4; 260.191, subdivision 1a; and 260.195 are repealed.

Sec. 34. [EFFECTIVE DATES.]

Sections 1 to 3; 4, subdivisions 6 and 7; and 6 are effective July 1, 1986. Sections 4, subdivisions 1 to 5; and 9 are effective July 1, 1987. Sections 30 to 32 are effective August 1, 1986, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; establishing a multiple prescription system for monitoring controlled substances; establishing terms of imprisonment for the crime of selling larger quantities of schedule II narcotics and hallucinogens; providing for disposition in juvenile court cases; imposing a tax on marijuana and controlled substances; providing for the crime of using force or threats against revenue department employees; establishing a minimum jail term for burglary of a dwelling; amending Minnesota Statutes 1984, sections 152.09, subdivision 2, and by adding a subdivision; 152.11, subdivision 1; 152.15, subdivisions 1, 3, 4, and 5; 260.181, subdivision 4, and by adding subdivisions; 260.185, subdivision 1; 260.194, subdivision 1; 609.50; 609.582, by adding a subdivision; and 609.583; proposing coding for new law in Minnesota Statutes, chapter 152; proposing coding for new law as Minnesota Statutes, chapter 297D; repealing Minnesota Statutes 1984, sections 260.185, subdivision 4; 260.194, subdivision 4; 260.191, subdivision 1a; and 260.195."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on Senator Sieloff's motion to amend Senator Spear's amendment No. A-1 to H.F. No. 654.

There were yeas 11 and nays 2, as follows:

Those who voted in the affirmative were:

Messrs. Freeman; Jude; Kamrath; Knaak; Luther; Peterson, R.W.; Pogemiller; Ramstad; Ms. Reichgott, Messrs. Sieloff and Spear.

Those who voted in the negative were:

Messrs. Merriam and Petty.

The Sieloff amendment was adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on Senator Freeman's amendment No. A-9A to H.F. No. 654.

There were yeas 9 and nays 4, as follows:

Those who voted in the affirmative were:

Messrs. Freeman; Luther; Merriam; Peterson, R.W.; Petty; Pogemiller; Ms. Reichgott; Messrs. Sieloff and Spear.

Those who voted in the negative were:

Messrs. Jude, Kamrath, Knaak and Ramstad.

The Freeman amendment was adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on Senator Spear's amendment No. A-4 to H.F. No. 654.

There were yeas 6 and nays 5, as follows:

Those who voted in the affirmative were:

Messrs. Freeman; Luther; Merriam; Peterson, R.W.; Ms. Reichgott and Mr. Spear.

Those who voted in the negative were:

Messrs. Jude, Kamrath, Knaak, Ramstad and Sieloff.

The Spear amendment was adopted.

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on Senator Jude's motion that H.F. No. 654, as amended, be recommended to pass.

There were yeas 13 and nays 0, as follows:

Those who voted in the affirmative were:

Messrs. Freeman; Jude; Kamrath; Knaak; Luther; Merriam; Peterson, R.W.; Petty; Pogemiller; Ramstad; Ms. Reichgott, Messrs. Sieloff and Spear.

The bill passed the committee.

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

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

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. [16B.85] [RISK MANAGEMENT.]

Subdivision 1. [ALTERNATIVES TO CONVENTIONAL INSURANCE.] In the event that the state is unable to obtain certain types of insurance, or the commissioner determines insurance to be unreasonably costly, the commissioner may implement alternatives to the purchase of conventional insurance. A mechanism for implementing possible alternatives to conventional insurance is the risk management fund created in subdivision 2.

Subd. 2. [RISK MANAGEMENT FUND.] A state risk management fund is created. All state agencies which have had or may have casualty claims against them with respect to the risks for which the commissioner has implemented conventional insurance alternatives shall contribute to the fund a portion of the money appropriated to them. The commissioner shall determine the proportionate share of each agency on the basis of the agency's casualty claim experience as compared to other affected agencies. The money in the fund to pay casualty claims arising from state activities and for administrative costs, including costs for the adjustment and defense of the claims, is appropriated to the commissioner. Interest earned from the investment of money in the fund shall be credited to the fund and be available to the commissioner for the expenditures authorized in this subdivision. The fund is exempt from the provisions of section 16A.15, subdivision 1. In the event that proceeds in the fund are insufficient to pay outstanding claims and associated administrative costs, the commissioner, in consultation with the commissioner of finance, may assess state agencies participating in the fund amounts sufficient to pay the costs. The commissioner shall determine the proportionate share of the assessment of each agency on the basis of the agency's casualty claim experience as compared to other affected agencies.

Sec. 3. 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. 4. 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. 5. 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 separately 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. 6. 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. 7. 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. 8. 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. 9. 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. 10. 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. 11. 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. 12. 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. 13. 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. 14. 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. 15. Minnesota Statutes 1984, section 62F.01, is amended to read:

62F.01 [CITATION; EXPIRATION DATE.]

~~Subdivision 1. Sections 62F.01 to 62F.14 may be cited as the "Temporary Joint Underwriting Association Act".~~

~~Subd. 2. Sections 62F.01 to 62F.14 expire September 1, 1988.~~

Sec. 16. Minnesota Statutes 1984, section 62F.02, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] There is created a temporary joint underwriting association to provide medical malpractice insurance coverage to any licensed health care provider unable to obtain this insurance through ordinary methods. Every insurer authorized to write and writing personal injury liability 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.

Sec. 17. Minnesota Statutes 1984, section 62F.03, subdivision 2, is amended to read:

Subd. 2. "Association" means the temporary joint underwriting association.

Sec. 18. Minnesota Statutes 1984, section 62F.04, is amended by adding a subdivision to read:

Subd. 1a. [REAUTHORIZATION.] The authorization to issue insurance is valid for a period of two years from the date it was made. The commissioner may reauthorize the issuance of insurance for additional two-year periods under the terms of subdivision 1. This subdivision is not a limitation on the number of times the commissioner may reauthorize the issuance of insurance, except that a hearing is not required for reauthorization.

Sec. 19. 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. 20. 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. 21. 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. 22. [62I.01] [CITATION.]

Sections 22 to 41 may be cited as the Minnesota joint underwriting association act.

Sec. 23. [62I.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, developmental activity centers, group homes, and sheltered workshops for mentally, emotionally, or physically handi-

capped persons, and citizen participation groups established pursuant to the housing and community redevelopment act of 1974, Public Law Number 93-383. 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 or product liability insurance, or coverage for activities that are conducted substantially outside the state of Minnesota unless the insurance is required by statute, ordinance, or otherwise required by law. Every insurer authorized to write property and casualty 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.

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. 24. [62I.03] [DEFINITION.]

Subdivision 1. [SCOPE.] As used in sections 22 to 41 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. [DIRECT WRITTEN PREMIUMS.] "Direct written premiums" means that amount at column (2), lines 5, 8, 9, 17, 21, 22, 23, 24, 25, 26, and 27, page 14, of the annual statement filed annually with the department of commerce pursuant to section 60A.13.

Subd. 5. [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. 25. [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. 26. [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 23. 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. 27. [62I.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 22 to 41.

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 28. 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 26, 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. 28. [62I.07] [MEMBERSHIP ASSESSMENTS.]

Each member of the association shall participate in its losses and expenses in the proportion that the direct written premiums of the member bears to the total 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 on the annual statements and other reports filed by the member with the commissioner.

Sec. 29. [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. 30. [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. 31. [621.10] [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 applicant 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. 32. [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. 33. [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. 34. [621.13] [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. 35. [62I.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. 36. [62I.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. 37. [62I.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. 38. [62I.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. 39. [62I.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. 40. [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. 41. [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. 42. 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. 43. 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. 44. 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. 45. Minnesota Statutes 1984, section 65A.34, subdivision 1, is amended to read:

65A.34 [FAIR PLAN; INSPECTIONS AND REPORTS.]

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. 46. 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. 47. 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. 48. 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. 49. Minnesota Statutes 1984, section 65B.47, subdivision 1, is amended to read:

Subdivision 1. In case of injury to the driver or other occupant of a motor vehicle other than a commuter van, or other than a vehicle being used to transport children to school or to a school sponsored activity bus while it is in operation within the state of Minnesota as to any Minnesota resident who is an insured as defined in section 65B.43, subdivision 5, if the accident causing the injury occurs while the vehicle is being used in the business of transporting persons or property, the security for payment of basic economic loss benefits is the security covering the vehicle or, if none, the security under which the injured person is an insured.

Sec. 50. 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.
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.

In addition to any other manner of determining whether a reasonable degree of price competition exists with respect to any class of insurance, it is

presumed that a reasonable degree of competition does not exist if less than five insurers write more than 75 percent of the direct written premiums.

(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.

In determining whether an excessive rate is being charged by an individual insurer for a class of insurance where a reasonable degree of competition does not exist, the commissioner shall determine whether the rate charged produces a rate of return that is not in excess of a reasonable rate of return. To determine what is a reasonable rate of return, the riskiness of the class of insurance, the profitability of the insurer, and other relevant factors shall be considered.

Sec. 51. 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. 52. 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. 53. 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. 54. 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 ~~45~~ 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. 55. 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 disap-

proved 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. 56. 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. 57. 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. 58. 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. 59. [145.682] [CERTIFICATION OF EXPERT REVIEW; AFFIDAVIT.]

Subdivision 1. [DEFINITION.] For purposes of this section, "health care provider" means a physician, surgeon, dentist, or other health care professional or hospital, including all persons or entities providing health care as defined in section 145.61, subdivisions 2 and 4, or a certified health care professional employed by or providing services as an independent contractor in a hospital.

Subd. 2. [REQUIREMENT.] *In an action alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider which includes a cause of action as to which expert testimony is necessary to establish a prima facie case, the plaintiff must: (1) unless otherwise provided in subdivision 3, paragraph (b), serve upon defendant with the summons and complaint an affidavit as provided in subdivision 3; and (2) serve upon defendant within 180 days after commencement of the suit an affidavit as provided by subdivision 4.*

Subd. 3. [AFFIDAVIT OF EXPERT REVIEW.] *The affidavit required by subdivision 2, clause (1), must be by the plaintiff's attorney and state that:*

(a) the facts of the case have been reviewed by the plaintiff's attorney with an expert whose qualifications provide a reasonable expectation that the expert's opinions could be admissible at trial and that, in the opinion of this expert, one or more defendants deviated from the applicable standard of care and by that action caused injury to the plaintiff; or

(b) the expert review required by paragraph (a) could not reasonably be obtained before the action was commenced because of the applicable statute of limitations. If an affidavit is executed pursuant to this paragraph, the affidavit in paragraph (a) must be served on defendant or the defendant's counsel within 90 days after service of the summons and complaint.

Subd. 4. [IDENTIFICATION OF EXPERTS TO BE CALLED.] *The affidavit required by subdivision 2, clause (2), must be by the plaintiff's attorney and state the identity of each person whom plaintiff expects to call as an expert witness at trial to testify with respect to the issues of malpractice or causation, the substance of the facts and opinions to which the expert is expected to testify, and a summary of the grounds for each opinion. Answers to interrogatories that state the information required by this subdivision satisfy the requirements of this subdivision if they are signed by the plaintiff's attorney and served upon the defendant within 180 days after commencement of the suit against the defendant.*

The parties or the court for good cause shown, may by agreement, provide for extensions of the time limits specified in subdivision 2, 3, or this subdivision. Nothing in this subdivision may be construed to prevent either party from calling additional expert witnesses or substituting other expert witnesses.

Subd. 5. [RESPONSIBILITIES OF PLAINTIFF AS ATTORNEY.] *If the plaintiff is acting pro se, the plaintiff shall sign the affidavit or answers to interrogatories referred to in this section and is bound by those provisions as if represented by an attorney.*

Subd. 6. [PENALTY FOR NONCOMPLIANCE.] *Failure to comply with subdivision 2, clause (1), within 60 days after demand for the affidavit results, upon motion, in mandatory dismissal with prejudice of each cause of action as to which expert testimony is necessary to establish a prima facie case.*

Failure to comply with subdivision 2, clause (2), and subdivision 4 results, upon motion, in mandatory dismissal with prejudice of each cause of action as to which expert testimony is necessary to establish a prima facie case.

Subd. 7. [CONSEQUENCES OF SIGNING AFFIDAVIT.] *The signature*

of the plaintiff or the plaintiff's attorney constitutes a certification that the person has read the affidavit or answers to interrogatories, and that to the best of the person's knowledge, information, and belief formed after a reasonable inquiry, it is true, accurate, and made in good faith. A certification made in violation of this subdivision subjects the attorney or plaintiff responsible for such conduct to reasonable attorney's fees, costs, and disbursements.

Sec. 60. Minnesota Statutes 1984, section 245.814, is amended to read:

245.814 [LIABILITY INSURANCE FOR FOSTER PARENTS LICENSED PROVIDERS.]

Subdivision 1. [INSURANCE FOR FOSTER PARENTS.] The commissioner of human services shall within the appropriation provided purchase and provide insurance to foster parents to cover their liability for:

(1) injuries or property damage caused or sustained by foster children in their home; and

(2) actions arising out of alienation of affections sustained by the natural parents of a foster child.

Coverage shall apply to all foster boarding homes licensed by the department of human services, licensed by a federally recognized tribal government, or established by the juvenile court and certified by the commissioner of corrections pursuant to section 260.185, subdivision 1, clause (c) (5), to the extent that the liability is not covered by the provisions of the standard homeowner's or automobile insurance policy. The insurance shall not cover property owned by the foster parents, damage caused intentionally by a child over 12 years of age, or property damage arising out of business pursuits or the operation of any vehicle, machinery, or equipment.

Subd. 2. [LIABILITY INSURANCE; RISK POOL.] If the commissioner determines that appropriate commercial liability insurance coverage is not available for a licensed foster home, group home, developmental achievement center, or day care provider, and that coverage available through the joint underwriting authority of the commissioner of commerce or other public entity is not appropriate for the provider or a class of providers, the commissioner of human services and the commissioner of commerce may jointly establish a risk pool to provide coverage for licensed providers out of premiums or fees paid by providers. The commissioners may set limits on coverage, establish premiums or fees, determine the proportionate share of each provider to be collected in a premium or fee based on the provider's claim experience and other factors the commissioners consider appropriate, establish eligibility and application requirements for coverage, and take other action necessary to accomplish the purposes of this subdivision. A human services risk pool fund is created for the purposes of this subdivision. Fees and premiums collected from providers for risk pool coverage are appropriated to the risk pool fund. Interest earned from the investment of money in the fund must be credited to the fund and money in the fund is appropriated to the commissioner of human services to pay administrative costs and covered claims for participating providers. In the event that money in the fund is insufficient to pay outstanding claims and associated administrative costs, the commissioner of human services may assess providers

participating in the risk pool amounts sufficient to pay the costs. The commissioner of human services may not assess a provider an amount exceeding one year's premiums collected from that provider.

Sec. 61. 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. 62. 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. 63. 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. 64. 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. 65. 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. 66. 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. 67. 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. 68. 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. 69. 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. 70. 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. 71. 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. 72. Minnesota Statutes 1984, section 466.07, is amended by adding a subdivision to read:

Subd. 4. [PUNITIVE DAMAGES.] A municipality may not save harmless, 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. 73. 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. 74. Minnesota Statutes 1984, section 541.15, is amended to read:

541.15 [PERIODS OF DISABILITY NOT COUNTED.]

(a) Except as provided in paragraph (b), any of the following grounds of disability, existing at the time when a cause of action accrued or arising anytime during the period of limitation, shall suspend the running of the period of limitation until the same is removed; provided that such period, except in the case of infancy, shall not be extended for more than five years, nor in any case for more than one year after the disability ceases:

(1) That the plaintiff is within the age of 18 years;

(2) His insanity;

(3) His imprisonment on a criminal charge, or under a sentence of a criminal court for a term less than his natural life;

(4) Is an alien and the subject or citizen of a country at war with the United States;

(5) When the beginning of the action is stayed by injunction or by statutory

prohibition.

If two or more disabilities shall coexist, the suspension shall continue until all are removed.

(b) In actions alleging malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider, the ground of disability specified in paragraph (a), clause (1), suspends the period of limitation until the disability is removed. The suspension may not be extended for more than eight years.

For purposes of this paragraph, health care provider means a physician, surgeon, dentist, or other health care professional or hospital, including all persons or entities providing health care as defined in section 145.61, subdivisions 2 and 4, or a certified health care professional employed by or providing services as an independent contractor in a hospital.

Sec. 75. [548.36] [COLLATERAL SOURCE CALCULATIONS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "collateral sources" means payments related to the injury or disability in question made to the plaintiff, or on the plaintiff's behalf up to the date of the verdict, by or pursuant to:

(1) a federal, state, or local income disability or workers' compensation act; or other public program providing medical expenses, disability payments, or similar benefits;

(2) health, sickness, or automobile accident insurance or liability insurance that provides health benefits or income disability coverage; or similar insurance benefits, except life insurance benefits available to the plaintiff, whether purchased by the plaintiff or provided by others, and payments made pursuant to the United States Social Security Act, a pension, or other income disability coverage;

(3) a contract or agreement of a group, organization, partnership, or corporation to provide, pay for, or reimburse the costs of hospital, medical, dental or other health care services; or

(4) a contractual or voluntary wage continuation plan provided by employers or any other system intended to provide wages during a period of disability.

Subd. 2. [MOTION.] In a civil action, whether based on contract or tort, when liability is admitted or is determined by the trier of fact, and when damages include an award to compensate the plaintiff for losses available to the date of the verdict by collateral sources, a party may file a motion within ten days of the date of entry of the verdict requesting determination of collateral sources. If the motion is filed, the parties shall submit written evidence of, and the court shall determine:

(1) amounts of collateral sources that have been paid for the benefit of the plaintiff or are otherwise available to the plaintiff as a result of losses except those for which a subrogation right has been asserted; and

(2) amounts that have been paid, contributed, or forfeited by, or on behalf of, the plaintiff or members of the plaintiff's immediate family for the two-year period immediately before the accrual of the action to secure the right

to a collateral source benefit that the plaintiff is receiving as a result of losses.

Subd. 3. [DUTIES OF THE COURT.] (a) The court shall reduce the award by the amounts determined under subdivision 2, clause (1), and offset any reduction in the award by the amounts determined under subdivision 2, clause (2).

(b) If the court cannot determine the amounts specified in paragraph (a) from the written evidence submitted, the court may within ten days request additional written evidence or schedule a conference with the parties to obtain further evidence.

Subd. 4. [CALCULATION OF ATTORNEYS' FEES.] If the fees for legal services provided to the plaintiff are based on a percentage of the amount of money awarded to the plaintiff, the percentage must be based on the amount of the award as adjusted under subdivision 3. Any subrogated provider of a collateral source not separately represented by counsel shall pay the same percentage of attorneys' fees as paid by the plaintiff and shall pay its proportionate share of the costs.

Subd. 5. [JURY NOT INFORMED OF COLLATERAL SOURCES.] The jury shall not be informed of the existence of collateral sources or any future benefits which may or may not be payable to the plaintiff.

Sec. 76. Minnesota Statutes 1984, section 549.09, subdivision 1, is amended to read:

Subdivision 1. [WHEN OWED; RATE.] (a) When the judgment is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict or report until judgment is finally entered shall be computed by the clerk as provided in clause (c) and added to the judgment. (b) Except as otherwise provided by contract or allowed by law, pre-verdict or pre-report interest on pecuniary damages shall be computed as provided in clause (c) from the time of the commencement of the action, or the time of a written demand, whichever occurs first, except as provided herein. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counter-offer within 60 days. After that time interest on the judgment shall be calculated by the judge in the following manner. The prevailing party shall receive interest on any judgment from the time the action was commenced or a written demand was made, or as to special damages from the time when special damages were incurred, if later than commencement of the action, until the time of verdict or report only if the amount of its offer is closer to the judgment than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment, whichever is less, and only from the time the action was commenced or a written demand was made, or as to special damages from when the special damages were incurred, if later than commencement of the action, until the time the settlement offer was made. Subsequent offers and counteroffers supersede the legal effect of earlier offers and counteroffers. For the purposes of clause (3), the amount of settlement offer must be allocated between past and future damages in the same proportion as determined by the trier of fact. Except as otherwise provided by contract or allowed by law, pre-verdict or pre-report

interest shall not be awarded on the following:

(1) judgments, awards, or benefits in workers' compensation cases, but not including third-party actions;

(2) judgments, decrees, or orders in dissolution, annulment, or legal separation actions;

(3) judgments for future damages;

(4) punitive damages, fines, or other damages that are noncompensatory in nature;

(4) (5) judgments not in excess of the amount specified in section 487.30; and

(5) (6) that portion of any verdict or report which is founded upon interest, or costs, disbursements, attorney fees, or other similar items added by the court. (c) The interest shall be computed as simple interest per annum. The rate of interest shall be based on the secondary market yield of one year United States treasury bills, calculated on a bank discount basis as provided in this section.

On or before the 20th day of December of each year the state court administrator shall determine the rate from the secondary market yield on one year United States treasury bills for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the federal reserve system. This yield, rounded to the nearest one percent, shall be the annual interest rate during the succeeding calendar year; provided, however, that in no event shall the rate of interest be less than eight percent per annum. *The state court administrator shall also determine the average rate of interest on judgments to be used during the succeeding calendar year for computation of the discount rate under section 82, subdivision 4, clause (1).* The state court administrator shall communicate the interest ~~rate~~ rates to the clerks of court for ~~their~~ use in computing the interest on verdicts and the discount rate under section 82.

Sec. 77. [549.191] [CLAIM FOR PUNITIVE DAMAGES.]

Upon commencement of a civil action, the complaint must not seek punitive damages. After filing the suit a party may make a motion to amend the pleadings to claim punitive damages. The motion must allege the applicable legal basis under section 549.20 or other law for awarding punitive damages in the action and must be accompanied by one or more affidavits showing the factual basis for the claim. At the hearing on the motion, if the court finds prima facie evidence in support of the motion, the court shall grant the moving party permission to amend the pleadings to claim punitive damages. For purposes of tolling the statute of limitations, pleadings amended under this section relate back to the time the action was commenced.

Sec. 78. Minnesota Statutes 1984, section 549.21, is amended to read:

549.21 [REIMBURSEMENT FOR CERTAIN COSTS IN CIVIL ACTIONS.]

Upon motion of a party, the court in its discretion may award to that party costs, disbursements, reasonable attorney fees and witness fees if the party or attorney against whom costs, disbursements, reasonable attorney and

witness fees are charged acted in bad faith; asserted a claim or defense knowing it to be that is frivolous; asserted an unfounded position solely to delay the ordinary course of the proceedings or to harass that is costly to the other party; or committed a fraud upon the court. To qualify for an award under this section, a party shall give timely notice of intent to claim an award. An award under this section shall be without prejudice and as an alternative to any claim for sanctions that may be asserted under the rules of civil procedure. Nothing herein shall authorize the award of costs, disbursements or fees against a party or attorney advancing a claim or defense unwarranted under existing law, if it is supported by a good faith argument for an extension, modification, or reversal of the existing law.

Sec. 79. Minnesota Statutes 1984, section 595.02, is amended by adding a subdivision to read:

Subd. 4. [WAIVER OF PRIVILEGE FOR HEALTH CARE PROVIDERS.] A party who commences an action for malpractice, error, mistake, or failure to cure, whether based on contract or tort, against a health care provider on the person's own behalf or in a representative capacity, waives in that action any privilege existing under subdivision 1, paragraphs (d) and (g), as to any information or opinion in the possession of a health care provider who has examined or cared for the party or other person whose health or medical condition has been placed in controversy in the action. This waiver must permit all parties to the action, and their attorneys or authorized representatives, to informally discuss the information or opinion with the health care provider if the provider consents. Prior to an informal discussion with a health care provider, the defendant must mail written notice to the other party at least 15 days before the discussion. The plaintiff's attorney or authorized representative must have the opportunity to be present at any informal discussion. Appropriate medical authorizations permitting discussion must be provided by the party commencing the action upon request from any other party.

A health care provider may refuse to consent to the discussion but, in that event, the party seeking the information or opinion may take the deposition of the health care provider with respect to that information and opinion, without obtaining a prior court order.

For purposes of this subdivision, "health care provider" means a physician, surgeon, dentist, or other health care professional or hospital, including all persons or entities providing health care as defined in section 145.61, subdivisions 2 and 4, or a certified health care professional employed by or providing services as an independent contractor in a hospital.

Sec. 80. Minnesota Statutes 1984, section 604.02, subdivision 1, is amended to read:

Subdivision 1. When two or more persons are jointly liable, contributions to awards shall be in proportion to the percentage of fault attributable to each, except that each is jointly and severally liable for the whole award. Provided, however, that a person whose fault is less than that of a claimant is liable to the claimant only for that portion of the judgment which represents the percentage of fault attributable to that person.

Sec. 81. Minnesota Statutes 1984, section 604.02, is amended by adding a

subdivision to read:

Subd. 4. [DEFINITION.] For purposes of this section, "person" includes a municipality as defined in section 466.01.

Sec. 82. [604.07] [DISCOUNT, FUTURE DAMAGE AWARDS.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Economic loss" means all pecuniary harm for which damages are recoverable, including, but not limited to, medical expenses, loss of earnings, and loss of earning capacity.

(c) "Future damages" means all damages which the trier of fact finds will accrue after the damage findings are made.

(d) "Noneconomic loss" means all nonpecuniary harm for which damages are recoverable, including, but not limited to, pain, disability, disfigurement, embarrassment, emotional distress, and loss of consortium.

(e) "Past damages" means all damages that have accrued when the damage findings are made.

Subd. 2. [DISCOUNT REQUIRED.] In all actions seeking damages for personal injury, wrongful death, or loss of means of support, awards of all future damages, including economic and noneconomic loss, reasonably certain to occur must be discounted to present value as provided in this section.

Subd. 3. [FUTURE DAMAGES; EVIDENCE.] The amount of all future damages, including economic and noneconomic loss reasonably certain to occur, must be ascertained at the time of trial without reference to projected inflationary or noninflationary changes. Evidence of noninflationary changes in earnings or earning capacity that are reasonably certain to occur are admissible, but this evidence is limited to the present value of the future changes without regard to inflationary changes. Projected increases in earnings or earning capacity dependent upon general economic statistics are not admissible.

Subd. 4. [DISCOUNT RATE.] The award calculated under subdivision 3 must be reduced to present value at the time of trial by application of a discount rate equal to:

(1) the average rate of interest on judgments under section 549.09 for the five calendar years immediately preceding the commencement of trial, rounded to the nearest one-tenth, less

(2) the average increase in the Consumer Price Index for all Urban Consumers, all items, as published by the U.S. Department of Labor, Bureau of Labor Statistics, rounded to the nearest one-tenth, for the same five-year period. If the Labor Department statistics are not published by the time of trial, the court shall employ the average increase over the most recent five-year period available in the published statistics.

In no instance may the discount rate fall below two percent or rise above six percent.

Sec. 83. [REPEALER.]

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

Sec. 84. [APPLICATION.]

Sections 1 and 61 to 73 apply to claims arising from incidents that occur after June 30, 1986.

Sections 59, 74, and 77 apply to all actions commenced on or after the effective date of those sections. Sections 75, 76, and 78 to 82 apply to actions pending on or commenced on or after the effective date of those sections.

Sec. 85. [EFFECTIVE DATE.]

Sections 3 to 60 and 83 are effective the day following final enactment. Section 74 is effective January 1, 1987."

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; regulating medical malpractice insurance to health care providers who are unable to obtain the coverage in the voluntary market; regulating malpractice actions against health care providers; providing certification of expert review and the waiver of privilege by health care providers; requiring disclosure of experts; revising the statute of limitations for minors; regulating claims for punitive damages; changing the collateral source rule; providing for discount of future damages; 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.01; 62F.02, subdivision 1; 62F.03, subdivision 2; 62F.04, by adding a subdivision; 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; 65B.47, subdivision 1; 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; 245.814; 466.01, subdivision 1; 466.03, subdivision 4, and by adding subdivisions; 466.05; 466.07, by adding a subdivision; 471.982, subdivision 3; 541.15; 549.09, subdivision 1; 549.21; 595.02, by adding a subdivision; 604.02, subdivision 1, and by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 3.736, subdivision 3; 60A.10, subdivision 1; and 64B.03; proposing coding for new law in Minnesota Statutes, chapters 16B; 145; 548; 549; and 604; 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. Amendments adopted. Report adopted.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

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.

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

Page 1, line 13, delete "*other use of space by a transient*" and insert "*resort*"

Page 1, line 18, delete "*One-half*" and insert "*Ninety-five percent*"

Page 1, line 21, delete "LOCAL APPROVAL" and insert "EFFECTIVE DATE"

Page 1, line 22, delete "*compliance with*" and insert "*final enactment.*"

Page 1, delete lines 23 and 24

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

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.

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

Page 1, line 14, delete "*on August 1, 1986,*"

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. 2235: A bill for an act relating to veterans; requiring the MIA-POW flag to be flown on the capitol.

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

Delete everything after the enacting clause and insert:

"Section 1. [MIA-POW FLAG.]

The official flag representing those persons who are missing in action or are prisoners of war, or "MIA-POW" flag, shall be flown at most times on the north portico of the state capitol instead of the United Nations flag. The MIA-POW flag shall be flown in honor of all Minnesotans missing in action until the MIA-POW situation in southeast Asia is resolved. The flag shall be furnished by other than the department of veterans' affairs and approved by the commissioner of veterans' affairs and the capitol area architectural and planning board. A flag or flags other than the MIA-POW flag, such as the United Nations flag, may be flown on special occasions from the north portico.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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. 1862: A bill for an act relating to crimes; making certain videotaped statements admissible in proceedings involving physical or sexual abuse against a child; amending Minnesota Statutes 1984, section 595.02, by adding a subdivision; Minnesota Statutes 1985 Supplement, sections 260.156; and 595.02, subdivision 3.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1984, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, a habitual truant, a runaway, a juvenile petty offender, or a juvenile alcohol or controlled substance offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Hearings may be continued or adjourned from time to time and, in the interim, the court may make any orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court; *except that, the court shall open the hearings to the public in delinquency proceedings where the child is alleged to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the hearing.* In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the clerk of court in writing, at his last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "opening juvenile court hearings to the public in certain circumstances;"

Page 1, line 5, delete "section" and insert "sections 260.155, subdivision 1; and"

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. 1993: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, omitted, and obsolete references and text; eliminating certain redundant, conflicting, and superseded provisions; providing instructions to the revisor; amending Minnesota Statutes 1984, sections 8.32, subdivision 2; 10A.01, subdivision 11; 10A.04, subdivision 4a; 16A.631; 47.58, subdivision 5; 62D.22, subdivision 8; 116C.03, subdivision 2; 116J.70, subdivision 2a; 116M.08, subdivision 17; 121.15, subdivision 2; 124.155, subdivision 1; 124A.02, subdivision 14; 136D.74, subdivision 2; 144.224; 176A.01, subdivision 1; 179A.10, subdivision 3; 253B.02, subdivision 4a; 260.015, subdivision 24; 260.245; 327C.07, subdivision 3a; 349.214, subdivision 2; 383A.23, subdivision 5; 385.24; 403.12, subdivision 1; 414.061, subdivisions 4 and 4a; 462A.21, subdivision 8a; 494.03; 518B.01, subdivision 2; 571.495, subdivision 2; 590.01, subdivision 1; 609.346, subdivision 3; 609.347, subdivision 3; 609.348; 609.35; 611A.03, subdivision 3; 628.26; Minnesota Statutes 1985 Supplement, sections 47.20, subdivision 6c; 64B.05, subdivision 1; 64B.37, subdivision 2; 69.011, subdivision 1; 97.50, subdivision 1; 116M.03, subdivision 28; 124.32, subdivision 1d; 145.917, subdivision 4; 147.01, subdivision 4; 147.073, subdivision 1; 168.27, subdivision 11; 248.07, subdivision 7; 256B.091, subdivision 4; 256D.37, subdivision 1; 256F.05, subdivision 4; 256F.06, subdivision 1; 273.124, subdivision 5; 297C.03, subdivision 1; 298.02, subdivision 1; 340A.702; 356.216; 358.44; 414.061, subdivision 5; 458.16, subdivision 6; 473.831, subdivision 1; 527.41; 527.42; 527.43; 528.15; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.3471; 626.556, subdivision 2; 631.045; proposing coding for new law in Minnesota Statutes, chapter 206; repealing Minnesota Statutes 1984, section 35.067; 383A.23, subdivisions 2, 3, and 4; 403.12, subdivisions 2 and 3; Laws 1984, chapter 560, section 24; Laws 1985, chapters 248, sections 28 and 29; 252, section 24; Laws 1985, First Special Session: chapters 9, article 2, section 89; 14, article 3, section 13; 14, article 4, sections 37 and 91.

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

Pages 9 and 10, delete section 13

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "116C.03, subdivision 2;"

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. 1648: A bill for an act relating to firearms; permitting certain licensed dealers and manufacturers to own or possess machine guns and short-barreled shotguns for certain purposes; amending Minnesota Statutes 1984, section 609.67, subdivisions 3 and 4.

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

Page 1, line 19, strike "and"

Page 2, line 2, after "(4)" insert "*Federally licensed*" and delete "*are federally licensed to*"

Page 2, delete line 3

Page 2, line 4, delete "*in*" and insert "*own or possess the guns for the purpose of conducting*"

Page 2, line 5, after "*or*" insert "*are*"

Page 2, line 25, delete "*The bureau may not*"

Page 2, delete line 26

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. 1517: A bill for an act relating to real property; providing a restriction on the duration of conditions affecting certain real property; providing an exemption for the city of North Oaks; amending Minnesota Statutes 1984, section 500.20, by adding a subdivision.

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

Page 1, line 11, before "All" insert "*Except for any recorded easements or right to reenter or repossess as provided in subdivision 3,*" and after "All" insert "*private*"

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

Page 1, delete lines 17 to 26 and insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective retroactive to August 1, 1982."

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "Oaks;"

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

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

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 356.70, subdivision 1, is amended to read:

Subdivision 1. [COMBINED AGE AND SERVICE REQUIREMENT.] Any member of a retirement plan established pursuant to chapter 352, 353, 354, or 354A who by January 1, 1987, has attained the age of at least 55 years and whose attained age plus credited allowable service totals at least 85, is entitled, upon valid application and termination of service prior to ~~January~~ July 1, 1987, to the normal retirement annuity provided in these chapters without any reduction in annuity by reason of such early retirement.

Sec. 2. Laws 1985, First Special Session chapter 7, section 31, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE EMPLOYEES.] From the public employees retirement association, a member who is currently employed by independent school district No. 281, who was absent from employment due to illness between ~~April 22~~ February 14, 1981, and ~~September 4~~ March 27, 1981, and who did not have the required deductions made from income received between ~~July 4~~ February 14, 1981, and ~~September 4~~ March 27, 1981, shall be entitled to pay the voluntary assessments.

Sec. 3. [BUHL POLICE SURVIVOR BENEFITS.]

Notwithstanding the limitations in Minnesota Statutes, section 423.58, or any other law, the bylaws of the Buhl police relief association may be amended to provide for the payment of a survivor benefit to the surviving spouse of a deceased member, or the surviving children equally if there is no surviving spouse, in an amount equal to 85 percent of the pension the deceased member was to receive on the date of his death. Benefits calculated in accordance with this section must continue until the surviving spouse remarries or until a dependent child reaches the age of 18 years or, if a full-time student, 22 years, and may be made retroactive to June 30, 1985.

Sec. 4. [EVELETH POLICE AND FIREFIGHTERS; BENEFIT INCREASE.]

Notwithstanding any general or special law to the contrary, in addition to other benefits payable, retirement benefits payable to retired police officers and firefighters and their surviving spouses by the Eveleth police and fire trust fund may be increased by \$25 a month. Increases may be made retroactive to January 1, 1986.

Sec. 5. [FALLS NURSING HOME EMPLOYEES.]

Subdivision 1. [REFUND OF CONTRIBUTIONS.] A member of the public employees retirement association who was employed by the Falls nursing home on the date the nursing home was taken over by a private corporation or organization must be paid a refund of accumulated employee and employer contributions made by or on behalf of the employee to the association, plus interest at the rate of six percent a year. If an employee has previously received a refund of employee contributions, only the employer contributions plus the total interest must be refunded. No employer additional contributions may be refunded.

Subd. 2. [DEFERRED ANNUITY.] If an employee described in subdivi-

sion 1 had at least five years of allowable service credit, the employee may elect to receive, in lieu of the refund, a deferred annuity under section 353.34, subdivision 3, notwithstanding the length of service requirements contained in that subdivision. An employee eligible for a deferred annuity who has previously received a refund of employee contributions may reinstate his or her eligibility for a deferred annuity by repaying the amount refunded, including any interest received, to the association.

Subd. 3. [DEADLINE.] Refunds must be paid or options exercised and repayments of refunds made before July 1, 1987.

Sec. 6. [PURCHASE OF PRIOR SERVICE CREDIT BY CERTAIN EMPLOYEES.]

Notwithstanding the limitations in Minnesota Statutes, section 353.36, subdivision 2, or any other law, a person who was employed by the Becker county highway department from May, 1952, to June, 1954, and who does not have the required number of years of allowable service credit to qualify for early retirement under section 356.70, subdivision 1, solely because of prior public service for which salary deductions were not taken out for the association, and who otherwise meets the requirements of section 353.36, subdivision 2, may, by paying before December 31, 1986, an amount calculated in accordance with section 353.36, subdivision 2, purchase the period of prior public service necessary to bring the person's total allowable service to the minimum required for retirement under section 356.70, subdivision 1, although the person's public service did not terminate before July 1, 1982.

Sec. 7. [PURCHASE OF PRIOR SERVICE CREDIT.]

Notwithstanding any provision of law to the contrary, a person who was employed as a public health nurse by the suburban Hennepin county public health nursing service from June, 1957, to February, 1961, and who is currently employed by the city of Bloomington as a health administrator, may purchase prior service credit from the public employees retirement association for the period from June 10, 1957, to February 26, 1961.

Sec. 8. [PAYMENT.]

The provisions of Laws 1982, chapter 578, article II, section 2, govern the amount and manner of payment for the purchase of prior service credit. Payment may be made either by the city of Bloomington or by the person entitled to purchase prior service.

Sec. 9. [PAYMENT OF VOLUNTARY ASSESSMENTS.]

Subdivision 1. Notwithstanding Minnesota Statutes, section 353.01, subdivision 16, or any other law, the person described in subdivision 2 may pay the public employees retirement association voluntary assessments. The amount of the payment is governed by section 353.27, subdivision 2.

Subd. 2. A member of the public employees retirement association who is currently employed by the Hennepin county medical center who was absent from employment due to injury between December 3, 1982, and February 7, 1983, and who did not have the required deductions made from income received between December 3, 1982, and February 7, 1983, may pay the voluntary assessments.

Subd. 3. Payment of employee contributions must be made by the member, and the current employer of the person must pay the employer and additional employer contribution required by section 353.27, subdivisions 3 and 3a. All employee, employer, and employer additional contributions must include interest at the rate of six percent a year, compounded annually, from December 3, 1982. Payments must be completed by July 1, 1986.

Sec. 10. [EFFECTIVE DATE.]

Sections 2 and 5 to 9 are effective the day following final enactment. Section 1 is effective July 1, 1986. Section 3 is effective on approval by the Buhl city council. Section 4 is effective on approval by the Eveleth city council. Both local approvals must comply with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to retirement; public plans generally; extending the time for termination of service to qualify for early retirement without reduction of annuities; amending Minnesota Statutes 1985 Supplement, section 356.70, subdivision 1; and Laws 1985, First Special Session chapter 7, section 31, subdivision 2."

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. 707: A bill for an act relating to retirement; Minnesota state retirement system unclassified plan; including certain state university administrators and faculty; directing a transfer of funds; amending Minnesota Statutes 1984, section 352D.02, 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. [62E.081] [HEALTH INSURANCE FOR RETIRED TEACHERS.]

Subdivision 1. [TEACHERS ELIGIBLE FOR HEALTH INSURANCE.] A teacher who retired before May 1, 1974, from the basic plan of the Minneapolis teachers retirement fund association and who is not currently eligible for the health insurance benefits of the federal Medicare Program of the Social Security Act is entitled to have health insurance premiums paid and to receive the benefits of a number two qualified plan offered by the Minnesota comprehensive health association under sections 62E.01 to 62E.17. The premium payments must be made through contributions from employed teachers in special school district No. 1 and from special school district No. 1 in the manner described in subdivision 2. To qualify for a benefit under this subdivision a retiree shall permit the fund to verify with the Social Security Administration that the retiree does not qualify for Medicare. The permission must be granted on a form prescribed by the fund.

Subd. 2. [DETERMINATION OF PREMIUM.] Before June 30 of each

year, the writing carrier for the Minnesota comprehensive health association under section 62E.13 shall notify the school district of the total premium payment for the following school year required for coverage of the eligible teachers enrolled under subdivision 1 in the comprehensive health insurance plan. The school district shall remit the required premium payment on a monthly basis thereafter to the writing carrier. The employer contribution to the required premium payment must be one-half of the total premium payment and must be paid from the school district's general fund. The school district shall calculate the percentage of total annual payroll for teachers necessary to raise one-half of the total premium payment. The school district shall withhold the appropriate amount from each teacher's paychecks.

Sec. 2. Minnesota Statutes 1984, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

- (a) Name, address, age, and length of time at residence of the applicant;
- (b) Name, address, and age of spouse and children if any, if they are to be insured;
- (c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a pre-existing conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk; ~~and~~
- (d) *Evidence that the applicant meets the eligibility requirements of section 1, subdivision 1, of this act; and*
- (e) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan.

Sec. 3. Minnesota Statutes 1985 Supplement, section 136C.50, subdivision 7, is amended to read:

Subd. 7. [STAFF.] The council may employ an executive director and other staff needed to carry out its duties. The executive director *shall serve in the unclassified service and may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office.* The council may contract with professional, technical, and clerical consultants and interns needed to carry out its functions.

Sec. 4. Minnesota Statutes 1984, section 352.12, subdivision 2, is amended to read:

Subd. 2. [SURVIVING SPOUSE BENEFIT.] If an employee or former employee who has attained the age of at least 55 50 years and has credit for

not less than ten years allowable service or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before an annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, his or her surviving spouse may elect to receive, in lieu of the refund with interest provided in subdivision 1, an annuity equal to the joint and 100 percent survivor annuity which the employee could have qualified for had he or she terminated service on the date of death. *The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service.* The annuity shall be computed as provided in section 352.115, subdivisions 1, 2, and 3, and section 352.116, subdivisions 1 and 3. *Sections 352.22, subdivision 3, and 352.72, subdivision 2, apply to a deferred annuity payable under this subdivision.* The annuity shall cease with the last payment received by the surviving spouse in his or her lifetime. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the benefits paid and payable to the surviving spouse shall be paid to the deceased employee's last designated beneficiary or, if none, to the surviving children of the deceased spouse in equal shares or, if none, to the surviving parents of the deceased spouse or, if none, to the representative of the estate of such deceased spouse. Any employee may request in writing that this subdivision not apply and that payment be made only to his designated beneficiary as otherwise provided by this chapter.

Sec. 5. Minnesota Statutes 1984, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained the age of at least 55 50 years and has credit for not less than ten years of allowable service, or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to section 353.31, an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for had the member terminated service on the date of death. *The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service.* The annuity shall be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions subdivision 1, 1a, 1b and 1c. *Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision.* No payment shall accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. Any member may specify in writing that this subdivision shall not apply and that payment shall be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 6. Minnesota Statutes 1985 Supplement, section 353.657, subdivi-

sion 2a, is amended to read:

Subd. 2a. If a member who has attained the age of at least 55 50 years and has credit for not less than ten years allowable service dies before public service has terminated, or if an employee who has filed a valid application for an annuity or disability benefit prior to termination of public service dies before the annuity or benefit has become payable, notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, in lieu of a refund with interest provided in section 353.32, subdivision 1, or survivor benefits otherwise payable pursuant to subdivisions 1 and 2, an annuity equal to the 100 percent joint and survivor annuity which the member could have qualified for on the date of death, computed as provided in sections 353.651, subdivisions 2 and 3, and 353.30, subdivision 3. *The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision.* No payment shall accrue beyond the end of the month in which entitlement to such annuity has terminated. An amount equal to the excess, if any, of the accumulated contributions which were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse shall be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of such deceased member. Any member may request in writing that this subdivision not apply and that payment be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 7. Minnesota Statutes 1984, section 354.05, subdivision 26, is amended to read:

Subd. 26. [POST RETIREMENT INVESTMENT FUND ANNUITY.] "Post retirement investment fund annuity" means the payments made by the fund to an annuitant after retirement in accordance with the provisions of section 354.63. It also means that the payments made by the fund shall never be an amount less than the amount originally determined on the date of retirement ~~or as adjusted on each succeeding January 1, 1974 whichever is later but not including the adjustments provided in section 11A.18.~~

Sec. 8. Minnesota Statutes 1984, section 354.44, subdivision 4, is amended to read:

Subd. 4. [TIME AND MANNER OF PAYMENTS.] A member may make application to the board for a retirement annuity any time after the member has satisfied the age and service requirements of this chapter for retirement except that no application for retirement may be made more than 60 days before termination of teaching service. The annuity payment shall begin to accrue after the termination of teaching service, or after the application for retirement has been filed with the board, whichever is later, as follows:

(a) on the sixteenth day of the month of termination or filing if the termination or filing occurs on or before the fifteenth day of the month or

(b) on the first day of the month following the month of termination or filing if the termination or filing occurs on or after the sixteenth day of the

month but in no event shall an annuity begin to accrue more than one month prior to the date of final salary receipt.

If an application for retirement is filed with the board during the 90-day period immediately following the termination of teaching service, the annuity may begin to accrue as if the application for retirement had been filed with the board on the date teaching service terminated. In no event may an annuity begin to accrue more than one month before the date of final salary receipt.

Sec. 9. Minnesota Statutes 1984, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member who has attained the age of at least 55 50 years and has credit for at least ten years of allowable service ~~or who has credit for at least 30 years of allowable service~~ ~~irrespective of age~~ shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to sections 354.47, subdivision 1, or 354.62, subdivision 5, clause (3), whichever is applicable, the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivisions 2, 6 or 7, whichever is applicable. *The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 354.44, subdivisions 6 and 7, and 354.60 apply to a deferred annuity payable under this section.* If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1). The benefit shall be payable for life.

Sec. 10. Minnesota Statutes 1985 Supplement, section 354.55, subdivision 11, is amended to read:

Subd. 11. Any person covered under section 354.44, subdivisions 6 and 7, who ceases to render teaching service may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision shall be governed pursuant to section 354.44, subdivision 1, or 354.60.

The amount of the deferred retirement annuity shall be determined by section 354.44, subdivisions 6 and 7, and augmented as provided herein. The required reserves related to that portion of the annuity which had accrued at the time the member ceased to render teaching service shall be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months or if this period commences prior to July 1, 1971. The rates of interest used for this purpose shall be five percent commencing July 1, 1971, until January 1, 1981, and three percent thereafter. If a person has

more than one period of uninterrupted service; *a separate average salary determined under section 354.44, subdivision 6, must be used for each period and the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity.* If a person does not render teaching service in any one or more consecutive fiscal years and then resumes teaching service, the formula percentages used from date of resumption will be those applicable to new members. The mortality table and interest assumption contained therein used to compute the annuity shall be determined by the law in effect at the time of the member's retirement. A period of uninterrupted service for the purposes of this subdivision shall mean a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The provisions of this subdivision shall not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case shall the annuity payable herein be less than the amount of annuity payable pursuant to section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement prior to age 65 contained in section 354.44, subdivision 6, clause (2) shall also apply to an employee fulfilling the requirements with a combination of service as provided in section 354.60.

The augmentation provided by this subdivision shall not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

Sec. 11. Minnesota Statutes 1984, section 354A.35, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE TO RETIRE; SURVIVING SPOUSE OPTIONAL ANNUITY.] The surviving spouse of any coordinated member who has attained the age of at least 55 50 years and has credit for at least 20 ten years of service ~~or has credit for at least 30 years of service regardless of age~~ shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. *The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service.* The member's surviving spouse shall be paid a joint and survivor annuity as provided in section 354A.32 and computed pursuant to section 354A.31. *Sections 354A.37, subdivision 2, and 354A.39 apply to a deferred annuity payable under this section.* The benefits shall be payable for life.

Sec. 12. Minnesota Statutes 1985 Supplement, section 356.215, subdivision 4d, is amended to read:

Subd. 4d. [INTEREST ASSUMPTIONS.] For funds governed by chapters 3A, 352, 352B, 352C, 353, 354 (*except the variable annuity fund, which is governed by section 354.62*), and 490, a preretirement interest assumption of eight percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year must

be used. For funds governed by chapter 354A, preretirement and postretirement assumptions of eight percent and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.065 multiplied by the salary for the preceding year, but the payment of postretirement adjustments to retirees shall be based on the methods specified in the bylaws of the fund as approved by the legislature. For all other funds, a preretirement interest assumption of five percent, a postretirement interest assumption of five percent, and an assumption that in each future year the salary on which a retirement or other benefit is based is 1.035 multiplied by the salary for the preceding year must be used.

Sec. 13. [OPTION TO CHOOSE PLAN.]

Subdivision 1. Each legislative employee who while being employed by the legislature exercised an option to retain coverage in the state employees retirement fund has an option to choose future coverage in the unclassified plan and to transfer to the unclassified plan prior service credit accrued in the state employees retirement fund.

For an employee who elects to transfer service credit, the executive director of the fund shall transfer to the unclassified plan accumulated employee and equal employer contributions with interest at six percent a year compounded annually, based on fiscal year balances. The employee must complete the application for the transfer before July 1, 1987.

Subd. 2. The legislative body for which the employee is employed has the option to pay to the employee's account in the unclassified plan an amount equal to the difference between the employer contribution that would have been deposited in the employee's account had the employee been a member of the plan and the employer contribution that was contributed to the state employees retirement fund on behalf of the employee during the period the employee retained coverage in the state employees retirement fund. The legislative body must exercise its option before July 1, 1987.

Sec. 14. [INCREASE IN CERTAIN ANNUITIES.]

A former member of the public employees retirement association, the state patrol retirement fund, the state retirement system, or the teachers retirement association who terminated employment before July 1, 1973, and was at least 55 years of age with at least ten years of service at the time of termination, and who deferred receipt of an annuity until after June 30, 1973, must be paid the annuity increase granted to pre-1973 retirees by Laws 1973, chapter 653, sections 32 and 34; chapter 728, section 25, subdivisions 13 and 14; chapter 753, sections 2 and 36; and chapter 755, section 5, less any augmentation of benefits during the time the annuity was deferred, commencing with the first annuity payment made after the effective date of this section.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 and 2 are effective on approval by the governing board of special school district No. 1 and compliance with Minnesota Statutes, section 645.021. Sections 4 to 6, 9, and 11 are effective the day following final enactment. Increases under sections 4, 5, 6, 9, and 11 must be made retroactive to July 1, 1985. Sections 3, 8, 10, and 12 to 14 are effective July 1, 1986.

Delete the title and insert:

"A bill for an act relating to retirement; public plans generally; providing health insurance benefits for certain retired teachers; changing eligibility requirements for surviving spouse benefits; amending Minnesota Statutes 1984, sections 62E.14, subdivision 1; 352.12, subdivision 2; 353.32, subdivision 1a; 354.05, subdivision 26; 354.44, subdivision 4; 354.46, subdivision 2; and 354A.35, subdivision 2; Minnesota Statutes 1985 Supplement, sections 136C.50, subdivision 7; 353.657, subdivision 2a; 354.55, subdivision 11; and 356.215, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 62E."

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

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 5, 1986:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Mona J. Hintzman

STATE BOARD FOR COMMUNITY COLLEGES

James B. Collier, Jr.

STATE UNIVERSITY BOARD

Elizabeth A. Pegues

Bernard Alvin Miller

COUNCIL ON QUALITY EDUCATION

Carl A. Swenson

Reports the same back with the recommendation that the appointments 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 were referred the following appointments as reported in the Journal for February 10, 1986:

STATE BOARD FOR COMMUNITY COLLEGES

Pierre Mattei

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

John Amundson

Reports the same back with the recommendation that the appointments 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 were referred the following appointments as reported in the Journal for February 17, 1986:

STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Douglas D. Knowlton

John O'Connor

Reports the same back with the recommendation that the appointments 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 were referred the following appointments as reported in the Journal for February 20, 1986:

STATE BOARD OF EDUCATION

Dr. Erling O. Johnson

James Hoes

Reports the same back with the recommendation that the appointments 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 the following appointment as reported in the Journal for February 24, 1986:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Thomas Auth

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 the following appointment as reported in the Journal for March 6, 1986:

STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Julia E. Templin

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.

SECOND READING OF SENATE BILLS

S.F. Nos. 1945, 2014, 1966, 2227, 1928, 2040, 1395, 1727, 2129, 2206, 2235, 1862, 1993, 1648, 1517 and 707 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1773 and 229 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Peterson, C.C. moved that the name of Mr. Pehler be added as a

co-author to S.F. No. 1855. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Berg, Stumpf and DeCramer be added as co-authors to S.F. No. 1892. The motion prevailed.

SPECIAL ORDER

S.F. No. 2057: A bill for an act relating to public indebtedness; providing for the power of municipalities to enter into repurchase and reverse repurchase agreements with qualified dealers; providing for the safekeeping of investments by qualified dealers; amending Minnesota Statutes 1984, section 475.66, subdivision 2; and Minnesota Statutes 1985 Supplement, sections 475.66, subdivision 1; and 475.76, subdivision 1.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Frederickson	Lantry	Pehler	Samuelson
Belanger	Freeman	Lessard	Peterson, C.C.	Schmitz
Benson	Johnson, D.E.	Luther	Peterson, D.C.	Spear
Chmielewski	Johnson, D.J.	McQuaid	Peterson, D.L.	Storm
Davis	Jude	Mehrkens	Petty	Stumpf
DeCramer	Kamrath	Merriam	Pogemiller	Waldorf
Dicklich	Knutson	Moe, D.M.	Purfeerst	Wegscheid
Diessner	Kroening	Moe, R.D.	Ramstad	Willet
Dieterich	Kronebusch	Novak	Reichgott	
Frank	Langseth	Olson	Renneke	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1701: A bill for an act relating to town powers; authorizing the establishment of a perpetual care program for certain cemeteries; amending Minnesota Statutes 1985 Supplement, section 365.10.

Mr. Renneke moved to amend S.F. No. 1701 as follows:

Page 3, line 11, delete everything after the first "town" and insert "*Before establishing a perpetual care program, the town board must make the determination that sufficient funds are available from burial plot sales, gifts, and private assistance to administer and maintain the cemetery.*"

Page 3, line 12, delete everything before "Cemetery"

The motion prevailed. So the amendment was adopted.

S.F. No. 1701 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Frank	Lantry	Peterson, C. C.	Samuelson
Anderson	Frederickson	Lessard	Peterson, D. C.	Schmitz
Belanger	Freeman	Luther	Peterson, D. L.	Spear
Benson	Gustafson	McQuaid	Peterson, R. W.	Storm
Bertram	Jude	Mehrkins	Petty	Stumpf
Chmielewski	Kamrath	Merriam	Pogemiller	Waldorf
Davis	Knaak	Moe, D. M.	Purfeerst	Wegscheid
DeCramer	Kroening	Moe, R. D.	Ramstad	Willet
Diessner	Kronebusch	Novak	Reichgott	
Dieterich	Langseth	Pehler	Renneke	

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

SPECIAL ORDER

S.F. No. 2079: A bill for an act relating to human services; creating a service for the blind and visually handicapped in the department of jobs and training; providing for appeals; providing a penalty; amending Minnesota Statutes 1985 Supplement, sections 13.46, subdivision 2; 248.07, subdivisions 1, 2, 3, 4, 5, 7, 12, 14, 14a, and 15; proposing coding for new law in Minnesota Statutes, chapters 13 and 248; repealing Minnesota Statutes 1985 Supplement, section 248.08.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1698: A bill for an act relating to education; allowing school boards to join any association of school districts; amending Minnesota Statutes 1984, section 123.33, subdivision 10; repealing Minnesota Statutes 1985 Supplement, section 123.33, subdivision 14.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2233: A bill for an act relating to education; adding post-secondary vocational technical education representation on the ESV computer and UFARS advisory councils; amending Minnesota Statutes 1984, sections 121.901, subdivision 1; and 121.934, subdivisions 1 and 2.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1980: A bill for an act relating to human services; providing for exhaustion of benefits from other programs before payment of adoption subsidies; amending Minnesota Statutes 1984, section 259.40, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 259.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2087: A bill for an act relating to county courts; specifying the prosecuting attorney for certain offenses; amending Minnesota Statutes 1984, section 487.25, subdivision 10.

Mr. Pehler moved to amend S.F. No. 2087, as follows:

Page 1, line 10, after the first "law" insert "*and except for statutory or home rule charter cities or townships under 2,500 population that do not appoint an attorney for criminal matters*"

Page 1, lines 13 and 15, before "*statutory*" insert "*township or*"

Page 1, lines 21 and 23, delete "*municipal*" and insert "*local*"

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

S.F. No. 2087 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

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

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Willet moved that the following members be excused for a Conference Committee on H.F. No. 2009 from 8:00 to 9:30 p.m.:

Messrs. Willet, Kroening, Luther, Samuelson and Nelson. The motion prevailed.

SPECIAL ORDER

S.F. No. 1869: A bill for an act relating to utilities; changing the powers and responsibilities of the chair of the public utilities commission; requiring

the governor to appoint the chair of the commission; changing qualification for commissioners; requiring commissioners to file certain financial information before taking office; prohibiting commissioners and certain employees from engaging in certain activity after leaving the commission; requiring the commission to adopt a code of conduct; providing penalties; amending Minnesota Statutes 1984, sections 216A.03, subdivisions 1 and 3; and 216A.035; proposing coding for new law in Minnesota Statutes, chapter 216A.

Mr. Sieloff moved to amend S.F. No. 1869 as follows:

Page 4, after line 10, insert:

"The ex parte rules may prohibit only ex parte communications by commission members with a party relating to a material issue during a pending contested case proceeding. A contested case is pending from the time the commission refers the matter to the office of administrative hearings until the commission has issued its final order, and the time to petition for reconsideration has expired or the commission has issued an order finally disposing an application for reconsideration, whichever is later."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 35 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Gustafson	Lessard	Ramstad
Anderson	Davis	Isackson	McQuaid	Renneke
Belanger	DeCramer	Johnson, D.E.	Mehrkens	Sieloff
Benson	Diessner	Kamrath	Merriam	Storm
Berg	Frank	Knaak	Olson	Stumpf
Bernhagen	Frederick	Knutson	Petty	Taylor
Bertram	Frederickson	Kronebusch	Purteerst	Waldorf

Those who voted in the negative were:

Berglin	Hughes	Moe, D. M.	Peterson, D.C.	Spear
Dahl	Johnson, D.J.	Moe, R. D.	Peterson, R.W.	
Dicklich	Jude	Novak	Pogemiller	
Dieterich	Lantry	Peterson, C.C.	Reichgott	

The motion prevailed. So the amendment was adopted.

S.F. No. 1869 was then progressed.

SPECIAL ORDER

S.F. No. 1839: A bill for an act relating to elections; recodifying and clarifying the laws on election contests; amending Minnesota Statutes 1984, sections 209.01; 209.02; 209.03; 209.05; 209.06; 209.07; 209.09; 209.10; and 209.12; proposing coding for new law in Minnesota Statutes, chapter 209; repealing Minnesota Statutes 1984, sections 209.02, subdivisions 2, 3, 4, 4a, 5, 6, 7, and 8; 209.04; and 209.11.

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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.E.	Merriam	Ramstad
Anderson	Dicklich	Johnson, D.J.	Moe, R. D.	Reichgott
Belanger	Diessner	Jude	Novak	Renneke
Benson	Dieterich	Kamrath	Olson	Schmitz
Berg	Frank	Knaak	Peterson, C.C.	Sieloff
Berglin	Frederick	Knutson	Peterson, D.C.	Spear
Bernhagen	Frederickson	Kronebusch	Peterson, D.L.	Storm
Bertram	Freeman	Laidig	Peterson, R.W.	Stumpf
Brataas	Gustafson	Lantry	Petty	Taylor
Dahl	Hughes	Lessard	Pogemiller	Waldorf
Davis	Isackson	McQuaid	Purfeerst	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2069: A bill for an act relating to elections; providing for postponement of precinct caucuses in case of inclement weather; amending Minnesota Statutes 1984, section 202A.14, subdivision 1.

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 53 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.J.	Merriam	Ramstad
Anderson	Diessner	Jude	Moe, D. M.	Reichgott
Belanger	Dieterich	Kamrath	Moe, R. D.	Renneke
Benson	Frank	Knaak	Olson	Schmitz
Berg	Frederick	Knutson	Peterson, C.C.	Sieloff
Berglin	Frederickson	Kronebusch	Peterson, D.C.	Spear
Bernhagen	Freeman	Laidig	Peterson, D.L.	Storm
Bertram	Gustafson	Lantry	Peterson, R.W.	Stumpf
Dahl	Hughes	Lessard	Petty	Waldorf
Davis	Isackson	McQuaid	Pogemiller	
DeCramer	Johnson, D.E.	Mehrken	Purfeerst	

Mrs. Brataas and Mr. Novak voted in the negative.

So the bill passed and its title was agreed to.

SPECIAL ORDER

The question recurred on S.F. No. 1963.

S.F. No. 1963: A bill for an act relating to metropolitan government; changing the treatment of current value credits and modifying the cost allocation system of the metropolitan waste control commission; providing for a reserve fund for the commission; authorizing appointment of advisory committees by the commission; authorizing an implementation period for transition to a new cost allocation system; amending Minnesota Statutes 1984, sections 473.511, subdivision 4; and 473.517, subdivisions 1, 2, 3, and 9; repealing Minnesota Statutes 1984, section 473.517, subdivisions 4, 5, and 7.

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

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the proceedings on H.F. No. 671. The Sergeant at Arms was instructed to bring in the absent members.

Pursuant to Rule 22, Mr. Moe, R.D. moved that he be excused from voting on all questions pertaining to H.F. No. 671. The motion prevailed.

Mr. Petty moved that H.F. No. 671 be taken from the table. The motion prevailed.

H.F. No. 671: A bill for an act relating to financial institutions; authorizing interstate acquisition and formation of banks between this state and certain states on a reciprocal basis; proposing coding for new law in Minnesota Statutes, chapter 48.

Mr. Petty moved to amend H.F. No. 671, as amended pursuant to Rule 49, adopted by the Senate February 27, 1986, as follows:

(The text of the amended House File is identical to S.F. No. 607.)

Page 3, line 17, after "*South Dakota*," insert "*and*"

Page 3, line 18, delete everything after "*Wisconsin*"

Page 3, line 19, delete everything before the period

The motion prevailed. So the amendment was adopted.

Mr. Petty then moved to amend the Petty amendment to H. F. No. 671, adopted by the Senate March 6, 1986, as follows:

In the amendment to page 3, after line 26:

Subdivision 9, line 5, after "*other*" insert "*out-of-state*"

The motion prevailed. So the amendment was adopted.

H.F. No. 671 was read the third time, as amended, and placed on its final passage.

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

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

The roll was called, and there were yeas 34 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Isackson	Mehrkens	Petty	Solon
Brataas	Johnson, D.E.	Merriam	Pogemiller	Spear
Diessner	Kamrath	Moe, D. M.	Purfeerst	Storm
Dieterich	Knutson	Nelson	Ramstad	Taylor
Frank	Lessard	Olson	Reichgott	Waldorf
Freeman	Luther	Pehler	Schmitz	Wegscheid
Gustafson	McQuaid	Peterson, D.L.	Steloff	

Those who voted in the negative were:

Adkins	Chmielewski	Hughes	Langseth	Samuelson
Belanger	Dahl	Johnson, D.J.	Lantry	Stumpf
Benson	Davis	Jude	Novak	Willet
Berg	DeCramer	Knaak	Peterson, C.C.	
Berglin	Dicklich	Kroening	Peterson, D.C.	
Bernhagen	Frederick	Kronebusch	Peterson, R.W.	
Bertram	Frederickson	Laidig	Renneke	

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

SPECIAL ORDER

S.F. No. 1595: A bill for an act relating to agriculture; providing a milk marketing and price stabilization plan; declaring state policy relating to milk; creating a milk stabilization board; authorizing the board to prescribe milk stabilization plans and maximum and minimum prices for marketing milk; requiring licenses for persons involved in milk marketing; prescribing milk marketing violations; authorizing enforcement of disruptive trade practices; authorizing entry, inspection, and investigation of milk marketing practices; requiring records and reports; providing remedies and penalties for milk marketing violations; authorizing local advisory boards; authorizing assessments on milk processors; authorizing a referendum on continuance of stabilized prices; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1984, chapter 32A.

CALL OF THE SENATE

Mr. Peterson, C.C. imposed a call of the Senate for the balance of the proceedings on S.F. No. 1595. The Sergeant at Arms was instructed to bring in the absent members.

S.F. No. 1595 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 32 and nays 32, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Novak	Schmitz
Berglin	Diessner	Lantry	Pehler	Solon
Bertram	Frank	Lessard	Peterson, C.C.	Stumpf
Chmielewski	Hughes	Luther	Pogemiller	Willet
Dahl	Johnson, D.J.	Merriam	Purfeerst	
Davis	Knaak	Moe, R. D.	Reichgott	
DeCramer	Kroening	Nelson	Samuelson	

Those who voted in the negative were:

Anderson	Frederick	Knutson	Peterson, D. L.	Storm
Belanger	Frederickson	Kronebusch	Peterson, R. W.	Taylor
Benson	Gustafson	Laidig	Petty	Waldorf
Berg	Isackson	McQuaid	Ramstad	Wegscheid
Bernhagen	Johnson, D. E.	Mehrkens	Renneke	
Brataas	Jude	Olson	Sieloff	
Dieterich	Kamrath	Peterson, D. C.	Spear	

So the bill failed to pass.

MOTIONS AND RESOLUTIONS - CONTINUED

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

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 397, 2185, 2324, 2394, 1744, 1797 and 1911.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 10, 1986

FIRST READING OF HOUSE BILLS

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

H.F. No. 397: A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged; appropriating money.

Mr. Kamrath moved that H.F. No. 397 be laid on the table. The motion did not prevail.

Referred to the Committee on Judiciary.

H.F. No. 2185: A bill for an act relating to state government; providing for the purchase, use, administration, or disposal of certain fees, services, and property within the jurisdiction of the commissioner of administration; amending Minnesota Statutes 1984, sections 16B.07, subdivisions 3 and 4; 16B.08, subdivision 4; 16B.09, subdivision 1; and Minnesota Statutes 1985 Supplement, sections 16B.29; 16B.42, subdivision 4; and 16B.48, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2137, now on General Orders.

H.F. No. 2324: A bill for an act relating to education; prohibiting the state board from authorizing a school board to transfer money from the debt redemption fund except under conditions; allowing modifications in the levy for debt service for independent district No. 750; amending Minnesota Stat-

utes 1984, section 475.61, subdivision 4; Minnesota Statutes 1985 Supplement, section 121.9121, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1970, now on General Orders.

H.F. No. 2394: A bill for an act relating to veterans; requiring the POW-MIA flag to be flown on the capitol.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2235, now on General Orders.

H.F. No. 1744: A bill for an act relating to education; making changes to the definition of a school; providing for the admission into evidence of certain attendance records; establishing a task force to make recommendations about compulsory attendance laws; amending Minnesota Statutes 1984, section 120.10, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 634.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1798, now on General Orders.

H.F. No. 1797: A bill for an act relating to courts; amending the law that requires the supreme court to determine whether vacant judicial offices are necessary; providing for termination of certain public defender systems; amending Minnesota Statutes 1985 Supplement, section 2.722, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 611.

Referred to the Committee on Judiciary.

H.F. No. 1911: A bill for an act relating to natural resources; authorizing watershed management organizations to establish taxing districts within minor watershed units of watersheds; amending Minnesota Statutes 1984, sections 473.878, by adding a subdivision; 473.882, subdivision 3; and 473.883, subdivisions 2, 3, 6, and 7; Minnesota Statutes 1985 Supplement, section 473.882, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1948, now on General Orders.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott moved that S.F. No. 1753, No. 21 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

MEMBERS EXCUSED

Mr. Bernhagen was excused from the Session of today from 10:30 a.m. to 8:00 p.m. Mrs. Brataas was excused from the Session of today from 10:30 a.m. to 12:00 noon. Mr. Gustafson was excused from the Session of today from 10:30 a.m. to 12:00 noon. Mrs. Kronebusch was excused from the Session of today from 10:30 to 11:15 a.m. and from 12:45 to 1:15 p.m. Mr. Kroening was excused from the Session of today from 10:30 to 11:23 a.m. Mr. Schmitz was excused from the Session of today from 10:30 to 11:30 a.m. Mr. Frederickson was excused from the Session of today from 10:30 to 11:30 a.m. Mr. Diessner was excused from the Session of today from 11:45 a.m. to

12:45 p.m. Mr. Knaak was excused from the Session of today from 12:00 noon to 12:15 p.m. and from 1:00 to 1:30 p.m. Mr. Ramstad was excused from the Session of today from 12:30 to 1:30 p.m. Mrs. McQuaid was excused from the Session of today from 12:45 to 1:30 p.m. Ms. Olson was excused from the Session of today from 12:45 to 1:30 p.m. Mr. Vega was excused from this evening's Session. Mr. Bertram was excused from the Session of today from 7:00 to 7:36 p.m. Mr. Solon was excused from the Session of today from 7:00 to 9:00 p.m. Mr. Dahl was excused from the Session of today from 7:20 to 7:45 p.m. Mr. Laidig was excused from the Session of today from 7:00 to 8:50 p.m. Ms. Berglin was excused from the Session of today from 7:00 to 8:00 p.m. Messrs. Pehler, Chmielewski, Langseth, Wegscheid and Frank were excused from this evening's Session from 9:00 to 10:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:30 a.m., Tuesday, March 11, 1986. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate