

## FIFTEENTH DAY

St. Paul, Minnesota, Thursday, February 19, 1987

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

Prayer was offered by the Chaplain, Rev. Reginald G. Penner.

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

Adkins	Dahl	Knaak	Moe, D.M.	Reichgott
Anderson	Davis	Knutson	Moe, R.D.	Samuelson
Beckman	DeCramer	Kroening	Morse	Schmitz
Benson	Diessner	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederick	Lantry	Pehler	Storm
Bernhagen	Frederickson, D.J.	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, R.W.	Taylor
Brandl	Gustafson	Marty	Piper	Vickerman
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Chmielewski	Johnson, D.J.	Mehrkens	Purfeerst	Wegscheid
Cohen	Jude	Merriam	Ramstad	

The President declared a quorum present.

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

### MEMBERS EXCUSED

Messrs. Belanger, Dicklich, Freeman, Hughes, Larson, Metzen, Renneke and Willet were excused from the Session of today. Messrs. Brandl and Wegscheid were excused from the Session of today at 3:00 p.m. Mr. Beckman was excused from the Session of today from 2:00 to 2:20 p.m.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

February 4, 1987

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. 95.

Sincerely,

Rudy Perpich, Governor

February 4, 1987

The Honorable Fred C. Norton  
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 Act of the 1987 Session of the State Legislature has been received from the Office of the Governor and is 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 1987	Date Filed 1987
95		Res. No. 1	February 4	February 4

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 House File, herewith transmitted: H.F. No. 127.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 16, 1987

### FIRST READING OF HOUSE BILLS

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

H.F. No. 127: 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 1986, section 317.65, subdivision 7.

Referred to the Committee on Judiciary.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 55 and 63. The motion prevailed.

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

S.F. No. 22: A bill for an act relating to local government; permitting certain counties to levy a tax for the county historical society; imposing a reverse referendum requirement.

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

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

S.F. No. 201: A bill for an act relating to Anoka county; authorizing the issuance of county bonds for capital improvements.

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

Page 2, line 3, before the period, insert "*except as provided in section 3*"

Page 2, line 6, before the first "*The*" insert "*Except as provided in section 3,*"

Page 2, after line 19, insert:

"Sec. 3. [REVERSE REFERENDUM.]

*Prior to the issuance of any bonds provided by section 2, the Anoka county board shall publish its intention to do so for two successive weeks in the official newspaper of the county or a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing to obtain public comment on the matter. The hearing shall be held not less than two nor more than four weeks after the first publication of the resolution.*

*If within 30 days after the hearing, a petition requesting a vote on section 2, signed by voters equal in number to ten percent of the votes cast in the county in the last general election, is filed with the county auditor, no bonds may be issued under section 2 until a majority of the voters at a general or special election cast affirmative votes on the question of the issuance of the bonds."*

Renumber the sections in sequence

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

Mr. Chmielewski from the Committee on Employment, to which was referred

S.F. No. 56: A bill for an act relating to workers' compensation; providing for the organization and powers of the state compensation insurance fund; appropriating money; amending Minnesota Statutes 1986, sections 11A.24, subdivision 6; 176A.02, subdivision 1; 176A.04; and 176A.11.

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

Page 2, line 16, delete "*the state*" and insert "*any domestic mutual insurance company*"

Page 2, line 17, delete everything before the period

Page 2, after line 25, insert:

"Sec. 3. Minnesota Statutes 1986, section 176A.02, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS.] The board of directors consists of

seven members and the commissioner of labor and industry *and manager of the fund* who shall be ~~an~~ ex officio ~~member~~ *members*. Each director shall hold office until a successor is appointed and qualifies. Each director shall represent a policyholder and may be an employee of a policyholder. A policyholder may designate a person to represent them on the board. The initial board of directors shall be appointed by the governor and shall consist of seven members, and the commissioner of labor and industry. Each member of the initial board shall be either an employer or employee. If the fund is operational and issuing policies upon the expiration of the terms of the initial board and thereafter, the governor shall appoint every other director until the governor has made four appointments. The remaining three directors shall be chosen by the fund's policyholders. In addition to the commissioner, no more than one member of the board shall be a representative of a governmental entity. At least two members of the board shall represent private, for profit, enterprises. No member of the board may represent or be an employee of an insurance company.

The membership terms shall be as provided in section 15.0575. The membership compensation shall be set by the board.

The board shall annually elect a chair from among its members and other officers it deems necessary for the performance of its duties."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision" and insert "subdivisions" and after "1" insert "and 2"

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

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

S.F. No. 25: A bill for an act relating to traffic regulations; specifying colors of slow moving vehicle emblems; amending Minnesota Statutes 1986, section 169.522, subdivision 1.

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

Page 1, line 9, before "All" insert "(a)"

Page 1, line 18, strike "Such" and insert "The" and after "shall" insert "*consist of a fluorescent yellow-orange triangle with a dark red reflective border and*"

Page 2, lines 3 to 7, delete the new language

Page 2, after line 14, insert:

*"(b) An alternate slow moving vehicle emblem consisting of a dull black triangle with a white reflective border may be used after obtaining a permit from the commissioner under rules of the commissioner. A person with a permit to use an alternate slow moving vehicle emblem must:*

*(1) carry in the vehicle a regular slow moving vehicle emblem and display the emblem only when operating a vehicle between sunset and sunrise, and at any other time when visibility is impaired by weather, smoke, fog, or other conditions; and*

(2) *permanently affix to the rear of the slow moving vehicle at least 72 square inches of reflective tape that reflects the color red.*"

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "requiring additional reflective devices for persons using alternate"

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

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

S.F. No. 55: A bill for an act relating to motor vehicles; providing that the initial fee to renew personalized license plates be prorated; providing for refunds or reissues in certain cases; appropriating money.

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

Pages 1 and 2, delete section 1

Page 2, line 11, delete "*difference of*"

Page 2, line 12, delete "*and the amount owed under section 1,*" and insert "*fee*"

Page 2, line 19, before "*section*" insert "*this*" and delete "*I*"

Page 2, line 30, before "*section*" insert "*this*" and delete "*I*"

Page 3, line 2, delete everything before "*and*"

Page 3, delete section 3

Page 3, line 19, delete "*Sections 1 and 2 are*" and insert "*Section 1 is*"

Page 3, line 21, delete "*Sections 1 to 3 are*" and insert "*Section 1 is*"

Page 3, line 22, delete "*4*" and insert "*2*"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to motor vehicles; providing for a refund of a fee paid for personalized license plates and for reissuance of personalized license plates in certain cases."

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

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

S.F. No. 217: A bill for an act relating to state employees; permitting direct deposit of pay in financial institutions; amending Minnesota Statutes 1986, section 16A.133, subdivision 1; repealing Minnesota Statutes 1986, section 16A.133, subdivision 3.

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

Page 1, lines 24 to 26, delete the new language

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

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

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

S.F. No. 63: A bill for an act relating to motor vehicles; providing that certain license plates be issued every six years; amending Minnesota Statutes 1986, section 168.12, subdivisions 1, 2a, and 5.

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

Page 2, lines 14 and 15, strike "motorcycles, motorized bicycles, and motor scooters"

Page 2, line 17, delete "A" and strike "general reissuance of" and delete "these" and strike "plates"

Page 2, line 18, delete the new language

Page 2, line 19, delete "1987. Thereafter, these" and insert "All" and after "plates" insert "issued under this paragraph"

Page 3, line 18, delete "is required" and insert "must be paid" and after "the" insert "law requires the"

Page 3, line 19, delete "are required" and delete "by law"

Page 4, strike lines 12 to 15

Page 4, line 26, strike "\$3" and insert "\$2"

Page 4, after line 34, insert:

"Sec. 4. [TRANSITION.]

*Except as provided in this section, all passenger automobile license plates issued under Minnesota Statutes 1986, section 169.12, subdivision 1, paragraph (3), must be replaced in a general reissuance beginning no later than July 1, 1987. In the general reissuance required by this section, the commissioner of public safety shall not require the replacement of passenger automobile license plates that were issued less than two years before the date on which the general reissuance begins. The commissioner shall require the replacement of passenger automobile license plates that were issued less than two years before the date on which the general reissuance begins when they are six years old at the time of annual registration or will become so during the registration period.*

Sec. 5. [REPEALER.]

*Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4, are repealed.*

*Section 4 is repealed January 1, 1990."*

Amend the title as follows:

Page 1, line 2, delete "certain" and insert "passenger automobile"

Page 1, line 5, before the period, insert; "repealing Minnesota Statutes 1986, section 168.12, subdivisions 3 and 4"

And when so amended the bill do pass. Mr. Merriam questioned the

reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Davis from the Committee on Agriculture, to which was referred

S.F. No. 89: A bill for an act relating to agriculture; clarifying and amending the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 336.9-501; 550.365; 559.209; 581.015; 583.22, subdivisions 2 and 8; 583.23, subdivision 1; 583.24, subdivisions 1, 3, and by adding a subdivision; 583.26, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, and by adding a subdivision; 583.27, subdivisions 1 and 3; and 583.28; proposing coding for new law in Minnesota Statutes, chapter 583.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 336.9-501, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

(6) A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 583.20 to 583.32 that has secured a debt *for an original contract price of more than \$5,000 \$20,000* unless: a mediation notice under subsection (7) is served on the debtor *after a condition of default has occurred in the security agreement* and a copy ~~filed with~~ *served on* the director; and the debtor and creditor have completed mediation under sections 583.20 to 583.32; *or as otherwise allowed under sections 583.20 to 583.32.*

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

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

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

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

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR  
MEDIATION. *IF YOU REQUEST MEDIATION, THIS DEBT WILL BE  
MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS  
DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SE-  
CURED PARTY ENFORCES THE DEBT.*

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE  
AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A ~~CREDIT~~  
FINANCIAL ANALYST TO HELP YOU TO PREPARE FINANCIAL IN-  
FORMATION. *A FINANCIAL ANALYST MUST CERTIFY THAT YOUR  
FINANCIAL RECORDS AND FARM PLANS ARE PREPARED BEFORE  
A MEDIATION MEETING WILL BE HELD. IF YOU DECIDE TO PAR-  
TICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO AS-  
SEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO  
CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE.*  
MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR  
HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST



FILE A MEDIATION REQUEST WITH THE DIRECTOR \_\_\_\_\_  
 (~~Date of 14 Days after Service of the Mediation Notice~~) \_\_\_\_\_  
 WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

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

Sec. 2. Minnesota Statutes 1986, section 550.365, is amended to read:

550.365 [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]

Subdivision 1. [REQUIREMENT.] A person may not attach, execute on, levy on, or seize agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than ~~\$5,000~~ \$20,000 unless: (1) a mediation notice is served on the judgment debtor and a copy ~~filed with~~ served on the director; and ~~(2)~~ the debtor and creditor have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

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

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

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

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

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, THIS DEBT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A ~~CREDIT~~ FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. A FINANCIAL ANALYST MUST CERTIFY THAT YOUR FINANCIAL RECORDS AND FARM PLANS ARE PREPARED BEFORE A MEDIATION MEETING WILL BE HELD. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR \_\_\_\_\_  
 (~~Date of 14 Days after Service of the Mediation Notice~~) \_\_\_\_\_  
 WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

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

Sec. 3. Minnesota Statutes 1986, section 559.209, is amended to read:

**559.209 [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]**

Subdivision 1. [REQUIREMENT.] A person may not begin to terminate a contract for deed under section 559.21 to purchase agricultural property subject to sections 583.20 to 583.32 ~~that secured a debt for an original contract price of more than \$5,000~~ \$20,000 unless: (1) a mediation notice is served on the contract for deed purchaser ~~after a default has occurred under the contract~~ and a copy ~~filed with~~ served on the director; and (2) the contract for deed vendor and purchaser have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

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

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

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

AS THE CONTRACT FOR DEED VENDOR, \_\_\_\_\_ (Contract for Deed Vendor) \_\_\_\_\_ INTENDS TO TERMINATE THE CONTRACT AND TAKE BACK THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION. *IF YOU REQUEST MEDIATION, THIS DEBT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.*

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A **CREDIT FINANCIAL ANALYST** TO HELP YOU PREPARE FINANCIAL INFORMATION. A **FINANCIAL ANALYST MUST CERTIFY THAT YOUR FINANCIAL RECORDS AND FARM PLANS ARE PREPARED BEFORE A MEDIATION MEETING WILL BE HELD. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.**

TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR BY - - - (Date of 14 Days after Service of the Mediation Notice) - - - **WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE.** THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

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

Sec. 4. Minnesota Statutes 1986, section 581.015, is amended to read:

**581.015 [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]**

Subdivision 1. [REQUIREMENT.] A person may not begin a proceeding under ~~this~~ chapter 580 or 581 to foreclose a mortgage on agricultural property subject to sections 583.20 to 583.32 that has a secured debt for an original contract price of more than ~~\$5,000~~ \$20,000 unless: (1) a mediation notice is served on the mortgagor after a default has occurred in the mortgage and a copy is ~~filed with~~ served on the director; and (2) the mortgagor and mortgagee have completed mediation under sections 583.20 to 583.32; or (2) as otherwise allowed under sections 583.20 to 583.32.

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

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

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

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

YOU HAVE THE RIGHT TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, THIS DEBT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE A CREDIT FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. A FINANCIAL ANALYST MUST CERTIFY THAT YOUR FINANCIAL RECORDS AND FARM PLANS ARE PREPARED BEFORE A MEDIATION MEETING WILL BE HELD. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR \_\_\_\_\_ (Date of 14 Days after Service of the Mediation Notice) \_\_\_\_\_ WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

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

Sec. 5. Minnesota Statutes 1986, section 583.22, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL PROPERTY.] "Agricultural property" means real property that is principally used for farming as defined in section 500.24, subdivision 2, paragraph (a), and raising poultry, and personal property that is used as security to finance a farm operation or used as part of a farm operation including equipment, crops, livestock, and proceeds of the security. "Agricultural property" does not include personal property that is subject to a possessory lien under sections 514.18 to 514.22 or the

*property that is leased to the debtor.*

Sec. 6. Minnesota Statutes 1986, section 583.22, is amended by adding a subdivision to read:

*Subd. 6a. [FINANCIAL ANALYST.] "Financial analyst" means a person: (1) knowledgeable in agricultural and financial matters that can provide financial analysis; (2) who is able to aid the debtor in preparing the financial information required under section 583.26, subdivision 3; and (3) who is approved by the director. A financial analyst may include county extension agents, adult farm management instructors, AVTI instructors, and other persons able to carry out the duties of a financial analyst.*

Sec. 7. Minnesota Statutes 1986, section 583.22, subdivision 8, is amended to read:

*Subd. 8. [SERVE.] "Serve" means (1) personal service as in a district court civil action; (2) service by certified mail using return receipt signed by addressee only; ~~or~~ (3) actual delivery of required documents with signed receipt; or (4) if an unsuccessful attempt is made to serve under clause (1) or (2), service may be made by mail with a receipt of mailing to the last known address of the debtor. For purposes of serving under clause (4), the addressee is considered to have been served the documents five days after the date on the receipt of mailing.*

Sec. 8. [583.235] [SEASONAL USE MACHINERY.]

*Subdivision 1. [DEFINITION.] As used in this section, "seasonal use machinery" means machinery, equipment, or implements that is security for debts subject to the farmer-lender mediation act, is used almost exclusively for a single season of the year, and has less value and little use during the remainder of the year. "Seasonal use machinery" is limited to machinery, equipment, and implements used exclusively for planting only, row crop cultivating only, or harvesting only. "Seasonal use machinery" does not include a tractor or tillage equipment used for general farm use.*

*Subd. 2. [PROCEDURE TO ENFORCE DEBT.] If a debt is secured by a purchase money security interest in agricultural property that is seasonal use machinery, and under other provisions of the farmer-lender mediation act the creditor is prohibited from enforcing the debt during the period the machinery is normally used, the creditor may begin to enforce the debt against the seasonal use machinery after serving a notice on the debtor and the other creditors subject to the mediation proceeding. In the notice, the creditor must specify the payments to be made by the debtor to retain use of the machinery.*

Sec. 9. Minnesota Statutes 1986, section 583.24, subdivision 1, is amended to read:

*Subdivision 1. [CREDITORS.] (a) The farmer-lender mediation act applies to creditors who are owed debts subject to the farmer-lender mediation act and are:*

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

*(b) The farmer-lender mediation act does not apply to creditors of a*

debtor described under subdivision 2, paragraph (b).

Sec. 10. Minnesota Statutes 1986, section 583.24, subdivision 3, is amended to read:

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

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

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

(b) The commissioner shall notify the director that the institution is exempt from mediation. The director shall notify the mediator that the institution is exempt. The reason for the exemption is confidential.

Sec. 11. Minnesota Statutes 1986, section 583.24, is amended by adding a subdivision to read:

Subd. 4. [DEBTS.] (a) *The farmer-lender mediation act does not apply to a debt:*

(1) *for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has filed a petition in bankruptcy after the effective date of this act under United States Code, title 11, chapters 7, 11, 12, or 13;*

(2) *if the debt was in default when the creditor received a mediation proceeding notice under the farmer-lender mediation act and the creditor filed a claim form and has signed a termination statement;*

(3) *for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within 30 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;*

(4) *for which a creditor has received a mediation proceeding notice and the creditor and debtor have signed a mediation agreement; or*

(5) *secured by agricultural property of debtor if the agricultural property is leased to a relative of the debtor or the debtor's spouse within the third degree of kindred according to civil law.*

(b) *For purposes of paragraph (a), clause (3), providing a copy of a forbearance policy is considered beginning a proceeding to enforce a debt if the board of an institution has adopted a forbearance policy that provides for deferring or rescheduling payments of principal or interest, renewal or extension of loan terms, reduction in the amount or rate of principal or interest due on a loan, or other similar actions, and requires that the debtor must receive a copy of the policy at least 20 days prior to loan acceleration or debt collection proceedings.*

Sec. 12. Minnesota Statutes 1986, section 583.26, subdivision 1, is amended to read:

Subdivision 1. [MEDIATION NOTICE.] (a) A creditor desiring to start a proceeding to enforce a debt against agricultural property under chapter 580 or 581

or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property, must serve an applicable mediation notice under sections 336.9-501, 550.365, 559.209, and 581.015 on the debtor and the director. *The creditor must also file with the director proof of the date the mediation notice was served on the debtor. The creditor may not begin the proceeding until the creditor and debtor have completed mediation 90 days after the date the debtor and the director are served the applicable mediation notice for the mediation proceeding or as allowed under sections 583.20 to 583.32 subdivisions 2 and 5. The date the debtor and the director have been served the applicable mediation notice means the date by which both the debtor and the director have been served the applicable mediation notice.*

*(b) The director shall combine more than one mediation notice for the same debtor into one mediation proceeding.*

Sec. 13. Minnesota Statutes 1986, section 583.26, subdivision 2, is amended to read:

Subd. 2. [MEDIATION REQUEST.] (a) *To be eligible for mediation a debtor must file a mediation request form with the director by 14 days after receiving a mediation notice. The mediation request form must state all known creditors with debts secured by agricultural property and may state unsecured creditors that are necessary for the farm operation of the debtor. The mediation request must state the date that the notice was served on the debtor. The director shall make mediation request forms available in the county recorder's and county extension office of each county.*

*(b) Except as provided in section 583.24, subdivision 4, paragraph (a), clause (3), a debtor who fails to file a timely mediation request waives the right to mediation for that debt under the farmer-lender mediation act. The director shall notify a the creditor who served the mediation notice stating that the creditor may proceed against the agricultural property because the debtor has failed to file a mediation request.*

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

Sec. 14. Minnesota Statutes 1986, section 583.26, subdivision 3, is amended to read:

Subd. 3. [CREDIT FINANCIAL ANALYST AND FARM ADVOCATE.] (a) *Within three business days after receiving a mediation notice request, the director shall provide a credit financial analyst knowledgeable in agricultural and financial matters to meet with the debtor and assure that information relative to the finances of the debtor is prepared for the initial mediation meeting. The financial analyst must verify that the debtor has prepared a current balance sheet, a current inventory of farm assets, a farm operating plan, and input forms for a cash flow analysis developed through the use of a FINPAC or similar cash flow analysis computer program. The financial analyst must forward the verification to the mediator.*

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

credit financial analyst.

Sec. 15. Minnesota Statutes 1986, section 583.26, subdivision 4, is amended to read:

Subd. 4. ~~[INITIAL MEDIATION MEETING PROCEEDING NOTICE.]~~ (a) By ~~ten~~ *five business days* after receiving a mediation request, the director shall send: (1) a mediation ~~meeting proceeding~~ *proceeding* notice to the debtor; ~~and~~ (2) a mediation ~~meeting proceeding~~ *proceeding* notice to all creditors listed by the debtor in the mediation request; and (3) a claim form to all ~~known~~ *known* secured creditors ~~of~~ *listed by* the debtor.

(b) The mediation ~~meeting notice~~ *notice* must include a time and place for an initial mediation meeting between the debtor, all known creditors of the debtor, and a list of three mediators. An initial mediation meeting must be held within 20 days of the notice proceeding notice must state:

(1) the name and address of the debtor;

(2) that the debtor has requested mediation under the farmer-lender mediation act;

(3) that the debtor has been provided with a financial analyst to prepare financial information related to the debtor's farm operation;

(4) that the mediator assigned to the proceeding will notify the creditors of the first mediation meeting after the financial analyst certifies that the debtor's financial information has been prepared;

(5) a list of the names of three mediators that may be assigned to the proceeding;

(6) that the debtor and each creditor may request the director to exclude one mediator by notifying the director within three days after receiving the notice;

(7) that in lieu of having a mediator assigned by the director, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator that is approved by the director;

(8) the date the first mediation notice of this proceeding was served on the debtor and the director;

(9) that the farmer-lender mediation act prohibits the creditor from beginning or continuing a proceeding to enforce the debt against agricultural property for 90 days after the date the first mediation notice was served on the debtor unless otherwise allowed; and

(10) that the creditor must provide the debtor by the first mediation meeting with copies of notes and contracts for debts subject to the farmer-lender mediation act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal balance, the creditor's value of the collateral, and debt restructuring programs available by the creditor.

(c) Each creditor and the debtor may request the director to exclude one mediator from the list by sending the director a notice to ~~such effect~~ *exclude the mediator* within three days after receiving the mediation meeting notice. ~~In the event that~~ *If* requests from the creditors to remove mediators from the list would result in the exclusion of all of the remaining mediators, the director shall appoint the mediator not excluded by the creditor owed the largest debt. ~~In the event that a~~ *If* the debtor and ~~creditor~~ *a majority of the creditors* request the same mediator, the director shall ~~appoint~~ *assign* that mediator. ~~In other cases the director has the discretion to assign a mediator for the proceeding from the list. If a mediator is unable to complete a mediation proceeding, the director~~

*shall assign a mediator to the proceeding.*

*(d) In lieu of the director assigning a mediator, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator for the mediation proceeding. The director must approve the professional mediator before the professional mediator may be assigned to the mediation proceeding. The professional mediator may not be approved unless the professional mediator acknowledges an affidavit:*

*(1) disclosing any biases, relationships, or previous associations with the debtor or creditors subject to the mediation proceedings;*

*(2) stating certifications, training, or qualifications as a professional mediator;*

*(3) disclosing fees to be charged or a rate schedule of fees for the mediation proceeding; and*

*(4) affirming to uphold the farmer-lender mediation act and faithfully discharge the duties of a mediator.*

*(e) A creditor must return a claim form if the debt is not subject to the farmer-lender mediation act and specify why the debt is not subject to sections 583.20 to 583.32.*

Sec. 16. Minnesota Statutes 1986, section 583.26, subdivision 5, is amended to read:

Subd. 5. [EFFECT OF MEDIATION MEETING PROCEEDING NOTICE.]

*(a) Except as provided in ~~paragraph~~ paragraphs (b), (c), and (d), if a creditor receives a mediation ~~meeting~~ proceeding notice under subdivision 4 the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt subject to the farmer-lender mediation act against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property. Time periods under and affecting those procedures stop running until (1) 90 days after the initiation of date the debtor and the director are served the first mediation, or (2) a mediation agreement is reached notice under subdivision 1 for the mediation proceeding.*

*(b) Except as provided in paragraphs (d) and (e), if a creditor is an agency of the United States and receives a mediation meeting notice under subdivision 4, the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property. Time periods under and affecting those procedures stop running until (1) 180 days after the initiation of mediation, or (2) a mediation agreement is reached date the debtor and the director are served the first mediation notice under subdivision 1 for the mediation proceeding.*

*(c) For a proceeding to enforce a debt against the agricultural property of a debtor that is stayed under paragraph (a) or (b), the proceeding is stayed at the point it is at when the creditor receives the mediation proceeding notice and time periods under the proceeding are tolled until the creditor can enforce the debt under the farmer-lender mediation act. The creditor may continue the proceeding at the point it was interrupted except if the proceeding was subject to the jurisdiction of a court, the court may determine whether the proceeding should be begun again or commenced from the point it was interrupted.*



(d) Notwithstanding paragraphs (a) and (b) or section 583.26, subdivision 1, a creditor receiving a mediation proceeding notice may begin proceedings to enforce a debt against agricultural property of the debtor:

(1) at the time the creditor receives a mediator's affidavit of the debtor's lack of good faith under section 583.27;

(2) five days after the date the debtor and creditor sign an agreement allowing the creditor to proceed to enforce the debt against agricultural property if the debtor has not rescinded the agreement within the five days; or

(3) as provided in section 8 if the agricultural property is seasonal use machinery.

(e) The provisions of this subdivision are subject to:

(1) subdivision 10 relating to increasing or decreasing the time before a creditor can begin a proceeding if a termination statement is not signed;

(2) section 583.27 relating to extension or reduction in the period before a creditor may begin to enforce a debt and court supervised mediation; and

(3) section 583.28 relating to additional mediation after objections.

(f) A creditor receiving a mediation notice must provide the debtor by the first mediation meeting with copies of notes and contracts for debts subject to the farmer-lender mediation act and provide a statement of interest rates on the debts, delinquent payments, unpaid principal balance, a creditor's value of the collateral, and debt restructuring programs available by the creditor.

Sec. 17. Minnesota Statutes 1986, section 583.26, subdivision 6, is amended to read:

Subd. 6. [DUTIES OF MEDIATOR.] (a) As soon as possible after the mediator has received verification from the debtor's financial analyst that financial information has been prepared the mediator shall notify the debtor and creditors of the first mediation meeting. If the mediator is a professional mediator, a copy of the professional mediator's affidavit must be enclosed with the notice.

(b) At the initial mediation meeting and subsequent meetings, the mediator shall:

(1) listen to the debtor and the creditors desiring to be heard;

(2) attempt to mediate between the debtor and the creditors;

(3) advise the debtor and creditors of assistance programs available;

(4) attempt to arrive at an agreement to fairly adjust, refinance, or pay the debts; and

(5) advise, counsel, and assist the debtor and creditors in attempting to arrive at an agreement for the future conduct of financial relations among them.

Sec. 18. Minnesota Statutes 1986, section 583.26, subdivision 8, is amended to read:

Subd. 8. [MEDIATION PERIOD.] The mediator may call mediation meetings during the mediation period, which is up to 60 85 days after the initial date the debtor and the director are served the first mediation meeting notice under subdivision 1 for the mediation proceeding.

Sec. 19. Minnesota Statutes 1986, section 583.26, subdivision 9, is amended to read:

Subd. 9. [MEDIATION AGREEMENT.] (a) If an agreement is reached among

the debtor and creditors the mediator shall ~~draft~~ *approve* a written mediation agreement, have it signed by the *debtor and* creditors, and, if applicable, submit the agreement to the Minnesota rural finance administration for approval of debt restructuring.

(b) The debtor and creditors who are parties to the approved mediation agreement and creditors who have filed claim forms and have not objected to the mediation agreement:

(1) are bound by the terms of the agreement;

(2) may enforce the mediation agreement as a legal contract; and

(3) may use the mediation agreement as a defense against an action contrary to the mediation agreement.

*(c) A debtor may agree to allow a creditor to proceed to enforce a debt against agricultural property before the enforcement is otherwise allowed under subdivision 5, but the debtor and creditor may rescind the agreement within five business days after the debtor and particular creditor both sign the agreement.*

Sec. 20. Minnesota Statutes 1986, section 583.26, is amended by adding a subdivision to read:

*Subd. 10. [END OF MEDIATION.] (a) The mediator, the debtor, and each secured creditor must sign a termination statement by the end of the mediation period.*

*(b) The mediator must prepare a termination statement that:*

*(1) acknowledges that mediation has ended; and*

*(2) describes or references agreements reached between the creditor signing the termination statement and debtor, if any, and agreements reached among creditors, if any.*

*(c) Mediation agreements may be included as part of the termination statement.*

*(d) A termination statement is not required to be signed if an affidavit of lack of good faith is filed by the mediator.*

*(e) If a creditor fails to sign a termination statement, the creditor may not begin a proceeding to enforce a debt against agricultural property of the debtor until 15 days after the date the creditor would otherwise be allowed to begin the proceeding under the farmer-lender mediation act.*

*(f) If a debtor fails to sign a termination statement the creditor may begin a proceeding to enforce a debt against agricultural property of the debtor 15 days before the creditor would otherwise be allowed to begin the proceeding under the farmer-lender mediation act.*

Sec. 21. Minnesota Statutes 1986, section 583.27, subdivision 1, is amended to read:

Subdivision 1. [OBLIGATION OF GOOD FAITH.] *(a) The parties must engage in mediation in good faith. Not participating in good faith includes: (1) a failure on a regular or continuing basis to attend and participate in mediation sessions without cause; (2) failure to provide full information regarding the financial obligations of the parties and other creditors; (3) failure of the creditor to designate a representative to participate in the mediation with authority to make binding commitments within one business day to fully settle, compromise, or otherwise mediate the matter; (4) lack of a written statement of debt restructuring alternatives and a statement of reasons why alternatives are un-*

acceptable to one of the parties; (5) failure of a creditor to release funds from the sale of farm products to the debtor for necessary living and farm operating expenses; or (6) other similar behavior which evidences lack of good faith by the party. A failure to agree to reduce, restructure, refinance, or forgive debt does not, in itself, evidence lack of good faith by the creditor.

*(b) The creditor is only required to release necessary living expenses if the debtor has less off-farm income than the amount equal to the amount that the debtor's family would be entitled to if eligible for payments under section 256.74.*

*(c) If the debtor and creditor do not agree on the amount of necessary living expenses to be released, the debtor or creditor may petition conciliation court in the county of the debtor's residence to make a determination of the amount to be released. The conciliation court must make the determination within ten days after receiving the petition.*

*(d) If the debtor and creditors do not agree on the amount of necessary operating expenses or necessary living and operating expenses to be released, the debtor or a creditor requested to release necessary living or operating expenses may petition the district court of the debtor's residence to make a determination of the amount to be released. The court shall hear and make a determination of the amount of living and operating expenses to be released within ten days after receiving the petition. The court shall also add or subtract up to ten days to the time when the creditor can begin to enforce a proceeding to collect the debt against agricultural property of the debtor and assess costs, including any attorney fees among the parties to the court proceeding. The court shall equitably adjust the time to begin a creditor's proceeding and the assessment of costs based on the parties' good faith claim to the amount of living and operating expenses to be released.*

Sec. 22. Minnesota Statutes 1986, section 583.27, subdivision 3, is amended to read:

Subd. 3. [CREDITOR'S LACK OF GOOD FAITH; COURT SUPERVISED MEDIATION.] If the mediator finds the creditor has not participated in mediation in good faith, the debtor may require court supervised mandatory mediation by filing the affidavit with the district court of the county ~~where the property is located~~ of the debtor's residence with a request for court supervision of mediation and serving a copy of the request on the creditor. Upon request the court shall require both parties to mediate under the supervision of the court in good faith for a period of not more than 60 days. All creditor remedies must be suspended during this period. The court may issue orders necessary to effect good faith mediation. Following the mediation period, if the court finds the creditor has not participated in mediation in good faith, the court shall by order suspend the creditor's remedies for an additional period of 180 days. A creditor found by the mediator not to have participated in good faith shall pay attorneys' fees and costs of the debtor requesting court-supervision of mediation or additional suspension of creditor's remedies.

Sec. 23. Minnesota Statutes 1986, section 583.27, subdivision 4, is amended to read:

Subd. 4. [DEBTOR LACK OF GOOD FAITH.] *(a) A debtor is not mediating in good faith if the debtor with an intent to defraud conceals, removes, or transfers agricultural property in which the debtor knows there is a security interest. The concealing, removing, or transferring must be in violation of a security agreement without remitting the proceeds to the secured party and must have occurred within 24 months prior to the mediation period or during the media-*

tion period.

(b) A creditor may immediately proceed with creditor's remedies upon receipt of a mediator's affidavit of a debtor's lack of good faith notwithstanding any other requirements of sections 583.20 to 583.32.

Sec. 24. Minnesota Statutes 1986, section 583.28, is amended to read:

583.28 [CREDITOR NOT ATTENDING MEDIATION MEETING.]

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

Subd. 2. [OBJECTIONS TO AGREEMENTS.] A creditor who has filed a claim form may serve a written objection to the terms of the agreement on the mediator and the debtor within ten days after receiving notice of the agreement. If a creditor files an objection to the terms of an agreement, the mediator shall meet again with debtors and creditors within ten days after receiving the objection to mediate a new agreement. Notwithstanding the mediation period under section 583.26, subdivision 8, if an objection is filed, the mediator shall call mediation meetings during the ten-day period following receipt of the objection, *except that the mediation period must end by 90 days after the date the debtor and director are served with the first mediation notice under section 583.26, subdivision 1, for the mediation proceeding.*

Sec. 25. [583.284] [RETENTION OF PURCHASE MONEY SECURITY INTEREST.]

*If a creditor has a purchase money security interest as defined in section 336.9-107, and renegotiates the debt under the farmer-lender mediation act to reduce the principal balance or the interest rate or to extend the repayment period, the creditor retains the purchase money security interest for the renegotiated debt.*

Sec. 26. Minnesota Statutes 1986, section 583.285, is amended to read:

583.285 [RULES.]

The ~~state court administrator~~ *commissioner of agriculture*, in consultation with the director of the bureau of mediation services and the director of the University of Minnesota agricultural extension service, shall make rules under chapter 14, to implement the farmer-lender mediation act. The ~~state court administrator~~ *commissioner of agriculture* may adopt emergency rules.

Sec. 27. [583.33] [NOTIFICATION OF MEDIATION RIGHTS.]

*The director of Minnesota extension, county extension agents, farm advocates, commissioner of agriculture, family farm law project, and the attorney general's office must make all reasonable efforts to notify farm debtors of mediation available under the farmer-lender mediation act including:*

*(1) if a debtor has not received a mediation notice and is subject to a proceeding of a creditor to enforce a debt of any amount against agricultural property of the debtor, the debtor may file a mediation request and is entitled to have debts mediated as provided under section 583.26, subdivision 2, paragraph*

(c); and

(2) that all debts secured by agricultural property regardless of amount are subject to mediation under the farmer-lender mediation act unless exempted under section 583.24, subdivision 4.

Sec. 28. [INSTRUCTION TO REVISOR.]

*The revisor shall renumber section 581.015 as section 582.039 and make all corresponding changes to cross references.*

Sec. 29. [EFFECTIVE DATE.]

*This act is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to agriculture; clarifying and amending the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 336.9-501; 550.365; 559.209; 581.015; 583.22, subdivisions 2 and 8, and by adding a subdivision; 583.24, subdivisions 1, 3, and by adding a subdivision; 583.26, subdivisions 1, 2, 3, 4, 5, 6, 8, 9, and by adding a subdivision; 583.27, subdivisions 1, 3, and 4; 583.28; and 583.285; proposing coding for new law in Minnesota Statutes, chapter 583."

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 25 and 89 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Chmielewski moved that the names of Messrs. Davis and Peterson, R.W. be added as co-authors to S.F. No. 22. The motion prevailed.

Ms. Berglin moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 242. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 333. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 334. The motion prevailed.

Mr. Pehler moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 350. The motion prevailed.

Mr. Solon moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 358. The motion prevailed.

Mr. Willet moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 362. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 365. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 385. The motion prevailed.

Mr. Bertram moved that the names of Messrs. Beckman and Vickerman be added as co-authors to S.F. No. 404. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Beckman be added as a co-

author to S.F. No. 426. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Frank be added as a co-author to S.F. No. 432. The motion prevailed.

Mr. Knutson moved that the names of Messrs. Benson and Merriam be added as co-authors to S.F. No. 437. The motion prevailed.

Messrs. Vickerman; Frederickson, D.J.; Beckman and Morse introduced—

Senate Resolution No. 29: A Senate resolution congratulating Slayton Elementary School for receiving the Minnesota School of Excellence Award.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Concurrent Resolution No. 5: A Senate concurrent resolution directing an interim study of the problems of the rural emergency medical system in Minnesota.

Referred to the Committee on Rules and Administration.

### CALENDAR

S.F. No. 168: A bill for an act relating to human rights; clarifying certain provisions relating to discrimination in the extension of credit because of sex or marital status; amending Minnesota Statutes 1986, section 363.03, subdivision 8.

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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Morse	Schmitz
Anderson	DeCramer	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.I.	Lessard	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Bertram	Johnson, D.E.	Marty	Piper	Wegscheid
Brandl	Johnson, D.J.	McQuaid	Pogemiller	
Chmielewski	Jude	Mehrkens	Purfeerst	
Cohen	Knaak	Merriam	Ramstad	
Dahl	Knutson	Moe, R.D.	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 62: A bill for an act relating to agriculture; appropriating money for a deficiency in the interest rate buy-down program.

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	Laidig	Novak	Spear
Anderson	Diessner	Langseth	Olson	Storm
Benson	Frank	Lantry	Pehler	Stumpf
Berg	Frederickson, D.J.	Lessard	Peterson, D.C.	Vickerman
Berglin	Frederickson, D.R.	Luther	Peterson, R.W.	Waldorf
Bernhagen	Gustafson	Marty	Piper	Wegscheid
Bertram	Johnson, D.E.	McQuaid	Pogemiller	
Brandl	Johnson, D.J.	Mehrkens	Purfeerst	
Chmielewski	Jude	Merriam	Ramstad	
Cohen	Knaak	Moe, D.M.	Reichgott	
Dahl	Knutson	Moe, R.D.	Samuelson	
Davis	Kroening	Morse	Schmitz	

So the bill passed and its title was agreed to.

S.F. No. 87: A bill for an act relating to tort claims; including the state agricultural society in the definition of state; amending Minnesota Statutes 1986, section 3.732, 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 1, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Moe, D.M.	Reichgott
Anderson	Diessner	Kroening	Moe, R.D.	Samuelson
Benson	Frank	Laidig	Morse	Schmitz
Berglin	Frederickson, D.J.	Langseth	Novak	Solon
Bernhagen	Frederickson, D.R.	Lantry	Olson	Spear
Bertram	Gustafson	Lessard	Pehler	Storm
Brandl	Johnson, D.E.	Luther	Peterson, D.C.	Stumpf
Chmielewski	Johnson, D.J.	Marty	Piper	Vickerman
Cohen	Jude	McQuaid	Pogemiller	Waldorf
Dahl	Knaak	Mehrkens	Purfeerst	Wegscheid
Davis		Merriam	Ramstad	

Mr. Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

## GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 155, 137, 59, 211, 38, 161, 123 and H.F. Nos. 66 and 34, which the committee recommends to pass.

On motion of Mr. Luther, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Jude; Wegscheid; Cohen; Peterson, R.W. and Laidig introduced—

S.F. No. 446: A bill for an act relating to civil actions; limitations on commencement of actions; providing for the limitation of actions before administrative agencies; amending Minnesota Statutes 1986, section 541.01.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.R.; Frank; Renneke; Jude and Schmitz introduced—

S.F. No. 447: A bill for an act relating to collection and dissemination of data; allowing law enforcement agencies to release the date of birth of persons involved in traffic accidents; amending Minnesota Statutes 1986, section 169.09, subdivision 13.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.R.; Peterson, R.W.; Luther; Renneke and Knutson introduced—

S.F. No. 448: A bill for an act relating to judgments; clarifying the procedure and cost for filing foreign judgments; clarifying the procedure to be used in securing a judgment and execution; amending Minnesota Statutes 1986, sections 548.27; 548.30; 549.09; and 550.04.

Referred to the Committee on Judiciary.

Messrs. Stumpf; Lessard; DeCramer; Johnson, D.E. and Merriam introduced—

S.F. No. 449: A bill for an act relating to transportation; railroads; requiring occupied caboose car on certain trains; requiring caboose car to be equipped with shortwave radio; imposing a penalty; amending Minnesota Statutes 1986, section 219.56; proposing coding for new law in Minnesota Statutes, chapter 219.

Referred to the Committee on Transportation.

Messrs. Pehler, Stumpf, Morse, Knaak and Berg introduced—

S.F. No. 450: A bill for an act relating to natural resources; changing certain provisions relating to state park motor vehicle permits; amending Minnesota Statutes 1986, section 85.05, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C.; Mr. Purfeerst, Mrs. Lantry, Messrs. Novak and Ramstad introduced—

S.F. No. 451: A bill for an act relating to traffic regulations; providing for handicapped license plate and handicapped parking certificate conferring certain parking privileges; establishing designated handicapped parking spaces; providing penalties; amending Minnesota Statutes 1986, sections 168.021, subdivisions 1, 1a, 3, and 5; 169.345; and 169.346, subdivisions 1 and 3; repealing Minnesota Statutes 1986, section 168.021, subdivision 7.

Referred to the Committee on Transportation.



Mr. DeCramer, Ms. Reichgott, Messrs. Frederickson, D.J.; Johnson, D.E. and Hughes introduced—

S.F. No. 452: A bill for an act relating to education; expanding the higher education coordinating board's career guidance program; changing membership on the career guidance advisory task force; appropriating money; amending Minnesota Statutes 1986, sections 136A.85; 136A.86, subdivision 1; and 136A.87.

Referred to the Committee on Education.

Messrs. Kroening and Solon introduced—

S.F. No. 453: A bill for an act relating to state government; providing for chiropractic positions in state government civil service; providing for the provision of chiropractic services; proposing coding for new law in Minnesota Statutes, chapters 43A and 148.

Referred to the Committee on Governmental Operations.

Messrs. Berg and Lessard introduced—

S.F. No. 454: A bill for an act relating to game and fish; requiring seizure of motor vehicles used to transport illegally snared animals; allowing the commissioner to set the number of days for the open season for otter; restricting the hours of trapping on the first day of the open season; allowing traps to be set within 30 feet of open water before the mink and muskrat season; allowing persons to use lights and small firearms while trapping bears; amending Minnesota Statutes 1986, sections 97A.225, subdivision 1; 97B.075; 97B.081; 97B.921; 97B.931; and 97B.945; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear introduced—

S.F. No. 455: A bill for an act relating to crimes; repealing the requirement that the department of public safety must keep a record of all first convictions for the crime of possessing a small amount of marijuana; amending Minnesota Statutes 1986, section 152.15, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Spear introduced—

S.F. No. 456: A bill for an act relating to controlled substances; prescribing "small amount" of marijuana; clarifying certain Schedule II controlled substances; amending Minnesota Statutes 1986, sections 152.01, subdivision 16; and 152.02, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Luther and Dahl introduced—

S.F. No. 457: A bill for an act relating to commerce; regulating collection agencies and those acting under the authority of a collection agency; providing cash deposits in lieu of the required bond; establishing prohibited practices; prescribing the enforcement powers of the commissioner; amending Minnesota Statutes 1986, sections 332.31, by adding a subdivision;

332.33; 332.34; 332.37; and 332.40, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 332.

Referred to the Committee on Commerce.

Messrs. Jude, Wegscheid, Luther, Ms. Peterson, D.C. and Mr. Knaak introduced—

S.F. No. 458: A bill for an act relating to crimes; defining measurement and purity requirements of controlled substances for criminal and tax law purposes; amending Minnesota Statutes 1986, sections 152.15, subdivision 1; 297D.01, subdivision 3; and 297D.07.

Referred to the Committee on Judiciary.

Messrs. Lessard, Wegscheid and Johnson, D.E. introduced—

S.F. No. 459: A bill for an act relating to the zoo board; exempting members of the board from filing statements of economic interest; amending Minnesota Statutes 1986, section 85A.01, by adding a subdivision.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Freeman, Mrs. Adkins, Messrs. Samuelson, Solon and Anderson introduced—

S.F. No. 460: A bill for an act relating to insurance; regulating funeral and burial expenses; allowing persons to select funeral or burial services and supplies of their choice; amending Minnesota Statutes 1986, section 72A.325.

Referred to the Committee on Commerce.

Mr. Willet introduced—

S.F. No. 461: A bill for an act relating to natural resources; changing certain provisions relating to the sale of state timber; eliminating laws relating to white pine blister rust control and cutting notices; amending Minnesota Statutes 1986, sections 90.101, subdivision 1; 90.121; 90.14; 90.151, subdivisions 1 and 13; 90.161, subdivision 1; 90.173; and 97A.205; repealing Minnesota Statutes 1986, sections 18.431 to 18.436 and 88.13.

Referred to the Committee on Environment and Natural Resources.

Mr. Cohen introduced—

S.F. No. 462: A bill for an act relating to marriage dissolution; providing a date for valuing marital assets; providing for partial distribution of marital assets; amending Minnesota Statutes 1986, section 518.58.

Referred to the Committee on Judiciary.

Messrs. Luther and Solon introduced—

S.F. No. 463: A bill for an act relating to commerce; regulating securities; restricting certain charges made by investment advisors and broker dealers; providing for the denial, suspension, and revocation of licenses and the censure of licensees; exempting the sale of certain stock of a closely-held corporation; exempting certain industrial revenue bond transactions; reg-

ulating real estate brokers and salespersons; prohibiting commission-splitting and rebating on timeshare and other recreational lands; providing for continuing education of brokers; regulating licensees acting as principals; regulating business corporations; providing for the indemnification of certain persons against expenses and liabilities; regulating abandoned property; establishing a presumption of abandonment for certain profits or sums held by a cooperative; regulating the preparation and retention of abstracts of title to real property; transferring the powers and duties of the commissioner for the regulation of social and charitable organizations to the attorney general; amending Minnesota Statutes 1986, sections 80A.06, subdivision 5; 80A.07, subdivision 1; 80A.14, subdivision 18; 80A.15, subdivision 2; 82.17, subdivision 4; 82.19, subdivision 3; 82.21, subdivision 1; 82.22, subdivision 6; 82.24, subdivision 2; 82.34, subdivision 19; 302A.161, subdivision 22; 345.39; 386.375; and 302A.521, by adding a subdivision; repealing Minnesota Statutes 1986, section 309.55.

Referred to the Committee on Commerce.

Mr. Wegscheid introduced—

S.F. No. 464: A bill for an act relating to natural resources; authorizing counties to retain certain fees for the issuance of cross country ski licenses; amending Minnesota Statutes 1986, section 85.41, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Vickerman, Pehler and Wegscheid introduced—

S.F. No. 465: A bill for an act relating to transportation; providing for reduced speeds in work zones; providing for payment of administrative, filing, and plate fees; restricting unauthorized use of motor vehicles on public airport property; describing prohibited acts against aircraft; defining peace officer; describing qualifications for aircraft dealers license; amending Minnesota Statutes 1986, sections 168.012, subdivision 1c; 169.14, by adding a subdivision; 360.018, subdivision 6, and by adding a subdivision; 360.075, subdivision 1; 360.0751, subdivision 1; and 360.63, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Kroening, Waldorf and Solon introduced—

S.F. No. 466: A bill for an act relating to elections; prohibiting cities of the first class from changing their voting systems without demonstrating the effectiveness of a proposed new system; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Elections and Ethics.

Mr. Pogemiller, Mmes. Lantry, McQuaid and Mr. Bertram introduced—

S.F. No. 467: A bill for an act relating to charitable gambling; requiring the board to pay a percentage of the gross receipts tax to local units of government for enforcement purposes; amending Minnesota Statutes 1986, section 349.212, subdivision 2.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Dicklich; Moe, R.D.; Ramstad; Beckman and Ms. Reichgott introduced—

S.F. No. 468: A bill for an act relating to state government; appropriating money to fund a nonprofit institute for invention and innovation; proposing coding for new law in Minnesota Statutes, chapter 138.

Referred to the Committee on Economic Development and Housing.

Mr. DeCramer introduced—

S.F. No. 469: A bill for an act relating to public safety; motorized bicycles; establishing standards for the safe operation of motorized bicycles; amending Minnesota Statutes 1986, sections 65B.001, by adding a subdivision; 65B.43, subdivision 13; 168.011, subdivision 27; 169.01, subdivision 4a; 169.223; 171.01, subdivision 20; and 171.02, subdivision 3.

Referred to the Committee on Transportation.

Messrs. Solon and Gustafson introduced—

S.F. No. 470: A bill for an act relating to the city of Duluth; authorizing the filing of the plat of Spirit Valley.

Referred to the Committee on Local and Urban Government.

Mrs. Lantry introduced—

S.F. No. 471: A bill for an act relating to taxation; property; expanding the eligibility of disabled property owners for the 1a property classification; amending Minnesota Statutes 1986, section 273.13, subdivision 22.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Waldorf, Merriam, Lessard, Taylor and Stumpf introduced—

S.F. No. 472: A bill for an act relating to environment; repealing the authority for certain fees charged by the pollution control agency; amending Minnesota Statutes 1986, section 115B.20, subdivision 4; repealing Minnesota Statutes 1986, sections 116.07, subdivision 4d; and 116.12.

Referred to the Committee on Environment and Natural Resources.

Messrs. Brandl, Marty, Stumpf, Willet and Larson introduced—

S.F. No. 473: A bill for an act relating to health; requiring a study and report to the legislature on the effects of exposure to low-level ionizing radiation.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 474: A bill for an act relating to motor vehicles; allowing tax-exempt license plates for vehicles owned by nonprofit charities and used for educational purposes; amending Minnesota Statutes 1986, section 168.012, subdivision 1.

Referred to the Committee on Transportation.

Messrs. Davis, DeCramer and Pehler introduced—

S.F. No. 475: A bill for an act relating to agriculture; providing for the prevention of economic waste in the marketing of certain agricultural crops produced in Minnesota by establishing minimum prices; providing for supply management and orderly marketing, administration, and enforcement; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture.

Messrs. Davis, DeCramer, Pehler and Vickerman introduced—

S.F. No. 476: A bill for an act relating to agriculture; providing funds to be added by private contributions to establish an endowed chair at the University of Minnesota for a sustainable agriculture program; appropriating money.

Referred to the Committee on Agriculture.

Mr. Chmielewski introduced—

S.F. No. 477: A bill for an act relating to education; changing the isolated school aid formula; amending Minnesota Statutes 1986, section 124A.21.

Referred to the Committee on Education.

Messrs. Luther, Solon, Ms. Peterson, D.C.; Messrs. Spear and Cohen introduced—

S.F. No. 478: A bill for an act relating to insurance; requiring notification of group life or health coverage changes; imposing certain bond or securities requirements on workers compensation self-insurers; eliminating mandatory temporary insurance agent licenses; requiring those who solicit insurance to act as agent for the insured; regulating surplus lines insurance; regulating rates and forms; regulating insurance plan administrators; regulating the renewal, nonrenewal, and cancellation of commercial liability and property insurance policies; providing continued group life coverage upon termination or layoff; requiring an assignment of reinsurance rights upon insolvency; providing for the establishment and operation of the insurance guaranty association and the life and health guaranty association; regulating accident and health insurance; providing for the extraterritorial application of coverages; prohibiting duplicate coverages; requiring the treatment of pregnancy-related conditions in the same manner as other illnesses; mandating certain coverages; clarifying coverage for handicapped dependents; providing continued group accident and health coverage upon termination or layoff; requiring coverage of current spouse and children; imposing surety bond requirements on certain health benefit plans; regulating Medicare supplement plan premium refunds; authorizing the renewal of certain long-term health policies; providing for the establishment and operation of the comprehensive health association and the joint underwriting association; providing comprehensive health insurance coverage for certain employees not eligible for Medicare; regulating fraternal benefit associations; regulating automobile insurance; limiting the cancellation of fire insurance binders and policies; providing for administration of the FAIR plan; requiring accident prevention course premium reductions; limiting the grounds for cancellation or reduction in limits during the policy period;

extending basic economic loss benefit protection; requiring coverages for former spouses; regulating collision damage waiver fees; specifying membership on the assigned claims bureau; extending no-fault benefits to pedestrians who are struck by motorcycles; regulating township mutual insurance companies; authorizing investments in certain insurers; regulating trade practices; requiring life and health insurers to substantiate the underwriting standards they use; providing assigned risk plan coverage for certain vehicles used by the handicapped; regulating motor vehicle repairs; granting immunity from liability for volunteer coaches, managers, and officials; prescribing penalties; amending Minnesota Statutes 1986, sections 45.024, subdivision 2; 60A.17, subdivisions 2c, 11, and 13; 60A.196; 60A.197; 60A.198, subdivision 3; 60A.23, subdivision 8; 60A.30; 60B.44, subdivisions 1, 4, 5, and 9; 60C.03, subdivision 8; 60C.08, subdivision 1; 60C.09; 60C.10, by adding a subdivision; 61B.05, subdivision 1; 62A.01; 62A.02, subdivision 2; 62A.03, by adding a subdivision; 62A.041; 62A.043, by adding a subdivision; 62A.141; 62A.146; 62A.17; 62A.21; 62A.43, subdivision 2; 62A.48, by adding a subdivision; 62E.10, subdivision 2; 62E.14, by adding a subdivision; 62H.04; 62I.02, by adding a subdivision; 62I.03, subdivision 5; 62I.04; 62I.16, subdivisions 3 and 4; 64B.11, subdivision 4; 64B.27; 65A.01, subdivision 3a; 65A.03, subdivision 1; 65A.10; 65A.29, by adding a subdivision; 65A.35, subdivision 5; 65B.03, subdivision 1; 65B.1311; 65B.15, subdivision 1; 65B.16; 65B.21, subdivision 2; 65B.28; 65B.46; 65B.63, subdivision 1; 67A.05, subdivision 2; 67A.06; 67A.231; 70A.04, subdivision 2; 70A.08, subdivision 3; 72A.20, subdivisions 11, 12a, and by adding a subdivision; 72A.51, subdivision 2; and 169.045, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A; 62A; 62E; 65B; and 604; repealing Minnesota Statutes 1986, sections 62F.04, subdivision 1a; 62I.02, subdivision 3; 67A.43, subdivision 3; and 466.07, subdivision 4; and Minnesota Rules, parts 2700.2400 to 2700.2440.

Referred to the Committee on Commerce.

Messrs. Solon and Gustafson introduced—

S.F. No. 479: A bill for an act relating to the city of Duluth; authorizing the issuance of bonds to purchase capital equipment; limiting the amount of the bonds.

Referred to the Committee on Local and Urban Government.

Messrs. Gustafson and Solon introduced—

S.F. No. 480: A bill for an act relating to the city of Duluth; authorizing the city to prepare, adopt, and amend design districts and a design framework to establish a design advisory committee, and to establish design review procedures to preserve and enhance the city's appearance and environmental quality.

Referred to the Committee on Local and Urban Government.

Mr. Stumpf introduced—

S.F. No. 481: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks and waysides; abolishing Old Crossing Treaty State Wayside and Rice Lake State Wayside; amending Minnesota Statutes 1986, section 85.012, subdivision 57; repealing Min-

nesota Statutes 1986, sections 85.013, subdivisions 19 and 21a, and 138.55, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Messrs. Metzen, Solon, Frederick, Wegscheid and Luther introduced—

S.F. No. 482: A bill for an act relating to insurance; regulating terminations of certain agency contracts; requiring companies to attempt to rehabilitate agents before terminating their appointment; regulating these rehabilitation agreements; amending Minnesota Statutes 1986, section 60A.171, subdivisions 1, 3, and by adding a subdivision.

Referred to the Committee on Commerce.

Messrs. Hughes, DeCramer, Ms. Peterson, D.C.; Messrs. Pehler and Frederickson, D.J. introduced—

S.F. No. 483: A bill for an act relating to education; modifying the definitions of teachers and of supervisory and support personnel for the purpose of licensure; modifying the kinds of personnel licensed by the board of teaching and the state board of education; adding two post-secondary vocational teachers to the board of teaching; requiring the board of teaching to consider vocational education teacher licensure requirements adopted by the state board of vocational technical education; requiring that rules adopted by the board of teaching do not affect the validity of licenses of certain vocational personnel or the rights and privileges of the holders; amending Minnesota Statutes 1986, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; 125.183, subdivision 3; 125.185, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Mr. Knaak introduced—

S.F. No. 484: A bill for an act relating to local government; providing for the use of certain city reserve funds; amending Minnesota Statutes 1986, section 471.572, subdivision 3.

Referred to the Committee on Local and Urban Government.

Mr. Knaak introduced—

S.F. No. 485: A bill for an act relating to the city of White Bear Lake; permitting the establishment of special service districts in the city and providing taxing and other authority.

Referred to the Committee on Local and Urban Government.

Messrs. Solon and Gustafson introduced—

S.F. No. 486: A bill for an act relating to improvement of the Lake Superior Zoological Gardens; appropriating funds from the state building fund for its improvement.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Luther; Moe, R.D.; Pogemiller; Hughes and Cohen introduced—

S.F. No. 487: A bill for an act relating to elections; changing certain voter registration procedures to increase voter participation; providing for a computerized central registration system, voter registration forms in state income tax forms and booklets, and a combined voter registration, driver's license, and identification card form; appropriating money; amending Minnesota Statutes 1986, sections 201.021; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivision 4; 201.081; 201.121, subdivision 1; 201.13; 201.15; 201.161; 201.171; 201.221, subdivision 2; 290.39, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 201.

Referred to the Committee on Elections and Ethics.

Mr. Frank introduced—

S.F. No. 488: A bill for an act relating to public utilities; energy; allowing nine months for public utilities commission to approve or deny certificate of need for large energy facility; providing for payment of fee and costs; providing for special account to pay for expenses; amending Minnesota Statutes 1986, section 216B.243, subdivisions 5 and 6.

Referred to the Committee on Public Utilities and Energy.

Messrs. Moe, D.M.; Wegscheid and Pogemiller introduced—

S.F. No. 489: A bill for an act relating to retirement; certain public retirement systems; setting age 62 as the normal retirement age; providing for actuarial reduction of benefits for early retirement; changing the retirement annuity formula; amending Minnesota Statutes 1986, sections 352.01, subdivisions 2B and 19; 352.113, subdivisions 1, 3, 4, 10, and 12; 352.115, subdivisions 2 and 3; 352.116, subdivisions 1 and 2; 352.72, subdivision 5; 352.91, subdivision 3; 352.95, subdivision 5; 353.29, subdivisions 1 and 3; 353.30, subdivision 1; 353.32, subdivision 1a; 353.33, subdivisions 1, 3, and 11; 353.34, subdivisions 3 and 3b; 353.71, subdivision 5; 354.44, subdivisions 6 and 7; 354.46, subdivision 1; 354.48, subdivisions 3 and 10; 354.49, subdivision 3; 354.55, subdivision 11; 354A.31, subdivisions 4, 5, and 6; 354A.36, subdivisions 3 and 10; 354A.37, subdivision 4; and 356.32, subdivision 1; repealing Minnesota Statutes 1986, section 353.30, subdivisions 1a, 1b, and 1c.

Referred to the Committee on Governmental Operations.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

## MOTIONS AND RESOLUTIONS

Mr. Johnson, D.E. moved that S.F. No. 114 be withdrawn from the Committee on Transportation and returned to its author. The motion prevailed.



**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, February 23, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate