

TWENTY-FIRST DAY

St. Paul, Minnesota, Thursday, March 12, 1987

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

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.

Prayer was offered by the Chaplain, Rev. James S. Bzoscik.

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

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

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

Mrs. Brataas, Messrs. Berg, Frederick, Purfeerst, Storm and Wegscheid were excused from the Session of today. Mr. Brandl was excused from the Session of today at 3:10 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of Hu-

man Services is hereby respectfully submitted to the Senate for confirmation as required by law:

Sandra Gardebring, 1477 W. California Ave., St. Paul, Ramsey County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Health and Human Services.)

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Raymond Bohn, 3848 Westbury Dr., Eagan, Dakota County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment as Director of the Department of Public Service is hereby respectfully submitted to the Senate for confirmation as required by law:

Tony Perpich, 2265 Youngman Ave., St. Paul, Ramsey County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Public Utilities and Energy.)

December 10, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Leonard Levine, 1741 Hillcrest Ave., St. Paul, Ramsey County, has been appointed by me, effective December 1, 1986, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Transportation.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Sandra Hale, 2308 W. Lake of the Isles Blvd., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Governmental Operations.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Jim Nichols, 3447 York Dr., Woodbury, Washington County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Agriculture.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Mike Hatch, 320 E. 135th, Burnsville, Dakota County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Commerce.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Orville Pung, 14499 N. 57th St., Stillwater, Washington County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Health and Human Services.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Ruth Randall, 339 Summit Ave., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Education.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Nina Rothchild, 14 Hickory St., Mahtomedi, Washington County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Governmental Operations.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Jay Kiedrowski, 1012 W. Minnehaha Pkwy, Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Finance.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Sister Mary Madonna Ashton, 5101 W. 70th St., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Health and Human Services.)

December 29, 1986

The Honorable Jerome M. Hughes

President of the Senate

Dear Sir:

The following appointment as Director of the Bureau of Mediation Services is hereby respectfully submitted to the Senate for confirmation as required by law:

Paul Goldberg, 176 Kent St., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

James J. Solem, 2240 Midland Grove Rd., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Keith Ford, 4053 Lyndale Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Employment.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Paul Tschida, 3829 Lynn Ave., St. Louis Park, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Transportation.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Tom Triplett, 2415 Sheridan Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

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

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Lani Kawamura, 3141 Dean Ct., Minneapolis, Hennepin County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Governmental Operations.)

December 29, 1986

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

William Gregg, 1719 Skillman Ave. W., St. Paul, Ramsey County, has been appointed by me, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Veterans.)

January 7, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Workers' Compensation Court of Appeals is hereby respectfully submitted to the Senate for confirmation as required by law:

Paul V. Rieke, 13403 Washburn Ave. S., Burnsville, Dakota County, has been appointed by me, effective January 7, 1987, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Employment.)

January 26, 1987

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the World Trade Center Board are hereby respectfully submitted to the Senate for confirmation as required by law:

William L. Wilson, 168 N. Lexington Pkwy., St. Paul, Ramsey County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Martha Firling, 2132 Woodhaven Ln., Duluth, St. Louis County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Arthur J. Petrie, 612 Baker Ave., Mankato, Blue Earth County, has been appointed by me, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

(Referred to the Committee on Economic Development and Housing.)

Sincerely,

Rudy Perpich, Governor

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. 85 and 211.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 9, 1987

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 320, 567, 688, 147, 151, 289, 56, 240, 280 and 281.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 9, 1987

FIRST READING OF HOUSE BILLS

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

H.F. No. 320: A bill for an act relating to statutes; removing certain gender references; amending Minnesota Statutes 1986, section 459.16.

Referred to the Committee on Judiciary.

H.F. No. 567: A resolution memorializing the President and Congress to give states more authority to regulate interstate pipelines and to improve

federal regulation of pipelines.

Referred to the Committee on Transportation.

H.F. No. 688: A bill for an act relating to controlled substances; classifying the substance alfentanil as a schedule II controlled substance; amending Minnesota Statutes 1986, section 152.02, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 659, now on the Consent Calendar.

H.F. No. 147: A bill for an act relating to crimes; expanding the crime of witness tampering to include the act of intimidating a witness to make false statements; amending Minnesota Statutes 1986, section 609.498, subdivisions 1 and 2.

Referred to the Committee on Judiciary.

H.F. No. 151: A bill for an act relating to crime victims; permitting the crime victims reparation board to file a claim for reparations; altering the manner of determining reparations claims; requiring law enforcement agencies to aid the board; providing for the classification of various data; clarifying ambiguous language; providing penalties; amending Minnesota Statutes 1986, sections 609.101; 611A.04, by adding a subdivision; 611A.52, subdivision 8; 611A.53, subdivision 2; 611A.57; 611A.66; and 611A.74, subdivision 2; repealing Minnesota Statutes 1986, section 611A.59.

Referred to the Committee on Judiciary.

H.F. No. 289: A bill for an act relating to the city of St. Paul; setting the maximum amounts and other conditions for the issuance of capital improvement bonds; amending Laws 1971, chapter 773, section 1, subdivision 2, as amended; and section 2, as amended; repealing Laws 1963, chapter 881, as amended.

Referred to the Committee on Local and Urban Government.

H.F. No. 56: A bill for an act relating to health; requiring mosquito research and management activities to be ecologically nondisruptive; amending Minnesota Statutes 1986, section 144.95, subdivisions 1, 2, 3, 7, 9, and 10.

Referred to the Committee on Health and Human Services.

H.F. No. 240: A bill for an act relating to commerce; prohibiting surcharges on credit card sales; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 49.

H.F. No. 280: A bill for an act relating to the city of St. Paul; repealing bonding authority and a sunset provision relating to the port authority; amending Laws 1983, chapter 110, section 4; repealing Minnesota Statutes 1986, section 458.773.

Referred to the Committee on Economic Development and Housing.

H.F. No. 281: A bill for an act relating to elections; providing for experimental mail elections; proposing coding for new law in Minnesota Statutes, chapter 204B.

Referred to the Committee on Elections and Ethics.

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. 479. The motion prevailed.

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

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

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

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

S.F. No. 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.

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

Pages 1 and 2, delete section 1

Page 3, line 27, delete "2" and insert "1"

Page 4, line 1, delete "2" and insert "1"

Renumber the sections in sequence

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

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

S.F. No. 291: A bill for an act relating to intoxicating liquor; allowing counties to issue seasonal intoxicating liquor licenses subject to certain restrictions; amending Minnesota Statutes 1986, section 340A.404, subdivision 6.

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

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

S.F. No. 49: A bill for an act relating to commerce; prohibiting surcharges on credit card sales; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325G.

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

Page 1, line 11, before the period, insert "*unless the seller informs the holder/purchaser of the surcharge both verbally at the time of sale and by a sign conspicuously posted on the seller's premises*"

Page 1, line 22, delete "*imprisonment for*"

Page 1, line 23, delete "*not more than 90 days or*" and delete "*, or both*" and insert "*and shall refund the surcharge to each buyer*"

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

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

S.F. No. 128: A bill for an act relating to liquor; authorizing municipalities to permit holders of both on-sale wine and nonintoxicating malt liquor licenses to sell intoxicating malt liquors; amending Minnesota Statutes 1986, section 340A.404, subdivision 5; repealing Laws 1979, chapter 200.

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

Page 1, line 12, before "A" insert "(a)"

Page 1, line 20, before "*The*" insert:

"(b)"

Page 1, line 22, delete "*this subdivision*" and insert "*paragraph (a)*"

Page 1, line 23, after "*340A.411*" insert "*, and whose gross receipts are at least 60 percent attributable to the sale of food,*"

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

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

S.F. No. 406: A bill for an act relating to commerce; regulating the distribution and sale of motor vehicles; limiting the granting or relocating of certain franchises; specifying the circumstances to be considered; removing certain regulations on nonrenewals; amending Minnesota Statutes 1986, section 80E.14, subdivision 2; repealing Minnesota Statutes 1986, section 80E.10.

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

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1986, section 80E.14, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION; PROTEST; HEARING.] In the event that a manufacturer seeks to enter into a franchise establishing an additional new motor vehicle dealership or relocating an existing new motor vehicle dealership within or into a relevant market area where the line make is then represented, the manufacturer shall, in writing, first notify each new motor vehicle dealer in this line make in the relevant market area of the intention to establish an additional dealership or to relocate an existing dealership within or into that market area. The relevant market area is a radius of ten miles around an existing dealership. Within 15 days of receiving the notice or within 15 days after the end of any appeal procedure provided by the manufacturer, the new motor vehicle dealership may commence a civil action in a court of competent jurisdiction pursuant to section 80E.17 challenging the establishing or relocating of the new motor vehicle dealership. An action brought under this section shall be placed on the calendar

ahead of other civil actions to be heard and determined as expeditiously as possible. Thereafter the manufacturer shall not establish or relocate the proposed new motor vehicle dealership unless the court has determined that there is good cause for permitting the establishment or relocation of the motor vehicle dealership.

For the purposes of this section, the reopening in a relevant market area of a new motor vehicle dealership within two miles of a location at which a former dealership of the same line make had been in operation within the previous two years shall not be deemed the establishment of a new motor vehicle dealership if the reopening is carried out in good faith and does not violate the provisions of section 80E.13, paragraph (i).

The relocation of an existing dealer within its area of responsibility as defined in the franchise agreement shall not be subject to this section, if the proposed relocation site is *within five miles of its existing location and is not within a radius of five miles of an existing dealer of the same line make.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "subdivision" and insert "subdivisions 1 and"

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 506: A bill for an act relating to housing; providing for administration of the state's low-income housing credit; authorizing the Minnesota housing finance agency to participate in certain housing construction projects and in certain nonprofit corporations; authorizing the sale or rental of certain housing property; providing definitions; providing for the issuance of certain bonds and notes; amending Minnesota Statutes 1986, sections 462A.03, subdivision 14; 462A.05, subdivisions 14, 21, and by adding subdivisions; 462A.06, subdivisions 7 and 12; 462A.08, subdivisions 1 and 3; and 462A.18, subdivision 2.

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

Pages 1 and 2, delete sections 1 and 2

Page 3, line 36, delete "7" and insert "5"

Page 4, line 20, delete "7" and insert "5"

Page 5, delete section 7 and insert:

"Sec. 5. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

Subd. 27. The agency, or the corporations referred to in subdivision 26, may acquire property or property interests under subdivisions 25 and 26 and section 462A.06, subdivision 7, for the following purposes: (1) to protect a loan or grant in which the agency or corporation has an interest; or (2) to preserve for the use of low- and moderate-income persons or families multifamily housing benefited by federal housing assistance pay-

ments or other rental subsidy or interest reduction contracts. Property or property interests acquired for the purpose specified in clause (1) may be acquired by foreclosure or deed in lieu of foreclosure."

Page 5, line 15, delete "7" and insert "5"

Page 6, delete lines 28 to 33 and insert "*defined in section 336.8-102 and may be issued as certificated securities or as uncertificated securities. Certificated securities may be issued in bearer or registered form. The agency may perform all actions that are permitted or required of issuers of securities under sections 336.8-101 to 336.8-408*"

Page 6, line 34, delete "article 8"

Page 7, after line 31, insert:

"Sec. 11. [462A.221] [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of sections 11 to 14, the following terms have the meaning given them.

Subd. 2. [CITY.] "City" means a statutory or home rule charter city.

Subd. 3. [HOUSING AND REDEVELOPMENT AUTHORITY.] "Housing and redevelopment authority" means a housing and redevelopment authority established pursuant to section 462.425, or other law, or any other municipal department, agency, or authority which exercises the powers of a housing and redevelopment authority pursuant to section 462.425 or other law.

Sec. 12. [462A.222] [LOW-INCOME HOUSING CREDITS.]

Subdivision 1. [CREDIT RESERVATIONS.] The agency shall reserve a portion of the annual state ceiling for low-income housing credits provided under section 42 of the Internal Revenue Code of 1986 to (1) cities with a population of at least 50,000 that have a housing and redevelopment authority; and (2) counties with a population of 100,000 or more that have a housing and redevelopment authority. A city or county is eligible to receive a reserved portion of the state ceiling under this subdivision if it submits a written request to the agency within 45 days after the effective date of sections 11 to 14 to act as a designated housing credit agency as provided in section 42 of the Internal Revenue Code of 1986. A city or county may designate its housing and redevelopment authority as the agency to receive reserved low-income housing credits on behalf of the city or county. The city of Minneapolis or the city of Saint Paul may designate the Minneapolis/Saint Paul housing finance board to receive reserved low-income housing credits on behalf of each city.

Subd. 2. [CREDIT FORMULA.] The agency shall reserve to each eligible city and county an amount equal to the greater of (1) twice the product obtained by multiplying \$1.125 by the population of the city or county, or (2) 90 percent of the total state ceiling for low-income housing credits, multiplied by a fraction that has as its numerator the number of rental units located within the city or county and that has as its denominator the total number of rental units located within the state. For purposes of this subdivision, the state demographer shall provide population and rental unit estimates to the agency.

Subd. 3. [RETURN OF RESERVED CREDITS.] Unused portions of the state ceiling for low-income housing credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

On or before October 1 of each calendar year, each city and county acting as a housing credit agency, or the Minneapolis/Saint Paul housing finance board, must submit a written notice to the agency of the portion of the low-income housing credit ceiling reserved to it which has not been allocated. The unallocated credit must then be allocated by the agency as provided in section 13.

Sec. 13. [462A.223] [MINNESOTA HOUSING FINANCE AGENCY; DESIGNATED AGENCY.]

Subdivision 1. [CREDITS TO QUALIFIED NONPROFIT ORGANIZATIONS.] The agency is designated as a housing credit agency with authority to provide low-income housing credits for projects involving qualified nonprofit organizations under sections 501(c)(3) and 501(c)(4) of the Internal Revenue Code of 1986. The agency shall provide the ten percent minimum amount of the state ceiling required by section 42 of the Internal Revenue Code of 1986 for application to such projects.

Subd. 2. [DESIGNATED AGENCY.] The agency is designated as a housing credit agency to allocate the portion of the state ceiling for low-income housing credits (1) not reserved to cities and counties under section 12; (2) not accepted for allocation by eligible cities and counties; (3) returned to the agency for allocation; and (4) not otherwise reserved to the agency for allocation under subdivision 1. Low-income housing credits shall be allocated by the agency on a statewide basis. The agency shall make no allocation for projects located within the jurisdiction of the cities or counties that have received credits under section 12, subdivision 1, until the amounts reserved to the cities and counties for allocation have been allocated or returned to the agency for allocation.

Sec. 14. [462A.225] [STATE REGISTER NOTICE.]

The agency shall publish in the State Register all data relating to the state ceiling, state demographer population and rental unit estimates, and other information or procedures specified in section 42 of the Internal Revenue Code of 1986, applicable United States Treasury Department regulations, and this subdivision, that the agency considers pertinent to the distribution of low-income housing credits."

Page 7, line 33, delete "12" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "462A.03,"

Page 1, line 10, delete "subdivision 14;"

Page 1, line 13, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 462A"

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

S.F. No. 377: A bill for an act relating to state government; regulating the state council for the handicapped; extending the time for appeals by the council from state building code decisions affecting the interests of

handicapped persons; changing the name of the council; amending the duties and responsibilities of the council; authorizing the council to initiate or intervene in proceedings affecting handicapped persons; amending Minnesota Statutes 1986, sections 16B.67; and 256.482.

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

Page 5, line 12, after "*which*" insert "*directly*" and delete everything after "*affects*"

Page 5, line 13, delete everything before "*persons*" and insert "*the legal rights of*"

Page 5, line 19, delete "*maintained in*" and insert "*deposited into the state treasury and credited to*"

Page 5, line 20, after "*separate*" insert "*, dedicated*" and delete "*and shall not be credited to the general fund*" and insert "*for council services. All money in this dedicated account is annually appropriated to the council to provide documents and technical services to the public*"

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. 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.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 1982, chapter 523, article XI, section 1, is amended to read:

Section 1. [DULUTH; BONDS; PURCHASE OF EQUIPMENT.]

The Duluth city council may by ordinance provide for the annual issuance of general obligation bonds in a principal amount not to exceed \$2,000,000 annually ~~for three years until the date provided by section 3~~ to provide funds to purchase capital equipment for the city. For purposes of this law, "capital equipment" means any equipment having an estimated useful life of at least five years. The issuance of the bonds shall be subject to Minnesota Statutes, Chapter 475, except that no election shall be required except as provided in section 2, or as required by the Duluth City Charter, Section 52.

Sec. 2. Laws 1982, chapter 523, article XI, section 3, is amended to read:

Sec. 3. [LOCAL APPROVAL.]

Sections 1 and 2 are effective the day after compliance with Minnesota Statutes, Section 645.021, Subdivision 3, by the governing body of the city of Duluth but no bonds shall be issued pursuant to this act after April 1, 1985 1990.

Sec. 3. [LOCAL APPROVAL.]

Sections 1 and 2 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth."

Amend the title as follows:

Page 1, line 4, before the period, insert "; amending Laws 1982, chapter 523, article XI, sections 1 and 3"

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

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

S.F. No. 529: A bill for an act relating to human services; regulating work activities of handicapped persons in state facilities; amending Minnesota Statutes 1986, section 246.56, subdivision 2:

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

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

S.F. No. 532: A bill for an act relating to human services; clarifying methods of determining cost of care at regional treatment centers; clarifying responsibility for setting rates and collecting payment for cost of care at state nursing homes; allowing commissioner of human services to collect insurance settlements; amending Minnesota Statutes 1986, sections 246.50, subdivisions 3, 4a, 5, 7, and by adding a subdivision; 246.51; 246.511; and 251.011, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 246.

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

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

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.

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

Page 1, line 27, reinstate the stricken "332.45" and delete "332.46"

Page 2, lines 4 and 8, reinstate the stricken "332.45" and delete "332.46"

Page 2, line 15, delete "\$20" and insert "\$10"

Page 2, line 30, after "a" insert "collection agency"

Page 2, line 33, after the period, insert *"Every application for a collector's license or renewal shall be acted upon promptly by the commissioner but in no event more than 15 days after receipt of the completed application. Each applicant may be issued a temporary license after submitting a complete application which meets all requirements for licensure. This license shall be effective until a permanent license is issued by the commissioner."*

Page 2, line 34, reinstate the stricken "332.45"

Page 2, line 35, delete "332.46"

Page 3, lines 2 and 9, reinstate the stricken "332.45" and delete "332.46"

Page 5, delete lines 14 and 15 and insert:

"(13) communicate with a debtor by use of a recorded message utilizing an automatic dialing announcing device unless the recorded message is immediately preceded by a live operator who discloses prior to the message the name of the collection agency and the fact the message intends to solicit payment and the operator obtains the consent of the debtor to hearing the message"

Page 5, line 16, delete everything before the period

Pages 6 and 7, delete section 6

Amend the title as follows:

Page 1, line 9, delete everything after "3" and insert a period

Page 1, delete line 10

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

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

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.

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

Page 2, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 1986, section 60A.171, is amended by adding a subdivision to read:

Subd. 3a. (a) Following proper notice as required under subdivision 1, and prior to the effective date of termination of the agency contract, in an effort to avoid termination, the company shall negotiate in good faith in an effort to reach mutual agreement with the agent on a written plan for rehabilitation.

(b) The rehabilitation plan must be in writing and must contain the following elements:

(1) identification by the company of the problem areas which need rehabilitation;

- (2) *what the agent must do to avoid termination;*
- (3) *how the company intends to assist the agent to avoid termination;*
- (4) *the mutually agreed upon corrective action to be undertaken by the agent and the specific target dates for accomplishment;*
- (5) *periodic meeting dates at which the status of rehabilitation will be reviewed; and*
- (6) *the term of the written plan which must extend for at least one year after the notice of termination.*

(c) *All agency contracts in existence at the time of the effective date of this section are subject to the rehabilitation requirement under subdivision 1. The rehabilitation plan need not be incorporated into the agency contract."*

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

Mr. Frank from the Committee on Economic Development and Housing, to which was referred

S.F. No. 683: A bill for an act relating to local and state government debt financing; allocating bonding authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1986, sections 474A.02, subdivisions 1, 2, 3, 6, 7, 8, 12, 14, 16, 18, 19, 21, 26, and by adding subdivisions; 474A.03, subdivision 1, and by adding a subdivision; 474A.04, subdivisions 5, 6, and by adding a subdivision; 474A.13, subdivisions 1, 4, and 5; 474A.14; 474A.15; 474A.16; 474A.17; 474A.18; 474A.20; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1986, sections 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, and 25; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; 474A.19; and Laws 1981, chapters 222, section 6; and 223, section 6, subdivision 3.

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

Page 3, line 4, strike ", as amended" and before "that" strike the comma

Page 3, line 7, strike "exempt from inclusion in" and insert "*excluded from*"

Page 5, line 2, after the stricken "any" insert "*an economic development authority referred to in chapter 458C,*"

Page 5, line 26, delete everything after the period

Page 5, delete lines 27 to 29

Page 7, line 5, delete "*beginning in 1988*" and insert "*after December 31, 1987*"

Page 7, lines 9 and 31, delete "*allocations*" and insert "*allocation*"

Page 7, line 30, delete "*ALLOCATIONS*" and insert "*ALLOCATION*"

Page 7, line 35, delete "5" and insert "6"

Page 8, line 19, delete "*After the last Monday in August of each year,*"

Page 8, line 21, after "allocation" insert "*after the first Monday in September*"

Page 9, line 27, delete "and" and after "(2)" insert "*a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, and (4)*"

Page 10, line 22, delete everything after "week"

Page 10, line 23, delete everything before the comma

Page 10, line 32, delete "*After the last Monday in*"

Page 10, line 33, delete "*August of each year,*"

Page 10, line 34, delete "*on or before the last Monday in August*"

Page 10, line 35, after "allocation" insert "*after the first Monday in September*"

Page 11, line 32, delete "If" and delete "does not receive an"

Page 11, delete line 33

Page 11, line 34, delete "*subdivision 5, it*"

Page 12, lines 4 and 13, delete "5" and insert "6"

Page 12, line 5, delete "*per year*"

Page 12, line 23, delete "*to a project*" and insert "*for qualified bonds*"

Page 12, line 35, delete "*may*" and insert "*must*"

Page 13, line 11, after the period, insert "*If bonding authority is transferred from one pool to the other pool,*"

Page 13, line 16, before "After" insert "*On the day*"

Page 13, line 24, delete "and" and insert a comma and after "(2)" insert "*a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, and (4)*"

Page 14, line 12, delete "million"

Page 14, line 27, delete "*Notwithstanding this subdivision,*" and insert "*Subd. 4. [MORTGAGE BOND SUNSET.]*"

Page 14, line 28, after "of" insert "*tax-exempt*"

Page 14, line 32, delete everything after "be" and insert "*reallocated to cities for the issuance of mortgage bonds. If an issuer that receives an allocation for mortgage bonds under this subdivision fails to notify the department of energy and economic development before the last Monday in December of issuance of obligations pursuant to all or a portion of the allocation, any remaining allocation pursuant to which obligations have not been issued is canceled and the bonding authority is allocated to the department of finance for reallocation under section 29, subdivision 6.*"

Page 14, delete lines 33 to 35

Page 14, line 36, delete "4" and insert "5"

Page 15, line 22, delete "5" and insert "6" and before "Any" insert "\$20,000,000 or"

Page 15, line 24, after "*December*" insert "*, whichever is less,*" and after "*the*" insert "*higher education coordinating board. Any bonding authority remaining after the deduction for the higher education coordinating board allocation is allocated to the*"

Page 15, line 26, delete everything after the period

Page 15, delete lines 27 to 29

Page 16, line 6, delete "*, when*" and strike "added to" and delete "(1)" and strike "the aggregate"

Page 16, line 7, strike the old language and delete the new language

Page 16, line 8, delete "*have been*" and strike "issued and not" and delete "*returned for reallocation*" and strike the semicolon

Page 16, line 9, delete "(2) *the*" and strike "remaining" and delete "*amount of annual volume cap*" and strike "available"

Page 16, line 10, strike "to be allocated" and strike "; and" and delete "(3)"

Page 16, line 11, strike "entitlement" and delete "*bonding*" and strike "authority allocated"

Page 16, line 12, delete "*to entitlement issuers that has*" and strike "not" and delete "*been*" and strike "returned"

Page 16, line 13, strike "for reallocation"

Page 16, line 35, delete "*bonding*" and strike "authority" and insert "*allocation received*"

Page 17, line 1, delete "*bonding*" and strike "authority" and insert "*allocation*"

Page 18, line 33, strike "a"

Page 19, line 1, strike "of the department"

Page 19, lines 12 and 14, delete "ALLOCATIONS" and insert "ALLOCATION"

Page 22, line 6, delete "*and*" and after "25" insert "*, 27, 28 and 29*"

Amend the title as follows:

Page 1, line 14, delete "and" and after "25" insert "*, 27, 28 and 29*"

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

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

S.F. No. 599: A bill for an act relating to human services; authorizing the department of human services to enter into shared service agreements; amending Minnesota Statutes 1986, section 246.57, subdivisions 1, 2, and by adding a subdivision; repealing Minnesota Statutes 1986, sections 246.57, subdivision 3; 246.61; 246.62; and 246.63.

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

Page 2, line 8, after "*agreement*" insert "*and approved by the commissioner of human services*"

Page 2, line 22, delete "*account*" and insert "*fund*"

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. 673: A bill for an act relating to human services; allowing the use of certain professional standards for chemical dependency professionals; amending Minnesota Statutes 1986, section 254A.16, by adding a subdivision.

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

Page 1, line 18, after the period, insert "*The commissioner may also by rule provide that persons certified by the Institute for Chemical Dependency Professionals of Minnesota, Inc., are deemed competent to perform the functions of chemical dependency professionals.*"

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. 414: A bill for an act relating to children; regulating the trust fund for prevention of child abuse; continuing an advisory council; appropriating money; amending Minnesota Statutes 1986, sections 299A.23, subdivision 2; 299A.25, subdivisions 3 and 6.

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

Page 2, line 4, before the stricken "*Matching*" insert "*Priority must be given to applicants whose*"

Page 2, line 4, reinstate the stricken "*Matching funds*" and after the stricken "*must*" insert "*do*" and reinstate the stricken "*not consist,*"

Page 2, line 5, reinstate the stricken language

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. 342: A bill for an act relating to human services; authorizing grants for programs that provide perishable food to nonprofit organizations providing on-site food programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

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

Page 1, line 20, after the second comma, insert "*food handler training.*"

Page 1, line 22, delete everything after the period

Page 1, delete lines 23 and 24

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. 586: A bill for an act relating to corrections; clarifying the commissioner of corrections authority in licensing and supervising institutions and facilities; providing for restitution by inmates for destruction of state property; clarifying terminology; authorizing the commissioner to adopt rules relating to payment of restitution by inmates; authorizing the forfeiture of contraband money or property; clarifying provisions relating to county probation reimbursement; providing a penalty for assaults on correctional employees; amending Minnesota Statutes 1986, sections 241.021, subdivision 1; 241.08, subdivision 1; 241.26, subdivision 5; 241.69, subdivision 2; 243.23, subdivision 3; 243.24, subdivision 1, and by adding a subdivision; 260.311, subdivision 4; and 609.2231, by adding a subdivision.

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

Page 6, line 12, strike the comma

Page 7, line 23, after "sale" insert "*or money seized under this subdivision*"

Page 9, delete section 10 and insert:

"Sec. 10. Minnesota Statutes 1986, section 641.264, subdivision 2, is amended to read:

Subd. 2. [TAX LEVIES; APPORTIONMENT OF COSTS.] The county board of each cooperating county shall annually levy a tax in an amount necessary to defray its proportion of the net costs of maintenance and operation of the regional jail after deduction of payments for the care of inmates, and in addition shall levy a tax to repay the cost of construction or acquisition, equipping, and any subsequent improvement of the regional jail and for the retirement of any bonds issued for these purposes. The county board may levy these taxes without limitation as to the rate or amount, and the levy of these taxes shall not cause the amount of other taxes levied or to be levied by the county, which are subject to any such limitation, to be reduced in any amount whatsoever. The regional jail board shall apportion the costs of maintenance and operation, and of construction or acquisition, equipping, and improvement of the jail to each county, *either (1) on the basis of the proportion that the population in that county bears to the total population in all of the cooperating counties, the population figures to be determined by the last previous federal census; or (2) according to a formula mutually agreed upon by the county boards of all the cooperating counties.*"

Amend the title as follows:

Page 1, line 16, delete "and" and before the period, insert "; and 641.264, subdivision 2"

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

Mr. Willet from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1: A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; appropriating money; amending Minnesota Statutes 1986, sections 41A.01; 41A.02, subdivisions 3, 4, 6, and 11; 41A.05, subdivisions 1 and 2; 116.16, subdivisions 2 and 5; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; and 462.398; proposing coding for new law in Minnesota Statutes, chapters 41A; 84; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; amending Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, sections 41A.06, subdivision 2; 116.18, subdivision 3a; 116J.951; 116J.961; and 116J.965.

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

Delete everything after the enacting clause and insert:

"ARTICLE I

RURAL DEVELOPMENT BOARD

Section 1. [116N.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 7, the following terms have the meaning given them.

Subd. 2. [BOARD.] "Board" means the rural development board.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.

Subd. 4. [LOW INCOME.] "Low income" means equal to or below the nonmetropolitan median household income.

Subd. 5. [PRINCIPALLY.] "Principally" means at least 51 percent.

Sec. 2. [116N.02] [RURAL DEVELOPMENT BOARD.]

Subdivision 1. [MEMBERSHIP.] The rural development board consists of the commissioner of energy and economic development, the commissioner of jobs and training, the commissioner of agriculture, the chair of the greater Minnesota corporation board, the state director of vocational technical education, the chancellor of the state university board, the chancellor of the state board for community colleges, the president of the University of Minnesota or the president's designee, and seven members from the general public appointed by the governor, with at least one public

member from each of the regions established in section 7. Two of the public members must be local elected officials. Two of the public members must be members of farm organizations. One public member must represent the interests of business, and one public member must represent the interests of organized labor.

Subd. 2. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the board are as provided in section 15.0575.

Subd. 3. [CHAIR; OTHER OFFICERS.] The commissioner of energy and economic development shall serve as chair of the board. The board may elect other officers as is necessary from its members.

Subd. 4. [ADVISORY TASK FORCES.] The board may establish advisory task forces under section 15.014 to advise or assist the board in identifying and working with rural development issues.

Subd. 5. [STAFF] The commissioner of energy and economic development shall provide staff, consultant support, materials, and administrative services necessary for the board's activities. The services must include personnel, budget, payroll, and contract administration. The board may request and require staff support from other agencies of state government as needed for the execution of the responsibilities of the board.

Subd. 6. [EXPENSES.] The commissioner shall pay the expenses of the board and the costs of the board's programs from the rural rehabilitation revolving fund established in section 116J.955.

Sec. 3. [116N.03] [POWERS.]

Subdivision 1. [CONTRACTS.] The board may enter into contracts and grant agreements necessary to carry out its responsibilities.

Subd. 2. [GIFTS; GRANTS.] The board may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private foundations, or any other source. It may enter into an agreement required for the gifts, grants, or loans and may hold, use, and dispose of its assets in accordance with the terms of the gift, grant, loan, or agreement. Money received by the board under this subdivision must be deposited in the state treasury. The amount deposited is appropriated to the board to carry out its duties.

Sec. 4. [116N.04] [DUTIES.]

Subdivision 1. [GENERAL DUTIES.] The board shall investigate and evaluate new methods to enhance rural development, particularly methods relating to economic diversification through private enterprises, including technologically innovative industries, value-added manufacturing, agri-processing, information industries, and agricultural marketing.

Subd. 2. [ESTABLISH PROGRAMS.] The board shall establish and administer a rural rehabilitation pilot project program to award grants on a competitive basis to public, nonprofit, or private organizations to support farm-related pilot projects for rural development. Projects must be designed to principally benefit low-income persons. Rural rehabilitation pilot projects must be coordinated, if possible, with the soil and water conservation districts and other state and federal agencies and programs.

Subd. 3. [PROGRAM REVIEW.] The board shall review and comment on the mineral resources program to the commissioner of natural resources.

Subd. 4. [TECHNICAL ASSISTANCE.] The board shall provide technical assistance and rural development information services to state agencies, regional agencies, special districts, local governments, and the public.

Subd. 5. [BUDGET.] The board shall adopt an annual budget and work program and a biennial budget.

Subd. 6. [LEGISLATIVE REPORT.] The board shall submit an annual report to the legislature by January 31 of each year. The report shall include a review of rural development in the state, an accounting of all loans made under the challenge grant program, an evaluation of rural development initiatives, and recommendations concerning state support for rural development.

Sec. 5. [116N.056] [RURAL INVESTMENT GUIDE.]

The board, after appropriate study and public hearings as necessary, shall adopt a comprehensive state rural investment guide consisting of policy statements, objectives, standards, and program criteria to guide state agencies in establishing and implementing programs relating to rural development. The guide must: (1) recognize community and economic needs and resources of rural Minnesota; (2) be consistent with food and agriculture policy in Minnesota Statutes as reviewed by the standing committees on agriculture in the legislature; and (3) provide a plan to coordinate and allocate public and private resources to the rural areas of the state.

Sec. 6. [116N.06] [BOARD REVIEW.]

The board may require state agencies to submit for review any state program relating to rural development. The board may comment on any such program and may recommend changes consistent with the rural development guide.

Sec. 7. [116N.07] [CHALLENGE GRANT PROGRAM.]

Subdivision 1. [ORGANIZATION.] The challenge grant program shall make challenge grants to regional organizations selected by the board under subdivision 4 to encourage private investment, to provide jobs for low-income persons, and to promote economic development in the rural areas of the state. The board shall establish the program as provided in this section.

Subd. 2. [FUNDING REGIONS.] The board shall divide the part of the state located outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385.

Subd. 3. [CHALLENGE GRANT PROGRAM ADMINISTRATION.] The board shall establish a challenge grant program for each of the six regions. The board shall designate up to \$_____ for each region, to be awarded over a period of three years. The money designated to each region must be used for revolving loans and equity investments authorized under this section. The board shall select nonprofit corporations to administer the challenge grant program for each region, using the selection criteria in subdivision 4.

Subd. 4. [SELECTION OF ORGANIZATION TO ADMINISTER CHALLENGE GRANT PROGRAM.] The board shall select the organizations responsible for administering the challenge grant program for each

region and shall enter into grant agreements with the organizations. An organization is eligible to administer a challenge grant program if it is a nonprofit corporation and it can demonstrate that:

- (1) its board of directors includes citizens experienced in rural development and representatives from all geographic areas in a challenge grant program region;
- (2) it has the technical skills to analyze projects;
- (3) it is familiar with other available public and private funding sources and economic development programs;
- (4) it can initiate and implement economic development projects; and
- (5) it can establish and administer a revolving loan program.

Subd. 5. [REVOLVING LOAN FUND.] An organization responsible for administering a challenge grant program shall provide subordinated loans from the challenge grant fund to new and expanding businesses in rural Minnesota to promote economic development through such enterprises as technologically innovative industries, value added manufacturing, agri-processing, information industries, and agricultural marketing. Each organization shall establish a board-certified revolving loan fund and shall process loan applications under subdivision 6. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each revolving loan is appropriated from the rural rehabilitation revolving fund established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan.

Subd. 6. [LOAN CRITERIA AND PRIORITY.] (a) In processing a loan application, an organization responsible for administering a challenge grant program shall give priority to proposed borrowers who are not likely to undertake the project for which the loan is sought without assistance from the challenge grant program. A loan must be used for a project designed principally to benefit low-income persons through the creation of job opportunities for such persons. A loan may be used for capital assets and working capital. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan. The minimum revolving loan is \$5,000 and the maximum is \$100,000. The amount of state money appropriated from the challenge grant fund may not exceed 50 percent for each revolving loan. The amount of nonpublic money must equal at least 50 percent for each revolving loan. With the approval of the commissioner, a revolving loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery fund. A revolving loan may not exceed 25 percent of the total cost of an individual project. A revolving loan may not be used for a retail development project.

(b) The board shall establish a minimum interest rate for revolving loans to ensure that necessary management costs are covered.

(c) Money repaid to the challenge grant program must be deposited in the regional revolving loan fund for further distribution by the organization responsible for administering the challenge grant program.

(d) Administrative expenses of each organization must be paid out of the interest earned on revolving loans.

(e) A business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located. For purposes of this paragraph, "local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area and a county when the project is located in an unincorporated area.

Subd. 7. [RULES.] The board may adopt rules to implement this section.

Subd. 8. [EQUITY INVESTMENTS.] The board may allow a specific amount of the money designated for each region to be used to acquire equity interests in businesses located in rural Minnesota. An organization responsible for administering a challenge grant program may acquire equity investments in businesses located in rural Minnesota. An organization may also invest in regional investment organizations.

Subd. 9. [DUTIES OF CHALLENGE GRANT ADMINISTRATION ORGANIZATION.] An organization responsible for administering a challenge grant program may contract with other regional development authorities to carry out all or part of its duties. The organization shall:

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

(2) provide for an annual audit to be performed in accordance with generally accepted accounting practices and auditing standards and submit a copy of each annual audit report to the board.

Sec. 8. [REPEALER.]

Minnesota Statutes 1986, sections 116J.951; 116J.961; and 116J.965 are repealed.

ARTICLE 2

GREATER MINNESOTA CORPORATION

Section 1. [116P01] [CITATION.]

Sections 1 to 9 may be cited as the "greater Minnesota corporation act."

Sec. 2. [116P02] [DEFINITIONS.]

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

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

Subd. 3. [CORPORATION.] "Corporation" means the greater Minnesota corporation.

Subd. 4. [FUND.] "Fund" means the greater Minnesota fund.

Sec. 3. [116P03] [CORPORATION; BOARD OF DIRECTORS; POWERS.]

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

corporation.”

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors appointed by the governor to six-year terms. The governor shall make the initial appointments. As the terms of the initial appointees expire, appointments must be made by the board. The board may determine the compensation of its members.

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

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

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

Sec. 4. [116P04] [CORPORATE PERSONNEL.]

Subdivision 1. [GENERALLY.] (a) The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees and agents the president considers necessary.

(b) The board shall define the duties and designate the titles of the employees and agents.

Subd. 2. [STATUS OF EMPLOYEES.] Employees, officers, and directors of the corporation are not state employees, but, at the option of the board, may participate in the following plans for employees in the unclassified service: the state retirement plan, the state deferred compensation plan, and the health insurance and life insurance plans.

Sec. 5. [116P05] [POWERS OF THE CORPORATION.]

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

- (1) sue and be sued;*
- (2) have a seal and alter it at will;*
- (3) acquire and dispose of personal property, including inchoate and intellectual property, royalties, stock, and stock warrants;*
- (4) enter into contracts or agreements with a federal or state agency, person, business, or other organization;*
- (5) acquire and dispose of real property or an interest in real property;*
- (6) obtain insurance;*
- (7) sell, at public or private sale, any note, mortgage, or other instrument or obligation;*
- (8) consent to the modification of a contract or agreement to which the corporation is a party;*

(9) borrow money to carry out its purposes and issue negotiable notes, which it may refund, guarantee, or insure in whole or in part with money from the fund, other assets of the corporation, or an account created by the corporation for that purpose;

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

(11) develop, buy, and possess financial and technical information, including credit reports and financial statements;

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

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

(14) spend money to cover expenses of consultants and speakers hired by the board and for publications, advertising, and promotional activities.

Sec. 6. [116P06] [ACTIVITIES.]

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

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

Subd. 3. [EQUITY INVESTMENTS.] The corporation may acquire an interest in a product or a private business entity located or intending to locate in an enterprise zone as defined in section 273.1312 or a distressed county as defined in section 297A.257. The corporation may enter into joint venture agreements with other private corporations to promote economic development and job creation, not limited to enterprise zones or distressed counties.

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

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

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

Sec. 7. [116P07] [GREATER MINNESOTA FUND.]

(a) The greater Minnesota fund is a separate account in the state treasury. The board may create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund may be deposited in an institution designated as a depository for state funds under section 9.031. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund may be used as provided in this chapter.

(b) The fund consists of:

- (1) appropriations made to the corporation;*
- (2) fees and charges collected by the corporation;*
- (3) income from investments and purchases;*
- (4) revenue from loans, rentals, royalties, dividends, and other proceeds collected in connection with lawful corporate purposes; and*
- (5) gifts, donations, and bequests made to the corporation.*

Sec. 8. [116P08] [AUDITS.]

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

Sec. 9. [116P09] [REPORTS.]

The board shall report to the legislature and the governor on the activities of the corporation by January 1 of each year.

Sec. 10. [INITIAL APPOINTMENTS.]

Notwithstanding section 3, subdivision 2, the governor shall appoint the initial members of the board of directors of the greater Minnesota corporation as follows: four to six-year terms, four to four-year terms, and three to two-year terms.

Sec. 11. [DEVELOPMENT PLAN.]

The board of directors of the greater Minnesota corporation shall prepare a comprehensive development plan and submit it to the governor and the legislature by November 15, 1987. The development plan must include at least the following:

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

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

Sec. 12. [APPROPRIATION.]

\$_____ is appropriated from the general fund to the greater Minnesota corporation established by section 3. This appropriation is available until expended.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 11 are effective the day following final enactment.

ARTICLE 3

MINNESOTA PUBLIC FACILITIES AUTHORITY

Section 1. Minnesota Statutes 1986, section 116.16, subdivision 2, is amended to read:

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

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

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

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

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

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

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

(7) For state independent grant and matching grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, ~~as amended,~~ United States Code, title 33, ~~section 1214, et seq sections 1281 to 1299.~~

(8) Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost includes the acquisition of land for stabilization ponds, the construction of collector sewers for totally unsewered statutory and home rule charter cities and towns described under section 368.01, subdivision 1 or 1a, that are in existence on January 1, 1985, and the provision of reserve capacity sufficient to serve the reasonable needs of the municipality for 20 years in the case of treatment works and 40 years in the case of sewer systems. Notwithstanding clause (7), for state grants under the state independent grants program, the eligible cost does not include the provision of service to seasonal homes, or cost increases from contingencies that exceed three percent of as-bid costs or cost increases from unanticipated site conditions that exceed an additional two percent of as-bid costs.

(9) Authority means the Minnesota public facilities authority established

in section 10.

Sec. 2. Minnesota Statutes 1986, section 116.16, subdivision 5, is amended to read:

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

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

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

(c) *For purposes of awarding independent state grants, the agency may exempt municipalities with a population of less than 1,500 from state and federal regulations and guidelines relating to facilities planning and procurement under sections 116.16 to 116.18, except regulations and guidelines applicable to the issuance of a national pollutant discharge elimination system permit or state disposal permit.*

Sec. 3. Minnesota Statutes 1986, section 116.16, subdivision 9, is amended to read:

Subd. 9. [APPLICATIONS.] Applications by municipalities for grants or loans from the fund shall be made to the ~~director of the agency authority~~ on forms requiring information prescribed by rules of the agency. *The authority shall send the application to the agency within ten days of receipt.* The director shall certify to the ~~agency authority~~ those applications which appear to meet the criteria set forth in sections 116.16 to 116.18 and the rules promulgated hereunder, and the ~~agency authority~~ shall award the grants or loans on the basis of the criteria and priorities established by the ~~agency~~ in its rules and in sections 116.16 to 116.18. A municipality that is designated under agency rules to receive state or federal funding for a project and that does not make a timely application for or that refuses the funding is not eligible for either state or federal funding for that project in that fiscal year or the subsequent year.

Sec. 4. Minnesota Statutes 1986, section 116.16, subdivision 10, is

amended to read:

Subd. 10. [COSTS.] To the extent the agency administers or engages in activities necessary for administering any aspects of the federal water pollution control act as amended, United States Code, title 33, section 1251 et seq., the agency may assess the costs of such administrative activities, ~~in an amount not to exceed that allowed by five percent of the federal law grant,~~ against the federal construction grant funds allotted to the state.

Sec. 5. Minnesota Statutes 1986, section 116.16, is amended by adding a subdivision to read:

Subd. 11. [AWARDS OF GRANTS AND LOANS.] The agency shall inform the authority as decisions are made on municipalities that are entitled to the award of a grant or loan. The authority shall notify the municipalities that are to receive a grant or loan and advise the municipality of the grant agreement or loan form or other document that must be executed to complete the grant or loan. Upon certification from the agency that the work has been completed and that payment is proper, the authority shall pay to the municipality the periodic grant or loan payment.

Sec. 6. Minnesota Statutes 1986, section 116.16, is amended by adding a subdivision to read:

Subd. 12. [AMENDMENTS.] A municipality that seeks an amendment to a previously awarded grant or loan shall follow the same procedure contained in subdivision 9 for applying to the authority. The request for a grant or loan amendment shall be forwarded by the authority to the agency for consideration, and the authority shall process a grant or loan amendment that is approved by the agency.

Sec. 7. Minnesota Statutes 1986, section 116.18, subdivision 3a, is amended to read:

Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) The ~~agency~~ *Minnesota public facilities authority established in section 10* may award independent grants for projects *selected by the agency* for 50 percent or, if the agency requires advanced treatment, 65 percent of the eligible cost of construction. ~~The agency authority~~ *may award independent grants for up to an additional 30 percent or, if the agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to municipalities selected by the agency for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.*

(b) Up to ten percent of the money to be awarded as grants under this subdivision in any single fiscal year shall be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the commissioner of energy and economic development at the beginning of each fiscal year, and the commissioner shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with

agency priorities, the set-aside shall be used by the ~~agency~~ authority to award grants to remaining municipalities that have been identified.

(c) Grants may also be awarded under this subdivision to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent year conditioned upon appropriation of sufficient money under subdivision 1 for that year. The maximum amount of the reimbursement the ~~agency~~ authority may commit in any single fiscal year is equal to the amount newly appropriated to the state grants programs for that year.

(d) *A municipality that applies for a state independent grant to be reimbursed for a project shall receive an additional five percent of the total eligible cost of construction beyond the normal percentage to which the municipality is entitled under paragraph (a).*

Sec. 8. [446A.01] [MINNESOTA PUBLIC FACILITIES AUTHORITY ACT.]

Sections 1 to 17 may be cited as the "Minnesota public facilities authority act."

Sec. 9. [446A.02] [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 1 to 17, the terms in this section have the meanings given them.

Subd. 2. [AUTHORITY.] "Authority" means the Minnesota public facilities authority.

Subd. 3. [FEDERAL WATER POLLUTION CONTROL ACT.] "Federal Water Pollution Control Act" means the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1281 to 1299.

Subd. 4. [GOVERNMENTAL UNIT.] "Governmental unit" means a state agency, home rule charter or statutory city, county, sanitary district, or other governmental subdivision.

Subd. 5. [INFRASTRUCTURE CAPITAL PROJECT.] "Infrastructure capital project" or "project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of any structure, facility, or equipment necessary for a wastewater treatment system, water supply system, or any system which may be authorized and designated by the legislature as an infrastructure capital project.

Subd. 6. [TREATMENT WORKS.] "Treatment works" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of any structure, facility, or equipment necessary for a wastewater treatment or water supply system.

Sec. 10. [446A.03] [MINNESOTA PUBLIC FACILITIES AUTHORITY.]

Subdivision 1. [MEMBERSHIP] The Minnesota public facilities authority consists of the commissioner of energy and economic development, the commissioner of finance, the commissioner of revenue, the director of the pollution control agency, and three additional members appointed by the governor from the general public with the advice and consent of the senate.

Subd. 2. [CHAIR; OTHER OFFICERS.] The commissioner of energy and economic development shall serve as the chair and chief executive officer of the authority. The authority may elect other officers as necessary from its members.

Subd. 3. [MEMBERSHIP TERMS.] The membership terms, compensation, removal, and filling of vacancies of public members of the authority are as provided in section 15.0575.

Subd. 4. [BOARD ACTIONS.] A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

Subd. 5. [ADMINISTRATIVE SERVICES.] The community development division of the department of energy and economic development shall provide administrative services to the authority.

Subd. 6. [PERSONAL LIABILITY.] Members and officers of the authority are not liable personally for any debt or obligation created or incurred by the authority.

Sec. 11. [446A.04] [POWERS; DUTIES.]

Subdivision 1. [BYLAWS; RULES.] The authority shall adopt bylaws for its organization and internal management and may adopt rules covering its operations, properties, and facilities.

Subd. 2. [POWER TO SUE; ENTER CONTRACTS.] The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

Subd. 3. [GIFTS; GRANTS.] The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury. The amount deposited is appropriated to the authority to carry out its duties.

Subd. 4. [PROPERTY ACQUISITION.] The authority may through any means acquire, encumber, hold, and convey real or personal property.

Subd. 5. [CONTRACT FOR SERVICES.] The authority may retain or contract for the services of attorneys, accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

Subd. 6. [LOANS AND GRANTS.] The authority may make and contract to make loans and grants to governmental units and acquire and contract to acquire notes and bonds issued by governmental units to evidence those loans.

Subd. 7. [FEES.] The authority may set and collect fees for costs incurred by the authority for its financings and the establishment and maintenance of reserve funds.

Sec. 12. [446A.05] [INFRASTRUCTURE CAPITAL PROJECT LOANS.]

The authority may make and contract to make loans to governmental units to finance infrastructure capital projects that the governmental unit may construct or acquire. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan must be secured by notes or bonds of the borrowing governmental unit.

Sec. 13. [446A.06] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]

Subdivision 1. [AWARD OF GRANTS.] The authority may award in-

dependent state grants to municipalities selected by the pollution control agency in accordance with sections 116.16 to 116.18.

Subd. 2. [RULES.] *The authority may adopt rules containing procedures for the award of independent state grants to municipalities selected by the pollution control agency in accordance with sections 116.16 to 116.18.*

Sec. 14. [446A.07] [WATER POLLUTION CONTROL REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT OF FUND.] *The authority shall establish a water pollution control revolving fund to provide loans to governmental units for the planning and construction of publicly owned treatment works. The fund must be credited with repayments.*

Subd. 2. [STATE ACCOUNT.] *The authority shall establish a separate state account within the water pollution control revolving fund to be used in compliance with federal matching requirements specified in the Federal Water Pollution Control Act. The authority may also provide grants and loans to governmental units from the state account for the planning and construction of treatment works, the acquisition of land for stabilization ponds, and the provision of reserve capacity sufficient to serve the reasonable needs of the governmental unit for 20 years in the case of treatment works and 40 years in the case of sewer systems.*

Subd. 3. [CAPITALIZATION GRANT AGREEMENT.] *The authority shall enter an agreement with the administrator of the United States Environmental Protection Agency to receive capitalization grants. The authority may exercise powers necessary to comply with the requirements specified in the Federal Water Pollution Control Act.*

Subd. 4. [LOAN CONDITIONS.] (a) *The authority shall comply with the conditions of this subdivision when making loans from the revolving fund.*

(b) *Loans must be made at or below market interest rates, including interest-free loans, at terms not to exceed 20 years.*

(c) *The annual principal and interest payments must begin no later than one year after completion of a project. Loans must be fully amortized no later than 20 years after project completion.*

(d) *A loan recipient must establish a dedicated source of revenue for repayment of the loan.*

(e) *The fund must be credited with all payments of principal and interest on all loans.*

Subd. 5. [OTHER USES OF REVOLVING FUND.] *The authority may also use the revolving fund:*

(1) *to buy or refinance the debt obligation of governmental units for treatment works incurred after March 7, 1985, at or below market rates;*

(2) *to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;*

(3) *to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;*

(4) *to provide loan guarantees for similar revolving funds established*

by a governmental unit other than state agencies;

(5) to earn interest on fund accounts; and

(6) for the reasonable costs of administering the fund and conducting activities required under the Federal Water Pollution Control Act.

Amounts spent under clause (6) may not exceed four percent of all federal grant awards to the fund under the Federal Water Pollution Control Act.

Subd. 6. [FINANCIAL ASSISTANCE REQUIREMENTS.] The authority may provide financial assistance from the revolving fund only to a project that:

(1) is consistent with plans, if any, developed under the Federal Water Pollution Control Act; and

(2) is on the state pollution control agency municipal needs list.

Subd. 7. [DISBURSEMENTS.] Disbursements from the revolving fund must be made in accordance with the applicable state and federal law governing the disbursements; except that no disbursement for any project may be made to any governmental unit until and unless the authority has by resolution determined the total estimated cost of the project and ascertained that financing of the project is assured by:

(1) a loan authorized by state law or the appropriation of proceeds of bonds or other funds of the governmental unit to a fund for the construction of the project;

(2) an irrevocable undertaking, by resolution of the governing body of the governmental unit, to use all funds so made available exclusively for the construction of the project, and to pay any additional amount by which the cost of the project exceeds the estimate, by the appropriation to the construction fund of additional funds or the proceeds of additional bonds to be issued by the governmental unit; and

(3) conformity of the project and of the loan application with the state water pollution control plan as certified to the federal government and with all other conditions under applicable state and federal law, including rules established by the pollution control agency under subdivision 8.

Subd. 8. [RULES.] The authority may adopt rules containing procedures for the award of loans to municipalities for activities selected by the pollution control agency in accordance with sections 116.16 to 116.18.

Sec. 15. [446A.08] [TAX EXEMPT STATUS.]

The authority is exempt from taxation under chapters 290 and 297A.

Sec. 16. [446A.09] [RULES.]

The authority may adopt rules governing loans.

Sec. 17. [446A.10] [REPORT; AUDIT.]

The authority shall report to the legislature and the governor by January 1 of each year. The report must include a complete operating and financial statement covering the authority's operations during the year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Sec. 18. [GOVERNOR'S ACTION.]

The governor may request the administrator of the environmental protection agency to make available to the state, capitalization grants to be deposited in the water pollution control revolving fund established under section 14, for the fiscal year beginning October 1, 1987. The governor may request that up to 75 percent of the amount allotted to the state for the fiscal year beginning October 1, 1987, be made available for deposit in the water pollution control revolving fund.

Sec. 19. [TRANSFER OF AUTHORITY.]

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

(b) Of the amount appropriated in Laws 1985, First Special Session chapter 14, article 19, section 37, subdivision 2, for wastewater treatment grants, that unexpended 30 percent shall remain with the pollution control agency to cover obligations it has incurred under section 116.18, subdivisions 2 and 2a.

(c) The pollution control agency shall continue to administer the combined sewer overflow program under Minnesota Statutes, section 116.162, and the appropriations for the program.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective the day following final enactment.

ARTICLE 4

EDUCATION AND TRAINING PROGRAMS

Section 1. Minnesota Statutes 1986, section 116L.03, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT.] Members shall be appointed as follows: four members appointed by the speaker of the house; one member appointed by the minority leader of the house; four members appointed by the majority leader of the senate; one member appointed by the minority leader of the senate; eight members appointed by the governor; and the ~~commissioners of the departments~~ commissioner of energy and economic development, ~~education, and jobs and training~~ the commissioner of jobs and training, and the state director of vocational technical education.

Sec. 2. [116L.06] [RURAL TRAINING PROGRAM.]

Subdivision 1. [DEFINITIONS.] *For the purposes of this section, "low-income" means equal to or below the nonmetropolitan median household income. "Principally" means at least 51 percent. "Rural Minnesota" means the part of the state outside the metropolitan area as defined in section 473.121, subdivision 2.*

Subd. 2. [TRAINING PROGRAM.] *The partnership may provide grants to educational or other nonprofit institutions for training for new or expanding businesses located in rural Minnesota. Grants must be awarded only for training projects designed principally to benefit low-income persons. The partnership shall follow the criteria and guidelines in sections 116L.02 and 116L.04 to establish and administer the program.*

Subd. 3. [NEW BUSINESS SET-ASIDE.] *The partnership may set aside up to 50 percent of the amount available for the rural training program to provide grants for new businesses locating in rural Minnesota. A set-*

aside grant may not be made for an existing business located in the metropolitan area as defined in section 473.121, subdivision 2, that relocates to rural Minnesota. The partnership shall use the guidelines in section 116L.04 to establish and administer the program, except that a committee consisting of the commissioner of energy and economic development, the executive director of the Minnesota job skills partnership board, and the state director of vocational technical education may give final approval for training applications by a majority vote of the committee. Any amount left in the set-aside program at the end of the 1988 fiscal year may be used for the rural training program established by subdivision 2.

Sec. 3. [136A.134] [GRANTS TO DISLOCATED RURAL WORKERS.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The higher education coordinating board shall develop policies and procedures for the administration of a dislocated rural worker grant program and the allocation of the program funds to eligible institutions and shall supervise the operation of the program.

Subd. 2. [ELIGIBLE INSTITUTIONS.] For purposes of this section, "eligible institution" has the meaning given it in section 136A.101.

Subd. 3. [APPLICANTS.] An applicant may be considered for a dislocated rural worker grant if the applicant:

(1) is a resident of the area of the state located outside of the metropolitan area defined in section 473.121, subdivision 2;

(2) is enrolled in an adult farm management program or a program designed to provide preparation for available employment within the local labor market or in an area to which the individual is willing to relocate;

(3) has met the financial need criteria established by the board; and

(4) can demonstrate that one of the following criteria has been met:

(i) the applicant or applicant's spouse has been separated from employment or has received a notice of separation from employment as a result of job obsolescence, plant shutdown, regional decline in the applicant's customary occupation, or industry slowdown, and the applicant or the applicant's spouse is unlikely to return to work for that employer or in that occupation within 12 months following separation from employment;

(ii) the applicant is a displaced homemaker; or

(iii) the applicant or the applicant's spouse is a farmer who can demonstrate severe household financial need.

Subd. 4. [PROGRAM RECIPIENTS.] An eligible institution shall select a recipient of a dislocated rural worker grant in accordance with guidelines, policies, and rules established by the board. The board may adopt emergency rules for awarding grants only for the fiscal year beginning July 1, 1987.

Subd. 5. [PROGRAM COORDINATION; INFORMATION.] The board shall develop and provide information to dislocated workers in rural areas about post-secondary education opportunities and student financial aid programs. The board shall also provide for the coordination of dislocated rural worker grants with other available student financial aid programs. Dislocated rural worker grants must be awarded in a manner that maximizes the use of existing federal and state student financial aid programs.

Sec. 4. Laws 1983, chapter 334, section 7, is amended to read:

Sec. 7. [REPEALER.]

Sections 1 to 6 are repealed June 30, 1987 1991.

Sec. 5. [APPROPRIATION.]

\$_____ is appropriated from the rural rehabilitation revolving fund to the Minnesota job skills partnership board for the customized rural training program established in section 2. This appropriation is available until expended.

Sec. 6. [SUPPLEMENTAL EDUCATION GRANT PROGRAM FUNDING.]

\$_____ is appropriated from the general fund and \$_____ is appropriated from the rural rehabilitation revolving fund to the higher education coordinating board for the dislocated rural worker grant program established in section 3, to be available until June 30, 1988.

ARTICLE 5

MISCELLANEOUS

Section 1. [93.001] [POLICY FOR MINERAL DEVELOPMENT.]

It is the policy of the state to provide a long-term commitment to mineral exploration evaluation, development, production, and commercialization to provide a diversified mineral economy in the state.

Sec. 2. [93.002] [MINERAL COORDINATING COMMITTEE.]

Subdivision 1. [ESTABLISHMENT.] The mineral coordinating committee is established to provide planning and assistance for diversified mineral development. The mineral coordinating committee shall consist of the director of the minerals division of the department of natural resources, the director of the Minnesota geological survey, the director of the University of Minnesota mineral resources research center, and the director of the natural resources research institute. The director of the minerals division of the department of natural resources shall serve as chair. A member of the committee may designate another person of the member's organization to act in the member's place.

Subd. 2. [MINERAL DIVERSIFICATION PLAN.] The mineral coordinating committee shall prepare and adopt a ten-year plan for mineral diversification. The plan must:

- (1) increase the knowledge of the state's mineral potential;*
- (2) stimulate the development of mineral resources in the state;*
- (3) provide for basic minerals research; and*
- (4) prioritize minerals programs under subdivision 3.*

Subd. 3. [MINERALS PROGRAMS.] The mineral diversification plan must consider at least the following: aeromagnetic surveys, glacial till geochemistry surveys, geologic drilling and mapping, LMIC minerals data base, drill core examination and assay, industrial minerals characterization and research, bedrock geochemistry, nonferrous minerals research, reclamation studies, economic evaluation of mineral resources, improved geophysical and remote sensing base, acquisition of sampling equipment and analyses, determination of mineral rights ownership, ferrous minerals

research, evaluation of mineral resource occurrence, evaluation of value added processes, ore deposit modeling, and basic mineral research.

Subd. 4. [SUBMISSION OF PLAN AND FUNDING PRIORITIES.] (a) The minerals coordinating committee shall submit the minerals diversification plan to the legislature by December 31, 1987.

(b) In the first year of each biennium, the minerals coordinating committee must submit recommendations for funding priorities of the minerals diversification plan to the chairs of the house appropriations and environment and natural resources committees and the chairs of the senate finance and environment and natural resources committees.

Subd. 5. [AMENDMENTS AND TEMPORARY PLANS.] The minerals coordinating committee may amend the minerals diversification plan or adopt temporary priority plans for spending on minerals programs.

Sec. 3. [116J.874] [COMMUNITY DEVELOPMENT DIVISION.]

Subdivision 1. [DUTIES.] The community development division is a division within the department of energy and economic development. It shall:

(1) be responsible for administering all state community development and assistance programs, including the economic recovery fund, the outdoor recreation grant program, the rural development board programs, and the Minnesota public facilities authority loan and grant programs;

(2) be responsible for state administration of federally funded community development and assistance programs, including the small cities development grant program and land and water conservation program;

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

(4) provide technical assistance to rural communities with respect to community development;

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

(6) provide staff and consultant services to the rural development board; and

(7) be responsible for coordinating community assistance and development programs.

Sec. 4. Minnesota Statutes 1986, section 116J.955, subdivision 1, is amended to read:

116J.955 [RURAL REHABILITATION REVOLVING FUND.]

Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation revolving fund is established as an account in the state treasury. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund. The principal amount of the rural rehabilitation revolving fund, \$9,300,000, may not be spent and must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the activities of the rural development council.

Sec. 5. Minnesota Statutes 1986, section 116J.955, subdivision 2, is

amended to read:

Subd. 2. [EXPENDITURE OF INVESTMENT INCOME FUND.] The commissioner may ~~only use the income from the investment of up to \$_____ from the rural rehabilitation revolving fund for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States Secretary of Agriculture as provided in Public Law Number 499, 81st Congress, enacted May 3, 1950 and as allowed under section 116J.961, subdivision 8 article 1, sections 2 and 7, and article 4, sections 5 and 6.~~ Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States Secretary of Agriculture. *The commissioner may create separate accounts within the fund for use in accordance with the fund's purposes.*

Sec. 6. Minnesota Statutes 1986, section 462.384, subdivision 7, is amended to read:

Subd. 7. ~~"Director"~~ "Commissioner" means the ~~director commissioner of state planning agency exercising the authority conferred by sections 116K.01 to 116K.13~~ energy and economic development.

Sec. 7. Minnesota Statutes 1986, section 462.385, subdivision 1, is amended to read:

Subdivision 1. Development regions for the state shall be those regions so designated by the governor by executive order. The order shall provide for public hearings within each proposed region after which any county may request assignment to a region other than that proposed by the order. If a request for reassignment is unacceptable to the ~~director commissioner~~, the county shall remain in the originally designated region until the next session of the legislature for its review and final assignment.

Sec. 8. Minnesota Statutes 1986, section 462.385, subdivision 3, is amended to read:

Subd. 3. The ~~director commissioner~~ shall conduct continuous studies and analysis of the boundaries of regions and shall make recommendations for their modification where necessary. Modification may be initiated by a county, a commission, or by the ~~director commissioner~~ and will be accomplished in accordance with this section as in the case of initial designation.

Sec. 9. Minnesota Statutes 1986, section 462.386, subdivision 1, is amended to read:

Subdivision 1. All coordination, planning, and development regions assisted or created by the state of Minnesota or pursuant to federal legislation shall conform to the regions designated by the executive order except where, after review and approval by the ~~director commissioner~~, nonconformance is clearly justified. The ~~director commissioner~~ shall develop working agreements with state and federal departments and agencies to insure conformance with this subdivision.

Sec. 10. Minnesota Statutes 1986, section 462.387, subdivision 1, is amended to read:

Subdivision 1. [PETITION.] Any combination of counties or municipalities representing a majority of the population of the region for which a commission is proposed may petition the ~~director commissioner~~ by formal resolution setting forth its desire to establish, and the need for, the estab-

lishment of a regional development commission. For purposes of this section the population of a county does not include the population of a municipality within the county.

Sec. 11. Minnesota Statutes 1986, section 462.387, subdivision 3, is amended to read:

Subd. 3. [ESTABLISHMENT.] Upon receipt of a petition as provided in subdivision 1 a regional development commission shall be established by the ~~director~~ *commissioner* and the notification of all local government units within the region for which the commission is proposed. The notification shall be made within 60 days of the director's receipt of a petition under subdivision 1.

Sec. 12. Minnesota Statutes 1986, section 462.387, subdivision 4, is amended to read:

Subd. 4. [SELECTION OF MEMBERSHIP.] The ~~director~~ *commissioner* shall call together each of the membership classifications except citizen groups, defined in section 462.388, within 60 days of the establishment of a regional development commission for the purpose of selecting the commission membership.

Sec. 13. Minnesota Statutes 1986, section 462.39, subdivision 2, is amended to read:

Subd. 2. [FEDERAL PROGRAMS.] The commission is the authorized agency to receive state and federal grants for regional purposes from the following programs:

(1) Section 403 of the Public Works and Economic Development Act of 1965 (economic development districts);

(2) Section 701 of the Housing Act of 1954, as amended (multicounty comprehensive planning);

(3) Omnibus Crime Control Act of 1968;

and for the following to the extent feasible as determined by the governor:

(a) Economic Opportunity Act of 1964;

(b) Comprehensive Health Planning Act of 1965;

(c) Federal regional manpower planning programs;

(d) Resource, conservation, and development districts; or

(e) Any state and federal programs providing funds for multicounty planning, coordination, and development purposes. The ~~director~~ *commissioner* shall, where consistent with state and federal statutes and regulations, review applications for all state and federal regional planning and development grants to a commission.

Sec. 14. Minnesota Statutes 1986, section 462.39, subdivision 3, is amended to read:

Subd. 3. [PLANNING.] The commission shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development plan for the region. The plan shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the region. The comprehensive development plan shall recognize

and encompass physical, social, or economic needs of the region, and those future developments which will have an impact on the entire region including but not limited to such matters as land use, parks and open space land needs, access to direct sunlight for solar energy systems, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, public and private, housing, and other public buildings. In preparing the development plan the commission shall use to the maximum extent feasible the resources studies and data available from other planning agencies within the region, including counties, municipalities, special districts, and subregional planning agencies, and it shall utilize the resources of the ~~director~~ commissioner to the same purpose. No development plan or portion thereof for the region shall be adopted by the commission until it has been submitted to the ~~director~~ commissioner for review and comment and a period of 60 days has elapsed after such submission. When a development plan has been adopted, the commission shall distribute it to all local government units within the region.

Sec. 15. Minnesota Statutes 1986, section 462.391, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF INDEPENDENT AGENCIES.] The commission shall review all long term comprehensive plans of each independent commission, board, or agency prepared for its operation and development within the region but only if the plan is determined by the commission to have a regional effect, a multicommunity effect, or to have a substantial effect on regional development. Each plan shall be submitted to the commission before any action is taken to place the plan or any part thereof, into effect. No action shall be taken to place any plan or any part thereof into effect until 60 days have elapsed after the date of its submission to the commission or until the commission finds and notifies the submitting commission, board, or agency that the plan is consistent with its development plan for the region and the orderly and economic development of the region, whichever first occurs. If, within 60 days after the date of submission, the commission finds that a plan, or any part thereof, is inconsistent with its comprehensive plan for the region or detrimental to the orderly and economic development of the region, or any part thereof, the plan shall be indefinitely suspended. An affected independent commission, board, or agency may appeal the decision of the commission suspending a plan, or part thereof, to the commission, and if the commission and the affected independent commission, board, or agency are unable to agree as to an adjustment of the plan, so that it may receive the commission's approval, then a record of the disagreeing positions shall be made and presented for consideration and disposition by the ~~director~~ commissioner.

Sec. 16. Minnesota Statutes 1986, section 462.391, subdivision 3, is amended to read:

Subd. 3. [REVIEW OF FEDERAL AND STATE AID PROGRAMS.] The commission shall review all applications of governmental units, independent commissions, boards, or agencies operating in the region for a loan or grant from the United States of America or any agency, including state agencies and colleges or universities, for public facilities, studies, or any other purpose if the application clearly is related to the region, whether or not the review is required by the federal government. The review shall advise the granting authority as to relationship of the application to the comprehensive plans and priorities of the region as established by the region. All review actions together with copies of applications shall be

submitted on a regular basis for informational purposes to the ~~director~~ *commissioner*. The requirements of this subdivision do not apply to applications of governmental units or other political subdivisions which have been reviewed by a subregion or subdistrict which has been designated by the United States government as an authorized areawide review agency under section 204 of the Demonstration Cities and Metropolitan Development Act of 1966. All review actions, together with copies of applications, shall be submitted by the subregion on a regular basis to the commission for informational purposes.

Sec. 17. Minnesota Statutes 1986, section 462.391, subdivision 4, is amended to read:

Subd. 4. [REVIEW PROCEDURES.] The commission shall develop, in consultation with the ~~director~~ *commissioner*, formal procedures for the review of plans, applications, and other matters required to be submitted to it by sections 462.381 to 462.398. The procedures shall be embodied in a formal resolution adopted after public hearing. After adoption the resolution shall be transmitted to each governmental unit and independent agency, board, or commission within the region.

Sec. 18. Minnesota Statutes 1986, section 462.395, is amended to read:

462.395 [DUTIES OF STATE AGENCIES.]

All state departments and agencies shall cooperate with regional development commissions established under sections 462.381 to 462.398 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The ~~director~~ *commissioner* shall coordinate the state's assistance programs to regional planning and development commissions.

Sec. 19. Minnesota Statutes 1986, section 462.396, subdivision 1, is amended to read:

Subdivision 1. The ~~director~~ *commissioner* shall determine the amount of and make grants to any commission created under sections 462.381 to 462.398 from appropriations made available for those purposes, provided a work program is submitted acceptable to the ~~director~~ *commissioner*. Any regional commission may levy a tax on all taxable property in the region to provide money for the purposes of sections 462.381 to 462.398.

Sec. 20. Minnesota Statutes 1986, section 462.398, is amended to read:

462.398 [TERMINATION OF COMMISSION.]

Subdivision 1. Any combination of counties or municipalities representing a majority of the population of the region for which a commission exists may petition the ~~director~~ *commissioner* by formal resolution stating that the existence of the commission is no longer in the public welfare and interest and is not needed to accomplish the purposes of the regional development act of 1969. For purposes of this section the population of a county does not include the population of a municipality within the county. Any formal resolution adopted by the governing body of a county or municipality for the termination of a commission shall be effective for a period of one year for the purpose of determining the requisite population of the region needed to petition the ~~director~~ *commissioner*.

Subd. 2. Within 35 days of the receipt of the petition, the ~~director~~ *commissioner* shall fix a time and place within the region for a hearing. The

~~director~~ commissioner shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the commission represents. The hearing shall be conducted by members of the commission. If the commission determines that the existence of the commission is no longer in the public welfare and interest and that it is not needed to accomplish the purposes of the regional development act of 1969, the commission shall recommend to the ~~director~~ commissioner that the ~~director~~ commissioner terminate the commission. Within 60 days after receipt of the recommendation, the ~~director~~ commissioner shall terminate the commission by giving notice of the termination to all government units within the region for which the commission was established. Unless otherwise provided by this subdivision, the hearing shall be in accordance with sections 14.01 to 14.70.

Subd. 3. The ~~director~~ commissioner shall not accept a petition for termination more than once in 30 months for each regional development commission.

Sec. 21. [APPROPRIATION.]

Subdivision 1. [MINERALS PROGRAMS.] \$_____ is appropriated from the general fund to the commissioner of natural resources for acceleration of geological mapping of the state, acceleration of the evaluation of the state's mineral potential and other natural resources, and provide analytical support for the minerals industry according to the mineral diversification plan or a minerals industry acceleration plan developed by the minerals coordinating committee.

Subd. 2. [COUNTY FORESTRY ASSISTANCE PROGRAMS.] \$_____ is appropriated from the general fund to the commissioner of natural resources for grants to counties or groups of counties for county forestry assistance programs. The commissioner of natural resources shall make the appropriation available to counties with the amount proportional to the acreage of forested tax-forfeited land managed by the county. As a condition of receiving funds, the commissioner of natural resources must require work plans, semiannual progress reports, and final project reports.

Subd. 3. [FORESTRY MANAGEMENT.] \$_____ is appropriated from the general fund to the commissioner of natural resources for implementation of the forestry management plan required in Minnesota Statutes, section 89.011, on land that is not managed for the school trust fund.

Sec. 22. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the words "commissioner of energy and economic development" and "department of energy and economic development" whenever they appear in Minnesota Statutes to "commissioner of community and economic development" and "department of community and economic development" in Minnesota Statutes 1988, and subsequent editions of the statutes.

Sec. 23. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment.

ARTICLE 6

AGRICULTURAL DEVELOPMENT PROGRAM

Section 1. Minnesota Statutes 1986, section 41A.01, is amended to read:

41A.01 [PURPOSE.]

Sections 41A.01 to ~~41A.06~~ 41A.08 provide a framework for an agricultural ~~resource loan guaranty development~~ program, the purposes of which are to further the development of the state's agricultural resources and improve the market for its agricultural products. All credit advanced pursuant to loan guaranty commitments is to be secured by subrogation of the state to mortgage security and other security interests granted to the private lender, in proportion to the amount advanced by the state. A ~~loan guaranty~~ board is established to investigate the feasibility of each project, its conformity to public policy and to environmental standards, the qualifications of the owners, operators, and lenders, and the nature and extent of the security, prior to commitment. The board shall also seek to secure financial participation by private persons not supported by the guaranty, to assure that in these respects each project satisfies and will continue to satisfy criteria which are adequate in the judgment of the board.

Sec. 2. Minnesota Statutes 1986, section 41A.02, subdivision 3, is amended to read:

Subd. 3. [AGRICULTURAL ~~RESOURCE LOAN GUARANTY DEVELOPMENT~~ BOARD; BOARD.] "Agricultural ~~resource loan guaranty development~~ board" or "board" means the commissioner of finance as chair, the commissioner of agriculture, the commissioner of commerce, the commissioner of energy and economic development, and the director of the pollution control agency.

Sec. 3. Minnesota Statutes 1986, section 41A.02, subdivision 4, is amended to read:

Subd. 4. [AGRICULTURAL ~~RESOURCE LOAN GUARANTY DEVELOPMENT~~ FUND; ~~GUARANTY DEVELOPMENT~~ FUND.] "Agricultural ~~resource loan guaranty development~~ fund" or "~~guaranty development~~ fund" means the fund created by section 41A.05.

Sec. 4. Minnesota Statutes 1986, section 41A.02, subdivision 6, is amended to read:

Subd. 6. [AGRICULTURAL RESOURCE PROJECT; PROJECT.] "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products, (2) *buildings, equipment, and land used for the commercial production of turkeys or turkey products, or* (3) *a facility or portion of a facility used for the commercial production of fish or of products made from commercially-produced fish. The land in clause (2) is limited to land on which buildings and equipment are situated and immediately surrounding land used for storage, waste disposal, or other functions directly related to the commercial production of turkeys or turkey products at that project site.* A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 5. Minnesota Statutes 1986, section 41A.02, subdivision 11, is

amended to read:

Subd. 11. [LENDER.] "Lender" means a corporation or any investment or commercial banking institution, savings and loan institution, insurance company, investment company, or other financial institution or institutional investor making, purchasing, or participating in a loan or any part of a loan, or a public entity authorized to make agricultural loans.

Sec. 6. [41A.021] [SUCCESSOR STATUS.]

The board is the legal successor in all respects of the agricultural resource loan guaranty board established by Laws 1984, chapter 502, article 10, and all bonds, resolutions, contracts, and liabilities of the agricultural resource loan guaranty board are the bonds, resolutions, contracts, and liabilities of the board as renamed and reconstituted by section 41A.02, subdivision 3.

Sec. 7. [41A.022] [POWERS.]

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

- (1) sue and be sued;*
- (2) acquire, hold, lease, and transfer any interest in real and personal property for its corporate purposes;*
- (3) sell at public or private sale any instrument or obligation evidencing a loan;*
- (4) obtain insurance on its property;*
- (5) obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions;*
- (6) enter into other agreements or transactions, without regard to chapter 16B, that the board considers necessary or appropriate to carry out the purposes of this chapter with federal or state agencies, political subdivisions of the state, or other persons, firms, or corporations;*
- (7) establish and collect fees without regard to chapter 14 or section 16A.128;*
- (8) accept appropriations, gifts, grants, and bequests;*
- (9) use money received from any source for any legal purpose; and*
- (10) participate in loans for agricultural resource projects in accordance with section 8.*

Sec. 8. [41A.035] [LOAN PARTICIPATION.]

The board may participate in loans made to finance agricultural resource projects by purchasing from a lender up to 75 percent of the amount of each eligible loan. If the participation loan is in an amount of \$500,000 or less, the loan may be for 100 percent of the cost of the project. If the participation loan exceeds \$500,000, the loan may not exceed 80 percent of the cost of the project. The lender shall service the loan or cause it to be serviced in a manner that equally protects the lender's and the board's interests.

Sec. 9. Minnesota Statutes 1986, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF FUND.] For the purpose of de-

veloping the state's agricultural resources by extending credit on real estate security, the agricultural ~~resource loan guaranty development~~ fund is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All money appropriated to the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund pursuant to law or pursuant to the terms of grants, contributions, or contracts are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished. The board may establish within the ~~guaranty agricultural development~~ fund reserve funds, project accounts, or other restrictions it determines necessary or appropriate to carry out the purposes of this chapter. ~~Except as otherwise provided in this section, the fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program.~~

Sec. 10. Minnesota Statutes 1986, section 41A.05, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] (a) ~~Subject to section 16A.80, upon application pursuant to section 41A.04,~~ The board by resolution may exercise the powers of a rural development authority under sections 362A.01 to 362A.05 and the powers of a municipality under chapter 474 for the purposes of ~~providing money to pay the costs of financing a project,~~ including the issuance of bonds and the ~~loan application~~ of the bond proceeds pursuant to a lease, *loan, loan guaranty, loan participation*, or other agreement. The bonds must be issued, sold, and secured on the terms and conditions and in the manner determined by resolution of the board. ~~Sections 16A.80 and 474.23 do~~ does not apply to the bonds. Notwithstanding subdivision 1, a reserve established for the bonds provided by the borrower, including out of bond proceeds, may be deposited and held in a separate account in the ~~guaranty agricultural development~~ fund and applied to the last installments of principal or interest on the bonds, subject to the reserves being withdrawn for any purpose permitted by subdivision 1. The board may by resolution or indenture pledge any or all amounts in the ~~guaranty~~ fund, including any reserves and investment income on amounts in the fund, to secure the payment of principal and interest on any or all series of bonds, upon the terms and conditions as provided in the resolution or indenture. To the extent the board deems necessary or desirable to prevent interest on bonds from becoming subject to federal income taxation, (1) the amounts in the ~~guaranty~~ fund shall be invested in obligations or securities with restricted yields and (2) the investment income on the amounts are released from the pledge securing the bonds or loan guaranty and appropriately applied to prevent taxation.

(b) Bonds issued pursuant to this chapter are not general obligations of the state or the board. The full faith and credit and taxing powers of the state and the board are not and may not be pledged for the payment of the bonds. No person may compel the levy of a tax for the payment or compel the appropriation of money of the state or the board for the payment of the bonds, except as specifically provided in this chapter.

(c) The issuance of bonds pursuant to this subdivision is subject to ~~sections 474.18 to 474.25~~ 474A.11 and 474A.13. For purposes of sections ~~474.16 474A.01 to 474.20~~ 474A.21, the board is a local issuer and may apply for allocations of authority to issue private activity obligations and may enter into an agreement for the issuance of obligations by another

issuer.

Sec. 11. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty board" wherever it appears in Minnesota Statutes to "agricultural development board" in the next and subsequent editions of the statutes.

Sec. 12. [INSTRUCTION TO REVISOR.]

The revisor of statutes is directed to change the phrase "agricultural resource loan guaranty fund" wherever it appears in Minnesota Statutes to "agricultural development fund" in the next and subsequent editions of the statutes.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 41A.06, subdivision 2, is repealed."

Amend the title as follows:

Page 1, line 20, delete the second "and" and insert a comma and after "5" insert ", 9, and 10, and by adding subdivisions; 116.18, subdivision 3a"

Page 1, line 27, delete "84" and insert "93"

Page 1, lines 31 and 32, delete "116.18, subdivision 3a;"

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

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

H.F. No. 130 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.
		130	193		

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. 23 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.
23	86				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 23 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 23 and insert the language after the enacting clause of S.F. No. 86, the first engrossment; further, delete the title of H.F. No. 23 and insert the title of S.F. No. 86, the first engrossment.

And when so amended H.F. No. 23 will be identical to S.F. No. 86, and further recommends that H.F. No. 23 be given its second reading and substituted for S.F. No. 86, 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. 27 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.
27	272				

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.

SECOND READING OF SENATE BILLS

S.F. Nos. 470, 480, 291, 49, 128, 406, 377, 529, 457, 482 and 673 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 130, 23 and 27 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Peterson, R.W. moved that the name of Mr. Morse be added as a co-author to S.F. No. 166. The motion prevailed.

Mr. Freeman moved that the names of Messrs. Purfeerst and Anderson be added as co-authors to S.F. No. 203. The motion prevailed.

Ms. Berglin moved that her name be stricken as a co-author to S.F. No. 437. The motion prevailed.

Ms. Piper moved that the name of Mr. Solon be added as a co-author to S.F. No. 673. The motion prevailed.

Ms. Berglin moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 681. The motion prevailed.

Mr. Merriam moved that the names of Messrs. Pehler and Wegscheid be

added as co-authors to S.F. No. 708. The motion prevailed.

Mr. Cohen moved that the name of Mr. Freeman be added as a co-author to S.F. No. 720. The motion prevailed.

Mr. Lessard moved that the names of Messrs. Solon; Johnson, D.J.; Purfeerst and Wegscheid be added as co-authors to S.F. No. 727. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 729. The motion prevailed.

Mr. Davis moved that the name of Mr. Morse be added as a co-author to S.F. No. 755. The motion prevailed.

Mr. Marty moved that the name of Ms. Piper be added as a co-author to S.F. No. 780. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 786. The motion prevailed.

Ms. Berglin moved that the name of Ms. Piper be added as a co-author to S.F. No. 789. The motion prevailed.

Mr. Dahl moved that the names of Messrs. Freeman, Willet, Solon and Moe, R.D. be added as co-authors to S.F. No. 793. The motion prevailed.

Mr. Berg moved that the name of Mr. Vickerman be added as a co-author to S.F. No. 801. The motion prevailed.

Mr. Freeman moved that the name of Mr. Luther be added as a co-author to S.F. No. 803. The motion prevailed.

Mr. Bertram moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 804. The motion prevailed.

Mr. Brandl moved that S.F. No. 744 be withdrawn from the Committee on Taxes and Tax Laws and returned to its author. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Brandl be added as a co-author to S.F. No. 525. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Brandl be added as a co-author to S.F. No. 526. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1: A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 3, subdivision 5.

Mr. Benson moved to amend H.F. No. 1, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1986, chapter 398, article 23, section 1, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer who applies to a lender for a farm operating loan ~~between the dates January 1, 1986, and December 30, 1986,~~ and who meets all qualifications established in section 2 and any further qualifications that may be established in the program year guidelines adopted by the commissioner under section 4, subdivision 1. *Controlling dates for the definition of "eligible borrower" during each interest buy-down program year include the following:*

<i>For Program Year</i>	<i>Earliest Loan Application Date</i>	<i>Latest Loan Application Date</i>	<i>Latest Maturity Date</i>
1985	March 5, 1985	December 31, 1985	March 1, 1986
1986	January 1, 1986	December 31, 1986	June 30, 1987
1987	January 1, 1987	December 31, 1987	June 30, 1988

Sec. 2. Laws 1986, chapter 398, article 23, section 1, subdivision 6, is amended to read:

Subd. 6. [FARM OPERATING LOAN.] "Farm operating loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm operating loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm operating loan eligible for interest rate buy-down must ~~have a meet application and maturity date of June 30, 1987, or earlier dates specified in subdivision 5.~~

Sec. 3. Laws 1986, chapter 398, article 23, section 1, is amended by adding a subdivision to read:

Subd. 11. [PROGRAM YEAR.] "Program year" means the calendar year or other time period as specified in subdivision 5 within which a farmer may make application to a lender for a farm operating loan eligible for interest buy-down.

Sec. 4. Laws 1986, chapter 398, article 23, section 4, subdivision 5, is amended to read:

Subd. 5. [REVIEW OF APPLICATIONS FOR BUY-DOWN PAYMENT.] The commissioner must review within five working days of submission by a participating lender a properly completed application for interest rate buy-down payments on a farm operating loan made to a farmer. ~~If a qualified lender does not receive written notice that the commissioner has denied interest rate buy-down payments within seven working days, the farmer is an eligible borrower and interest rate buy-down payments on the farm operating loan are approved by the commissioner.~~ All applications received by the commissioner after appropriated interest rate buy-down program funds have been encumbered must be returned immediately to the lender with an explanation that interest buy-down payments are denied due to prior commitment of available program funds.

Sec. 5. [LIFETIME LIMIT ON INTEREST BUY-DOWN PAYMENTS.]

The commissioner shall not make farm operating loan interest buy-down payments on behalf of an eligible borrower that total more than \$12,500 for program years 1985, 1986, 1987, and any future program years. In any program year in which an eligible borrower would exceed the lifetime limit on interest buy-down payments, the commissioner shall make buy-

down payments only to the limit regardless of interest rates specified in the program year guidelines.

Sec. 6. [APPROPRIATIONS.]

Subdivision 1. [INTEREST RATE BUY-DOWN.] Notwithstanding any law to the contrary, the following amounts are appropriated from the general fund for fiscal year 1987 to the commissioner of commerce for purposes of the interest rate buy-down program established in Laws 1986, chapter 398, article 23:

- | | |
|--|--------------|
| (1) for deficits incurred during
program year 1986 | \$14,000,000 |
| <i>Any portion of this amount that
remains unexpended on August 1, 1987,
is added to the amount appropriated for
interest buy-down payments in program
year 1987</i> | |
| (2) for interest buy-down
payments in program year 1987 | \$20,000,000 |
| (3) for costs of administering
the interest buy-down program
in program year 1987 | \$ 60,000 |

These amounts shall not cancel but remain available until expended.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; extending and financing the interest rate buy-down program; establishing benefit limits; appropriating money; amending Laws 1986, chapter 398, article 23, section 1, subdivisions 5 and 6, and by adding a subdivision; and section 4, subdivision 5."

CALL OF THE SENATE

Mr. Davis imposed a call of the Senate for the balance of the proceedings on H.F. No. 1. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the Benson amendment.

The roll was called, and there were yeas 17 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Frederickson, D.R.	Knutson	Mehrrens	Vickerman
Belanger	Gustafson	Laidig	Olson	
Benson	Johnson, D.E.	Larson	Renneke	
Bernhagen	Knaak	McQuaid	Taylor	

Those who voted in the negative were:

Adkins	Chmielewski	Dicklich	Hughes	Lantry
Beckman	Cohen	Diessner	Johnson, D.J.	Lessard
Berglin	Dahl	Frank	Jude	Marty
Bertram	Davis	Frederickson, D.J.	Kroening	Merriam
Brandl	DeCramer	Freeman	Langseth	Metzen

Moe, D.M.	Pehler	Pogemiller	Spear	Willet
Moe, R.D.	Peterson, D.C.	Reichgott	Stumpf	
Morse	Peterson, R.W.	Samuelson	Waldorf	
Novak	Piper	Schmitz		

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

H.F. No. 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 7, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Metzen	Reichgott
Anderson	Davis	Johnson, D.J.	Moe, D.M.	Samuelson
Beckman	DeCramer	Jude	Moe, R.D.	Schmitz
Belanger	Dicklich	Knaak	Morse	Solon
Benson	Diessner	Kroening	Novak	Spear
Berglin	Frank	Laidig	Pehler	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lantry	Peterson, R.W.	Vickerman
Brandl	Freeman	Lessard	Piper	Willet
Chmielewski	Gustafson	Marty	Pogemiller	
Cohen	Hughes	Merriam	Ramstad	

Those who voted in the negative were:

Knutson	McQuaid	Olson	Renneke	Waldorf
Larson	Mehrkins			

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 take up the Calendar. The motion prevailed.

CALENDAR

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, 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.

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 5, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Luther	Pehler
Anderson	DeCramer	Jude	Marty	Peterson, D.C.
Belanger	Dicklich	Knaak	McQuaid	Peterson, R.W.
Benson	Diessner	Knutson	Mehrkins	Piper
Berglin	Frank	Kroening	Merriam	Pogemiller
Bernhagen	Frederickson, D.R.	Laidig	Metzen	Ramstad
Bertram	Freeman	Langseth	Moe, D.M.	Reichgott
Brandl	Gustafson	Lantry	Moe, R.D.	Renneke
Chmielewski	Hughes	Larson	Novak	Samuelson
Cohen	Johnson, D.E.	Lessard	Olson	Schmitz

Solon	Stumpf	Taylor	Waldorf	Willet
Spear				

Those who voted in the negative were:

Beckman	Davis	Frederickson, D.J.	Morse	Vickerman
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So the bill passed and its title was agreed to.

H.F. No. 92: A bill for an act relating to taxation; providing for expenditure of proceeds of the taconite production tax; amending Minnesota Statutes 1986, sections 298.292; 298.293; 298.294; and 298.296, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 298; repealing Laws 1986, chapter 441, section 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 36 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Langseth	Novak	Solon
Beckman	Diessner	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Vickerman
Bertram	Freeman	Luther	Piper	Willet
Chmielewski	Gustafson	Marty	Pogemiller	
Cohen	Hughes	Metzen	Reichgott	
Dahl	Johnson, D.E.	Moe, R.D.	Samuelson	
Davis	Johnson, D.J.	Morse	Schmitz	

Those who voted in the negative were:

Anderson	Frank	Laidig	Moe, D.M.	Spear
Belanger	Frederickson, D.R.	Larson	Olson	Taylor
Benson	Jude	McQuaid	Peterson, R.W.	Waldorf
Bernhagen	Knaak	Mehrken	Ramstad	
Brandl	Knutson	Merriam	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 take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

S.F. No. 279: A bill for an act relating to the city of Brook Park; raising the city debt limit.

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	Dicklich	Knaak	Moe, D.M.	Renneke
Anderson	Diessner	Knutson	Moe, R.D.	Samuelson
Beckman	Frank	Kroening	Novak	Schmitz
Belanger	Frederickson, D.J.	Langseth	Olson	Solon
Benson	Frederickson, D.R.	Lantry	Pehler	Spear
Bernhagen	Freeman	Lessard	Peterson, D.C.	Stumpf
Bertram	Gustafson	Luther	Peterson, R.W.	Taylor
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	Mehrrens	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Merriam	Ramstad	Willet
Davis	Jude	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 296: A bill for an act relating to eminent domain; regulating relocation benefits for displaced persons; amending Minnesota Statutes 1986, section 117.52, 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Renneke
Anderson	Dicklich	Knutson	Moe, D.M.	Samuelson
Beckman	Frank	Kroening	Novak	Schmitz
Belanger	Frederickson, D.J.	Langseth	Olson	Solon
Benson	Frederickson, D.R.	Lantry	Pehler	Spear
Berglin	Freeman	Lessard	Peterson, D.C.	Stumpf
Bernhagen	Gustafson	Luther	Peterson, R.W.	Taylor
Bertram	Hughes	Marty	Piper	Vickerman
Chmielewski	Johnson, D.E.	McQuaid	Pogemiller	Waldorf
Cohen	Johnson, D.J.	Mehrrens	Ramstad	Willet
Dahl	Jude	Merriam	Reichgott	

So the bill passed and its title was agreed to.

H.F. No. 191: A bill for an act relating to the city of St. Stephen; authorizing the issuance of bonds for the construction of a city civic building.

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	Frank	Laidig	Morse	Schmitz
Anderson	Frederickson, D.J.	Langseth	Novak	Solon
Beckman	Frederickson, D.R.	Lantry	Olson	Spear
Belanger	Freeman	Lessard	Pehler	Stumpf
Benson	Gustafson	Luther	Peterson, D.C.	Taylor
Berglin	Hughes	Marty	Peterson, R.W.	Vickerman
Bertram	Johnson, D.E.	McQuaid	Piper	Waldorf
Chmielewski	Johnson, D.J.	Mehrrens	Pogemiller	Willet
Cohen	Jude	Merriam	Ramstad	
Dahl	Knaak	Metzen	Reichgott	
Davis	Knutson	Moe, D.M.	Renneke	
Diessner	Kroening	Moe, R.D.	Samuelson	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Marty moved that S.F. No. 377, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Davis introduced—

S.F. No. 806: A bill for an act relating to public finance; changing the rural finance administration's qualified agricultural loan program and name; clarifying the duties and powers of the administration; amending Minnesota Statutes 1986, sections 41B.01; 41B.02; 41B.03; 41B.035; 41B.04, subdivisions 1, 7, 8, 9, 10, 11, and 12; 41B.19, subdivisions 5 and 6; proposing coding for new law in Minnesota Statutes, chapter 41B; repealing Minnesota Statutes 1986, sections 41B.04, subdivisions 6, 13, 14, 15, and 16; and 41B.05.

Referred to the Committee on Agriculture.

Messrs. Stumpf and Merriam introduced—

S.F. No. 807: A bill for an act relating to agriculture; changing certain bonding provisions of grain storage laws; authorizing a hearing and rule-making; amending Minnesota Statutes 1986, sections 232.21, subdivision 11; 232.22, subdivisions 4 and 6; 236.01, by adding a subdivision; and 236.02; proposing coding for new law in Minnesota Statutes, chapter 223.

Referred to the Committee on Agriculture.

Mr. Stumpf introduced—

S.F. No. 808: A bill for an act relating to natural resources; revising the boundary of Lost River State Forest; amending Minnesota Statutes 1986, section 89.021, subdivision 59.

Referred to the Committee on Environment and Natural Resources.

Messrs. Wegscheid; Vickerman; Frederickson, D.R. and Knutson introduced—

S.F. No. 809: A bill for an act relating to human services; allowing certain exceptions to the moratorium on nursing home beds; allowing upgrading of certified boarding care beds to skilled nursing beds; requiring the development of criteria to determine the need for additional nursing home beds; allowing nursing homes to reduce the number of beds in each room; providing for relocation procedures for a nursing home terminated from participation in the medical assistance program; amending Minnesota Statutes 1986, section 144A.071, subdivisions 2, 3, 4, and by adding a subdivision; and 256B.48, subdivision 1a.

Referred to the Committee on Health and Human Services.

Mrs. Lantry, Mr. Spear and Ms. Berglin introduced—

S.F. No. 810: A bill for an act relating to human services; requiring court-ordered group health insurance benefits be paid to providers; requiring all parties to sign workers' compensation settlement agreements; requiring notification to commissioner regarding workers' compensation payments; establishing a public assistance lien; establishing third party payer liability; requiring reporting of group insurance coverage; providing for reimbursement of benefits from programs with federal participation; amending Minnesota Statutes 1986, sections 62A.046; 176.191, subdivision 4; 176.521, subdivisions 1, 3, and by adding a subdivision; 256B.02, by adding a subdivision; 256B.042, subdivisions 2, 3, and by adding subdivisions; 256B.37, subdivisions 1, 2, and by adding subdivisions; 256D.03, by adding a subdivision; 268.121; 473.405, subdivision 13; and 514.69; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 811: A bill for an act relating to taxation; providing that railroad retirement benefits are exempt from taxation; amending Minnesota Statutes 1986, section 290.08, subdivision 26.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Johnson, D.J.; Willet; Berg; Bernhagen and Lessard introduced—

S.F. No. 812: A bill for an act relating to game and fish; authorizing contributions for game and fish improvement; amending Minnesota Statutes 1986, section 97A.481; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Messrs. Knutson, Knaak, Ramstad, Storm and Taylor introduced—

S.F. No. 813: A bill for an act relating to health; requiring training for certain employees exposed to infectious agents; amending Minnesota Statutes 1986, section 144.802, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Messrs. Pehler and Taylor introduced—

S.F. No. 814: A bill for an act relating to human services; providing that nursing home reimbursement rates for cities of the second class shall equal the rate for the metropolitan area; amending Minnesota Statutes 1986, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Messrs. Pehler, Laidig, Samuelson and Bertram introduced—

S.F. No. 815: A bill for an act relating to retirement; directing a transfer of contributions and service credit for certain special teachers at adult correctional facilities.

Referred to the Committee on Governmental Operations.

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

S.F. No. 816: A bill for an act relating to retirement; Clifton independent nonprofit firefighting corporation; Duluth township; providing for the transfer of assets and service credit upon the dissolution of the Clifton volunteer firefighters relief association.

Referred to the Committee on Governmental Operations.

Mrs. Lantry, Messrs. Taylor, Spear, Ms. Berglin and Piper introduced—

S.F. No. 817: A bill for an act relating to human services; providing a grant program for on-site employer child care services; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Dahl introduced—

S.F. No. 818: A bill for an act relating to environment; providing criminal penalties for violation of laws and rules relating to hazardous waste; providing for the distribution and expenditure of monetary penalties; amending Minnesota Statutes 1986, sections 115.071, subdivision 2; 115B.20, subdivisions 2, 3, and 4; and 609.531; proposing coding for new law in Minnesota Statutes, chapter 115; repealing Minnesota Statutes 1986, section 115.071, subdivisions 2a and 2b.

Referred to the Committee on Environment and Natural Resources.

Messrs. Hughes; DeCramer; Johnson, D.E.; Dahl and Dicklich introduced—

S.F. No. 819: A bill for an act relating to education; authorizing a study of a state savings incentive program to provide money for post-secondary education; appropriating money.

Referred to the Committee on Education.

Mr. Pogemiller introduced—

S.F. No. 820: A bill for an act relating to the department of administration; amending, creating, and deleting various duties of the commissioner of administration; creating the productivity loan fund; providing definitions; amending Minnesota Statutes 1986, sections 4.31, subdivisions 1 and 5; 14.04; 16B.08, subdivisions 3 and 7; 16B.09, subdivision 1; 16B.24, subdivision 6; 16B.29; 16B.51, subdivision 3; 138.17, subdivision 7; and 139.19; amending Laws 1979, chapter 333, section 18; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, section 138.22.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller and Ms. Reichgott introduced—

S.F. No. 821: A bill for an act relating to public finance; authorizing compliance with federal tax laws to secure tax exemption for certain bonds and other obligations; authorizing the issuance of taxable bonds and other obligations; appropriating money; amending Minnesota Statutes 1986, sec-

tion 16A.641, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 16A.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Pogemiller; Frederickson, D.J.; Freeman; Taylor and Morse introduced—

S.F. No. 822: A bill for an act relating to human services; providing that interest earned by the revolving fund for vocational rehabilitation of the blind be credited to the fund by the state treasurer; amending Minnesota Statutes 1986, section 248.07, subdivision 8.

Referred to the Committee on Governmental Operations.

Messrs. Solon and Gustafson introduced—

S.F. No. 823: A bill for an act relating to the city of Duluth; authorizing the acquisition of banks for operation as detached banking facilities in the city of Duluth and adjacent municipalities.

Referred to the Committee on Commerce.

Messrs. Pehler, Wegscheid, Mrs. Adkins and Mr. Taylor introduced—

S.F. No. 824: A bill for an act relating to retirement; public employees retirement association; permitting the purchase of prior service credits by certain employees; amending Minnesota Statutes 1986, section 353.36, subdivision 2b, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Pehler, Ms. Berglin, Mrs. Adkins, Messrs. Vickerman and Taylor introduced—

S.F. No. 825: A bill for an act relating to human services; removing the sunset on certain day care exclusions; repealing Laws 1986, chapter 395, section 17.

Referred to the Committee on Health and Human Services.

Messrs. Novak, Dahl, Marty and Freeman introduced—

S.F. No. 826: A bill for an act relating to health; requiring mosquito research and management activities to be ecologically nondisruptive; amending Minnesota Statutes 1986, section 144.95, subdivisions 1, 2, 3, 7, 9, and 10.

Referred to the Committee on Health and Human Services.

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

S.F. No. 827: A bill for an act relating to public improvements; appropriating money for a Red Lake tribal archives, library, and interpretive center.

Referred to the Committee on Education.

Mses. Reichgott, Berglin, Piper, Messrs. Wegscheid and Knutson introduced—

S.F. No. 828: A bill for an act relating to human services; requiring certain written reports of abuse within 72 hours; requiring county attorneys to be on child protection teams; requiring specific investigations of certain abuse cases; amending Minnesota Statutes 1986, sections 626.556, subdivisions 7, 10, and 10a; and 626.558, subdivision 1.

Referred to the Committee on Judiciary.

Ms. Reichgott, Messrs. Dahl, DeCramer and Johnson, D.E. introduced—

S.F. No. 829: A bill for an act relating to education; requiring the higher education coordinating board to provide education and training information; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

Referred to the Committee on Education.

Messrs. Pehler, Luther and Spear introduced—

S.F. No. 830: A bill for an act relating to commerce; franchises; regulating nonrenewals; requiring prior notice of nonrenewal; amending Minnesota Statutes 1986, section 80C.14.

Referred to the Committee on Commerce.

Mr. Pehler introduced—

S.F. No. 831: A bill for an act relating to education; requiring districts to cooperatively offer academic programs after cooperatively offering sports programs; proposing coding for new law in Minnesota Statutes, chapter 122.

Referred to the Committee on Education.

Mr. Bertram introduced—

S.F. No. 832: A bill for an act relating to agriculture; clarifying certain appropriations; prohibiting importation of certain bees; changing certain milk inspection fees and requirements; changing time for sale of certain state-owned property; eliminating certain requirements for grain buyers licenses; amending Minnesota Statutes 1986, sections 17B.15, subdivision 1; 19.58, subdivision 1; 32.394, subdivisions 8, 8b, and 9; 41.56, subdivision 4; and 223.17, subdivision 1.

Referred to the Committee on Agriculture.

Mr. Solon introduced—

S.F. No. 833: A bill for an act relating to insurance; regulating trade practices; authorizing the payment of differing amounts of reimbursement to insured under individual policies; amending Minnesota Statutes 1986, section 72A.20, subdivision 15.

Referred to the Committee on Commerce.

Mr. Wegscheid introduced—

S.F. No. 834: A bill for an act relating to human services; establishing the office of assistant commissioner of mental health; establishing a state advisory council on mental health; creating a mental health division in the department of human services; amending Minnesota Statutes 1986, section 245.69; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Messrs. Kroening, Frederickson, D.R.; Solon; Willet and Freeman introduced—

S.F. No. 835: A bill for an act relating to public employees; creating a statewide public employees insurance plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

Referred to the Committee on Governmental Operations.

Messrs. Pehler, Morse and Taylor introduced—

S.F. No. 836: A bill for an act relating to education; changing funding and construction of new facilities on state university campuses; giving the state university board greater flexibility to purchase and trade land; allowing the board to keep litigation proceeds; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Governmental Operations.

Messrs. DeCramer, Pehler, Morse and Taylor introduced—

S.F. No. 837: A bill for an act relating to education; allowing direct procurement of science and technology supplies and equipment by the state university board; amending Minnesota Statutes 1986, section 136.24, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Messrs. Bertram, Moe, D.M. and Wegscheid introduced—

S.F. No. 838: A bill for an act relating to retirement; establishing a voluntary retirement plan for certain qualified employees of public and private ambulance services; proposing coding for new law as Minnesota Statutes, chapter 353A.

Referred to the Committee on Governmental Operations.

Messrs. Pehler, Stumpf, Samuelson, Langseth and Larson introduced—

S.F. No. 839: A bill for an act relating to education; adjusting funding for post-secondary enrollment changes of more than three percent one year rather than two years after the change; amending Minnesota Statutes 1986, section 135A.03, subdivisions 2, 3, and by adding a subdivision.

Referred to the Committee on Education.

Messrs. DeCramer; Bertram; Bernhagen; Johnson, D.E. and Moe, R.D. introduced—

S.F. No. 840: A bill for an act relating to human services; allowing certain facilities to choose higher payment limits; requiring a study of geographic groups; amending Minnesota Statutes 1986, section 256B.431, subdivision 2b.

Referred to the Committee on Health and Human Services.

Messrs. Novak; Willet; Peterson, R.W.; Benson and Lessard introduced—

S.F. No. 841: A bill for an act relating to natural resources; conservation reserve program; definitions, eligibility for inclusion, applications, agreements, payments, and other terms and conditions; appropriating funds; amending Minnesota Statutes 1986, sections 40.41; 40.42, subdivision 5, and by adding a subdivision; 40.43, subdivisions 2, 5, 6, and 7; 40.44, subdivisions 2 and 3; 40.45; 84.943, subdivision 1; 84.944, subdivision 1; 84.95, by adding a subdivision; 105.391, subdivision 3; and 105.392, subdivisions 1, 2, 3, 4, 5, and 6.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin, Messrs. Moe, R.D.; Wegscheid; Cohen and Willet introduced—

S.F. No. 842: A bill for an act relating to Indian child welfare; establishing direct grants to tribal governments, Indian social service organizations, and local social service agencies to fund Indian child welfare programs; establishing an Indian child welfare advisory council; amending Minnesota Statutes 1986, sections 257.35; and 257.351, subdivision 15, and by adding subdivisions; 257.354, subdivision 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 257; repealing Minnesota Statutes 1986, section 245.76.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich and Solon introduced—

S.F. No. 843: A bill for an act relating to human services; allowing local agencies to make additional payments to certain assistance recipients; amending Minnesota Statutes 1986, section 256D.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Lessard; Frederickson, D.J.; Vickerman; Renneke and Mehrkens introduced—

S.F. No. 844: A bill for an act relating to local government; providing notice conditions for town road contracts; amending Minnesota Statutes 1986, section 160.17, subdivision 2.

Referred to the Committee on Local and Urban Government.

Messrs. Stumpf, Berg, Langseth, Renneke and Vickerman introduced—

S.F. No. 845: 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 1986, section 272.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 40 and 273.

Referred to the Committee on Agriculture.

Mr. Jude introduced—

S.F. No. 846: A bill for an act relating to drivers' licenses; increasing age from 19 to 21 for provisional driver's license; imposing fees; amending Minnesota Statutes 1986, sections 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivision 1; and 171.27.

Referred to the Committee on Transportation.

Mr. Peterson, R.W. introduced—

S.F. No. 847: A bill for an act relating to real property; requiring certain instruments filed with the county recorder to include a legal description; proposing coding for new law in Minnesota Statutes, chapters 507 and 514.

Referred to the Committee on Judiciary.

Mr. Benson introduced—

S.F. No. 848: A bill for an act relating to education; authorizing a fund transfer in the Wykoff school district.

Referred to the Committee on Education.

Mr. Diessner introduced—

S.F. No. 849: A bill for an act relating to insurance; automobile; regulating the classification of risks of certain cities; amending Minnesota Statutes 1986, section 70A.05.

Referred to the Committee on Local and Urban Government.

Mr. Davis introduced—

S.F. No. 850: A bill for an act relating to taxation; allocating the proceeds of forfeited tax sales; providing for reimbursement of certain tax increment expenses; amending Minnesota Statutes 1986, sections 273.75, subdivision 1; and 282.08.

Referred to the Committee on Economic Development and Housing.

Messrs. Davis, DeCramer and Peterson, R.W. introduced—

S.F. No. 851: A bill for an act relating to real property; changing certain restrictions on corporate ownership of agricultural land; amending Minnesota Statutes 1986, section 500.24, subdivision 3.

Referred to the Committee on Agriculture.

Messrs. Metzen; Johnson, D.J.; Schmitz; Stumpf and Laidig introduced—

S.F. No. 852: A bill for an act relating to taxes; exempting from gasoline excise tax propane fuel for vehicles operating under permit; amending Minnesota Statutes 1986, sections 296.01, subdivision 25; 296.02, subdivision 1a; 296.025, subdivision 1a; 296.026; and 296.028.

Referred to the Committee on Taxes and Tax Laws.

Mr. Cohen introduced—

S.F. No. 853: A bill for an act relating to public safety; establishing the "McGruff" symbol as the sign for a safe house for children; creating a safe house program; proposing coding for new law in Minnesota Statutes, chapter 299A.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Cohen; Bernhagen, Frank, Marty and Spear introduced—

S.F. No. 854: A bill for an act relating to government data practices; giving the department of energy and economic development access to certain employment data; amending Minnesota Statutes 1986, section 268.12, subdivision 12.

Referred to the Committee on Economic Development and Housing.

Ms. Berglin introduced—

S.F. No. 855: A bill for an act relating to retirement; various public employee pension plans; specifying that exemptions from legal process do not include marital property divisions; requiring the provision of certain public pension plan information in marriage dissolution actions; providing for court appointed actuaries in marriage dissolution actions; amending Minnesota Statutes 1986, sections 69.51; 352.15, subdivision 1; 352B.071; 353.15; 354.10; 354A.11; 422A.24; 423.39; 423.61; 423.813; 424.27; 518.54, subdivision 5, and by adding subdivisions; and 518.58; proposing coding for new law in Minnesota Statutes, chapters 356 and 518.

Referred to the Committee on Judiciary.

Messrs. Pehler, Beckman, Davis and Stumpf introduced—

S.F. No. 856: A bill for an act relating to unemployment compensation; regulating benefits and contribution rates; amending Minnesota Statutes 1986, sections 268.04, subdivisions 2, 4, 24, 25, and by adding subdivisions; 268.06, subdivisions 2, 3a, 8, and by adding a subdivision; 268.07, subdivisions 2, 2a, and 3; 268.071, subdivision 1; 268.08, subdivision 1; 268.09, subdivisions 1 and 2; 268.10, subdivisions 1 and 2; 268.12, subdivision 8; 268.121; 268.16, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1986, section 268.04, subdivisions 8, 29, and 30.

Referred to the Committee on Employment.

Mr. Dahl introduced—

S.F. No. 857: A bill for an act relating to public employees; providing for the seniority of certain employees whose position is removed from a supervisory unit; amending Minnesota Statutes 1986, section 179A.10, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Freeman, Samuelson and Ms. Berglin introduced—

S.F. No. 858: A bill for an act relating to health and environment; providing for asbestos regulation; directing the commissioner of health to regulate and license persons or entities enclosing, removing, or encapsulating asbestos; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 160.

Referred to the Committee on Health and Human Services.

Mrs. McQuaid introduced—

S.F. No. 859: A bill for an act relating to taxation; income; providing a credit for home care of the elderly; amending Minnesota Statutes 1986, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mrs. McQuaid, Mr. Storm, Ms. Peterson, D.C. and Mr. Knaak introduced—

S.F. No. 860: A bill for an act relating to school districts; authorizing a capital expenditure levy for surplus school buildings used for community purposes; amending Minnesota Statutes 1986, section 275.125, by adding a subdivision.

Referred to the Committee on Education.

Mr. Wegscheid introduced—

S.F. No. 861: A bill for an act relating to commerce; authorizing the commissioner to delegate duties to certain employees of the department; amending Minnesota Statutes 1986, section 45.024, subdivision 2.

Referred to the Committee on Commerce.

Mr. Wegscheid introduced—

S.F. No. 862: A bill for an act relating to public safety; school buses; requiring training for school bus drivers; providing for transitional requirements; appropriating money; amending Minnesota Statutes 1986, section 171.321, subdivision 2, and by adding subdivisions.

Referred to the Committee on Transportation.

Messrs. Wegscheid, Merriam, Berg, Benson and Mrs. Lantry introduced—

S.F. No. 863: A bill for an act relating to horse racing; requiring the assigning of suitable racing days for standard-bred racing; authorizing the racing commission to issue an additional license for a racetrack located

within the seven-county metropolitan area under certain circumstances; amending Minnesota Statutes 1986, sections 240.06, subdivision 5; and 240.14, by adding a subdivision.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Frederick, Benson, Mrs. McQuaid, Messrs. Bernhagen and Anderson introduced—

S.F. No. 864: A bill for an act relating to transportation; providing for the deposit of motor vehicle excise tax revenues in fiscal year 1987; amending Minnesota Statutes 1986, section 297B.09, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Dahl, Willet and Luther introduced—

S.F. No. 865: A bill for an act relating to environment; authorizing an assessment against public utilities to finance the state costs of controlling acid deposition; amending Minnesota Statutes 1986, section 116C.69, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Jude introduced—

S.F. No. 866: A bill for an act relating to taxation; corporate income; providing quick refunds of overpayments of estimated tax; amending Minnesota Statutes 1986, section 290.936; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Willet; Dahl; Fredrickson, D.J.; Davis and Marty introduced—

S.F. No. 867: A bill for an act relating to environment; creating the clean water partnership program for the control of nonpoint source water pollution and providing for administration by the pollution control agency; requiring a state water quality assessment; authorizing technical and financial assistance to local governments; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

Referred to the Committee on Environment and Natural Resources.

Messrs. Spear, Marty, Ms. Peterson, D.C.; Messrs. Knaak and Luther introduced—

S.F. No. 868: A bill for an act relating to public guardianship; modifying standards and procedures for the appointment of public guardians for mentally retarded persons; providing for powers and duties of public guardians; amending Minnesota Statutes 1986, sections 252.291, subdivision 3; 252A.01; 252A.02, subdivisions 2, 4, 6, 7, 8, 11, 12, and by adding subdivisions; 252A.03, subdivisions 2 and 3; 252A.04, subdivisions 1 and 3; 252A.05; 252A.06; 252A.07, subdivisions 1 and 3; 252A.14; 252A.16; 252A.17; 252A.19, subdivisions 1, 2, and 3, and by adding a subdivision; 252A.20, subdivision 1; 252A.21, subdivision 2; 253B.03, subdivisions 1 and 6; and 525.56, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 252A; repealing Minnesota Statutes 1986, sections

252A.08; 252A.10; 252A.11; 252A.13; 252A.15; and 252A.18.

Referred to the Committee on Judiciary.

Messrs. Freeman, Solon, Stumpf and Luther introduced—

S.F. No. 869: A bill for an act relating to financial institutions; regulating interstate branching by certain savings and loan associations; regulating certain acquisitions by savings and loan holding companies headquartered in Minnesota; amending Minnesota Statutes 1986, section 51A.58.

Referred to the Committee on Commerce.

Mr. Dicklich introduced—

S.F. No. 870: A bill for an act relating to education; increasing the special operating debt levy in independent school district No. 712, Mountain Iron-Buhl; amending Laws 1984, chapter 463, article 6, section 15, subdivision 1.

Referred to the Committee on Education.

Mr. Merriam introduced—

S.F. No. 871: A bill for an act relating to collection and dissemination of data; clarifying when an individual must be given information relating to the individual's rights when supplying private or confidential data; classifying welfare data as public, private, confidential, or protected nonpublic; amending Minnesota Statutes 1986, sections 13.04, subdivision 2; and 13.46, subdivisions 3 and 4.

Referred to the Committee on Judiciary.

Mr. Brandl, Mrs. Lantry and Mr. Vickerman introduced—

S.F. No. 872: A bill for an act relating to human services; regulating medical assistance payments for therapies provided to nursing home residents; permitting sanctions for unnecessary services; providing for monitoring of therapy costs; setting payment criteria; setting recordkeeping and cost-allocation requirements; providing penalties; amending Minnesota Statutes 1986, sections 256B.064, subdivision 1a; 256.421, subdivision 1; 256.433; 256B.47, subdivision 1, and by adding subdivisions; and 256B.48, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 873: A bill for an act relating to liquor; authorizing Lake county to issue seasonal on-sale licenses.

Referred to the Committee on Commerce.

Messrs. Johnson, D.J.; Dicklich; Solon and Gustafson introduced—

S.F. No. 874: A bill for an act relating to education; conditioning University of Minnesota appropriations on its regents' transferring the Duluth campus to the state for the creation of the University of Northern Minnesota.

Referred to the Committee on Education.

Messrs. Marty, Solon, Mrs. Lantry, Messrs. Dicklich and Johnson, D.E. introduced—

S.F. No. 875: A bill for an act relating to energy conservation; appropriating certain funds to the department of jobs and training for low-income energy conservation programs; appropriating money.

Referred to the Committee on Public Utilities and Energy.

Mr. Wegscheid, Ms. Berglin and Mr. Jude introduced—

S.F. No. 876: A bill for an act relating to child abuse; defining abuse and neglect for child abuse reporting; providing for notification and review of investigations of abuse by a parent or guardian; providing for a human services ombudsman; amending Minnesota Statutes 1986, section 626.556, subdivision 2, and by adding subdivisions.

Referred to the Committee on Health and Human Services.

Messrs. Dicklich and Marty introduced—

S.F. No. 877: A bill for an act relating to civil actions; adopting the discovery rule for statute of limitations in tort or malpractice actions; amending Minnesota Statutes 1986, section 541.07.

Referred to the Committee on Judiciary.

Messrs. Stumpf, DeCramer and Gustafson introduced—

S.F. No. 878: A bill for an act relating to taxation; property; providing a tax base equalization credit for certain property; providing a small business property tax refund; providing a distressed region industrial property tax refund; providing for the valuation adjustment of agricultural land for purposes of school aids; imposing penalties; appropriating money; amending Minnesota Statutes 1986, sections 124.2137, subdivision 1; 273.1393; and 276.04; proposing coding for new law in Minnesota Statutes, chapters 124 and 273.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Willet, Samuelson, DeCramer, Stumpf and Wegscheid introduced—

S.F. No. 879: A bill for an act relating to natural resources; providing for the deposit of receipts from private forest management services into the forest management fund; appropriating money; amending Minnesota Statutes 1986, sections 88.79, subdivision 2; and 89.04.

Referred to the Committee on Environment and Natural Resources.

Messrs. Freeman, Dicklich, Novak, Frank and Ms. Olson introduced—

S.F. No. 880: A bill for an act relating to utilities; providing for the establishment of flexible gas utility rates for certain customers subject to effective competition; amending Minnesota Statutes 1986, sections 216B.02, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Ms. Piper, Mrs. Lantry, Messrs. Vickerman, Storm and Ms. Berglin introduced—

S.F. No. 881: A bill for an act relating to human services; clarifying rulemaking authority concerning occupancy rates in intermediate care facilities for persons with mental retardation or related conditions; amending Minnesota Statutes 1986, section 256B.501, subdivision 10.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 882: A bill for an act relating to eminent domain; authorizing court having jurisdiction over an eminent domain proceeding to compel occupants of condemned real estate to deliver possession; proposing coding for new law in Minnesota Statutes, chapter 117.

Referred to the Committee on Judiciary.

Messrs. Langseth; DeCramer; Moe, R.D.; Mehrkens and Wegscheid introduced—

S.F. No. 883: A bill for an act relating to education; providing for disparity reduction aid and levies; amending Minnesota Statutes 1986, section 124A.01; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Morse; Davis; Moe, R.D.; Renneke and Beckman introduced—

S.F. No. 884: A bill for an act relating to appropriations; appropriating money for demonstration project involving production of butanol and ethanol from sweet sorghum.

Referred to the Committee on Agriculture.

Messrs. Waldorf, Chmielewski, Jude, Taylor and Pehler introduced—

S.F. No. 885: A bill for an act relating to education; establishing a demonstration voucher program for pupils; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 16, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate