

## TWENTY-NINTH DAY

St. Paul, Minnesota, Monday, April 6, 1987

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

### CALL OF THE SENATE

Mr. Luther 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 Sbortoli.

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

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

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

Mr. Metzen was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

December 29, 1986

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment as Commissioner of the Department of En-

ergy and Economic Development is hereby respectfully submitted to the Senate for confirmation as required by law:

David Speer, 608 Turnpike Rd., Golden Valley, Hennepin County, has been appointed by me, effective December 15, 1986, 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 Chair of the Metropolitan Waste Control Commission is hereby respectfully submitted to the Senate for confirmation as required by law:

Peter Meintsma, 6709 - 46th Ave. N., Crystal, 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 Local and Urban Government.)

February 24, 1987

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointments to the Charitable Gambling Control Board are hereby respectfully submitted to the Senate for confirmation as required by law:

Robert C. Fragnito, P.O. Box 32, Nashwauk, Itasca County, has been appointed by me, effective July 24, 1986, for a term expiring June 30, 1989.

Mary Kay Williams, 1104 E. Minnehaha Pkwy., Minneapolis, Hennepin County, has been appointed by me, effective July 24, 1986, for a term expiring June 30, 1989.

Ray Potami, Side Lake, St. Louis County, has been appointed by me, effective July 24, 1986, for a term expiring June 30, 1989.

Lorraine Berman, 4400 Morningside Rd., Edina, Hennepin County, has been appointed by me, effective July 24, 1986, for a term expiring June 30, 1989.

(Referred to the Committee on General Legislation and Public Gaming.)

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 File, herewith returned: S.F. No. 291.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1987

Mr. President:

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

S.F. No. 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.

Senate File No. 128 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 2, 1987

**CONCURRENCE AND REPASSAGE**

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 128 and that the bill be placed on its repassage as amended. The motion prevailed.

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; and Laws 1979, chapter 200, section 1.

Was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

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

**MESSAGES FROM THE HOUSE - CONTINUED**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 42, 580, 813, 450, 564 and 799.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 2, 1987

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 42: A bill for an act relating to employment; regulating substance abuse testing of employees and job applicants; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Finance.

H.F. No. 580: A bill for an act relating to human rights; changing certain requirements relating to disabled persons; amending Minnesota Statutes 1986, sections 363.02, subdivisions 1 and 5; 363.03, subdivision 1; and 363.116.

Referred to the Committee on Judiciary.

H.F. No. 813: A bill for an act relating to bicycles; requiring bicycles using a shoulder of a roadway to ride in the same direction as adjacent vehicular traffic; redefining the term roadway; defining the term shoulder; allowing designation of bikeways by resolution or ordinance; adopting additional definitions of bicycle terms; amending Minnesota Statutes 1986, sections 85.016; 160.02, by adding a subdivision; 160.263, subdivisions 2 and 3; 160.264; 160.265; 169.01, subdivisions 31 and 62, and by adding subdivisions; and 169.222, subdivision 4; repealing Minnesota Statutes 1986, section 160.263, subdivision 1.

Referred to the Committee on Transportation.

H.F. No. 450: A bill for an act relating to commerce; regulating the advertisement of interest rates of investment products; proposing coding for new law in Minnesota Statutes, chapter 45.

Referred to the Committee on Commerce.

H.F. No. 564: A resolution memorializing the Federal Energy Regulatory Commission; expressing the Legislature's opposition to the installation of additional hydropower generating facilities at the Falls of St. Anthony in Minneapolis, Minnesota.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 526.

H.F. No. 799: A bill for an act relating to Koochiching county; permitting the county to establish a bidstead development authority.

Referred to the Committee on Taxes and Tax Laws.

### REPORTS OF COMMITTEES

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

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

S.F. No. 678: A bill for an act relating to natural resources; authorizing certain watershed districts in the seven-county metropolitan area to increase the administrative fund amount; amending Minnesota Statutes 1986, section 112.61, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. [RICE CREEK WATERSHED DISTRICT.]

*Notwithstanding Minnesota Statutes, section 112.61, subdivision 3, Rice Creek watershed district may levy an amount not to exceed \$200,000 for the administrative fund."*

Delete the title and insert:

"A bill for an act relating to natural resources; authorizing Rice Creek watershed district to increase the administrative fund amount."

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

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

S.F. No. 353: A bill for an act relating to Hennepin county; establishing a county-wide program for the conservation and protection of ground water resources of the county.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 473.875, is amended to read:

**473.875 [SURFACE METROPOLITAN WATER MANAGEMENT PROGRAM PROGRAMS; PURPOSES.]**

The purpose of the ~~surface~~ water management programs required by sections 473.875 to 473.883 is to *protect*, preserve and use natural *surface and ground* water storage and retention systems in order to (a) reduce to the greatest practical extent the public capital expenditures necessary to control excessive volumes and rates of runoff, (b) *protect and* improve *surface and ground* water quality, (c) prevent flooding and erosion from surface flows, (d) promote ground water recharge, (e) protect and enhance fish and wildlife habitat and water recreational facilities, and (f) secure the other benefits associated with the proper management of *surface and ground* water.

Sec. 2. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

*Subd. 2a. [GROUND WATER PLAN.] "Ground water plan" means a county plan adopted under section 9.*

Sec. 3. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

*Subd. 2b. [GROUND WATER SYSTEM.] "Ground water system" means one of the 14 principal aquifers of the state as defined by the United States Geological Survey in the Water-Resources Investigations 81-51, entitled "Designation of Principal Water Supply Aquifers in Minnesota" (August 1981), and its revisions.*

Sec. 4. Minnesota Statutes 1986, section 473.878, subdivision 3, is amended to read:

*Subd. 3. [GENERAL STANDARDS.] The watershed management plan shall extend through the year 1990 or any year thereafter which is evenly divisible by five. The plan must be updated before the expiration of the period covered by the plan. The plan must be revised within one year following the adoption or amendment of the ground water plan.* The plan shall contain the elements required by subdivision 4. Each element shall be set out in the degree of detail and prescription necessary to accomplish the purposes of sections 473.875 to 473.883, considering the character of existing and anticipated physical and hydrogeologic conditions, land use, and development and the severity of existing and anticipated water management problems in the watershed. The plan shall be prepared and submitted for review under subdivision 5 not later than December 31, 1986. Existing plans of a watershed management organization shall remain in force and effect until amended or superseded by plans adopted under sections 473.875 to 473.883. Existing or amended plans of a watershed management organization which meet the requirements of sections 473.875 to 473.883 may be submitted for review under subdivision 5.

Sec. 5. Minnesota Statutes 1986, section 473.878, subdivision 5, is amended to read:

*Subd. 5. [LOCAL REVIEW AND COMMENT.] Upon completion of the plan but before final adoption by the organization, the organization shall submit the plan for review and comment to all counties, soil and water conservation districts, towns, and statutory and home rule charter cities having territory within the watershed. Any local government unit which expects that substantial amendment of its local comprehensive plan will be necessary in order to bring local water management into conformance with the watershed plan shall describe as specifically as possible, within its comments, the amendments to the local plan which it expects will be necessary.*

*Subd. 5a. [COUNTY REVIEW; CAPITAL IMPROVEMENTS PLAN; GROUND WATER PLAN.] (a) Sixty days after the submission to local government units for comment, the organization shall submit the plan, any comments received, and any appropriate amendments to the plan, to the board of the county or counties having territory within the watershed.*

*(b) The county shall approve or disapprove projects in the capital improvement program which may require the provision of county funds pursuant to section 112.60, subdivision 2, or 473.883.*

(c) *If the county has a ground water plan, the county shall review the watershed plan for consistency with the county ground water plan. The county may disapprove the entire watershed plan or part of the plan if there is a substantial adverse effect on or substantial departure from the ground water plan. If the county disapproves all or part of the watershed plan, the watershed plan must be submitted for review under subdivision 6 and review and final decision under subdivision 7. The county may delegate its review under this paragraph to a soil and water conservation district.*

(d) *The county shall have 60 days to complete its review of the capital improvement program. If the county fails to complete its review within the prescribed period, unless an extension is agreed to by the organization the plan and program shall be deemed approved.*

(e) *If the watershed extends into more than one county and one or more counties disapprove of all or part of a capital improvement plan or program while the other county or counties approve, the plan and program shall be submitted to the water resources board for review pursuant to under subdivision 6 and review and final decision under subdivision 7.*

Sec. 6. Minnesota Statutes 1986, section 473.878, subdivision 6, is amended to read:

Subd. 6. [REVIEW BY METROPOLITAN COUNCIL.] *After completion of the review under subdivision 5, the plan and all comments received shall be submitted to the metropolitan council for review. Notwithstanding any provision to the contrary in sections 112.46 and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided for the council's review of the comprehensive plans of local government units under section 473.175. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to local comprehensive plans. Differences among local governmental agencies regarding the plan must be mediated. The council may serve as mediator.*

Sec. 7. Minnesota Statutes 1986, section 473.878, subdivision 7, is amended to read:

Subd. 7. [REVIEW BY STATE AGENCIES.] (a) *After completion of the review under subdivision 6, the plan and all comments received shall be submitted to the commissioner commissioners of natural resources and health and the director of the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the water resources board for review under section 112.46.*

(b) *Except as otherwise provided in this subdivision, the water resources board shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 473.875 to 473.883.*

(c) *If the plan or part of the plan is disapproved by a county under subdivision 5a, paragraph (c), the board shall make a final decision on the issue. If the plan or capital improvement program is the subject of a dispute between counties under subdivision 5a, paragraph (e), the water*

resources board shall make a final decision on the issue. ~~The decision shall be decisions of the board under this paragraph~~ are binding on the organization and the counties involved.

Sec. 8. Minnesota Statutes 1986, section 473.878, subdivision 9, is amended to read:

Subd. 9. [AMENDMENTS.] To the extent and in the manner required by the adopted plan, all amendments to the adopted plan shall be submitted to the towns, cities, county, and other agencies for review in accordance with the provisions of subdivisions 5, 5a, 6, and 7. *Amendments necessary to recognize a county ground water plan, as required by subdivision 3, must be submitted for review in accordance with subdivisions 5, 5a, 6, and 7.*

Sec. 9. [473.8785] [GROUND WATER PLANS.]

Subdivision 1. [AUTHORITY.] *A metropolitan county may prepare and adopt a ground water plan in accordance with this section.*

Subd. 2. [RESPONSIBLE UNITS.] *The county may prepare and adopt a ground water plan or, upon request of a soil and water conservation district, the county may delegate to the soil and water conservation district the preparation and adoption of all or part of a plan and other county responsibilities regarding the plan under this section and section 473.878.*

Subd. 3. [LOCAL COORDINATION.] *To assure the coordination of efforts of all units of government during the preparation and implementation of watershed and ground water plans, the county shall conduct meetings with local units of government and watershed management organizations, and may enter into agreements with local units of government and watershed management organizations establishing the responsibilities during the preparation and implementation of the water plans.*

Subd. 4. [ADVISORY COMMITTEE.] *To assist in the development of the ground water plan, the county shall seek the advice of the Minnesota geological survey, the departments of health and natural resources, the pollution control agency, and other appropriate local, state, and federal agencies, and shall name an advisory committee of 15 members. The committee must include representatives of various interests, including construction, agriculture, hydrogeology, and well drilling. At least four members of the committee must be from the public at large with no direct pecuniary interest in any project involving ground water protection and at least seven members must be from local units of government. The county shall consult the advisory committee on the development, content, and implementation of the plan, including particularly the relationship of the ground water plan and existing watershed and local water management plans and the allocation of governmental authority and responsibilities during implementation.*

Subd. 5. [GENERAL STANDARDS.] *The ground water plan must extend through the year 1995 or any year after that is evenly divisible by five. The plan must contain the elements required by subdivision 6. Each element must be set out in the degree of detail and prescription necessary to accomplish the purposes of sections 473.875 to 473.883, considering the character of existing and anticipated physical and hydrogeologic conditions, land use, and development and the severity of existing and anticipated water management problems in the watershed. To the fullest extent possible consistent with ground water protection, a county shall incor-*



porate into its ground water plan the relevant provisions of existing plans adopted by watershed management organizations having jurisdiction wholly or partly within the county.

*Subd. 6. [CONTENTS.] A ground water plan must:*

- (1) cover the entire area within the county;*
- (2) describe existing and expected changes to the physical environment, land use, and development in the county;*
- (3) summarize available information about the ground water and related resources in the county, including existing and potential distribution, availability, quality, and use;*
- (4) state the goals, objectives, scope, and priorities of ground water protection in the county;*
- (5) contain standards, criteria, and guidelines for the protection of ground water from pollution and for various types of land uses in environmentally sensitive areas, critical areas, or previously contaminated areas;*
- (6) describe relationships and possible conflicts between the ground water plan and the plans of other counties, local government units, and watershed management organizations in the affected ground water system;*
- (7) set forth standards and guidelines for implementation of the plan by watershed management organizations and local units of government; and*
- (8) include a procedure for amending the ground water plan.*

*Subd. 7. [LOCAL REVIEW AND COMMENT.] Upon completion of the ground water plan but before final adoption by the county, the county shall submit the plan for review and comment to each soil and water conservation district, town, statutory and home rule charter city, and watershed management organization having territory within the county. The county also shall submit the plan to any other county or watershed management organization or district in the affected ground water system that could affect or be affected by implementation of the plan. A political subdivision or watershed management organization that expects that substantial amendment of its plans would be necessary in order to bring them into conformance with the county ground water plan shall describe as specifically as possible, within its comments, the amendments that it expects would be necessary. Reviewing entities have sixty days to review and comment.*

*Subd. 8. [REVIEW BY METROPOLITAN COUNCIL.] After completion of the review under subdivision 7, the plan and all comments received must be submitted to the metropolitan council for review. Notwithstanding any provision to the contrary in sections 112.46 and 473.165, the council shall review the plan in the same manner and with the same authority and effect as provided for the council's review of the comprehensive plans of local government units under section 473.175. The council shall comment on the apparent conformity with metropolitan system plans of any anticipated amendments to watershed plans and local comprehensive plans. Differences among local governmental agencies regarding the plan must be mediated. The council may serve as mediator.*

*Subd. 9. [REVIEW BY STATE AGENCIES.] After completion of the review under subdivision 8, the plan and all comments received must be submitted to the commissioners of natural resources and health and the*

director of the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the water resources board for review under section 112.46. Except as otherwise provided in this subdivision, the water resources board shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board may not prescribe a plan, but shall approve all or parts of a plan that it determines are in conformance with the requirements of chapter 112 and sections 473.875 to 473.883.

*Subd. 10. [ADOPTION; IMPLEMENTATION.] The county shall adopt and begin to implement its ground water plan within 120 days after approval of the plan by the water resources board.*

*Subd. 11. [AMENDMENTS.] To the extent and in the manner required by the adopted plan, all amendments to the adopted plan must be submitted to the towns, cities, county, and other agencies for review in accordance with subdivisions 7 to 9."*

Delete the title and insert:

"A bill for an act relating to metropolitan water management; authorizing metropolitan counties to adopt ground water plans; amending Minnesota Statutes 1986, sections 473.875; 473.876, by adding subdivisions; 473.878, subdivisions 3, 5, 6, 7, and 9; proposing coding for new law in Minnesota Statutes, chapter 473."

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

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

S.F. No. 536: A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending Minnesota Statutes 1986, sections 116.48, subdivision 4; and 296.13; proposing coding for new law as Minnesota Statutes, chapter 115C.

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

Delete everything after the enacting clause and insert:

"Section 1. [115C.01] [CITATION.]

*Sections 1 to 10 may be cited as the "petroleum tank release cleanup act."*

Sec. 2. [115C.02] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 10.*

*Subd. 2. [AGENCY.] "Agency" means the pollution control agency.*

Subd. 3. [BOARD.] "Board" means the petroleum tank release compensation board established under section 7.

Subd. 4. [CORRECTIVE ACTION.] "Corrective action" means an action taken to minimize, eliminate, or cleanup a release to protect the public health and welfare or the environment.

Subd. 5. [DIRECTOR.] "Director" means the director of the pollution control agency.

Subd. 6. [FUND.] "Fund" means the petroleum tank release cleanup fund established under section 8.

Subd. 7. [OPERATOR.] "Operator" means a person in control of, or having responsibility for, the daily operation of a tank.

Subd. 8. [OWNER.] "Owner" means a person who holds title to, controls, or possesses an interest in a tank. The term "owner" does not include a person who holds an interest in a tank solely for financial security, unless through foreclosure or other related actions the holder of a security interest has taken possession of the tank.

Subd. 9. [PERSON.] "Person" means an individual, partnership, association, public or private corporation, or other legal entity, including the United States government, an interstate commission or other body, the state and any agency, board, bureau, office, department, or political subdivision of the state.

Subd. 10. [PETROLEUM.] "Petroleum" means:

(1) gasoline and fuel oil as defined in section 296.01, subdivisions 3 and 4;

(2) crude oil or a fraction of crude oil that is liquid at a temperature of 60 degrees Fahrenheit and pressure of 14.7 pounds per square inch absolute; and

(3) constituents of gasoline and fuel oil under clause (1) and crude oil under clause (2).

Subd. 11. [POLITICAL SUBDIVISION.] "Political subdivision" means a county, town, or a statutory or home rule charter city.

Subd. 12. [RELEASE.] "Release" means a spilling, leaking, emitting, discharging, escaping, leaching, or disposing of petroleum from a tank into the environment whether occurring before or after the effective date of sections 1 to 10, but does not include discharges or designed venting allowed under agency rules.

Subd. 13. [RESPONSIBLE PERSON.] "Responsible person" means a person who is an owner or operator of a tank at any time during or after the release.

Subd. 14. [TANK.] "Tank" means any one or a combination of containers, vessels, and enclosures, including structures and appurtenances connected to them, that is, or has been, used to contain or dispense petroleum.

"Tank" does not include:

(1) a mobile storage tank used for transporting petroleum from one location to another; or

(2) pipeline facilities, including gathering lines, regulated under the

*Natural Gas Pipeline Safety Act of 1968, United States Code, title 49, chapter 24, or the Hazardous Liquid Pipeline Safety Act of 1979, United States Code, title 49, chapter 29.*

**Sec. 3. [115C.03] [RESPONSE TO RELEASES.]**

*Subdivision 1. [CORRECTIVE ACTION ORDERS.] (a) If there is a release, the director may order a responsible person to take reasonable and necessary corrective actions. The director must notify the owner of real property where corrective action is ordered to be taken that responsible persons have been ordered to take corrective action and that the owner's cooperation will be required for responsible persons to take that action.*

*(b) If the director has ordered a responsible person to take a corrective action under paragraph (a), a political subdivision may not request or order the person to take an action that conflicts with the action ordered by the director.*

**Subd. 2. [AGENCY AND COMPELLED PERFORMANCE CORRECTIVE ACTIONS.]** *The agency may take corrective action or request the attorney general to bring an action to compel performance of a corrective action if:*

*(1) a responsible person cannot be identified;*

*(2) an identified responsible person cannot or will not comply with the order issued under subdivision 1; or*

*(3) an administrative or judicial proceeding on an order issued under subdivision 1 is pending.*

**Subd. 3. [EMERGENCY CORRECTIVE ACTION.]** *To assure an adequate response to a release, the director may take corrective action without following the procedures of subdivision 1 if the director determines that the release constitutes a clear and immediate danger requiring immediate action to prevent, minimize, or mitigate damage to the public health and welfare or the environment. Before taking an action under this subdivision, the director shall make all reasonable efforts, taking into consideration the urgency of the situation, to order a responsible person to take a corrective action and notify the owner of real property where the corrective action is to be taken.*

**Subd. 4. [RELEASE IS A PUBLIC NUISANCE.]** *A release is a public nuisance and may be enjoined in an action, in the name of the state, brought by the attorney general.*

**Subd. 5. [INVESTIGATIONS.]** *If the director has reason to believe that a release has occurred, the director may undertake reasonable investigations necessary to identify the existence, source, nature, and extent of a release, the responsible persons, and the extent of danger to the public health and welfare or the environment.*

**Subd. 6. [DUTY TO PROVIDE INFORMATION.]** *A person who the director has reason to believe is a responsible person, or the owner of real property where corrective action is ordered to be taken, or who might otherwise have information concerning a release, shall, when requested by the director or any member, employee, or agent of the agency who is authorized by the director, furnish to the director any information that person may have or may reasonably obtain that is relevant to the release.*

**Subd. 7. [ACCESS TO INFORMATION AND PROPERTY.]** *The director*

or any member, employee, or agent of the agency authorized by the director, may, upon presentation of official agency credentials, take any of the following actions:

(1) examine and copy any books, papers, records, memoranda, or data of any person who has a duty to provide information to the director under subdivision 6; and

(2) enter upon public or private property for the purpose of taking action authorized by this section, including obtaining information from a person who has a duty to provide the information under subdivision 6, conducting surveys and investigations, and taking corrective action.

*Subd. 8. [CLASSIFICATION OF DATA.] Except as otherwise provided in this subdivision, data obtained from a person under subdivision 6 or 7 is public data as defined in section 13.02. Upon certification by the subject of the data that the data relates to sales figures, processes or methods of production unique to that person, or information that would tend to adversely affect the competitive position of that person, the director shall classify the data as private or nonpublic data as defined in section 13.02. Data classified as private or nonpublic under this subdivision may be disclosed when relevant in a proceeding under sections 3 to 10.*

#### **Sec. 4. [115C.04] [LIABILITY FOR RESPONSE COSTS.]**

*Subdivision 1. [CORRECTIVE ACTION LIABILITY.] A responsible person is liable for the cost of the corrective action taken by the agency under section 3, subdivisions 2 and 3, including the cost of investigating the release and administrative and legal expenses, if:*

*(1) the responsible person has failed to take a corrective action ordered by the director and the agency has taken the action;*

*(2) the agency has taken corrective action in an emergency under section 3, subdivision 3; or*

*(3) the agency has taken corrective action because a responsible person could not be identified.*

*Subd. 2. [AVOIDANCE OF LIABILITY.] (a) A responsible person may not avoid the liability by means of any conveyance of any right, title, or interest in real property; or by any indemnification, hold harmless agreement, or similar agreement.*

*(b) This subdivision does not:*

*(1) prohibit a person who may be liable from entering an agreement by which the person is insured, held harmless, or indemnified for part or all of the liability;*

*(2) prohibit the enforcement of an insurance, hold harmless, or indemnification agreement; or*

*(3) bar a cause of action brought by a person who may be liable or by an insurer or guarantor, whether by right of subrogation or otherwise.*

*Subd. 3. [AGENCY COST RECOVERY.] Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release and administrative and legal expenses, may be recovered in a civil action in district court brought by the attorney general against a responsible person. The agency's certification of expenses is prima facie evidence that the expenses are reasonable and necessary. Ex-*

*penses that are recovered under this section shall be deposited in the fund.*

**Sec. 5. [115C.05] [CIVIL PENALTY.]**

*The agency may enforce section 3 using the actions and remedies authorized under section 115.071, subdivision 3. The civil penalties recovered by the state shall be credited to the fund.*

**Sec. 6. [115C.06] [EFFECT ON OTHER LAW.]**

*Subdivision 1. [ACTIONS UNDER CHAPTER 115B.] Sections 3 to 10 do not limit any actions initiated by the agency under chapter 115B.*

*Subd. 2. [DUTY TO NOTIFY AND TAKE ACTION FOR RELEASE.] Sections 3 to 10 do not limit a person's duty to notify the agency and take action related to a release as provided under section 115.061.*

**Sec. 7. [115C.07] [PETROLEUM TANK RELEASE COMPENSATION BOARD.]**

*Subdivision 1. [ESTABLISHMENT.] The petroleum tank release compensation board is established. The members of the board shall consist of the director of the pollution control agency, the commissioner of the department of commerce, two representatives from the petroleum industry, and one representative from the insurance industry. The governor shall appoint the members from the insurance and petroleum industry. The filling of positions reserved for industry representatives, vacancies, membership terms, payment of compensation and expenses, and removal of members is governed by section 15.0575. The governor shall designate the chair of the board.*

*Subd. 2. [STAFF] The commissioner of commerce shall provide staff to support the activities of the board.*

*Subd. 3. [RULES.] (a) The board shall adopt rules regarding its practices and procedures, the form and procedure for applications for compensation from the fund, procedures for investigation of claims and specifying the costs that are eligible for reimbursement from the fund.*

*(b) The board may adopt emergency rules under this subdivision for one year after the effective date of this section.*

**Sec. 8. [115C.08] [PETROLEUM TANK RELEASE CLEANUP FUND.]**

*Subdivision 1. [ESTABLISHMENT.] The petroleum tank release cleanup fund is established as an account in the state treasury.*

*Subd. 2. [REVENUE SOURCES.] Revenue from the following sources shall be deposited in the state treasury and credited to the fund:*

*(1) the proceeds of the fee imposed by subdivision 4;*

*(2) money recovered by the state under sections 4, 5, and 15, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;*

*(3) interest attributable to investment of money in the fund;*

*(4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the fund; and*

*(5) fees charged for the operation of the tank installer certification program established under section 15.*

*Subd. 3. [IMPOSITION OF FEE.] The board shall continuously monitor the amount of money in the fund and shall notify the commissioner of revenue if the unexpended balance of the fund at any time falls below \$1,000,000. If the balance in the fund falls below \$1,000,000, the commissioner of revenue shall impose the fee established in subdivision 4 for a period of one month, within 60 days of receiving notice from the board.*

*Subd. 4. [PETROLEUM TANK RELEASE CLEANUP FEE.] A petroleum tank release cleanup fee is imposed on petroleum products subject to the inspection fee charged in section 296.13. The fee shall be collected in the manner provided in sections 296.13 and 296.14. The fee shall be imposed as required under subdivision 3, at a rate of \$10 per 1,000 gallons of petroleum products as defined in section 296.01, subdivision 2, rounded to the nearest 1,000 gallons. A distributor who fails to pay the fee imposed under this section is subject to the penalties provided in section 296.15.*

*Subd. 5. [EXPENDITURES.] Money in the fund may only be spent:*

*(1) to administer the petroleum tank release cleanup program established in sections 3 to 10;*

*(2) for agency administrative costs under sections 116.46 to 116.50, sections 3 to 6, and section 15 and costs of corrective action taken by the agency under section 3, including investigations;*

*(3) for costs of recovering expenses of corrective actions under section 4; and*

*(4) for training, certification, and rulemaking under sections 116.46 to 116.50 and section 15.*

**Sec. 9. [115C.09] [CORRECTIVE ACTION REIMBURSEMENT TO RESPONSIBLE PERSONS.]**

*Subdivision 1. [REIMBURSABLE CORRECTIVE ACTIONS.] The board shall provide partial reimbursement for the cost of corrective action to eligible responsible persons for releases reported after the effective date of sections 1 to 10.*

*Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.] (a) A responsible person who has taken corrective action in response to a release reported after the effective date of sections 1 to 10 may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board.*

*(b) A reimbursement may not be made unless the board determines that:*

*(1) the director has determined that the corrective action has adequately addressed the release and that the release no longer poses a threat to public health and welfare or the environment;*

*(2) at the time of the release the tank was in compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;*

*(3) the agency was given notice of the release as required by section 115.061;*

*(4) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and*

*(5) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory*

control procedures.

*Subd. 3. [REIMBURSEMENT.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the fund for 75 percent of the portion of the total corrective action costs greater than \$10,000 and less than \$100,000.*

*(b) A reimbursement may not be made from the fund under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.*

*(c) Money in the fund is continuously appropriated to the board to make reimbursements under this section.*

*Subd. 4. [REIMBURSEMENT DOES NOT AFFECT OTHER LIABILITY.] The right to apply for reimbursement and the receipt of reimbursement does not limit the liability of a responsible person for damages or costs incurred by a person or the state as a result of a release.*

**Sec. 10. [115C.10] [FUNDING OF AGENCY ACTIONS.]**

*Subdivision 1. [PAYMENT FROM THE FUND.] (a) If the cost of authorized actions under section 3 exceeds the amount appropriated to the agency for the actions and amounts awarded to the agency from the federal government, the agency may apply to the board for money to pay for the actions from the fund. The board shall pay the agency the cost of the proposed actions under section 3 if the board finds that the conditions for the agency to be paid from the fund have been met, and that an adequate amount exists in the fund to pay for the corrective action.*

*(b) Money in the fund is continuously appropriated to the board for the purpose of this subdivision.*

*Subd. 2. [FEDERAL FUNDS.] The director shall take actions needed to obtain federal funding to carry out the provisions of the petroleum tank release cleanup act.*

**Sec. 11. Minnesota Statutes 1986, section 116.46, is amended by adding a subdivision to read:**

*Subd. 2a. [INSTALLER.] "Installer" means a person who places, constructs, or repairs an aboveground or underground tank, or permanently takes an aboveground or underground tank out of service.*

**Sec. 12. Minnesota Statutes 1986, section 116.46, is amended by adding a subdivision to read:**

*Subd. 9. [ABOVEGROUND STORAGE TANK.] "Aboveground storage tank" means any one or a combination of containers, vessels, and enclosures, including structures and appurtenances connected to them, that is used to contain or dispense regulated substances, and that is not an underground storage tank.*

**Sec. 13. Minnesota Statutes 1986, section 116.47, is amended to read:**

**116.47 [EXEMPTIONS.]**

**Sections 116.48 and, 116.49, and section 15 do not apply to:**

**(1) farm or residential tanks of 1,100 gallons or less capacity used for storing motor fuel for noncommercial purposes; tanks of 1,100 gallons or less capacity used for storing heating oil for consumptive use on the premises where stored;**



(2) pipeline facilities, including gathering lines, regulated under the Natural Gas Pipeline Safety Act of 1968, United States Code, title 49, chapter 24, or the Hazardous Liquid Pipeline Safety Act of 1979, United States Code, title 49, chapter 29;

(3) surface impoundments, pits, ponds, or lagoons;

(4) storm water or waste water collection systems;

(5) flow-through process tanks;

(6) tanks located in an underground area, including basements, cellars, mineworkings, drifts, shafts, or tunnels, if the storage tank is located upon or above the surface of the floor; or

(7) septic tanks.

Sec. 14. Minnesota Statutes 1986, section 116.48, subdivision 4, is amended to read:

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

Sec. 15. [116.501] [TANK INSTALLERS TRAINING AND CERTIFICATION.]

*Subdivision 1. [REQUIREMENT.] (a) After the effective date of rules adopted under subdivision 3, a person may not install, repair, or take an aboveground or underground tank permanently out of service without first obtaining a certification of competence issued by the agency.*

*(b) The agency shall conduct examinations to test the competence of applicants for certification, issue documentation of certification, and require certification to be renewed at reasonable intervals. The agency may conduct training programs for installers.*

*Subd. 2. [FEES.] The agency may charge fees as are necessary to cover the actual costs of processing applications, conducting examinations, issuing and renewing certificates, and providing training programs. The fees received under this section shall be credited to the petroleum tank release cleanup fund.*

*Subd. 3. [RULES.] The agency shall adopt rules containing standards of competence for installers and to implement this section.*

Sec. 16. [INITIAL FUNDING FOR PETROLEUM TANK RELEASE CLEANUP FUND.]

*To provide the initial funding for the petroleum tank release cleanup fund, the commissioner of revenue shall impose the fee established in section 8, subdivision 4, in the months of September and October 1987 for collection during the months of October and November 1987.*

Sec. 17. [APPROPRIATION.]

*Subdivision 1. [PETROLEUM TANK RELEASE CLEANUP FUND.] (a) \$\_\_\_\_\_ is appropriated from the general fund to the petroleum tank release cleanup fund.*

(b) *The appropriation in paragraph (a) shall be reimbursed to the general fund from the petroleum tank release cleanup fund by June 30, 1988.*

**Subd. 2. [POLLUTION CONTROL AGENCY.]** (a) *The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:*

	1988	1989
Pollution Control Agency	\$ _____	\$ _____
Administration		
Corrective/Investigative	\$ _____	\$ _____
Action Costs		

(b) *Expenses incurred by the agency under section 3 shall be paid by the agency from the appropriation under this subdivision. Before using this appropriation, the agency shall use any federal money available to pay for corrective actions, except that the fund may be used to pay any state match required by federal law. The director shall report to the petroleum tank release compensation board describing the corrective or investigative action being taken, the reason that the appropriation is being used to pay for that action, and an estimate of the cost of that action.*

(c) *The approved complement of the agency is increased by \_\_\_\_\_ positions in fiscal year 1988 and by \_\_\_\_\_ additional position in fiscal year 1989.*

**Subd. 3. [DEPARTMENT OF COMMERCE.]** *The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:*

	1988	1989
Department of Commerce	\$ _____	\$ _____
Administration		

*The approved complement of the department of commerce is increased by \_\_\_\_\_ position.*

**Subd. 4. [PETROLEUM TANK RELEASE COMPENSATION BOARD.]** *The following amounts are appropriated from the petroleum tank release cleanup fund for the fiscal years indicated:*

	1988	1989
Petroleum Tank Release	\$ _____	\$ _____
Compensation Board		
Administration		

**Sec. 18. [EFFECTIVE DATE.]**

*Sections 1 to 15 are effective the day following final enactment. Sections 16 and 17 are effective July 1, 1987."*

Delete the title and insert:

"A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending

Minnesota Statutes 1986, sections 116.46, by adding subdivisions; 116.47; and 116.48, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 116; proposing coding for new law as Minnesota Statutes, chapter 115C."

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

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

S.F. No. 1232: A bill for an act relating to public safety; providing an exception from certain regulations for steam turbines which receive steam from remote municipal facilities; amending Minnesota Statutes 1986, section 183.56.

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

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

S.F. No. 1237: A bill for an act relating to employment; requiring employees to promptly pay premiums on employee health plans; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Delete everything after the enacting clause and insert:

"Section 1. [181.175] [EMPLOYER NONPAYMENT OF HEALTH PLAN PREMIUMS; NOTIFICATION OF DISCONTINUANCE OF HEALTH PLAN.]

*Subdivision 1. [REQUIREMENTS.] (a) An employer that provides or makes available to employees a plan of health coverage, whether financed from funds contributed solely or partially by the employer, must promptly pay the required premium to the insurer.*

*(b) An employer that discontinues a plan of health coverage available to employees must notify the covered employees of the discontinuance.*

*Subd. 2. [DEFINITIONS.] For purposes of subdivision 1, "employer" is as defined in section 62E.02, subdivision 2, except that the term also includes a person or entity that employs fewer than ten employees who are residents of the state; and "plan of health coverage" is as defined under section 62E.02, subdivision 9.*

*Subd. 3. [REMEDY.] A person injured by a violation of subdivision 1 is entitled to recover the actual damages sustained, together with costs and disbursements, including reasonable attorney's fees."*

Amend the title as follows:

Page 1, line 2, delete "employees" and insert "employers"

Page 1, line 3, after the semicolon, insert "requiring employers to notify employees of a discontinuance of employee health plans;"

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

adopted.

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

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

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

Page 2, delete section 2

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

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

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

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

Page 2, line 18, delete "and"

Page 2, line 21, delete the period and insert "; and"

Page 2, after line 21, insert:

*"(10) prescribe a procedure for the return of completed voter registration forms from the department of public safety to the secretary of state or the county auditor."*

Page 5, line 1, delete "shall" and insert "may"

Page 5, line 5, delete "then"

Page 7, line 11, after "the" insert *"county auditor of the county in which the voter maintains residence or to the"*

Page 7, line 12, delete "records" and insert *"record information relating to name, address, date of birth, driver's license number, county, town, and city"*

Page 8, after line 17, insert:

"Sec. 14. Minnesota Statutes 1986, section 201.221, subdivision 4, is amended to read:

Subd. 4. [COUNTY RULES.] The county auditor of each county may adopt rules which delegate to municipal officials in that county the duties

assigned to county auditors by this chapter. *Delegation to a municipal official requires the approval of the governing body of the municipality.* Delegation by the county auditor of the duty to accept registrations does not relieve the county auditor of the duty to accept registrations. When a municipal official is delegated duties given to the county auditor by this chapter, the governing body of the municipality shall immediately provide the necessary funds, equipment and facilities, establish a place of registration and put the registration plan into operation without delay."

Page 9, line 5, delete "13" and insert "15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, delete "subdivision" and insert "subdivisions" and after "2" insert "and 4"

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

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

S.F. No. 550: A bill for an act relating to elections; requiring election judges to inform voters of certain laws; providing for selection of a party in certain primary elections; requiring parties to have different colored ballot book pages; amending Minnesota Statutes 1986, sections 204C.13, subdivision 2; 206.80; and 206.84, subdivision 3.

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

Page 1, after line 21, insert:

"Sec. 2. Minnesota Statutes 1986, section 204C.22, subdivision 3, is amended to read:

Subd. 3. [VOTES FOR TOO MANY CANDIDATES.] If a voter places a mark (X) beside the names of more candidates for an office than are to be elected or nominated, the ballot is defective with respect only to that office. No vote shall be counted for any candidate for that office, but the rest of the ballot shall be counted if possible. At a primary, if a voter *has not indicated a party preference* and places a mark (X) beside the names of candidates of more than one party on the partisan ballot, the ballot is totally defective and no votes on it shall be counted. *If a voter has indicated a party preference at a primary, only votes cast for candidates of that party shall be counted.*

Sec. 3. Minnesota Statutes 1986, section 204D.08, subdivision 4, is amended to read:

Subd. 4. [STATE PARTISAN PRIMARY BALLOT; PARTY COLUMNS.] The state partisan primary ballot shall be headed by the words "State Partisan Primary Ballot." The ballot shall be printed on white paper. *The ballot must be designed to include a form of party indicator by which the voter may choose the party in whose primary the voter intends to vote.* Each major political party shall have a separate column on the ballot, which column shall be headed by the words "\_\_\_\_\_ Party," giving the party name. Below the party name the following statement shall be printed.

**"Do not vote for candidates of more than one party. If you do, your entire ballot will be defective and no vote marked on your ballot will be counted."**

The names of the candidates seeking the nomination of each major political party shall be listed in that party's column. If only one individual files an affidavit of candidacy seeking the nomination of a major political party for an office, the name of that individual shall be placed on the state partisan primary ballot at the appropriate location in that party's column.

In each column, the candidates for senator in congress shall be listed first, candidates for representative in congress second, candidates for state senator third, candidates for state representative fourth and then candidates for state office in the order specified by the secretary of state.

The party columns shall be substantially the same in width, type and appearance. The columns shall be separated by a 12 point solid line."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after "2;" insert "204C.22, subdivision 3; 204D.08, subdivision 4;"

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. 873: A bill for an act relating to liquor; authorizing Lake county to issue seasonal on-sale licenses.

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. 1183: A bill for an act relating to alcoholic beverages; authorizing the city of Minneapolis to issue an on-sale liquor license to the American Swedish Institute.

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

H.F. No. 735: A bill for an act relating to liquor; removing a restriction on issuance of off-sale licenses in Kanabec county; amending Minnesota Statutes 1986, section 340A.405, subdivision 2.

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. 1290: A bill for an act relating to liquor; authorizing the city of Little Canada to issue two additional on-sale licenses.

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

Report adopted.

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

S.F. No. 501: A bill for an act relating to school districts; permitting school district employees to participate in the state insurance plan; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

Delete everything after the enacting clause and insert:

“Section 1. [43A.315] [EMPLOYEES OF SCHOOL DISTRICTS.]

*Subdivision 1. [DEFINITIONS.] In this section, the definitions in this subdivision apply.*

*(a) [EMPLOYEE.] “Employee” means (1) a person who is a public employee within the definition of section 179A.03, subdivision 14, and is employed by an eligible employer; or (2) a person employed by another public educational employer approved by the commissioner of employee relations.*

*(b) [ELIGIBLE EMPLOYER.] “Eligible employer” means one of the following: a school district as defined in section 120.02; an educational cooperative service unit as defined in section 123.58; an intermediate district as defined in section 136C.02, subdivision 7; a cooperative center for vocational education as defined in section 123.351; a regional management information center as defined in section 121.935; or an education unit organized under the joint powers act, section 471.59.*

*Subd. 2. [SCHOOL EMPLOYEE PARTICIPATION.] Participation in the basic benefits plan offered according to subdivision 3 is subject to the conditions in this subdivision.*

*(a) Each exclusive representative for an eligible employer determines whether the employees it represents will participate. The exclusive representative shall give notice to the employer of its determination to participate in the hospital, medical, life, and dental package before the execution of a new collective bargaining agreement or by April 1 of an odd-numbered year, whichever occurs first. The employer and the exclusive representative may by mutual consent make a determination at a later date to participate during the annual enrollment period. By April 1 of an odd-numbered year, the employer determines whether to participate in the hospital, medical, life, and dental package for employees not represented by an exclusive representative.*

*(b) The decision to participate is for a three-year term if coverage begins in an even-numbered year and a four-year term if coverage begins in an odd-numbered year. Participation is automatically renewed for an additional four-year term unless the exclusive representative gives the employer notice of withdrawal.*

*(c) The exclusive representative shall give notice of intent to withdraw before execution of a new collective bargaining agreement to cover the date on which the term of participation expires, or April 1 of the year in which the term of participation expires, whichever is first. If there is no exclusive representative, the employer shall notify the commissioner by*

April 1 of the year in which participation expires. A group that withdraws shall wait two years before rejoining.

(d) Each participating employer shall notify the commissioner of the individuals who will be participating within two weeks of receiving notice of intent to participate. The employer shall also submit other information as required by the commissioner for administration of this plan.

Subd. 3. [BENEFITS.] By January 1, 1989, the commissioner of employee relations shall offer a basic benefits plan as provided to employees covered by section 43A.18, subdivision 2, or as modified by the commissioner, in consultation with a labor-management committee appointed by the commissioner. The plan shall include employee hospital, medical, dental, and life insurance for employees and hospital and medical benefits for dependents. Health maintenance organization options and other delivery system options, if they are available, cost effective, and capable of servicing a group of this size, shall be provided. Plans with different deductible amounts may be offered. Participation in optional coverages provided by the plan may be determined by collective bargaining agreements. For employees not represented by an exclusive representative, the employer may offer the optional coverages to eligible employees and their dependents provided in the plan.

Subd. 4. [PREMIUMS.] Premiums, including an administration fee, shall be established by the commissioner of employee relations. Each eligible employer shall pay monthly the amounts due for employee benefits including the amounts under subdivision 5 to the commissioner on or before the dates established by the commissioner. Failure to pay may result in cancellation of the benefits. The proportions of premium paid by the employer and employee are subject to collective bargaining.

Subd. 5. [FRINGE BENEFIT FUND.] A school employee fringe benefit fund is established in the state treasury. The deposits consist of the premiums received from employers participating in the plan. All money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. The commissioner shall reserve an amount of money to cover the estimated cost of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund shall be credited or debited to the fund, as applicable.

Subd. 6. [CONTINUATION OF COVERAGE.] (a) A participating employee who is laid off or placed on unrequested leave may elect to continue the fringe benefit coverage at the expense of the employee unless otherwise provided by a collective bargaining agreement. Coverage continues until the employee is reemployed and eligible for health care coverage under a group policy or according to applicable state and federal laws, whichever is less.

(b) A participating employee who retires and receives an annuity under chapter 352, 353, 354, or 354A is eligible to continue to participate at the retiree's expense, unless otherwise provided by a collective bargaining agreement, in the group hospital, medical, and dental coverage at premiums established by the commissioner. An employer shall notify an employee of this option no later than the effective date of retirement. The retired employee must notify the employer within 30 days after the effective date of retirement of intent to exercise this option.



*A spouse of a deceased retired employee may purchase the benefits provided at premiums established by the commissioner if the employee received an annuity under chapter 352, 353, 354, or 354A and if the spouse was a dependent under the retired employee's coverage under this section at the time of the death of the retired employee. Coverage under this paragraph must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.*

*An employee who retired before August 1, 1987, and had participated in a retirement plan established according to chapter 352, 353, 354, or 354A, or is receiving an annuity under chapter 352, 353, 354, or 354A, is eligible to participate, at the retiree's expense, in the group hospital, medical, and dental coverage at premiums established by the commissioner.*

*(c) The benefits may continue in the event of a strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.*

*(d) A person who desires to participate under paragraphs (a) to (c) shall notify the employer or former employer of intent to participate according to timelines established by the commissioner. The employer shall notify the commissioner, and coverage shall begin as soon as permitted by the commissioner. Persons participating under these paragraphs shall make required premium payments in the time and manner established by the employer or the commissioner.*

*Subd. 7. [LABOR MANAGEMENT COMMITTEE.] A labor management committee of equal numbers of employees and employers or their representatives shall be appointed by the commissioner of employee relations. The committee shall study issues relating to the insurance plan including, but not limited to, flexible benefits, utilization review, quality assessment, and cost efficiency.*

## **Sec. 2. [EFFECTIVE DATE.]**

*Section 1 is effective July 1, 1987, except that benefit coverage established in subdivision 3 is effective September 1, 1989."*

**Amend the title as follows:**

**Page 1, line 3, delete "the" and insert "a"**

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

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

**S.F. No. 169: A bill for an act relating to education; eliminating the physical education requirement for teacher education programs; amending Minnesota Statutes 1986, section 126.02, subdivision 2.**

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

**Delete everything after the enacting clause and insert:**

## **"Section 1. [PHYSICAL EDUCATION REPORT.]**

*The board of teaching shall review the need for courses in physical education or related courses in health and physical development in teacher education programs and shall report its recommendation to the legislature*

*by February 1, 1988."*

Delete the title and insert:

"A bill for an act relating to education; requiring a report by the board of teaching about physical education or related courses in teacher education programs."

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

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

S.F. No. 943: A bill for an act relating to parks; extending the term of the citizen's council on Voyageurs National Park; amending Laws 1975, chapter 235, section 2, as amended.

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

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 526: A resolution memorializing the Federal Energy Regulatory Commission; expressing the Legislature's opposition to Northern States Power Company's application to install additional hydropower generating facilities at the Falls of St. Anthony in Minneapolis, Minnesota.

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

Delete everything after the enacting clause and insert:

"WHEREAS, Father Louis Hennepin first sighted the Falls of St. Anthony in 1680 on his exploration of the territory that would later become known as the State of Minnesota; and

WHEREAS, the Falls of St. Anthony acted as the cornerstone of a community of pioneer settlers that later became known as the City of Minneapolis; and

WHEREAS, the Falls of St. Anthony were a vital part in the economic development of the City of Minneapolis and the State of Minnesota; and

WHEREAS, the Falls of St. Anthony were incorporated into the Great Seal of the State of Minnesota from the earliest beginnings of statehood; and

WHEREAS, the Falls of St. Anthony continue to be a part of the Great Seal of the State of Minnesota to depict the Falls of St. Anthony's importance in transportation and industry and are on the State's list of privately owned historic sights; and

WHEREAS, there has always been a history of multiple use of the Falls of St. Anthony including lumber milling, grain milling, hydropower production, recreational, scenic, and river transportation; and

WHEREAS, the federal government, the state of Minnesota, the Metropolitan Council, and the City of Minneapolis have made a major investment of public funds to reclaim the Mississippi Riverfront area surrounding the Falls of St. Anthony for recreational, scenic and economic development

purposes; and

WHEREAS, the potential private investment in area around the Falls of St. Anthony is expected to exceed \$800,000,000 and the aesthetic value of the Falls of St. Anthony is integral to that development; and

WHEREAS, the redevelopment of the riverfront area will open the area to people who have been underserved by such amenities in the past; and

WHEREAS, the Corp of Engineers and Northern States Power Company have both investigated in recent years the possibility of installing additional hydropower facilities; and

WHEREAS, Northern States Power Company has demonstrated sensitivity to community concerns about the impact of such additional hydropower development by withdrawing its recent license application to the Federal Energy Regulatory Commission; and

WHEREAS, additional power generating turbines could capture virtually all of the constant flow of the Mississippi River at the Falls of St. Anthony, for power generating purposes only; and

WHEREAS, additional power generating turbines would permanently alter the character of the Falls of St. Anthony and take permanently the historic, aesthetic, and recreational qualities of the Falls of St. Anthony out of the public domain; NOW, THEREFORE,

BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the Federal Energy Regulatory Commission to deny any application for additional hydropower generation at the Falls of St. Anthony in Minneapolis, Minnesota.

BE IT FURTHER RESOLVED that the Secretary of State of the State of Minnesota is directed to prepare certified copies of this resolution and present them to the Federal Energy Regulatory Commission and to Minnesota's Senators and Representatives in Congress."

Amend the title as follows:

Page 1, line 3, after "to" insert "the installation of"

Page 1, delete line 4

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

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 1072: A bill for an act relating to utilities; providing for initial and continuing education of public utilities commissioners; lengthening the time period for preparation for a hearing on territorial disputes; raising dollar limit on value of property that public utility may transfer without commission approval; amending Minnesota Statutes 1986, sections 216A.03, by adding subdivisions; 216B.43; and 216B.50, subdivision 1.

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

Page 1, line 16, delete "*curriculum*" and insert "*program*"

Page 1, line 18, delete "*curriculum*" and insert "*subject matter*" and

delete “, but is not”

Page 1, line 19, delete “limited to.”

Page 1, line 27, after “meetings” insert “held in Minnesota”

Page 2, line 3, delete everything after the period

Page 2, delete line 4

Page 2, line 5, delete “meeting.”

Page 2, delete lines 16 to 18

Page 2, line 30, after “filed” insert “and shall render its decision within 30 days after the hearing”

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

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

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.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1986, section 40.41, is amended to read:  
40.41 [PURPOSE AND POLICY.]

It is the purposes of sections 40.41 to 40.45 to keep certain marginal agricultural land out of crop production ~~or pasture~~ to protect soil and water quality and support fish and wildlife habitat. It is state policy to encourage the retirement of marginal, highly erodable land, particularly land adjacent to public waters and drainage systems, from crop production and to reestablish a cover of perennial vegetation.

Sec. 2. Minnesota Statutes 1986, section 40.42, subdivision 5, is amended to read:

Subd. 5. [LANDOWNER.] “Landowner” means a ~~Minnesota resident who owns or is a buyer under a contract for deed, of land that qualifies as a family farm, a family farm corporation or an authorized farm corporation under section 500.24, subdivision 2 individuals, family farms, family farm corporations as defined under section 500.24, subdivision 2, paragraph (c), and authorized farm corporations as defined under section 500.24, subdivision 2, paragraph (d), that either own eligible land or are purchasing eligible land under a contract for deed.~~

Sec. 3. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

*Subd. 7. [WETLAND.] "Wetland" means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, or that periodically does support, a predominance of hydrophytic vegetation typically adapted for life in saturated soil conditions.*

Sec. 4. Minnesota Statutes 1986, section 40.43, subdivision 2, is amended to read:

*Subd. 2. [ELIGIBLE LAND.] (a) Land ~~may~~ owned by a landowner under paragraph (c) is eligible to be placed in the conservation reserve program if the land meets the requirements of paragraph (b) and:*

*(1) is marginal agricultural land; ~~or~~:*

*(2) is adjacent to enrolled marginal agricultural land and is beneficial to resource protection or necessary for efficient recording of the land description; ~~or~~*

*(2) was owned by the applicant on January 1, 1985, or for an application made on or after January 1, 1988, was owned by the applicant for at least three years before the date of application;*

*(3) is a drained wetland and the cropland adjacent to the drained wetland after it is restored to the extent of up to four acres of cropland for each acre of wetland restored.*

*(3) is (b) The land must be:*

*(1) at least five acres in size, or is a whole field as defined by the United States Agricultural Stabilization and Conservation Service;*

*(4) is (2) may not be set aside, enrolled or diverted under another federal or state government program; and*

*(5) was (3) must have been in agricultural crop production ~~or~~ pasture for at least two years during the period 1981 to 1985.*

*The eligible land of a landowner may not exceed 20 percent of the landowner's total acreage in the state.*

*(c) A landowner may enroll land that is eligible under paragraphs (a) and (b) and this paragraph based on the following amounts of agricultural land as defined in section 500.24, subdivision 2:*

*(1) if the landowner owns 20 acres or less of agricultural land, the entire amount of eligible land may be enrolled in the conservation reserve program;*

*(2) if the landowner owns more than 20 acres but less than 200 acres of agricultural land, 20 acres plus ten percent of the portion of agricultural land owned that is more than 20 acres but less than 200 acres that is eligible land may be enrolled in the conservation reserve program; and*

*(3) if the landowner owns 200 acres or more of agricultural land, 20 percent of the landowner's agricultural land that is eligible land may be enrolled in the conservation reserve program.*

*(d) In selecting land for enrollment in the conservation reserve program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 40.41.*

Sec. 5. Minnesota Statutes 1986, section 40.43, subdivision 5, is amended to read:

Subd. 5. [AGREEMENTS BY LANDOWNER.] The commissioner may enroll eligible land in the conservation reserve program by signing an agreement in recordable form with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior title, lien, or encumbrance;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the commissioner; or to plant trees or carry out other long-term capital improvements approved by the commissioner for soil and water conservation or wildlife management;

(3) to restore any drained wetland and to convey to the state a permanent easement for the wetland;

(4) to establish a windbreak, shelterbelt, or wildlife vegetation plantings on land to be enrolled with that condition;

(5) that other land supporting natural vegetation owned or leased as part of the same farm operation during the term of the easement, if it supports natural vegetation or has not been used in agricultural crop production or ~~pasture~~, will not be converted to agricultural crop production or pasture; and

(4) (6) to the enforcement of the terms of the easement and agreements in this subdivision by an action for specific performance, a mandatory injunction, or for damages in an amount not to exceed the total amount paid by the state to the landowner under subdivision 6, with interest from the date of each default under the agreement.

Sec. 6. Minnesota Statutes 1986, section 40.43, subdivision 6, is amended to read:

Subd. 6. [PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.] (a) The commissioner must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to 75 percent of the total eligible cost not to exceed \$75 per acre for limited duration easements, and 100 per cent of the total eligible cost not to exceed \$100 per acre for permanent easements;

(2) for the cost of planting trees required by the agreement, up to \$75 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 per cent of the total eligible cost not to exceed \$300 per acre for permanent easements;

(3) to establish windbreaks, shelterbelts, and wildlife vegetation plantings required by the agreement, up to 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$300 per acre for permanent easements;

(3) (4) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time the easement is conveyed of application to the conservation reserve program; and

(4) (5) for an easement of limited duration, 90 percent of the present value of the average of the ~~acceptable~~ *accepted* bids for the federal conservation reserve program, as contained in ~~Public Law Number 99-198~~ *United States Code, title 7, sections 3831 to 3836*, in the relevant geographic area and on bids ~~made immediately prior to when accepted at the easement is conveyed.~~ *If federal bid figures have not been determined for the area, or the federal program has been discontinued, the rate paid shall time of application to the conservation reserve program; or*

(6) *an alternative payment system for easements based on cash rent or a similar system as may be determined by the commissioner.*

(b) The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.

Sec. 7. Minnesota Statutes 1986, section 40.43, subdivision 7, is amended to read:

Subd. 7. [EASEMENT RENEWAL.] When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of *not less than* ten years may be acquired by agreement of the commissioner and the landowner, under the terms of this section. The commissioner may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

Sec. 8. Minnesota Statutes 1986, section 40.44, subdivision 2, is amended to read:

Subd. 2. [TECHNICAL ASSISTANCE.] (a) The commissioners of agriculture and natural resources must provide necessary technical assistance to landowners enrolled in the conservation reserve program. The commissioner of natural resources must provide technical advice and assistance to the commissioner on:

(1) the form and content of the conservation easement and agreement, ~~and on;~~

(2) *forestry and agronomic practices; and*

(3) *hydrologic and hydraulic design* relating to the establishment and maintenance of permanent cover, or other conservation improvements.

(b) The commissioners of agriculture and natural resources shall jointly prepare an informational booklet on the conservation reserve program and other state and federal programs for land acquisition, conservation, and retirement to be made available to eligible landowners and the general public.

Sec. 9. Minnesota Statutes 1986, section 40.44, subdivision 3, is amended to read:

Subd. 3. [SUPPLEMENTAL CONSERVATION PAYMENTS.] The commissioner may supplement ~~cost-share~~ payments made under ~~other federal land retirement programs; up to \$75 an acre,~~ to the extent of available appropriations other than bond proceeds. The supplemental ~~cost-share~~ payments must be used to establish perennial cover on land enrolled *or increase payments for land enrollment* in programs approved by the commissioner, including the federal conservation reserve program and federal and state waterbank programs.

Sec. 10. Minnesota Statutes 1986, section 84.943, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The Minnesota critical habitat private sector matching account is established as a separate account in the ~~state treasury~~ *reinvest in Minnesota resources fund established under section 84.95*. The account shall be administered by the commissioner of natural resources as provided in this section.

Sec. 11. Minnesota Statutes 1986, section 84.943, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] Appropriations *transferred* to the critical habitat private sector matching account may be expended only to the extent that they are matched equally with contributions to the account from private sources or by funds contributed to the nongame wildlife management account. The private contributions may be made in cash or in contributions of land or interests in land that are designated by the commissioner of natural resources as program acquisitions. Appropriations *transferred* to the account that are not matched within three years from the date of the appropriation shall cancel to the source of the appropriation. For the purposes of this section, the private contributions of land or interests in land shall be valued in accordance with their appraised value.

Sec. 12. Minnesota Statutes 1986, section 84.943, subdivision 5, is amended to read:

Subd. 5. [PLEDGES AND CONTRIBUTIONS.] The commissioner of natural resources may accept contributions and pledges to the critical habitat private sector matching account. A pledge that is made contingent on an appropriation is acceptable and shall be reported with other pledges as required in this section. In the budget request for each biennium, the commissioner shall report the balance of contributions in the account and the amount that has been pledged for payment in the succeeding two calendar years.

Money in the account ~~may be expended~~ *is appropriated to the commissioner of natural resources* only for the direct acquisition or improvement of land or interests in land as provided in section 84.944. To the extent of available appropriations other than bond proceeds, the money matched to the nongame wildlife management account may be used for the management of nongame wildlife projects as specified in section 290.431. Acquisition includes: (1) purchase of land or an interest in land by the commissioner; or (2) acceptance by the commissioner of gifts of land or interests in land as program projects.

Sec. 13. Minnesota Statutes 1986, section 84.944, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION CONSIDERATIONS.] (a) In determining what critical natural habitat shall be acquired or improved, the commissioner shall consider:

(1) the significance of the land or water as existing or potential habitat for fish and wildlife and providing fish and wildlife oriented recreation;

(2) the significance of the land, water, or habitat improvement to maintain or enhance native plant, fish, or wildlife species designated as endangered or threatened under section 97.488;



(3) the presence of native ecological communities that are now uncommon or diminishing; and

(4) the significance of the land, water or habitat improvement to protect or enhance natural features within or contiguous to natural areas including fish spawning areas, wildlife management areas, scientific and natural areas, riparian habitat and fish and wildlife management projects.

*(b) The commissioner must, by order, promulgated under section 97A.051, subdivision 3, establish a process to prioritize according to paragraph (a) the critical habitat to be acquired or improved.*

Sec. 14. Minnesota Statutes 1986, section 84.95, is amended by adding a subdivision to read:

*Subd. 3. [WORK PLANS AND REPORTS.] By February 1 of each year the commissioner of natural resources, in consultation with the commissioner of agriculture, must present a written work plan for expenditure of money from the reinvest in Minnesota resources fund for the next fiscal year to the senate and house committees on agriculture and environment and natural resources for their review and comment. Any recommendations to the commissioners by the committees must be returned to the commissioners by March 15. By April 30 of each year the commissioner must make the work plan, with any revisions, available to the public for comment. In so doing, the commissioner must hold at least three public meetings to inform the public of the work plan; one meeting to be held in the Twin Cities metropolitan area, the others at non-Twin Cities locations, one each in northern and southern Minnesota. By January 15 of each year, the commissioner must prepare a written progress report on projects undertaken and money encumbered during the fiscal year just ended, and must transmit the report to the above committees and make the report available to the public.*

Sec. 15. Minnesota Statutes 1986, section 105.391, subdivision 3, is amended to read:

Subd. 3. Except as provided below, no public waters or wetlands shall be drained, and no permit authorizing drainage of public waters or wetlands shall be issued, unless the public waters or wetlands being drained are replaced by public waters or wetlands which that will have equal or greater public value. However, after a state waterbank program has been established, Wetlands which are eligible for inclusion in that program, the drainage of which is lawful, feasible, and practical and would provide high quality cropland and that is the projected land use, as determined by the commissioner, may be drained without a permit and without replacement of wetlands of equal or greater public value if the commissioner does not elect, within 60 days of the receipt of an application for a permit to drain the wetlands, to either (1) place the wetlands in the state waterbank program under section 105.392, or (2) acquire it in fee pursuant to section 97A.145, or (3) indemnify the landowner through any other appropriate means, including but not limited to conservation restrictions, easements, leases, or any applicable federal program. The applicant, if not offered a choice of the above alternatives, is entitled to drain the wetlands involved.

In addition, the owner or owners of lands underlying wetlands situated on privately owned lands may apply to the commissioner for a permit to drain the wetlands at any time after the expiration of ten years following the original designation thereof. Upon receipt of an application, the com-

missioner shall review the current status and conditions of the wetlands. If the commissioner finds that the current status or conditions are such that it appears likely that the economic or other benefits to the owner or owners which would result from drainage would exceed the public benefits of maintaining the wetlands, the commissioner shall grant the application and issue a drainage permit. If the application is denied, no additional application shall be made until the expiration of an additional ten years.

Sec. 16. Minnesota Statutes 1986, section 105.392, subdivision 1, is amended to read:

Subdivision 1. The legislature finds that it is in the public interest to preserve the wetlands of the state and thereby to conserve surface waters, ~~to maintain and improve water quality~~, preserve wildlife habitat, ~~to reduce runoff~~, ~~to provide for floodwater retention~~, ~~to reduce stream sedimentation~~, ~~to contribute to improved subsurface moisture~~, ~~to enhance the natural beauty of the landscape~~, and ~~to promote comprehensive and total water management planning~~. Therefore, the commissioner of natural resources is authorized to promulgate rules, which shall include the procedures and payment rates designed to effectuate the terms of this section. ~~This program is intended to supplement and complement the federal water bank program and the payment rates established shall be at least equal to the federal rates existing at the time any agreements are entered into.~~

Sec. 17. Minnesota Statutes 1986, section 105.392, subdivision 2, is amended to read:

Subd. 2. ~~For the conservation of wetlands, whether or not included in the definition contained in section 105.37, subdivision 15, the commissioner shall have authority to may acquire wetlands in fee pursuant to section 97A.145, or may enter into easement agreements with landowners for the conservation of wetlands and other waters. These easement agreements shall be conservation easements, as defined in section 84C.01, paragraph (1), but, in addition, may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner. These agreements shall be entered into for a period of not less than ten years, with provision for renewal for additional not less than ten year ten-year periods, or the agreements may provide that the easement will be permanent in duration. The commissioner may reexamine the payment rates at the beginning of any ten year renewal period in the light of the then giving consideration to current land and crop values and make needed adjustments in rates for any renewal period.~~

Wetlands eligible for inclusion in the waterbank program shall have all the following characteristics as determined by the commissioner: (a) type 3, 4, or 5 as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition); (b) its drainage is lawful, feasible, and practical; and (c) its drainage would provide high quality cropland and that is the projected land use. Waters which have the foregoing characteristics but are less than ten acres in size in unincorporated areas or less than 2-1/2 acres in size in incorporated areas shall also be eligible for inclusion in the waterbank program, at the discretion of the commissioner.

Sec. 18. Minnesota Statutes 1986, section 105.392, subdivision 3, is amended to read:

Subd. 3. In the *easement* agreement between the commissioner and an owner, the owner shall agree:

(1) to place in the program for the period of the agreement eligible wetland areas the owner designates, which areas may include wetlands covered by a federal or state government easement ~~which~~ *that* permits agricultural use, together with such adjacent areas as determined desirable by the commissioner;

(2) not to drain, burn, fill, or otherwise destroy the wetland character of such areas, nor to use such areas for agricultural purposes, as determined by the commissioner;

(3) to effectuate the wetland conservation and development plan for the land in accordance with the terms of the agreement, unless any requirement thereof is waived or modified by the commissioner;

(4) to forfeit all rights to further payments or grants under the agreement and to refund to the state all payments or grants received thereunder upon violating the agreement at any stage during the time the owner has control of the land subject to the agreement if the commissioner determines that the violation is of such a nature as to warrant termination of the agreement, or to make refunds or accept such payment adjustments as the commissioner may deem appropriate if the commissioner determines that the violation by the owner does not warrant termination of the agreement;

(5) ~~upon transfer of right and interest in the land subject to the agreement during the agreement period, to forfeit all rights to further payments or grants under the agreement and refund to the state all payments or grants received thereunder during the year of the transfer unless the transferee of any such land agrees with the commissioner to assume all obligations of the agreement;~~

(6) not to adopt any practice specified by the commissioner in the agreement as a practice which would tend to defeat the purposes of the agreement; and

~~(7)~~ (6) to additional provisions which the commissioner determines are desirable and includes in the agreement to effectuate the purposes of the program or to facilitate its administration.

Sec. 19. Minnesota Statutes 1986, section 105.392, subdivision 4, is amended to read:

Subd. 4. In return for the *easement* agreement of the owner, the commissioner shall ~~(1) make an annual payment to the owner for the period of the agreement at the rate as the commissioner determines to be fair and reasonable in consideration of the obligations undertaken by the owner; and (2) must provide advice on conservation and development practices on the wetlands and adjacent areas for the purposes of this section as the commissioner determines to be appropriate. In making the determination, the commissioner shall consider, among other things, the rate of compensation necessary to encourage owners of wetlands to participate in the waterbank program~~ *The commissioner must make the following payments to the landowner for the easement agreement:*

*(1) for a permanent easement, 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made;*

*(2) for an easement of limited duration, an annual payment of 50 percent of the mean adjusted cash rental for cropland in the county, as established*

by the commissioner of revenue for the time period when the application is made; and

(3) for an easement of limited duration, the landowner may elect to receive a lump sum payment, the amount of which shall be the present value of the annual payments for the term of the easement.

Sec. 20. Minnesota Statutes 1986, section 105.392, subdivision 5, is amended to read:

Subd. 5. Any *easement* agreement may be renewed or extended at the end of the agreement period for an additional period of ten years by mutual agreement of the commissioner and the owner, subject to any rate retermination by the commissioner. If during the agreement period the owner sells or otherwise disposes of the ownership or right of occupancy of the land, the new owner ~~may must~~ continue ~~such the~~ agreement under the same terms or conditions, ~~or enter into a new agreement in accordance with the provisions of this section, including the provisions for renewal and adjustment of payment rates, or may choose not to participate in the program,~~ except any water designated as wetlands shall not be drained.

Sec. 21. Minnesota Statutes 1986, section 105.392, subdivision 6, is amended to read:

Subd. 6. The commissioner may terminate any *easement* agreement by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest, and may agree to any modification of agreements the commissioner may determine to be desirable to carry out the purposes of the program or facilitate its administration.

#### Sec. 22. [EXISTING AND NEW EMERGENCY RULES.]

*The commissioner may adopt emergency rules to implement this act. The emergency rules adopted on August 27, 1986, shall remain in effect until amended or replaced by emergency or permanent rules.*

#### Sec. 23. [FINDINGS.]

*The legislature finds that native prairie is found primarily on marginal lands poorly suited to grain production and provides important wildlife, scientific, erosion control, educational, and recreational values.*

#### Sec. 24. [84.96] [NATIVE PRAIRIE BANK.]

*Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a native prairie bank, determine where native prairie land is located in the state, and prescribe eligibility requirements for inclusion of land in the native prairie bank.*

*Subd. 2. [DEFINITION.] Native prairie means unplowed lands with less than ten percent tree cover and with predominantly native prairie vegetation.*

*Subd. 3. [EASEMENT ACQUISITION.] (a) The commissioner may acquire native prairies to conserve the native prairies by entering into easements with landowners. The easements must be conservation easements as defined in section 84C.01, paragraph (1), except the easements may be made possessory as well as nonpossessory if agreed upon by the landowner and the commissioner.*

*(b) The easements must be permanent easements.*

*Subd. 4. [EASEMENT AGREEMENT.] (a) In the easement between the*

*commissioner and an owner, the owner must agree:*

*(1) to place in the program for the period of the easement eligible native prairie areas designated by the owner, including prairie covered by a federal or state easement that allows agricultural use and desirable land adjacent to the prairie as determined by the commissioner;*

*(2) not to alter the native prairie by plowing, heavy grazing, seeding to nonnative grasses or legumes, spraying with large amounts of herbicides, or otherwise destroying the native prairie character of the easement area, except mowing the native prairie tract for wild hay may qualify for easement as determined by the commissioner;*

*(3) to implement the native prairie conservation and development plan as provided in the easement agreement, unless a requirement in the easement agreement is waived or modified by the commissioner;*

*(4) to forfeit all rights to further payments under the terms of the easement and to refund to the state all payments received under the easement if the easement is violated at any time when the owner has control of the land subject to the easement, if the commissioner determines that the violation warrants termination of the easement, or if the commissioner determines that the violation does not warrant termination of the easement, the commissioner may determine refunds or payment adjustments to be paid by the commissioner;*

*(5) not to adopt a practice specified by the commissioner in the easement as a practice that would tend to defeat the purposes of the easement; and*

*(6) to additional provisions included in the easement that the commissioner determines are desirable.*

*(b) In return for the easement of the owner, the commissioner shall make payments as provided in subdivision 5 and may provide advice on conservation and development practices on the native prairie in the easement and adjacent areas.*

*Subd. 5. [PAYMENTS.] (a) The commissioner must make payments to the landowner under this subdivision for the easement.*

*(b) For a permanent easement, the commissioner must pay 50 percent of the average equalized estimated market value of cropland in the township as established by the commissioner of revenue for the time period when the application is made.*

*(c) To maintain and protect native prairies, the commissioner may enter into easements that allow selected agricultural practices. Payment must be based on paragraph (b) but may be reduced due to the agricultural practices allowed after negotiation with the landowner.*

*Subd. 6. [EASEMENT RUNS WITH LAND.] If during the agreement period the owner sells or otherwise disposes of the ownership or right of occupancy of the land, the new owner must continue the agreement under the same terms or conditions.*

*Subd. 7. [MODIFICATION AND TERMINATION BY AGREEMENT.] The commissioner may terminate an easement agreement by mutual agreement with the owner if the commissioner determines that the termination would be in the public interest. The commissioner may agree to modifications of agreements if the commissioner determines the modification is desirable to implement the native prairie program.*

*Subd. 8. [RULES.] The commissioner of natural resources may adopt rules that include the procedures and payment rates to implement this section.*

**Sec. 25. [BONDS AUTHORIZED.]**

*The commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$36,500,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.641 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.*

**Sec. 26. [APPROPRIATIONS.]**

*Subdivision 1. [APPROPRIATION TO RESOURCES FUND.] There is appropriated to the reinvest in Minnesota resources fund, other than the bond proceeds account within that fund, any money appropriated by law.*

*Subd. 2. [BOND PROCEEDS APPROPRIATION.] \$36,500,000 is appropriated from the bond proceeds account of the reinvest in Minnesota resources fund to the agencies and account for the purposes specified in this section.*

*Subd. 3. [COMMISSIONER OF AGRICULTURE.] \$22,403,000 is appropriated to the commissioner of agriculture:*

*(a) from the bond proceeds account of the reinvest in Minnesota resources fund for the conservation reserve program under section 40.43, to be available until expended*

*\$20,000,000*

*(b) from the general fund for technical assistance and administration of the conservation reserve program to be available until June 30, 1989*

*\$2,000,000 of this appropriation must be distributed to soil and water conservation districts.*

*\$ 2,403,000*

*The approved complement of the department of agriculture is increased by four positions in the classified service for implementing sections 1 to 21. One position shall be a coordinator to work with other agencies to implement sections 1 to 21.*

*Subd. 4. [COMMISSIONER OF NATURAL RESOURCES.] \$13,500,000 is appropriated to the commissioner of natural resources:*

*(a) from the bond proceeds account of the reinvest in Minnesota resources fund for fish and wildlife habitat improvements and acquisition of interests in land under the comprehensive fish and wildlife management plan under section 84.942, to be available until expended. The commissioner shall provide the necessary professional services for the performance of duties under this clause from the amount appropriated for the various purposes*

*\$12,000,000*

*(b) from the bond proceeds account of the reinvest in Minnesota resources fund for aspen recycling under section 88.80 and other forest wildlife management projects, to be available until expended*

\$ 1,500,000

*The approved complement of the department of natural resources is increased by 12 positions in the unclassified service and eight positions in the classified service for implementing sections 1 to 21. One position in the unclassified service shall be a program coordinator to work with other agencies and staff to implement sections 1 to 21.*

*Subd. 5. [COMMISSIONER OF NATURAL RESOURCES.] \$1,600,000 is appropriated to the commissioner of natural resources from the general fund for the administration of projects included in clauses (a) and (b) of subdivision 4.*

*Subd. 6. [CRITICAL HABITAT PRIVATE SECTOR MATCHING ACCOUNT.] \$2,500,000 is appropriated from the bond proceeds account of the reinvest in Minnesota resources fund for transfer to the critical habitat private sector matching account."*

Delete the title and insert:

"A bill for an act relating to natural resources; conservation reserve program; definitions, eligibility for inclusion, applications, agreements, payments, and other terms and conditions; native prairie bank program; 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; 84.943, subdivisions 1, 3, and 5; 84.944, subdivision 1; 84.95, by adding a subdivision; 105.391, subdivision 3; 105.392, subdivisions 1, 2, 3, 4, 5, and 6; proposing coding for new law in Minnesota Statutes, chapter 84."

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

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

S.F. No. 1100: A bill for an act relating to metropolitan government; regulating participation in a transportation program; providing conditions for incurrence of debt for certain purposes; removing fare restrictions; amending Minnesota Statutes 1986, section 473.388, subdivision 2; 473.39; and 473.446, subdivision 1; repealing Minnesota Statutes 1986, section 473.436, subdivisions 6 and 7; and Laws 1985, First Special Session chapter 10, section 122.

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

Page 3, line 36, after the second "or" insert "with the prior consent of the council"

Page 4, line 4, after "notes" insert "with a maximum maturity of three years"

Page 5, line 24, after "bonds," insert "including refunding bonds"

Page 6, after line 31, insert:

"Sec. 5. [RATIFICATION.]

*Minnesota Statutes, section 473.39, subdivision 1, as amended by section 2, clarifies legislative intent. Obligations issued prior to the effective date of section 2 are not invalid or unenforceable if issued in accordance with Minnesota Statutes, section 473.39, subdivision 1, as amended by section 2."*

Renumber the sections in sequence

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

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

S.F. No. 1087: A bill for an act relating to the city of Champlin; permitting the city to use unexpended public improvement funds for a low-income special assessment grant program.

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

Page 1, line 9, delete "*until December 31, 1988,*" and delete "*unexpended*"

Page 1, line 10, delete "*which*" and insert "*that*" and delete "*reverted*" and insert "*been lawfully transferred*"

Page 1, line 11, delete "*defray the cost of*" and insert "*assist low-income homeowners in paying*"

Page 1, line 12, delete "*property owners*" and insert "*their homesteads*"

Page 1, lines 15 and 18, delete "*ordinance*" and insert "*resolution*"

Page 1, line 18, delete "*shall*" and insert "*may*"

Page 1, line 19, after "*other*" insert "*eligibility*" and delete "*that*"

Page 1, line 21, after "DATE" insert "; REPEALER"

Page 1, line 23, delete "*this act takes*" and insert "*sections 1 and 2 take*"

Page 1, line 24, after the period, insert "*Sections 1 and 2 are repealed December 31, 1992.*"

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. 1142: A bill for an act relating to local government; permitting the establishment of special service districts; providing taxing and other authority; proposing coding for new law as Minnesota Statutes, chapter 429A.

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

Page 6, lines 21, 23, 27, 28, and 32, delete "*15*" and insert "*25*"



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

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

S.F. No. 897: A bill for an act relating to liquor; repealing the law requiring filing and maintenance of lists of wholesale prices; repealing Minnesota Statutes 1986, section 340A.313.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1986, section 340A.307, is amended by adding a subdivision to read:

*Subd. 3a. [NONDISCRIMINATORY PRICES; RETAILERS.] All licensed wholesalers and manufacturers must offer for sale on an equal basis to all licensed retailers all intoxicating liquor brought into or sold in the state of Minnesota."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring nondiscriminatory prices for sale to retailers;"

Page 1, line 3, after the semicolon, insert "amending Minnesota Statutes 1986, section 340A.307, by adding a subdivision;"

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. 1152: A bill for an act relating to alcoholic beverages; restricting sales to tax delinquent licensees; limiting imports by individuals; maximum volume for volume prices; purchases by delinquent licensees; restricting employment of minors in nonintoxicating liquor premises; repealing nondiscriminatory price law; amending Minnesota Statutes 1986, sections 297A.151, subdivisions 2 and 3; 297C.09; 340A.302, subdivision 1; 340A.312, subdivision 2; 340A.318, subdivisions 1 and 3; and 340A.411, by adding a subdivision; repealing Minnesota Statutes 1986, section 340A.307, subdivision 3.

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

Page 1, delete sections 1 and 2

Page 3, line 23, after the period, insert "A retail licensee who violates this subdivision is subject to the penalties provided in section 340A.415."

Page 4, delete section 9 and insert:

"Sec. 7. [340A.907] [INSPECTION.]

*The commissioner of public safety or any duly authorized employee may, at all reasonable hours, enter in and upon the premises of any licensee or permit holder under this chapter to inspect the premises and examine the*

*books, papers, and records of a manufacturer, wholesaler, importer, or retailer for the purpose of determining whether the provisions of this chapter are being complied with. If the commissioner or any duly authorized employee is denied free access or is hindered or interfered with in making an inspection or examination, the licensee or permit holder is subject to revocation pursuant to section 340A.304 in the case of a wholesaler, manufacturer, or importer, and section 340A.415 in the case of a retailer."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "restricting sales to"

Page 1, line 3, delete "tax delinquent licensees;"

Page 1, line 7, delete everything after the first semicolon and insert "providing for inspections;"

Page 1, line 8, delete "297A.151,"

Page 1, line 9, delete "subdivisions 2 and 3;"

Page 1, line 11, delete "repealing"

Page 1, delete line 12

Page 1, line 13, delete "3" and insert "proposing coding for new law in Minnesota Statutes, chapter 340A"

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. 1114: A bill for an act relating to liquor; items which may be sold in exclusive liquor stores; amending Minnesota Statutes 1986, section 340A.101, subdivision 10.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 299A.02, subdivision 3, is amended to read:

Subd. 3. [REPORTS; RULES.] The commissioner shall have power to require periodic factual reports from all licensed importers, manufacturers, wholesalers and retailers of intoxicating liquors and to make all reasonable rules to effect the object of Laws 1985, chapter 305, articles 2 to 11. The rules shall include provisions for assuring the purity of intoxicating liquors and the true statement of its contents and proper labeling thereof with regard to all forms of sale. *No rule may require the use of new containers in aging whiskey. No rule may require cordials or liqueurs to contain in excess of two and one-half percent by weight of sugar or dextrose or both.*

Sec. 2. Minnesota Statutes 1986, section 340A.101, subdivision 10, is amended to read:

Subd. 10. [EXCLUSIVE LIQUOR STORE.] "Exclusive liquor store" is an establishment used exclusively for the sale of intoxicating liquor except for the incidental sale of ice, tobacco, nonintoxicating malt liquor, beverages

for mixing with intoxicating liquor, ~~and~~ soft drinks, *cork extraction devices, books and videos on the use of alcoholic beverages* may also be sold, and the establishment may offer recorded or live entertainment and make available coin-operated amusement devices. "Exclusive liquor store" also includes an on-sale or combination on-sale and off-sale intoxicating liquor establishment which sells food for on-premise consumption when authorized by the municipality issuing the license.

Sec. 3. [REPEALER.]

*Minnesota Statutes 1986, sections 34.119, 34.12, 34.13, and 34.14 are repealed."*

Delete the title and insert:

"A bill for an act relating to liquor; limitations on rules of the commissioner of public safety; items which may be sold in exclusive liquor stores; regulating sales of fermented malt beverages; amending Minnesota Statutes 1986, sections 299A.02, subdivision 3; and 340A.101, subdivision 10; repealing Minnesota Statutes 1986, sections 34.119; 34.12; 34.13; and 34.14."

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. 153: A bill for an act relating to consumer protection; requiring cash refunds for goods returned on certain retail sales; providing an exception; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Delete everything after the enacting clause and insert:

"Section 1. [325F80] [RETAIL SALES OF CONSUMER GOODS; REFUNDS.]

*Subdivision 1. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them under this subdivision:*

(1) "consumer" means a natural person who buys goods for personal, family, or household purposes and not for commercial, agricultural, or business purposes;

(2) "seller" means a person who regularly sells goods at retail to consumers;

(3) "acceptable" means that the goods returned are in a condition acceptable to the seller using reasonable and objective standards, the goods are returned within a reasonable time from the date of purchase, and proof of purchase is presented by the consumer at time of return;

(4) "cash refund" means the seller provides the consumer cash at the time of the return; or the seller mails a check to the consumer within a reasonable time following return; or, for sales involving financial transaction cards, as defined in section 325G.02, subdivision 2, or sales in which the seller extends credit to the consumer, the seller credits the account that was charged.

*Subd. 2. [CASH REFUNDS REQUIRED.] A seller may not refuse to*

give a cash refund to a consumer for goods that are acceptable for return unless the seller complies with subdivision 3.

*Subd. 3. [NOTICE OF REFUND POLICY.] If a seller wishes to alter the cash refund policy required by this section, written notice of the seller's cash refund policy must be clearly and conspicuously displayed on the premises. The notice must be written in boldface type of a minimum size of 14 points.*

*Subd. 4. [NONAPPLICATION.] This section does not apply to home solicitation sales, as defined in section 325G.06, goods custom ordered or special ordered by the consumer, or sellers licensed under section 168.27.*

*Subd. 5. [VIOLATION.] A seller who violates this section is subject to the remedies under section 8.31, except that a civil penalty imposed under that section may not exceed \$500 per violation."*

Delete the title and insert:

"A bill for an act relating to consumer protection; requiring cash refunds for goods returned on certain retail sales; providing enforcement; proposing coding for new law in Minnesota Statutes, chapter 325F"

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. 1210: A bill for an act relating to health; establishing the Minnesota institute for health research; creating a health research trust fund with cigarette and tobacco products taxes; prescribing a floor stocks tax on cigarettes and tobacco products distributors; amending Minnesota Statutes 1986, sections 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.32, subdivisions 1, 2, and 9; proposing coding for new law as Minnesota Statutes, chapter 152A; proposing coding for new law in Minnesota Statutes, chapter 297.

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

Pages 1 to 5, delete sections 1 to 7 and insert:

"Section. 1. [256.936] [FAMILY HEALTH INSURANCE PROGRAM.]

*Subdivision 1. [PURPOSE.] It is the purpose of this section to assist families to achieve self-sufficiency by making available health insurance on a sliding fee basis. The commissioner of human services shall manage the program and seek to maximize use of available federal and state funds to establish the broadest program possible within the appropriation available.*

*Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms shall have the meanings given them:*

(a) "Families" means a child or children under age 18 and their biological or adoptive parents or stepparents who reside with them.

(b) "Eligible persons" means the following persons who reside in families with gross incomes less than 200 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B or general assistance medical care under chapter 256D and who are not

otherwise insured:

(1) pregnant women;

(2) families who have become ineligible for medical assistance within the last six months following the extensions allowed under section 256B.062; and

(3) children under 18 in families that have at least one child under six.

(c) "Covered services" means comprehensive health maintenance services as specified in section 62D.02, subdivision 7, and dental care.

(d) "Commissioner" means the commissioner of human services.

(e) "Health plan corporation" means a health insurer or health maintenance organization licensed under chapter 62A, 62C or 62D.

**Subd. 3. [COMMISSIONER'S DUTIES.]** The commissioner, with the advice and assistance of the commissioners of health and commerce, shall select a health plan corporation or corporations through a process of competitive bidding and negotiation. The health plan corporations shall provide or arrange to provide covered services to eligible persons. The commissioner shall select health plan corporations regulated under chapter 62A, 62C or 62D who can promote health care provider efficiencies while preserving access and quality care. In addition, the commissioner is required to:

(1) ensure that all plans of coverage provide at least the covered services;

(2) assure access to existing public and nonprofit community health clinics if they are available in the service area and they agree to accept rates and conditions comparable to those agreed to by other participating providers for similar services;

(3) provide eligible persons with the opportunity to choose among all health plans under contract to the commissioner in the designated service area, to change plans without penalty within the initial 30 days, and to participate in an annual open enrollment period of 30 days;

(4) arrange to subsidize the contribution required of eligible persons who can purchase comparable coverage through an employer sponsored plan, if this would be less expensive;

(5) assure continuity of care for eligible persons who may experience a change in income and become eligible for medical assistance;

(6) establish premiums for enrollees covered under this program; and

(7) guarantee payment for the first prenatal care visit for program applicants, even if the applicant is later determined to be ineligible.

**Subd. 4. [HEALTH PLAN CORPORATION DUTIES.]** Health plan corporations that contract with the commissioner under this section must agree to:

(1) provide or arrange to provide, at a minimum, the covered services to all persons enrolled in the plan;

(2) ensure that medical and social risk assessments are completed for all enrolled pregnant women and that they receive risk appropriate care; and

(3) comply with other contractual terms and conditions established by

the commissioner.

*Subd. 5. [SLIDING FEE SCHEDULE.] Eligible persons shall contribute a specified percentage of the health plan premium not to exceed ten percent of their gross family income. For the first year of implementation, the sliding fee schedule must be as follows:*

<i>Gross Income as a Percentage of the Federal Poverty Guideline</i>	<i>Enrollee Contribution</i>
<i>Below 125 percent</i>	<i>5 percent</i>
<i>126 to 150 percent</i>	<i>10 percent</i>
<i>151 to 170 percent</i>	<i>30 percent</i>
<i>171 to 185 percent</i>	<i>50 percent</i>
<i>186 to 199 percent</i>	<i>70 percent</i>

*The commissioner may review this fee schedule and modify it in rule for future years. Enrollees may not be required to pay any deductibles or coinsurance outside the sliding fee schedule, except for copayments allowed by the commissioner to control inappropriate utilization.*

*Subd. 6. [FUNDING; ALLOCATION.] (a) The commissioner must make a quarterly assessment of the expected expenditures for the program and the appropriation available.*

*To the extent possible, the commissioner shall allocate funds so that there is a reasonable relationship between enrollees in each county and the number of eligible persons in each county. Based on this assessment the commissioner may limit enrollments in certain counties or all counties if the appropriations are not sufficient.*

*(b) If sufficient funds are not available to cover all costs incurred in one quarter, the commissioner may seek an additional authorization for funding from the legislative advisory committee.*

*Subd. 7. [ADMINISTRATION AND MARKETING.] The commissioner shall establish an office for the state administration of this program. A toll-free telephone number must be used to provide information and to provide access to the program. The commissioner shall establish a process for efficient orderly enrollment. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program. Applications and other information must be available in county social services offices. The commissioner shall make applications and other information available to organizations serving potentially eligible persons.*

*Subd. 8. [SUBROGATION.] Enrollees shall contract for and receive coverage for a period of no less than one year unless they become insured through some other plan of coverage. Notwithstanding any other law to the contrary, benefits under the family health insurance program are secondary to any other plan of insurance or benefit program under which an eligible person may have coverage. The commissioner shall establish procedures for identifying eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance and for notifying the health plan corporation with whom the persons are enrolled.*

*Subd. 9. [RULEMAKING AUTHORITY.] The commissioner shall adopt rules, including emergency rules, necessary to implement this section.*

*Subd. 10. [SPECIAL STUDY.] The commissioner shall report to the legislature by January 15, 1989, with recommendations for improving the program, evidence of state savings as a result of the program, and recommendations for a formal evaluation.*

Sec. 2. Minnesota Statutes 1986, section 256B.06, subdivision 1, is amended to read:

Subdivision 1. Medical assistance may be paid for any person:

(1) who is a child eligible for or receiving adoption assistance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676 under Minnesota Statutes, section 259.40 or 259.431; or

(2) who is a child eligible for or receiving foster care maintenance payments under Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676; or

(3) who is eligible for or receiving public assistance under the aid to families with dependent children program, the Minnesota supplemental aid program; or

(4) who is a pregnant woman, as certified in writing by a physician or nurse midwife, and who (a) meets the other eligibility criteria of this section, and (b) would be categorically eligible for assistance under the aid to families with dependent children program if the child had been born and was living with the woman; or

(5) who is a pregnant woman, as certified in writing by a physician or nurse midwife, who meets the other eligibility criteria of this section and whose unborn child would be eligible as a needy child under clause (9) if born and living with the woman; or

(6) who meets the categorical eligibility requirements of the supplemental security income program and the other eligibility requirements of this section; or

(7) who, except for the amount of income or resources, would qualify for supplemental security income for the aged, blind and disabled, or aid to families with dependent children, and who meets the other eligibility requirements of this section; or

(8) who is under 21 years of age and in need of medical care that neither the person nor the person's relatives responsible under sections 256B.01 to 256B.26 are financially able to provide; or

(9) who is an infant less than one year of age born on or after October 1, 1984, whose mother was eligible at the time of birth and who remains in the mother's household. Eligibility under this clause is concurrent with the mother's and does not depend on the father's income except as the income affects the mother's eligibility; or

(10) who is residing in a hospital for treatment of mental disease or tuberculosis and is 65 years of age or older and without means sufficient to pay the per capita hospital charge; and

(11) who resides in Minnesota, or, if absent from the state, is deemed to be a resident of Minnesota in accordance with the rules of the state

agency; and

(12) who alone, or together with the person's spouse, does not own real property other than the homestead. For the purposes of this section, "homestead" means the house owned and occupied by the applicant or recipient as a primary place of residence, together with the contiguous land upon which it is situated. The homestead shall continue to be excluded for persons residing in a long-term care facility if it is used as a primary residence by the spouse, minor child, or disabled child of any age; or the applicant/recipient is expected to return to the home as a principal residence within six calendar months of entry to the long-term care facility. Certification of expected return to the homestead shall be documented in writing by the attending physician. Real estate not used as a home may not be retained unless it produces net income applicable to the family's needs or the family is making a continuing effort to sell it at a fair and reasonable price or unless the commissioner determines that sale of the real estate would cause undue hardship or unless the equity in the real estate when combined with the equity in the homestead totals \$15,000 or less; and

(13) who individually does not own more than \$3,000 in cash or liquid assets, or if a member of a household with two family members (husband and wife, or parent and child), does not own more than \$6,000 in cash or liquid assets, plus \$200 for each additional legal dependent. In addition to these maximum amounts, an eligible individual or family may accrue interest on these amounts, but they must be reduced to the maximum at the time of an eligibility redetermination. For residents of long-term care facilities, the accumulation of the clothing and personal needs allowance pursuant to section 256B.35 must also be reduced to the maximum at the time of the eligibility redetermination. Cash and liquid assets may include a prepaid funeral contract and insurance policies with cash surrender value. The value of the following shall not be included:

(a) the homestead, and (b) one motor vehicle licensed pursuant to chapter 168 and defined as: (1) passenger automobile, (2) station wagon, (3) motorcycle, (4) motorized bicycle or (5) truck of the weight found in categories A to E, of section 168.013, subdivision 1e; and

(14) who has or anticipates receiving an annual income not in excess of the income standards by family size used in the aid to families with dependent children program, *except that families and children may have an income up to 133-1/3 percent of the AFDC payment standard*, or who has income in excess of these maxima and in the month of application, or during the three months prior to the month of application, incurs expenses for medical care that total more than one-half of the annual excess income in accordance with the rules of the state agency. Notwithstanding any laws or rules to the contrary, in computing income to determine eligibility of persons who are not residents of long-term care facilities, the commissioner shall disregard increases in income as required by Public Law Number 94-566, section 503. In excess income cases, eligibility shall be limited to a period of six months beginning with the first of the month in which these medical obligations are first incurred; and

(15) who has continuing monthly expenses for medical care that are more than the amount of the person's excess income, computed on a monthly basis, in which case eligibility may be established before the total income



obligation referred to in the preceding paragraph is incurred, and medical assistance payments may be made to cover the monthly unmet medical need. In licensed nursing home and state hospital cases, income over and above that required for justified needs, determined pursuant to a schedule of contributions established by the commissioner of human services, is to be applied to the cost of institutional care. The commissioner of human services may establish a schedule of contributions to be made by the spouse of a nursing home resident to the cost of care; and

(16) who has applied or agrees to apply all proceeds received or receivable by the person or the person's spouse from automobile accident coverage and private health care coverage to the costs of medical care for the person, the spouse, and children. The state agency may require from any applicant or recipient of medical assistance the assignment of any rights accruing under private health care coverage. Any rights or amounts so assigned shall be applied against the cost of medical care paid for under this chapter. Any assignment shall not be effective as to benefits paid or provided under automobile accident coverage and private health care coverage prior to receipt of the assignment by the person or organization providing the benefits."

Page 7, lines 9 to 14, delete the new language

Page 8, delete section 13

Page 9, after line 29, insert:

"Sec. 9. [FEASIBILITY STUDY.]

*The commissioner of health shall study the feasibility of a Minnesota institute for health research. The commissioner shall consider the following factors: clinical and community resources now existing in the state, methodology for the development of a health research institute, and components toward which the institute will direct its resources. The commissioner shall report to the legislature by January 1, 1989.*

Sec. 10. [APPROPRIATIONS.]

(a) \$\_\_\_\_\_ is appropriated from the public health fund to the commissioner of human services to implement the provisions of section 1.

(b) \$\_\_\_\_\_ is appropriated from the public health fund to the commissioner of health for the feasibility study required under section 9."

Page 9, delete line 31 and insert "Section 1, subdivision 9, is effective the day following final enactment for purposes of promulgating rules to implement the provisions of section 1. Section 1, subdivisions 1 to 8 and subdivision 10, are effective upon adoption of the rules."

Page 9, line 32, delete "enactment." and delete "8 to 14" and insert "2 to 10"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to health; creating a program of health insurance for certain families; increasing cigarette and tobacco products taxes; raising the income standard for families for medical assistance; prescribing a floor stocks tax on cigarettes and tobacco products distributors; requiring a study of the feasibility of an institute for health research; appropriating money; amending Minnesota Statutes 1986, sections 256B.06, subdivision 1; 297.02, subdivision 1; 297.03, subdivision 5; 297.13, subdivision 1; 297.32, sub-

divisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256 and 297."

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

H.F. No. 889 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.
889	844				

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. 469 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.
469	407				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 469 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 469 and insert the language after the enacting clause of S.F. No. 407, the first engrossment; further, delete the title of H.F. No. 469 and insert the title of S.F. No. 407, the first engrossment.

And when so amended H.F. No. 469 will be identical to S.F. No. 407, and further recommends that H.F. No. 469 be given its second reading and substituted for S.F. No. 407, 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. 750 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.
750	715				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 750 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 750 and insert the language after the enacting clause of S.F. No. 715, the first engrossment; further, delete the title of H.F. No. 750 and insert the title of S.F. No. 715, the first engrossment.

And when so amended H.F. No. 750 will be identical to S.F. No. 715, and further recommends that H.F. No. 750 be given its second reading and substituted for S.F. No. 715, 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. Purfeerst from the Committee on Transportation, to which was referred the following appointment as reported in the Journal for February 26, 1987:

**TRANSPORTATION REGULATION BOARD**  
Eldon Keehr

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

Mr. Luther moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Purfeerst from the Committee on Transportation, to which were referred the following appointments as reported in the Journal for March 12, 1987:

**DEPARTMENT OF PUBLIC SAFETY**  
**COMMISSIONER**  
Paul Tschida  
**DEPARTMENT OF TRANSPORTATION**  
**COMMISSIONER**  
Leonard Levine

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

Mr. Luther moved that the foregoing committee report be laid on the table. The motion prevailed.

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

S.F. No. 697: A bill for an act relating to economic development; authorizing counties to appropriate money for economic development; amending Minnesota Statutes 1986, section 375.83.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 375.83, is amended to read:

**375.83 [ECONOMIC AND AGRICULTURAL DEVELOPMENT.]**

*Subdivision 1. [APPROPRIATION; TAX LEVY.] A county board may annually either: (1) appropriate not more than \$50,000 annually out of the general revenue fund of the county or (2) levy a tax of not more than one mill on each dollar of assessed valuation in the county to be paid to any incorporated development society or organization of this state which, in the board's opinion, will use the money for the best interests of the county in promoting, advertising, improving, or developing the economic and agricultural resources of the county. The limitation on annual appropriations or levies under this subdivision does not prohibit accumulation of amounts in excess of the annual appropriations or levies in a fund to be used for purposes of this section. County funds made available under this subdivision may not be used to finance more than 50 percent of the total cost of an economic development project. The tax authorized by this section is in addition to any other tax imposed by the county and shall not be considered in any tax levy limitations. The tax authorized by this section shall be levied as other property taxes imposed by the county are levied. If the county board levies the tax authorized under clause (2) of this subdivision, the county must submit an economic development report to the department of energy and economic development by February 1 of each year and must comply with subdivisions 3 to 7.*

*Subd. 2. [REVERSE REFERENDUM.] If the county board proposes to levy the tax authorized under this section, it shall pass a resolution stating that fact. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the county may determine to take no further action or, in the alternative, adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper of the county or if there is no official newspaper, in a newspaper of general circulation in the county. If within 20 days thereafter a petition signed by voters equal in number to five percent of the votes cast in the county in the last general election requesting a referendum on the proposed resolution is filed with the county auditor the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum.*

*Subd. 3. [ECONOMIC DEVELOPMENT DIRECTOR; APPOINTMENT.] The county board must appoint a director of economic development to review county economic development plans, programs, and project proposals. The board may appoint an existing county officer to serve as director of economic development.*

*Subd. 4. [ECONOMIC DEVELOPMENT DIRECTOR; DUTIES.] All economic development plans, programs, and project proposals must be submitted to the director of economic development. The director shall*

*review and comment on the plans, programs, and project proposals to the county board.*

**Subd. 5. [ECONOMIC DEVELOPMENT ADVISORY COMMITTEE.]** *The county board must appoint an economic development advisory committee consisting of at least five persons. One member must be the county attorney. One member must be employed by a financial institution. One member must be knowledgeable in small business and one member must be knowledgeable in large business. Notwithstanding section 471.705, subdivision 1, the advisory committee may meet in closed session to discuss and take action on specific matters where the disclosure of information pertaining to such matters would cause harm to the competitive position of an entity which is the subject of the advisory committee's discussion or action. Section 471.705, subdivision 1a, applies to the procedure for holding a closed meeting.*

**Subd. 6. [PROPOSAL EVALUATION.]** *Before submission to the county board of an economic development proposal for the financing of a project with county funds, the director of economic development must submit the proposal to the economic development advisory committee. The county board must not act on a proposal until it has received the evaluation and recommendations of the advisory committee or until 60 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first.*

**Subd. 7. [ECONOMIC DEVELOPMENT PLAN.]** *The board must prepare an economic development plan that includes the economic development policy and objectives of the county and provides guidelines for selection of projects that are eligible for financing under this section. The department of energy and economic development must provide assistance in preparing the plan if the county board requests the department's assistance. Before adoption of the plan, the county board must submit a draft plan to the department of energy and economic development for review and comment. The county board may not adopt the plan until comments have been received from the department or 30 days have elapsed after the draft was submitted. The county may adopt the plan only after holding a public hearing on the plan. Notice of the hearing must be provided in a newspaper of general circulation in the county not less than ten days nor more than 30 days before the date of the hearing. The adopted plan must be made available for public inspection at the county auditor's office."*

Amend the title as follows:

Page 1, line 3, after "money" insert "or levy a tax"

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

S.F. No. 796: A bill for an act relating to port authority powers for the city of Roseville; amending Laws 1985, chapter 301, section 3.

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

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

S.F. No. 84: A bill for an act relating to economic development; authorizing the energy and economic development authority to make loans and grants and to guarantee loans to small business investment companies; authorizing the issuance of general obligation bonds of the state; appropriating money; amending Minnesota Statutes 1986, sections 116M.03, subdivisions 10, 11, and by adding subdivisions; 116M.06, subdivisions 1, 2, and 4; and 116M.07, subdivision 1, and by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [116P01] [CITATION.]

*Sections 1 to 11 may be cited as the "greater Minnesota corporation act."*

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

*Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 11.*

*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.*

*Subd. 5. [SMALL BUSINESS.] "Small business" means an enterprise determined by the corporation to constitute a small business as defined in regulations of the United States Small Business Administration pursuant to United States Code, title 15, sections 631 to 647.*

*Subd. 6. [SBIC.] "SBIC" means a corporation or limited partnership licensed by the Small Business Administration under United States Code, title 15, section 681, and doing business in the state.*

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 pro-*

*ceeds in connection with the ownership, license, or lease of products or businesses;*

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

*(15) issue negotiable bonds, notes, or other obligations in the same manner and subject to the same conditions as negotiable bonds, notes, or obligations issued by the Minnesota energy and economic development authority under section 116M.08, subdivisions 11 to 14.*

**Sec. 6. [116P07] [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. [116P08] [GREATER MINNESOTA FUND.]**

*Subdivision 1. [CREATION; USE.] 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 may be allocated to the SBIC account in the amounts as the board may from time to time determine. 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.*

*Subd. 2. [SOURCES.] 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. [116P09] [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. [116P10] [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. [116P11] [SPECIFIC POWERS OF THE CORPORATION FOR SBIC PROGRAMS.]**

*The corporation may make, purchase, or participate in the making of loans to SBICs which agree to lend the money to or invest the money in small business.*

*The corporation may guaranty or insure loans by others to SBICs which agree to lend the money to, or invest the money in, small business.*

*The corporation may collect reasonable interest, fees, and charges in connection with making and servicing loans, notes, bonds, obligations, commitments, and other evidences of indebtedness and in connection with providing technical, consultative, and project assistance services.*

*The corporation shall make available technical assistance to potential sponsors or organizers of SBICs.*

*The corporation may perform studies and analyses of capital needs of small businesses and SBICs located within the state and ways of meeting their capital needs. It may make the results of the studies and analyses available to the public. It may engage in research and disseminate information on small businesses.*

*The corporation may establish a cooperative relationship with the United States Small Business Administration and with other governmental and private agencies whose activities include promoting small businesses. It may enter into agreements and joint enterprises with them as it may consider desirable.*

*The corporation may agree to the modification of the rate of interest, time of payment of any installment of principal or interest, or any other term, of any loan, loan commitment, construction loan, temporary loan, contract, or agreement of any kind to which the corporation is a party.*

*The corporation may provide for a letter or line of credit, insurance policy, or other credit enhancement device.*

**Sec. 11. [116P12] [SBIC ACCOUNT.]**

**Subdivision 1. [CREATION.]** *The board may create a revolving account within the greater Minnesota fund to be known as the "SBIC account."*

**Subd. 2. [SOURCES.]** *The SBIC account consists of:*

(a) *any money allocated by the board for the purposes of the account;*

(b) repayments of amounts paid from the account;

(c) any other money which may be made available to the corporation for the purpose of the account from any other source or sources;

(d) all fees and charges collected by the corporation with respect to its SBIC program; and

(e) all interest or other income with respect to its SBIC program not required by a resolution or indenture securing notes or bonds to be paid into another special fund.

Subd. 3. [ACCOUNTING.] When money is appropriated by the state to the corporation solely for a specified purpose or purposes, the corporation shall establish a separate bookkeeping account in the SBIC account to record the receipt and disbursement of the money and of the income, gain, and loss from the investment and reinvestment of the money.

#### Sec. 12. [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. 13. [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. 14. [APPROPRIATION.]

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

#### Sec. 15. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to economic development; creating the greater Minnesota corporation and providing for its powers and duties; authorizing

the corporation to issue revenue bonds and make loans to small business investment companies; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 116P."

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

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

S.F. No. 1279: A bill for an act relating to agriculture; clarifying and amending the required offer of the state, a federal agency, or a corporation to offer a lease or sale of agricultural land to the immediately preceding owner; clarifying and amending provisions relating to designating a homestead and allowing designation of separate agricultural tracts in foreclosure proceedings; prohibiting waiver of statutory rights of debtors and allowing damages against persons who violate waiver prohibitions; amending Minnesota Statutes 1986, sections 500.24, subdivisions 2, 6, and by adding a subdivision; and 582.041, subdivisions 1, 2, 3, and 5; proposing coding for new law in Minnesota Statutes, chapters 550 and 582.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 500.24, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings here given them:

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards:

- (1) Its shareholders do not exceed five in number;
- (2) All its shareholders, other than any estate are natural persons;
- (3) It does not have more than one class of shares; and

(4) Its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and

(5) Shareholders holding a majority of the shares must be residing on the farm or actively engaging in farming.

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

(g) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

Sec. 2. Minnesota Statutes 1986, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency or a corporation, other than a family farm corporation or an authorized farm corporation, ~~when leasing may not lease or selling farm sell agricultural land or a farm homestead must offer that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or make~~ making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. ~~The offer must be made on the notice to offer form under section 3. Selling or leasing property at a price is prima facie evidence that the price is acceptable to the seller or lessor.~~

(b) ~~This subdivision applies to a seller or lessor for five years after the agricultural land is acquired. An offer to lease to the immediately preceding former owner is required only on until after the first occasion on which the property is leased. An offer to sell to the immediately preceding former owner is required only on until the first occasion on which the property is sold. The notice of an offer delivered under section 3 personally delivered with a receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.~~

(c) ~~For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one which involves simultaneous transfer of title. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by the current Federal Intermediate Credit Bank of St. Paul interest rate plus 1.5 percent. A time-price offer is an offer that defers payment of any portion of the price and does not involve a transfer of fee~~

title until full payment is made.

(d) This subdivision does not apply to a sale or lease that occurs after the seller or lessor has held the property for five years or longer.

(e) For purposes of this subdivision, if the immediately preceding former owner is a bankruptcy estate the debtor in the bankruptcy is the immediately preceding owner.

(f) The immediately preceding former owner must exercise the right to lease ~~farm~~ agricultural land or a homestead located on agricultural land in writing within ~~ten~~ 15 days after ~~receiving~~ an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. The immediately preceding former owner must exercise the right to buy ~~farm~~ the agricultural land or farm homestead located on agricultural land, in writing, within ~~60~~ 65 days after ~~receiving~~ an offer to buy under this subdivision. ~~This subdivision does not apply if the former owner is a bankruptcy estate~~ is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

(1) the immediately preceding former owner does not accept an offer to lease or buy before the offer terminates; or

(2) the immediately preceding former owner does not perform the obligations of the offer, including paying the amounts due, within ten days after accepting the offer.

(g) A certificate indicating whether or not the property contains agricultural land or a farm homestead that is signed by the county assessor where the property is located and recorded in the office of the county recorder or the registrar of titles where the property is located is prima facie evidence of whether the property is agricultural land or a farm homestead.

(h) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under section 3 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable;

(2) the time period during which the immediately preceding former owner is required to exercise the right to buy or lease the agricultural land or farm homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision; and

(4) the offer to the immediately preceding former owner has terminated.

(i) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision or to lease or purchase at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor may be extinguished or limited by an express statement signed by the immediately preceding owner that complies with the plain language requirements of section 325G.31. The right may not be extinguished or limited except by the express statement in a deed in lieu of foreclosure or in a deed in lieu of a termination of a contract for deed for the agricultural land.

(j) The right of an immediately preceding former owner to receive an offer to lease or purchase agricultural land under this subdivision may not be assigned or transferred, but may be inherited.

Sec. 3. Minnesota Statutes 1986, section 500.24, is amended by adding a subdivision to read:

Subd. 7. [NOTICE OF OFFER.] (a) The state, a federal agency, or a corporation subject to subdivision 6 must provide a notice of an offer to sell or lease agricultural land substantially as follows, after inserting the appropriate terms within the parentheses:

"NOTICE OF OFFER TO (LEASE, BUY) AGRICULTURAL LAND

TO: (...Immediately preceding former owner...)

FROM: (...The state, federal agency, or corporation subject to subdivision 6...)

DATE: (... date notice is mailed or personally delivered...)

(... The state, federal agency, or corporation...) HAS ACQUIRED THE AGRICULTURAL LAND DESCRIBED BELOW AND HAS RECEIVED AN ACCEPTABLE OFFER TO (LEASE, SELL) THE AGRICULTURAL LAND FROM ANOTHER PARTY. UNDER MINNESOTA STATUTES, SECTION 500.24, SUBDIVISION 6, AN OFFER FROM (... the state, federal agency, or corporation...) MUST BE MADE TO YOU AT A PRICE NO HIGHER THAN THE HIGHEST OFFER MADE BY ANOTHER PARTY.

THE AGRICULTURAL LAND BEING OFFERED CONTAINS APPROXIMATELY (...approximate number of acres...) ACRES AND IS INFORMALLY DESCRIBED AS FOLLOWS:

(Informal description of the agricultural land being offered that reasonably describes the land. This description does not need to be a legal description.)

(...The state, federal agency, or corporation...) OFFERS TO (SELL, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE FOR A CASH PRICE OF \$(...cash price for lease and lease period, or cash price for sale of land or equivalent cash offer...), WHICH IS NOT HIGHER THAN THE PRICE OFFERED BY ANOTHER PARTY. THE PRICE IS OFFERED ON THE FOLLOWING TERMS:

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY (...the state, federal agency, or corporation...) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease,

65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON (...date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery...).

#### ACCEPTANCE OF OFFER

I ACCEPT THE OFFER TO (BUY, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE AT THE PRICE OFFERED TO ME IN THIS NOTICE. AS PART OF ACCEPTING THIS OFFER I WILL PERFORM ACCORDING TO THE TERMS OF THE OFFER, INCLUDING MAKING PAYMENTS DUE UNDER THE OFFER, WITHIN TEN DAYS AFTER THE DATE I ACCEPT THIS OFFER.

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Signature of Former Owner Accepting Offer

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Date"

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(b) For an offer to sell, a copy of the purchase agreement containing the price and terms of the highest offer made by a third party that is acceptable to the seller must be included with the notice under this subdivision. At the seller's discretion, reference to the third party's identity may be deleted from the copy of the purchase agreement.

#### Sec. 4. [550.42] [WAIVER OF AGRICULTURAL DEBTOR'S RIGHTS.]

Subdivision 1. [WAIVER IS VOID.] (a) A waiver of statutory rights of a debtor in a contract, loan agreement, or security agreement as a condition for a loan of money for agricultural production is void.

(b) A waiver of mediation rights under chapter 583, the right to an offer under section 500.24, subdivision 6, or the debtor's statutory rights under chapter 580, 581, or 582 for a mortgage on agricultural property, is void unless the waiver is expressly authorized by law.

Subd. 2. [PENALTY.] A person, corporation, financial institution, or other legal entity is liable to a debtor for up to \$2,500 plus attorney fees that:

(1) requires a waiver subject to subdivision 1 in a contract, loan agreement, or security agreement, and does not acknowledge that the waiver subject to subdivision 1 is void; or

(2) attempts to enforce a waiver that is void under subdivision 1.

Sec. 5. Minnesota Statutes 1986, section 582.041, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION OF HOMESTEAD DESIGNATION.] If a mortgage on real property is foreclosed and the property contains a portion of the a homestead of the mortgagor, the mortgagor person in possession of the real property must be notified by the foreclosing mortgagee that the homestead may be sold and redeemed separately from the remaining property. The notice in subdivision 2 must be included in served with the notice of foreclosure that is served on the mortgagor under person in possession of the real property with the requirements in section 580.04 580.03 or for a foreclosure by action under chapter 581, in the summons and complaint served on the person in possession of the real property.

Sec. 6. Minnesota Statutes 1986, section 582.041, subdivision 2, is

amended to read:

Subd. 2. [HOMESTEAD DESIGNATION NOTICE.] (a) The following notice must be ~~included in~~ *served with* the foreclosure notice of property containing a homestead that is served on the ~~mortgagor person in possession of the real property~~ under section ~~580.04~~ 580.03. The notice must be in 10-point capitalized letters.

**"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE-, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.**

**YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.**

**YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."**

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of property containing a homestead under chapter 581. The notice must be in 10-point capitalized letters *and is not to be published with the summons if the summons is published.*

**"IF PART OF THE PROPERTY TO BE SOLD CONTAINS YOUR HOUSE-, YOU MAY DESIGNATE AN AREA AS A HOMESTEAD TO BE SOLD AND REDEEMED SEPARATELY.**

**YOU MAY DESIGNATE THE HOUSE YOU OCCUPY AND ANY AMOUNT OF THE PROPERTY AS A HOMESTEAD. THE DESIGNATED HOMESTEAD PROPERTY MUST CONFORM TO THE LOCAL ZONING ORDINANCES AND BE COMPACT SO THAT IT DOES NOT UNREASONABLY REDUCE THE VALUE OF THE REMAINING PROPERTY.**

**YOU MUST PROVIDE THE COURT WITH A LEGAL DESCRIPTION OF THE HOMESTEAD YOU HAVE DESIGNATED."**

Sec. 7. Minnesota Statutes 1986, section 582.041, subdivision 3, is amended to read:

Subd. 3. [DESIGNATION OF HOMESTEAD PROPERTY.] The ~~mortgagor person who is homesteading the property~~ must designate a legal description of the homestead property to be sold separately. The homestead property designated may include any amount of the property. The designation must conform to local zoning, include the dwelling occupied by the ~~mortgagor person homesteading the property~~, and be compact so that it does not unreasonably affect the value of the remaining property. The ~~mortgagor person homesteading the property~~ must serve a copy of the designation on the foreclosing mortgagee, the sheriff, and the county recorder *or registrar of titles* by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the designation must be provided to the court.



Sec. 8. Minnesota Statutes 1986, section 582.041, subdivision 5, is amended to read:

Subd. 5. [REDEMPTION.] ~~The mortgagor~~ *A party who has a right of redemption may redeem the designated homestead, the remaining property, or the entire property including the homestead. The period of redemption is the period for the entire property including the designated homestead.*

Sec. 9. [582.042] [FORECLOSURE OF AGRICULTURAL LAND THAT INCLUDES SEPARATE TRACTS.]

*Subdivision 1. [NOTIFICATION OF SEPARATE TRACT DESIGNATION.] If a mortgage on real property that is agricultural land is foreclosed and the property contains separate tracts, the person in possession of the real property must be notified by the foreclosing mortgagee that the separate tracts may be sold and redeemed separately. The notice in subdivision 2 must be served with the notice of foreclosure that is served on the person in possession of the property under section 580.03 or for a foreclosure by action under chapter 581, in the summons and complaint.*

*Subd. 2. [DESIGNATION NOTICE.] (a) The following notice must be served with the foreclosure notice of the property that is served on the person in possession of the real property under section 580.03. The notice must be in 10-point capitalized letters.*

***"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES, MUST HAVE AN ENTRANCE BY DIRECT ACCESS TO A PUBLIC ROAD OR BY PERMANENT EASEMENT, AND MUST NOT UNREASONABLY AFFECT THE VALUE OF THE REMAINING PROPERTY.***

***YOU MUST PROVIDE THE PERSON FORECLOSING ON THE PROPERTY, THE SHERIFF, AND THE COUNTY RECORDER WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY BY TEN BUSINESS DAYS BEFORE THE DATE THE PROPERTY IS TO BE SOLD."***

*(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of real property containing separate tracts under chapter 581. The notice must be in 10-point capitalized letters and is not to be published with the summons if the summons is published.*

***"IF THE PROPERTY TO BE SOLD CONTAINS SEPARATE TRACTS, YOU MAY REQUEST THAT THE TRACTS BE SOLD AND REDEEMED SEPARATELY. EACH OF THE SEPARATE TRACTS MUST CONFORM TO LOCAL ZONING ORDINANCES.***

***YOU MUST PROVIDE THE COURT WITH A COPY OF THE LEGAL DESCRIPTIONS OF EACH OF THE TRACTS YOU HAVE DESIGNATED TO BE SOLD SEPARATELY."***

*Subd. 3. [DESIGNATION OF SEPARATE TRACTS.] The person being foreclosed must designate legal descriptions of each of the tracts to be sold separately. The tracts designated must be previously recorded as separate tracts. Each of the separate tracts must conform to local zoning ordinances, must have an entrance by direct access to a public road or by permanent easement, and must not unreasonably affect the value of the remaining property. The person being foreclosed must serve a copy of the*

*legal descriptions of the tracts to be sold separately on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the legal descriptions of the tracts to be sold separately must be provided to the court.*

*Subd. 4. [SALE OF PROPERTY.] If the sheriff receives a designation of separate tracts under subdivision 3, or is ordered by the court, the sheriff must offer and sell the tracts separately.*

*Subd. 5. [REDEMPTION.] The designated tracts may be redeemed separately or the entire foreclosed property may be redeemed. The period of redemption is the period for the entire property including all of the designated tracts.*

**Sec. 10. [EFFECTIVE DATE.]**

*This act is effective July 1, 1987, except: sections 1, 2, and 3 apply to offers made under section 500.24, subdivision 6, after August 1, 1987; section 4, subdivision 1, is effective the day after final enactment; section 4, subdivision 2, applies to contracts, loan agreements, and security agreements entered into after July 1, 1987; and sections 5 to 9 apply to foreclosures where the first publication occurs on or after July 1, 1987, and to foreclosures under chapter 581 where the first service or publication occurs on or after July 1, 1987."*

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

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

S.F. No. 751: A bill for an act relating to financial institutions; savings and loan associations; authorizing the deposit of trust funds received by real estate brokers or salespersons in savings and loan associations; amending Minnesota Statutes 1986, sections 51A.23, subdivision 1; 82.24, subdivisions 1, 2, and 6.

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

Page 2, after line 12, insert:

"Sec. 2. Minnesota Statutes 1986, section 52.04, is amended to read:  
52.04 [POWERS.]

Subdivision 1. A credit union has the following powers:

(1) to offer its members and other credit unions various classes of shares, share certificates, deposits, or deposit certificates;

(2) to receive the savings of its members either as payment on shares or as deposits, including the right to conduct Christmas clubs, vacation clubs, and other thrift organizations within its membership. *Trust funds received by a real estate broker or the broker's salespersons in trust may be deposited in a credit union;*

(3) to make loans to members for provident or productive purposes as provided in section 52.16;

(4) to make loans to a cooperative society or other organization having membership in the credit union;

(5) to deposit in state and national banks and trust companies authorized to receive deposits;

(6) to invest in any investment legal for savings banks or for trust funds in the state and, notwithstanding clause (3), to invest in and make loans of unsecured days funds (federal funds or similar unsecured loans) to financial institutions insured by an agency of the federal government and a member of the Federal Reserve System or required to maintain reserves at the Federal Reserve;

(7) to borrow money as hereinafter indicated;

(8) to adopt and use a common seal and alter the same at pleasure;

(9) to make payments on shares of and deposit with any other credit union chartered by this or any other state or operating under the provisions of the federal Credit Union Act, in amounts not exceeding in the aggregate 25 percent of its unimpaired assets. However, payments on shares of and deposit with credit unions chartered by other states are restricted to credit unions insured by the National Credit Union Administration. The restrictions imposed by this clause do not apply to share accounts and deposit accounts of the Minnesota corporate credit union in United States central credit union or to share accounts and deposit accounts of credit unions in the Minnesota corporate credit union;

(10) to contract with any licensed insurance company or society to insure the lives of members to the extent of their share accounts, in whole or in part, and to pay all or a portion of the premium therefor;

(11) to indemnify each director, officer, or committee member, or former director, officer, or committee member against all expenses, including attorney's fees but excluding amounts paid pursuant to a judgment or settlement agreement, reasonably incurred in connection with or arising out of any action, suit, or proceeding to which that person is a party by reason of being or having been a director, officer, or committee member of the credit union, except with respect to matters as to which that person is finally adjudged in the action, suit, or proceeding to be liable for negligence or misconduct in the performance of duties. The indemnification is not exclusive of any other rights to which that person may be entitled under any bylaw, agreement, vote of members, or otherwise;

(12) upon written authorization from a member, retained at the credit union, to make payments to third parties by withdrawals from the member's share or deposit accounts or through proceeds of loans made to such member, or by permitting the credit union to make those payments from the member's funds prior to deposit; to permit draft withdrawals from member accounts, but a credit union proposing to permit draft withdrawals shall notify the commissioner of commerce, in the form prescribed, of its intent not less than 90 days prior to authorizing draft withdrawals. The board of directors of a credit union may restrict one class of shares to the extent that it may not be redeemed, withdrawn, or transferred except upon termination of membership in the credit union;

(13) to inform its members as to the availability of various group purchasing plans which are related to the promotion of thrift or the borrowing of money for provident and productive purposes by means of informational materials placed in the credit union's office, through its publications, or by direct mailings to members by the credit union;

(14) to facilitate its members' voluntary purchase of types of insurance incidental to promotion of thrift or the borrowing of money for provident and productive purposes including, but not limited to the following types of group or individual insurance: Fire, theft, automobile, life and temporary disability; to be the policy holder of a group insurance plan or a subgroup under a master policy plan and to disseminate information to its members concerning the insurance provided thereunder; to remit premiums to an insurer or the holder of a master policy on behalf of a credit union member, if the credit union obtains written authorization from the member for remittance by share or deposit withdrawals or through proceeds of loans made by the members, or by permitting the credit union to make the payments from the member's funds prior to deposit; and to accept from the insurer reimbursement for expenses incurred or in the case of credit life and accident and health insurance within the meaning of chapter 62B commissions for the handling of the insurance. The amount reimbursed or the commissions received may constitute the general income of the credit union. The directors, officers, committee members and employees of a credit union shall not profit on any insurance sale facilitated through the credit unions;

(15) to contract with another credit union to furnish services which either could otherwise perform. Contracted services under this clause are subject to regulation and examination by the commissioner of commerce like other services;

(16) in furtherance of the twofold purpose of promoting thrift among its members and creating a source of credit for them at legitimate rates of interest for provident purposes, and not in limitation of the specific powers hereinbefore conferred, to have all the powers enumerated, authorized, and permitted by this chapter, and such other rights, privileges and powers incidental to, or necessary for, the accomplishment of the objectives and purposes of the credit union;

(17) to rent safe deposit boxes to its members if the credit union obtains adequate insurance or bonding coverage for losses which might result from the rental of safe deposit boxes;

(18) notwithstanding the provisions of section 52.05, to accept deposits of public funds in an amount secured by insurance or other means pursuant to chapter 118;

(19) to accept and maintain treasury tax and loan accounts of the United States and to pledge collateral to secure the treasury tax or loan accounts, in accordance with the regulations of the Department of Treasury of the United States;

(20) to accept deposits pursuant to section 149.12, notwithstanding the provisions of section 52.05, if the deposits represent funding of prepaid funeral plans of members;

(21) to sell, in whole or in part, real estate secured loans provided that:

(a) the loan is secured by a first lien;

(b) the board of directors approves the sale;

(c) if the sale is partial, the agreement to sell a partial interest shall, at a minimum:

(i) identify the loan or loans covered by the agreement;

(ii) provide for the collection, processing, remittance of payments of

principal and interest, taxes and insurance premiums and other charges or escrows, if any;

(iii) define the responsibilities of each party in the event the loan becomes subject to collection, loss or foreclosure;

(iv) provide that in the event of loss, each owner shall share in the loss in proportion to its interest in the loan or loans;

(v) provide for the distribution of payments of principal to each owner proportionate to its interest in the loan or loans;

(vi) provide for loan status reports;

(vii) state the terms and conditions under which the agreement may be terminated or modified; and

(d) the sale is without recourse or repurchase unless the agreement:

(i) requires repurchase of a loan because of any breach of warranty or misrepresentation;

(ii) allows the seller to repurchase at its discretion; or

(iii) allows substitution of one loan for another;

(22) in addition to the sale of loans secured by a first lien on real estate, to sell, pledge, discount, or otherwise dispose of, in whole or in part, to any source, a loan or group of loans, other than a self-replenishing line of credit; provided, that within a calendar year beginning January 1 the total dollar value of loans sold, other than loans secured by real estate or insured by a state or federal agency, shall not exceed 25 percent of the dollar amount of all loans and participating interests in loans held by the credit union at the beginning of the calendar year, unless otherwise authorized in writing by the commissioner;

(23) to designate the par value of the shares of the credit union by board resolution;

(24) to exercise by resolution the powers set forth in United States Code, title 12, section 1757, as amended through August 1, 1985. Before exercising each power, the board must submit a plan to the commissioner of commerce detailing implementation of the power to be used;

(25) To offer self-directed individual retirement accounts and Keough accounts and act as custodian and trustee of these accounts if:

(1) all contributions of funds are initially made to a deposit, share or share certificate account in the credit union;

(2) any subsequent transfer of funds to other assets is solely at the direction of the member and the credit union exercises no investment discretion and provides no investment advice with respect to plan assets; and

(3) the member is clearly notified of the fact that National Credit Union Share Insurance Fund coverage is limited to funds held in deposit, share or share certificate accounts of National Credit Union Share Insurance Fund-insured credit unions.

Sec. 3. Minnesota Statutes 1986, section 82.17, subdivision 6, is amended to read:

Subd. 6. "Trust account" means, for purposes of this chapter, a *savings account, negotiable order of withdrawal account, demand deposit or check-*

ing account maintained for the purpose of segregating trust funds from other funds. A trust account shall not be an interest bearing account except by agreement of the parties and subject to rules of the commissioner, and shall not allow the financial institution a right of set off against moneys owed it by the licensee."

Page 2, line 18, after "*association*," insert "*credit union*,"

Page 2, line 27, after "*association*" insert "*or credit union*"

Page 3, line 1, after "*association*" insert "*, credit union*"

Page 3, lines 16, 22, and 24, after "*associations*," insert "*credit unions*."

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 2 and 3, delete "savings and loan associations;"

Page 1, line 5, before the semicolon, insert "and credit unions"

Page 1, line 6, after the semicolon, insert "52.04; 82.17, subdivision 6; and"

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. 1078: A bill for an act relating to commerce; regulating conventional loans; requiring an additional notice of default under certain circumstances; amending Minnesota Statutes 1986, section 47.20, subdivision 8.

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

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

S.F. No. 1201: A bill for an act relating to human rights; requiring certain boards and commissions to develop certain programs for persons subject to prejudice and discrimination; changing certain procedures in cases before the department of human rights; amending Minnesota Statutes 1986, sections 3.922, subdivision 6; 3.9222, by adding a subdivision; 3.9223, subdivision 3; 3.9225, subdivision 3; 3.9226, subdivision 3; 256.482, subdivision 5; 363.05, subdivision 1; 363.06, subdivisions 1 and 4; 363.071; 363.072, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 363.

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

Pages 3 to 7, delete sections 2 to 6

Page 8, line 13, strike "such hearing examiners" and insert "*administrative law judges*"

Page 8, line 30, strike "hearing examiners" and insert "*administrative law judges*"

Page 9, line 16, strike "hearing examiner" and insert "*administrative law judge*"

Page 11, line 34, delete "or"

Page 12, line 2, before the period, insert "; or

*(f) the charge is supported by substantial and credible documentation, witnesses, or other evidence"*

Page 14, line 20, delete "commissioner" and insert "administrative law judge"

Page 14, line 29, reinstate the stricken "except"

Page 14, line 30, reinstate the stricken "that the report of the" and after the stricken "hearing examiner" insert "administrative law judge" and reinstate the stricken "shall be binding on all"

Page 14, lines 31 to 33, reinstate the stricken language and delete the new language

Page 15, lines 1 to 14, reinstate the stricken language and delete the new language

Page 15, line 23, delete everything after "to" and insert "either mediation or to a local human rights commission for no fault grievance processing"

Page 15, line 24, after the period, insert "Tolling of the time during settlement negotiations requires written approval of the charging party or the party's attorney."

Page 15, line 27, after the period, insert "A case may not be certified as complex unless it involves multiple parties or issues, presents complex issues of law or fact, or presents substantially new issues of law in the discrimination area."

Page 15, line 32, after "case" insert "in which the time has been tolled or a case"

Page 16, lines 4 to 7, delete the new language

Delete page 16, line 11, to page 18, line 31, and insert:

"Subd. 2. [DETERMINATION OF DISCRIMINATORY PRACTICE.] The ~~hearing examiner~~ administrative law judge shall make findings of fact and conclusions of law, and if the ~~hearing examiner~~ administrative law judge finds that the respondent has engaged in an unfair discriminatory practice, the ~~hearing examiner~~ administrative law judge shall issue an order directing the respondent to cease and desist from the unfair discriminatory practice found to exist and to take such affirmative action as in the judgment of the ~~examiner~~ administrative law judge will effectuate the purposes of this chapter. ~~Such~~ The order shall be a final decision of the department. The ~~examiner~~ administrative law judge shall order any respondent found to be in violation of any provision of section 363.03 to pay a civil penalty to the state. This penalty is in addition to compensatory and punitive damages to be paid to an aggrieved party. The ~~hearing examiner~~ administrative law judge shall determine the amount of the civil penalty to be paid, taking into account the seriousness and extent of the violation, the public harm occasioned by the violation, whether the violation was intentional, and the financial resources of the respondent. Any penalties imposed under this provision shall be paid into the general fund of the state. In all cases where the ~~examiner~~ administrative law judge finds that the respondent has engaged in an unfair discriminatory practice the ~~examiner~~ administrative law judge shall order the respondent to pay an aggrieved party,

who has suffered discrimination, compensatory damages in an amount up to three times the actual damages sustained. In all cases, the ~~examiner~~ *administrative law judge* may also order the respondent to pay an aggrieved party, who has suffered discrimination, damages for mental anguish or suffering and reasonable attorney's fees, in addition to punitive damages in an amount not more than \$6,000. Punitive damages shall be awarded pursuant to section 549.20. In any case where a political subdivision is a respondent the total of punitive damages awarded an aggrieved party may not exceed \$6,000 and in that case if there are two or more respondents the punitive damages may be apportioned among them. Punitive damages may only be assessed against a political subdivision in its capacity as a corporate entity and no regular or ex officio member of a governing body of a political subdivision shall be personally liable for payment of punitive damages pursuant to this subdivision. In addition to the aforesaid remedies, in a case involving discrimination in

(a) employment, the ~~examiner~~ *administrative law judge* may order the hiring, reinstatement or upgrading of an aggrieved party, who has suffered discrimination, with or without back pay, admission or restoration to membership in a labor organization, or admission to or participation in an apprenticeship training program, on-the-job training program, or other re-training program, or any other relief the ~~examiner~~ *administrative law judge* deems just and equitable.

(b) housing, the ~~examiner~~ *administrative law judge* may order the sale, lease, or rental of the housing accommodation or other real property to an aggrieved party, who has suffered discrimination, or the sale, lease or rental of a like accommodation or other real property owned by or under the control of the person against whom the complaint was filed, according to terms as listed with a real estate broker, or if no such listing has been made, as otherwise advertised or offered by the vendor or lessor, or any other relief the ~~examiner~~ *administrative law judge* deems just and equitable.

The ~~examiner~~ *administrative law judge* shall cause the findings of fact, conclusions of law, and order to be served on the respondent personally, on the charging party by registered or certified mail, and shall furnish copies to the attorney general and the commissioner.

Subd. 3. [DISMISSAL OF HEARING.] If the ~~examiner~~ *administrative law judge* makes findings of fact, conclusions of law, and an order in favor of the respondent, ~~such~~ the order shall be a final decision of the department.

Subd. 4. [RESPONDENTS SUBJECT TO STATE LICENSING OR REGULATORY POWER.] In the case of a respondent which is subject to the licensing or regulatory power of the state or any political subdivision or agency thereof, if the ~~hearing examiner~~ *administrative law judge* determines that the respondent has engaged in a discriminatory practice, and if the respondent does not cease to engage in such discriminatory practice, the commissioner may so certify to the licensing or regulatory agency. Unless such determination of discriminatory practice is reversed in the course of judicial review, a final determination is binding on the licensing or regulatory agency. Such agency may take appropriate administrative action, including suspension or revocation of the respondent's license or certificate of public convenience and necessity, if ~~such~~ the agency is otherwise authorized to take such action.

Subd. 5. [PUBLIC CONTRACTS.] In the case of a respondent which is a party to a public contract, if the ~~hearing examiner~~ *administrative law*



*judge* determines that the respondent has engaged in a discriminatory practice, the commissioner may so certify to the contract letting agency. Unless ~~such~~ the finding of a discriminatory practice is reversed in the course of judicial review, a final determination is binding on the contract letting agency and ~~such~~ the agency may take appropriate administrative action, including the imposition of financial penalties or termination of the contract, in whole or in part, if ~~such~~ the agency is otherwise authorized to take ~~such~~ the action."

Page 19, delete section 11

Page 19, line 23, delete everything after the period

Page 19, delete lines 24 to 26

Page 19, line 27, delete everything before "*The governor*"

Page 19, line 30, delete "*nonlegislative*"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to human rights; requiring the Indian affairs council to develop certain programs; changing certain procedures in cases before the department of human rights; establishing the human rights coordinating council; amending Minnesota Statutes 1986, sections 3.922, subdivision 6; 363.05, subdivision 1; 363.06, subdivisions 1 and 4; and 363.071; proposing coding for new law in Minnesota Statutes, chapter 363."

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

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

S.F. No. 247: A bill for an act relating to elections; requiring fair campaign practices; imposing penalties; amending Minnesota Statutes 1986, sections 123.015; 200.015; 201.275; 204C.04; proposing coding for new law as Minnesota Statutes, chapters 211A and 211B; repealing Minnesota Statutes 1986, chapter 210A.

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

Page 9, line 35, delete "*or imply*" and insert "*in written campaign material*"

Page 10, line 9, delete "*one of the forms*" and insert "*the form provided*"

Page 10, line 11, delete "*forms*" and insert "*form*" and delete "*are*" and insert "*is*"

Page 10, line 12, delete "*(1)*"

Page 10, line 13, delete everything after "*committee,*" and insert "*— (address).*"

Page 10, delete lines 14 to 23 and insert:

"(c) *Campaign material which is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that*

it is "in opposition to \_\_\_\_\_(insert name of candidate or ballot question \_\_\_\_\_)"; or that "this publication is not circulated on any candidate's or ballot question's behalf".

Page 10, line 24, delete "(c)" and insert "(d)"

Page 10, line 25, delete "and does not modify or" and insert ", fundraising tickets, or personal letters which are clearly being sent by the candidate."

Page 10, delete line 26 and insert:

"(e) This section does not modify or repeal section 4."

Page 11, line 21, after "other" insert "political candidate and may be no greater than charges made for any other"

Page 16, line 6, after the period, insert "A corporation may not take a deduction as provided in section 290.09 for an expenditure made under this subdivision."

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

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

S.F. No. 604: A bill for an act relating to elections; regulating lobbyist and candidate activities and contributions; amending Minnesota Statutes 1986, section 10A.01, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 10A.

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

Delete everything after the enacting clause and insert:

"Section 1. [10A.065] [CONTRIBUTIONS DURING LEGISLATIVE SESSION.]

*Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS, REGULATION.] A registered lobbyist may not make a contribution to a single individual candidate for the state legislature or a state constitutional office or to a single individual candidate's principal campaign committee at an organized fundraising event held for that purpose when the legislature is meeting in regular session and is not recessed for more than three days.*

*Subd. 2. [PENALTY.] A violation of this section is a misdemeanor.*

Sec. 2. Minnesota Statutes 1986, section 10A.15, is amended by adding a subdivision to read:

*Subd. 3b. Contributions to a candidate or principal campaign committee by individual members of a political fund or political committee which are solicited by the political fund shall be reported as attributable to the political fund and count toward the contribution limits on that fund specified in section 10A.27, if the political fund was organized to direct the contributions and expenditures of its members, as well as to influence the nomination or election of a candidate.*

Sec. 3. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to elections; regulating lobbyist contributions; providing a penalty; requiring reporting of contributions by members of a political fund; changing the disclosure requirements of contributors; amending Minnesota Statutes 1986, section 10A.15, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 10A."

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

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

S.F. No. 652: A bill for an act relating to agriculture; providing a computerized filing system and central data base for uniform commercial code financing statements and lien statements; imposing a penalty; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 336.

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

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

S.F. No. 1082: A bill for an act relating to special school district No. 1, Minneapolis; requiring a subsidy be paid to Minneapolis retired teachers for health insurance; authorizing a levy.

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

Page 2, line 1, after the first comma, insert "*who retired*"

Amend the title as follows:

Page 1, line 5, before the period, insert "; repealing Minnesota Statutes 1986, section 62E.081"

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

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

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.

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

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

S.F. No. 648: A bill for an act relating to state departments and agencies; repealing the requirement for older members of certain boards, commissions, and councils; repealing Minnesota Statutes 1986, section 15.0591.

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

Report adopted.

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

S.F. No. 1143: A bill for an act relating to the administration of state property; extending the period for which the commissioner of administration may lease state property; amending Minnesota Statutes 1986, section 16B.24, subdivision 5.

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. 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.

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

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 678, 353, 1232, 1237, 466, 550, 873, 1183, 1290, 169, 526, 1072, 1087, 897, 1152, 1114, 153, 751, 1078, 247, 604, 648, 1143 and 823 were read the second time.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 735, 889, 750 and 469 were read the second time.

### **MOTIONS AND RESOLUTIONS**

Mr. Stumpf moved that the name of Mr. Bernhagen be added as a co-author to S.F. No. 650. The motion prevailed.

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

Ms. Berglin moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 712. The motion prevailed.

Mr. Luther moved that the name of Mr. Marty be added as a co-author to S.F. No. 794. The motion prevailed.

Mr. Dahl moved that the name of Mr. Marty be added as a co-author to S.F. No. 818. The motion prevailed.

Ms. Berglin moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1040. The motion prevailed.

Mr. Merriam moved that the name of Mr. Marty be added as a co-author to S.F. No. 1088. The motion prevailed.

Mr. Brandl moved that the name of Mrs. Lantry be added as a co-author to S.F. No. 1274. The motion prevailed.

Mr. Merriam moved that the name of Mr. Novak be added as a co-author to S.F. No. 1304. The motion prevailed.

Mr. Langseth moved that the name of Mr. Dahl be added as a co-author

to S.F. No. 1315. The motion prevailed.

Mr. Luther moved that the names of Messrs. Dahl, Merriam and Marty be added as co-authors to S.F. No. 1320. The motion prevailed.

Mr. Luther moved that the name of Mr. Marty be added as a co-author to S.F. No. 1321. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Anderson be added as a co-author to S.F. No. 1336. The motion prevailed.

Mrs. McQuaid introduced—

Senate Resolution No. 48: A Senate resolution congratulating the Orioles girls basketball team from St. Louis Park High School for winning third place in the 1987 Class AA State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Larson introduced—

Senate Resolution No. 49: A Senate resolution recognizing Stan Daley on the occasion of his retirement as Supervisor at Bemidji Regional Fisheries.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.E. introduced—

Senate Resolution No. 50: A Senate resolution commending Willard L. Nelson for 34 years of dedicated and effective service to the New London-Spicer School District.

Referred to the Committee on Rules and Administration.

Ms. Berglin moved that her name be stricken as chief author, shown as a co-author, and the name of Mrs. Lantry be added as chief author to S.F. No. 682. The motion prevailed.

Ms. Berglin moved that S.F. No. 83 be withdrawn from the Committee on Health and Human Services and re-referred to the Committee on Finance. The motion prevailed.

Mr. Frederickson, D.R. moved that his name be stricken as chief author and the name of Mr. Frederickson, D.J. be added as chief author to S.F. No. 1172. The motion prevailed.

Mr. Pehler moved that S.F. No. 501 be withdrawn from the Committee on Finance and re-referred to the Committee on Governmental Operations. The motion prevailed.

### CONSENT CALENDAR

H.F. No. 312: A bill for an act relating to elections; changing what name may be used on ballots, nominating petitions, and affidavits of candidacy; repealing Minnesota Statutes 1986, section 204B.05.

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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 927: A bill for an act relating to driver's licenses; providing for a medical alert identifier; amending Minnesota Statutes 1986, section 171.07, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1067: A bill for an act relating to local government; providing for the discharge of charter commissions; amending Minnesota Statutes 1986, section 410.05, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

Stumpf  
Taylor

Vickerman

Waldorf

Wegscheid

Willet

So the bill passed and its title was agreed to.

S.F. No. 725: A bill for an act relating to local government; removing limitations on tax adjustments related to annexations; amending Minnesota Statutes 1986, section 414.035.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 888: A bill for an act relating to the city of Melrose; regulating the stopping of school buses at certain railroad grade crossings.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Berg, Langseth, Merriam and Willet voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 424: A bill for an act relating to the military; authorizing the adjutant general to delegate certain duties to subordinates; amending Minnesota Statutes 1986, section 190.16, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 721: A bill for an act relating to veterans; requiring the placement of a plaque on the Capitol grounds recognizing certain prisoners of war and soldiers missing in action.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 698: A bill for an act relating to education; authorizing northeast metropolitan intermediate school district No. 916 to issue certain bonds for the acquisition and betterment of a secondary vocational and special education facility.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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



So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

H.F. No. 28, which the committee recommends to pass.

S.F. No. 376, which the committee recommends be re-referred to the Committee on Judiciary.

S.F. No. 80, which the committee recommends to pass with the following amendment offered by Mr. Waldorf:

Page 1, line 16, delete "dollar"

The motion prevailed. So the amendment was adopted.

H.F. No. 240, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Amend H.F. No. 240, as amended pursuant to Rule 49, adopted by the Senate March 16, 1987, as follows:

(The text of the amended House File is identical to S. F. No. 49.)

Page 1, delete lines 8 to 13 and insert:

*"Subdivision 1. [LIMITATION; PROHIBITION.] (a) A seller of goods or services may impose a surcharge on a purchaser who elects to use a credit card in lieu of payment by cash, check, or similar means, provided (1) the seller informs the purchaser of the surcharge both orally at the time of sale and by a sign conspicuously posted on the seller's premises, and (2) the surcharge does not exceed five percent of the purchase price.*

*(b) A seller of goods or services that establishes and is responsible for its own customer credit card may not impose a surcharge on a purchaser who elects to use that credit card in lieu of payment by cash, check, or similar means."*

Page 1, line 14, before "For" insert "(c)"

Page 1, line 24, delete "guilty of a misdemeanor and may be sentenced" and insert "subject" and delete "fine" insert "civil penalty"

Page 1, line 25, delete "\$700" and insert "\$500"

The motion prevailed. So the amendment was adopted.

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

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

## REPORTS OF COMMITTEES

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

S.F. No. 776: A bill for an act relating to natural resources; creating the state board of water and soil resources and providing for its administration and powers and duties; abolishing the state soil and water conservation board and the water resources board; amending the duties of the environmental quality board; amending Minnesota Statutes 1986, sections 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; and 473.878, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapter 110B; repealing Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 40.01, subdivision 4, is amended to read:

Subd. 4. [~~STATE BOARD OR STATE SOIL AND WATER CONSERVATION BOARD OF WATER AND SOIL RESOURCES.~~] "State board" or "~~state soil and water conservation~~ board of water and soil resources" means the agency created in section ~~40.03~~ 9.

Sec. 2. Minnesota Statutes 1986, section 40.03, subdivision 4, is amended to read:

Subd. 4. [~~POWERS AND DUTIES.~~] In addition to the powers and duties hereinafter conferred upon the ~~state soil and water conservation~~ board by section 9, it shall have the following powers and duties:

(1) ~~Prepare and present to the commissioner of agriculture a budget to finance the activities of the state board and the districts and to administer any law appropriating funds to districts. The board shall Receive and disburse any grants made available to the state by the United States Department of Agriculture under the preferred program developed under United States Code, title 16, sections 2001 to 2009;~~

(2) Offer any appropriate assistance to the supervisors of the districts in implementing any of their powers and programs. Any funds made available to a district for expenditures necessary for the operations of the district shall be a grant to the district to be used only for purposes authorized by the state board pursuant to law. The soil and water conservation district may designate the board of county commissioners to act as the agent of the district to receive and expend these funds at the direction and with the approval of the board of supervisors of the district. At least annually the state board shall audit, in a manner it prescribes, the expenditure of funds so granted;

(3) Keep the supervisors of each district informed of the activities and experience of all other districts and facilitate cooperation and an inter-

change of advice and experience among the districts;

(4) Coordinate the programs and activities of the districts with appropriate agencies by advice and consultation;

(5) Approve or disapprove the plans or programs of districts relating to the use of state funds administered by the state board;

(6) Secure the cooperation and assistance of the appropriate agencies in the work of the districts and to develop a program to advise and assist appropriate agencies in obtaining state and federal funds for erosion, sedimentation, flooding and agriculturally related pollution control programs;

(7) Develop and implement a comprehensive public information program concerning the districts' activities and programs, the problems and preventive practices of erosion, sedimentation, agriculturally related pollution, flood prevention, and the advantages of formation of districts in areas where their organization is desirable;

(8) Subdivide and consolidate districts without a hearing or a referendum so as to confine districts within county limits, provided that no district, when feasible and practicable, shall contain less than four full or fractional congressional townships;

(9) Assist in the implementation of a statewide program for inventorying and classification of the types of soils throughout the state as determined by the Minnesota cooperative soil survey;

(10) Identify research needs and cooperate with other public agencies in research concerning the nature and extent of erosion, sedimentation, flooding and agriculturally related pollution, the amounts and sources of sediment and pollutants delivered to the waters of the state, and long-term soil productivity;

(11) Develop programs to reduce or prevent soil erosion, sedimentation, flooding and agriculturally related pollution, including but not limited to structural and land-use management practices;

(12) Develop a system of priorities within the state to identify the erosion, flooding, sediment and agriculturally related pollution problem areas that are most severely in need of control systems; and

(13) Ensure compliance with statewide programs and policies established by the state board pursuant to this section and section 40.02 by advice, consultation, and approval of grant agreements with the districts.

Sec. 3. Minnesota Statutes 1986, section 40.035, subdivision 2, is amended to read:

Subd. 2. For the purpose of developing the program plan, the state board may request any existing pertinent information from any state agency pursuant to section 40.03, subdivision 2, and may conduct any hearing it deems necessary.

Sec. 4. Minnesota Statutes 1986, section 40.21, subdivision 1, is amended to read:

Subdivision 1. [RULES AND MODEL ORDINANCE AS GUIDE.] The ~~commissioner~~ board of ~~agriculture~~ water and soil resources, in consultation with counties, soil and water conservation districts, and other appropriate agencies, shall adopt a model ordinance and rules that serve as a guide for local governments to carry out the provisions of Laws 1985, chapter 256,

sections 12 to 22 and sections 40.20 to 40.26, and provide administrative procedures for the ~~state soil and water conservation~~ board for Laws 1985, chapter 256, sections 12 to 21 and sections 40.20 to 40.26.

Sec. 5. Minnesota Statutes 1986, section 40.21, subdivision 3, is amended to read:

Subd. 3. [PERIODIC REVIEW.] At least once every five years the ~~commissioner of agriculture~~ *board* shall review the rules and model ordinance in cooperation with counties, soil and water conservation districts, and appropriate agencies to ensure their continued applicability and relevance.

Sec. 6. Minnesota Statutes 1986, section 40.43, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of agriculture, in consultation with the commissioner of natural resources, shall establish and administer a conservation reserve program. *The commissioner of agriculture shall contract with the board of water and soil resources to implement sections 40.40 to 40.44.* Selection of land for the conservation reserve program must be based on its potential for fish and wildlife production, reducing erosion, and protecting water quality.

Sec. 7. Minnesota Statutes 1986, section 105.73, is amended to read:

#### 105.73 [DEFINITIONS.]

Unless the context clearly indicates a different meaning is intended, the following terms for the purposes of this chapter shall be given the meanings ascribed to them in this section.

Board — ~~Minnesota water resources~~ *Board of water and soil resources.*

Proceeding — Any procedure under any of the laws enumerated in section 105.74 however administrative discretion or duty thereunder may be invoked in any instance.

Agency — Any state officer, board, commission, bureau, division, or agency, other than a court, exercising duty or authority under any of the laws enumerated in section 105.74.

Court — The court means the district court or a judge thereof before whom the proceedings are pending.

Question of water policy — Where use, disposal, pollution, or conservation of water is a purpose, incident, or factor in a proceeding, the question or questions of state water law and policy involved, including either (a) determination of the governing policy of state law in the proceeding, resolving apparent inconsistencies between different statutes, (b) the proper application of that policy to facts in the proceeding when application is a matter of administrative discretion, or both (a) and (b).

Sec. 8. Minnesota Statutes 1986, section 110B.02, subdivision 2, is amended to read:

Subd. 2. [BOARD.] "Board" means the *board of water and soil resources board.*

#### Sec. 9. [110B.35] [BOARD OF WATER AND SOIL RESOURCES.]

Subdivision 1. [BOARD ESTABLISHED; MEMBERS.] *The board of water and soil resources is established as an agency of the state to perform the functions conferred upon it by law. The board is composed of 15 voting*

members who must be conversant with water and soil problems and conditions within the state and who may not be officers or employees of the state or federal government. The board shall be appointed in accordance with this section. The members shall not be considered public officers of the state for the purposes of section 112.37, subdivision 1a. The membership of the board shall be as follows:

- (1) three county commissioners;
- (2) seven soil and water conservation district supervisors;
- (3) three watershed district managers or watershed management organization representatives;
- (4) two citizens who are not employed by, or the appointed or elected official of, any governmental office, board, or agency; and
- (5) a chair.

Subd. 2. [MEMBER DISTRIBUTION.] Members shall be distributed across the state with at least the number of members from each of the following areas:

- (1) one member from the Red River basin;
- (2) one member from the Rainy River-Lake Superior tributaries basin;
- (3) one member from the Upper Mississippi-St. Croix basin;
- (4) one member from the Minnesota-Missouri-Des Moines rivers basin;
- (5) one member from watersheds tributary to the Mississippi River south of its confluence with the Minnesota River;
- (6) three members from the metropolitan area, as defined by section 473.121, subdivision 2;
- (7) seven members, one from each of the current soil and water conservation administrative regions; and
- (8) the chair from at large.

Subd. 3. [EX OFFICIO NONVOTING MEMBERS.] The following agencies shall each provide one nonvoting member to the board:

- (1) environmental quality board;
- (2) department of agriculture;
- (3) department of health;
- (4) department of natural resources;
- (5) Minnesota geological survey;
- (6) pollution control agency; and
- (7) institute of agriculture of the University of Minnesota.

Subd. 4. [NOMINEES.] All voting members must be appointed by the governor with the advice and consent of the senate. In making the appointments, the governor may consider persons recommended by the association of Minnesota counties, the Minnesota association of soil and water conservation districts, and the Minnesota association of watershed districts, respectively. The list submitted by an association shall contain at least three nominees for the position to be filled.

**Subd. 5. [TERMS; COMPENSATION; REMOVAL; VACANCIES.]** *Except as provided in this subdivision, the membership terms, compensation, removal of members and filling of vacancies on the board for the members specified in subdivision 1 shall be as provided in section 15.0575. The chair shall be appointed by the governor with the advice and consent of the senate.*

**Subd. 6. [EMPLOYEES.]** *The board may employ permanent and temporary technical and professional personnel, agents, and employees, and shall determine their qualifications and duties. Compensation of employees shall be determined in accordance with chapter 43A. The board may prescribe the powers and duties of its officers and employees and may delegate to its employees or members any of the board's powers and duties.*

**Subd. 7. [OFFICERS; QUORUM; RECORDS; AUDIT.]** *The board shall elect a vice-chair and any other officers that it considers necessary from its membership. A majority of the board shall constitute a quorum, and concurrence of a majority in any matter within its jurisdiction is required for the board to act on that matter. The board shall keep a full and accurate record of its official actions. The board may hold public hearings and adopt rules necessary to execute its duties provided in law.*

**Subd. 8. [ADMINISTRATIVE SERVICES.]** *The board shall contract with the commissioner of agriculture who shall make available administrative services and office space necessary for the administration and coordination of its functions.*

**Subd. 9. [POWERS AND DUTIES.]** *In addition to the powers and duties prescribed elsewhere, the board has the following powers and duties:*

(1) *coordinate the water and soil resources planning activities of counties, soil and water conservation districts, watershed districts, and any other local units of government through its various authorities for approval of local plans, administration of state grants, and by other means as may be appropriate;*

(2) *facilitate communication and coordination among state agencies in cooperation with the environmental quality board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;*

(3) *coordinate state and local interests with respect to the study in southwestern Minnesota under Public Law Number 87-639;*

(4) *develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;*

(5) *provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;*

(6) *adopt an annual budget and work program that integrates the various functions and responsibilities assigned to it by law; and*

(7) *report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources*

management.

Sec. 10. Minnesota Statutes 1986, section 112.35, subdivision 4, is amended to read:

Subd. 4. "Board" means the ~~Minnesota water resources~~ board of water and soil resources established by section ~~105.74~~ 9.

Sec. 11. Minnesota Statutes 1986, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The board shall include as members the director of the state planning agency, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, *the chair of the board of water and soil resources*, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members shall have knowledge of and be conversant in water management issues in the state.

Sec. 12. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

*Subd. 1a. [BOARD.] "Board," unless the context indicates otherwise, means the board of water and soil resources created in section 9.*

Sec. 13. Minnesota Statutes 1986, section 473.877, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF WATERSHED BOUNDARIES.] Before commencing planning under section 473.878, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the ~~water resources~~ board of water and soil resources for review and comment on the conformance of the boundaries with the requirements of sections 473.875 to 473.883. The board shall have 60 days to comment.

Sec. 14. Minnesota Statutes 1986, section 473.8771, subdivision 1, is amended to read:

Subdivision 1. [BOUNDARY CHANGE.] The boundaries of a watershed district wholly within the metropolitan area may be changed pursuant to this subdivision or chapter 112. The governing board of a watershed management organization may petition the ~~water resources~~ board of water and soil resources for an order changing the boundaries of a watershed district wholly within the metropolitan area, either by adding new territory to the district or by transferring territory that is within the district to the jurisdiction of another watershed management organization. The petition must:

(a) describe with particularity the change in boundary requested, the territory affected, and the reasons for the change;

(b) show that the change is consistent with the purposes and requirements of sections 473.875 to 473.883; and

(c) identify any property subject to subdivision 3.

The petition must be accompanied by a written statement of concurrence in the petition from the governing body of each statutory or home rule charter city and town and each watershed management organization having

jurisdiction over the territory proposed to be added or transferred. Upon the filing of a sufficient petition, the ~~water resources~~ board shall give notice of the filing of the petition by publication once each week for two successive weeks in a legal newspaper in each county affected and by mail to the county auditor of each county affected and to the chief official of each statutory or home rule charter city and township affected. The notice must describe the action proposed by the petition and invite written comments on the petition for consideration by the board. The notice must announce that any person who objects to the action proposed in the petition may submit a written request for hearing to the board within 20 days of the last publication of the notice of the filing of the petition and that if no timely request for hearing is received the board will make a decision on the petition pursuant to this subdivision without conducting the public hearing required under chapter 112. If no timely request for hearing is received the board shall make a decision on the petition without a hearing within 30 days after the last publication of the notice. If one or more timely requests for hearing are received the board shall hold a hearing on the petition and shall follow the procedures in chapter 112 regarding notice and conduct of hearings. After completing the procedures required by this subdivision, the board shall, by its findings and order, make the boundary change requested if the board determines that:

- (a) (i) the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred concurs in the petition,
- (b) (ii) the change is consistent with the purposes and requirements of sections 473.875 to 473.883, and
- (c) (iii) the change can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order making the change must conform to subdivision 3. The order making the change may amend the order prescribing the distribution of managers of the district.

Sec. 15. Minnesota Statutes 1986, section 473.8771, subdivision 2, is amended to read:

Subd. 2. [TERMINATION.] A watershed district wholly within the metropolitan area may be terminated pursuant to this subdivision or chapter 112. Proceedings for termination under this subdivision must be initiated by a petition to the ~~water resources~~ board of *water and soil resources* filed jointly by the governing bodies of all statutory and home rule charter cities and towns having jurisdiction over territory within the watershed. Upon the filing of a sufficient petition, the board shall hold a hearing in accordance with the procedures prescribed in chapter 112, to take testimony on the determinations required to be made by the board. Following the hearing, the board shall, by its findings and order, terminate the district as requested if the board determines:

- (a) that the local units of government having jurisdiction over territory within the watershed have formed a joint powers organization for the watershed pursuant to section 473.877,
- (b) that upon termination of the district the members of the joint powers organization, jointly or severally, are willing and able to assume ownership



of the district's assets and the responsibility for managing and maintaining the district's projects as necessary to accomplish the purposes of sections 473.875 to 473.883 and to implement the watershed plan of the joint powers organization to be developed pursuant to section 473.878, and

(c) that the termination can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order terminating the district must transfer the assets of the district to the joint powers organization or its members. The order must conform to subdivision 3.

Sec. 16. Minnesota Statutes 1986, section 473.878, subdivision 7, is amended to read:

Subd. 7. [REVIEW BY STATE AGENCIES.] After completion of the review under subdivision 6, the plan shall be submitted to the commissioner of natural resources and the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the ~~water resources~~ *board of water and soil resources* for review under section 112.46. Except as otherwise provided in this subdivision, the ~~water resources~~ *board of water and soil resources* shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 473.875 to 473.883. If the capital improvement program is the subject of a dispute between counties, the ~~water resources~~ *board of water and soil resources* shall make a final decision on the issue. The decision shall be binding on the organization and the counties involved.

Sec. 17. Minnesota Statutes 1986, section 473.878, subdivision 8, is amended to read:

Subd. 8. [ADOPTION; IMPLEMENTATION.] The organization shall adopt and implement its plan within 120 days after compliance with the provisions of subdivision 7 and approval of the plan by the ~~water resources~~ *board of water and soil resources*. A watershed district may implement its approved plan and approved capital improvement program by resolution of the majority of the board of managers and without respect to the provisions of chapter 112 requiring the managers to wait upon petitions for projects, to submit projects for review by the ~~water resources~~ *board of water and soil resources*, and to limit the cost and purposes of projects.

Sec. 18. [MEMBERSHIP; COMPLEMENT OF BOARD.]

*Subdivision 1. [TRANSFER OF EMPLOYEES.] All classified and unclassified state employees of the state soil and water conservation board and the water resources board may be transferred to the board of water and soil resources.*

Sec. 19. [INSTRUCTION TO REVISOR.]

*The revisor of statutes shall change the words "state soil and water conservation board," "water resources board," "water policy or other board," language intended to refer to those boards, wherever they appear in Minnesota Statutes to "board of water and soil resources" or other*

*appropriate language to refer to the board of water and soil resources created in section 9.*

Sec. 20. [REPEALER.]

*Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2, are repealed."*

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

Mr. Moe, R.D. moved the adoption of the foregoing Committee Report. The motion prevailed. Amendments adopted. Report adopted.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Knaak, Jude and Mehrkens introduced—

S.F. No. 1342: A bill for an act relating to natural resources; appropriating money to the commissioners of natural resources and agriculture for an oak wilt management program.

Referred to the Committee on Environment and Natural Resources.

Mr. Willet introduced—

S.F. No. 1343: A bill for an act relating to elections; removing the incumbency designation for judicial offices on the official ballot; amending Minnesota Statutes 1986, section 487.03, subdivision 2; repealing Minnesota Statutes 1986, section 204B.36, subdivision 5.

Referred to the Committee on Elections and Ethics.

Messrs. Frederickson, D.R. and Taylor introduced—

S.F. No. 1344: A bill for an act relating to education; providing aid for teachers in a district's gifted and talented program; appropriating money; amending Minnesota Statutes 1986, section 124.247, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Peterson, R.W.; Luther; Merriam; Mrs. Brataas and Mr. Johnson, D.J. introduced—

S.F. No. 1345: A bill for an act relating to the judiciary; public defenders; requiring the state board of public defense to adopt standards governing district public defender offices; authorizing the state board of public defense to fix the salary of the state public defenders; requiring the state public defender to provide training for state and district public defenders; providing that compensation of district public defenders may not exceed compensation of county attorneys; allowing representation of indigents by public defender before formal appointment; providing for state funding of district public defenders by weighted caseload; appropriating money; amending Minnesota Statutes 1986, sections 611.215, subdivisions 1 and 2; 611.216, subdivisions 1, 2, and 3; 611.23; 611.24; 611.25; 611.26, subdivisions 1, 2, 3, 4, and 6; and 611.27, subdivisions 1, 2, and 3; proposing coding for new

law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1986, sections 611.22; and 611.26, subdivisions 5 and 8.

Referred to the Committee on Judiciary.

Mr. Merriam introduced—

S.F. No. 1346: A bill for an act relating to hazardous waste facilities; providing for financial responsibility when an owner or operator is bankrupt; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 1347: A bill for an act relating to workers' compensation; requiring security of self-insurers; regulating special compensation fund assessments and liability; creating a self-insurer insolvency fund; authorizing certain inspections; providing penalties; amending Minnesota Statutes 1986, sections 176.041, subdivision 4, and by adding a subdivision; 176.129, subdivisions 3 and 13; 176.131, subdivisions 1, 1a, and 8; 176.132, subdivision 1; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.225, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 60A and 176.

Referred to the Committee on Employment.

Messrs. Frank, Renneke, Freeman and Ms. Peterson, D.C. introduced—

S.F. No. 1348: A bill for an act relating to vocational training; requiring the commissioner of jobs and training to certify entities that provide supported employment to persons with disabilities; authorizing rulemaking; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 129A.

Referred to the Committee on Employment.

Messrs. Vickerman and Frederickson, D.J. introduced—

S.F. No. 1349: A bill for an act relating to state departments and agencies; renaming the division of emergency services; amending Minnesota Statutes 1986, section 12.04.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Wegscheid, Renneke and Waldorf introduced—

S.F. No. 1350: A bill for an act relating to retirement; providing that membership in a public pension plan is an enforceable contractual right; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Mr. Luther introduced—

S.F. No. 1351: A bill for an act relating to Hennepin county; providing for the management of county health facilities; permitting the county board

to hold closed meetings on certain medical center business; permitting certain data to be treated as trade secret information; amending Minnesota Statutes 1986, section 383B.217, subdivision 7.

Referred to the Committee on Judiciary.

Messrs. Gustafson and Solon introduced—

S.F. No. 1352: A bill for an act relating to taxation; property; extending the exemption period for lands held by a political subdivision for economic development; amending Minnesota Statutes 1986, section 272.02, subdivision 5.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Kroening and Frank introduced—

S.F. No. 1353: A bill for an act relating to labor; making collective bargaining agreements binding upon transferee employers; defining transferee employer; creating certain exclusions; requiring the disclosure of collective bargaining agreements; providing for enforcement procedures; proposing coding for new law in Minnesota Statutes, chapter 179.

Referred to the Committee on Employment.

Messrs. Bernhagen, Stumpf, Renneke, Frank and Larson introduced—

S.F. No. 1354: A bill for an act relating to taxation; mandating county treasurers to accept property tax payments of more or less than amount due; amending Minnesota Statutes 1986, sections 277.01; and 279.01, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. DeCramer, Frederickson, D.R.; Vickerman and Beckman introduced—

S.F. No. 1355: A bill for an act relating to courts; requiring that at least one trial court judge be assigned to each county in a judicial district; amending Minnesota Statutes 1986, sections 2.722, subdivision 4, and by adding a subdivision; 484.69, subdivision 3; 487.01, subdivision 5; and 487.191.

Referred to the Committee on Judiciary.

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

S.F. No. 1356: A bill for an act relating to education; establishing clinical schools for teacher preparation; establishing professional development and assessment centers; requiring research on teacher education programs; appropriating money; amending Minnesota Statutes 1986, section 125.185, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

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

S.F. No. 1357: A bill for an act relating to human rights; enabling the University of Minnesota to provide services and benefits to organizations with membership practices that are exempt from certain federal law; amending Minnesota Statutes 1986, section 363.02, subdivision 3.

Referred to the Committee on Judiciary.

Messrs. Pogemiller and Freeman introduced—

S.F. No. 1358: A bill for an act relating to employment and training; establishing a committee; authorizing pilot projects in service delivery; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 267.

Referred to the Committee on Governmental Operations.

Messrs. Lessard, Novak, Solon, Larson and Johnson, D.E. introduced—

S.F. No. 1359: A bill for an act relating to natural resources; establishing a reinvest in Minnesota resources endowment fund; appropriating money; amending Minnesota Statutes 1986, section 84.95, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 84.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Pogemiller introduced—

S.F. No. 1360: A bill for an act relating to state government; establishing the economic opportunity office; providing for the appointment of an advisory council; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1361: A bill for an act relating to game and fish; allowing elderly deer hunters to take one deer of either sex; amending Minnesota Statutes 1986, section 97A.451, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mr. Dicklich introduced—

S.F. No. 1362: A bill for an act relating to retirement; teachers retirement act; teachers retirement, certain cities; permitting teachers on unrequested leaves of absence to receive allowable service credit toward annuities and other benefits; proposing coding for new law in Minnesota Statutes, chapters 354 and 354A.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1363: A bill for an act relating to retirement; public pension plans and funds; providing that retirement annuity payments begin to accrue

on the date of termination of public service; amending Minnesota Statutes 1986, sections 352.115, subdivision 8; 352B.08, subdivision 1; 352D.06, subdivision 3; 353.29, subdivision 7; 354.44, subdivision 4; and 354A.31, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 1364: A bill for an act relating to occupations and professions; requiring a license to practice naturopathy; providing for conditions of licensure; providing qualifications and exemptions; establishing a state board of naturopathic examiners; providing for discipline and penalties; amending Minnesota Statutes 1986, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

Referred to the Committee on Health and Human Services.

Mr. Dicklich introduced—

S.F. No. 1365: A bill for an act relating to economic development; providing training and employment for low income seniors; creating the hospitality host older worker tourism program; prescribing duties for the commissioner of the department of jobs and training; appropriating money.

Referred to the Committee on Employment.

Mr. Dicklich introduced—

S.F. No. 1366: A bill for an act relating to education; allowing variances from licensure for practicing school psychologists in certain circumstances; proposing coding for new law in Minnesota Statutes 1986, chapter 125.

Referred to the Committee on Education.

Mr. Dicklich introduced—

S.F. No. 1367: A bill for an act relating to utilities; providing for representation of small business by attorney general in certain proceedings relating to utility rates, service, and other matters; amending Minnesota Statutes 1986, section 8.33.

Referred to the Committee on Public Utilities and Energy.

Mr. Waldorf introduced—

S.F. No. 1368: A bill for an act relating to human services; creating a new formula for distribution of administrative aid to counties; eliminating equalization aid to counties; amending Minnesota Statutes 1986, section 256D.22; repealing Minnesota Statutes 1986, section 245.74.

Referred to the Committee on Health and Human Services.

Mr. Purfeerst introduced—

S.F. No. 1369: A bill for an act relating to traffic regulations; repealing authorization of emergency speed limit by executive order; repealing Minnesota Statutes 1986, section 169.141.

Referred to the Committee on Transportation.

Mr. Purfeerst introduced—

S.F. No. 1370: A bill for an act relating to education; modifying, clarifying, and extending programs and certain staff requirements at the state academies for the blind and deaf; creating a revolving fund for receipts and expenditures for services, seminars, and conferences there; appropriating money; amending Minnesota Statutes 1986, sections 128A.01; 128A.02, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapter 128A.

Referred to the Committee on Education.

Messrs. Kroening and Willet introduced—

S.F. No. 1371: A bill for an act relating to employment; prohibiting employers from restricting the legal off-the-job activities of employees; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Messrs. Kroening and Willet introduced—

S.F. No. 1372: A bill for an act relating to commerce; clarifying unregulated sales of eyeglasses; amending Minnesota Statutes 1986, section 148.56, subdivision 3.

Referred to the Committee on Commerce.

Mr. Purfeerst introduced—

S.F. No. 1373: A bill for an act relating to taxation; imposing fuel excise tax on distributors; increasing gasoline excise tax; providing for transfer of motor vehicle excise tax to highway user distribution fund; amending Minnesota Statutes 1986, sections 296.01, subdivisions 7, 13, and by adding a subdivision; 296.02, subdivisions 1b and 2; 296.025, subdivisions 1, 2, and 6; 296.06, subdivisions 1 and 2; 296.12, subdivisions 3, 4, 9, and 11; 296.13; 296.14; 296.15, subdivisions 1 and 5; 296.16, subdivision 1; 296.17, subdivisions 1, 3, 5, 8, 9a, 12, and 14; 296.18, subdivisions 1, 2, and 3a; 296.23; 296.24; 296.25, subdivision 2; 296.27; 296.421; and 297B.09, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 296.

Referred to the Committee on Transportation.

Mr. Pehler introduced—

S.F. No. 1374: A bill for an act relating to retirement; St. Cloud police; pension fund uses; pension amounts; health and medical insurance; amending Laws 1973, sections 4, as amended; 5, subdivision 1; and 6, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Morse, Vickerman, Beckman and Davis introduced—

S.F. No. 1375: A bill for an act relating to agriculture; authorizing and requiring a license to use the Minnesota grown label; assessing license

fees; providing penalties; amending Minnesota Statutes 1986, section 17.102.

Referred to the Committee on Agriculture.

Ms. Piper introduced—

S.F. No. 1376: A bill for an act relating to corrections; raising fees for reinstatement of drivers licenses; changing allocation of fees; amending Minnesota Statutes 1986, section 171.29, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Bertram, Chmielewski and Mrs. Brataas introduced—

S.F. No. 1377: A bill for an act relating to workers' compensation; regulating the scope of coverage; regulating eligibility for benefits; regulating benefits and benefit adjustments; amending Minnesota Statutes 1986, sections 176.021, subdivision 1; 176.041, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 3e, 3h, 3k, 3o, 3t, 4, and 8; 176.131, subdivision 6; 176.132, subdivision 1; 176.138; and 176.645, subdivision 1.

Referred to the Committee on Employment.

Mrs. McQuaid introduced—

S.F. No. 1378: A bill for an act relating to transportation; appropriating money to the commissioner of transportation to acquire certain parcels of real property; establishing certain conditions for expenditures for construction of interstate highway 394 after June 30, 1988.

Referred to the Committee on Transportation.

Mr. Pogemiller introduced—

S.F. No. 1379: A bill for an act relating to unemployment compensation; appropriating federal money received for unemployment compensation administration.

Referred to the Committee on Employment.

Messrs. Moe, R.D.; Storm; Johnson, D.E. and Merriam introduced—

S.F. No. 1380: A bill for an act relating to health care; establishing the Minnesota board on biomedical ethics; setting its membership; assigning its duties and powers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Mr. Luther, Ms. Reichgott and Mr. Freeman introduced—

S.F. No. 1381: A bill for an act relating to courts; authorizing the court to require parties in a contested civil action to enter mediation; proposing coding for new law in Minnesota Statutes, chapter 484.

Referred to the Committee on Judiciary.



Messrs. Luther; Moe, R.D.; Spear; Willet and Hughes introduced—

S.F. No. 1382: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; making related changes in the ethics in government act; imposing penalties; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 7, 10, 10b, 15, and by adding subdivisions; 10A.25, subdivision 10, and by adding subdivisions; 10A.255; 10A.27, by adding a subdivision; 10A.275; 10A.28; 10A.30, subdivision 2; 10A.31, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 10A.33; 10A.335; and 290.06, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1986, sections 10A.02, subdivision 11a; 10A.25, subdivision 7; 10A.27, subdivision 5; and 10A.32.

Referred to the Committee on Elections and Ethics.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, April 8, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate