

THIRTIETH DAY

St. Paul, Minnesota, Wednesday, April 8, 1987

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Purfeerst 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. Marjorie B. Aurelius.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 6, 1987

The Honorable Fred C. Norton
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1987 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
	27	12	March 27	March 27
	130	13	March 27	March 27
	688	14	March 27	March 27

Sincerely,

Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 397: A bill for an act relating to elections; setting times for changing election precincts and redistricting certain election districts; amending Minnesota Statutes 1986, sections 204B.14, subdivision 3; and 375.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B.

Senate File No. 397 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1987

Ms. Peterson, D.C. moved that the Senate do not concur in the amendments by the House to S.F. No. 397, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 238, 338, 923 and 1119.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 6, 1987

FIRST READING OF HOUSE BILLS

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

H.F. No. 238: A bill for an act relating to retirement; removing age limits on commencement of membership in firefighters relief associations; amending Minnesota Statutes 1986, section 424.04.

Referred to the Committee on Governmental Operations.

H.F. No. 338: A bill for an act relating to retirement; authorizing a certain Stearns county historical society employee to retain membership in the

public employees retirement association.

Referred to the Committee on Governmental Operations.

H.F. No. 923: A bill for an act relating to human services; regulating budgets and procedures of human services boards; amending Minnesota Statutes 1986, sections 402.02, subdivision 2; 402.05, subdivision 1a; and 402.062, subdivisions 1 and 2; repealing Minnesota Statutes 1986, section 402.095.

Referred to the Committee on Health and Human Services.

H.F. No. 1119: A bill for an act relating to state lands; permitting the sale of certain land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1005.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 11 and 929. The motion prevailed.

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

S.F. No. 349: A bill for an act relating to conciliation courts; providing for entry of judgment; providing for vacation of default judgment in certain circumstances; providing for time limitation and service by mail on removal to county court; allowing a party to proceed without payment of a filing fee; amending Minnesota Statutes 1986, section 487.30, by adding subdivisions.

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

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

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

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 88.49, subdivision 5, is amended to read:

Subd. 5. [CANCELLATION.] Upon the failure of the owner faithfully to fulfill and perform such contract or any provision thereof, or any requirement of sections 88.47 to 88.53, or any rule adopted by the commissioner thereunder, the commissioner may cancel the contract in the manner herein provided. The commissioner shall give to the owner, in the manner prescribed in section 88.48, subdivision 4, 60 days notice of a

hearing thereon at which the owner may appear and show cause, if any, why the contract should not be canceled. The commissioner shall thereupon determine whether the contract should be canceled and make an order to that effect. Notice of the commissioner's determination and the making of the order shall be given to the owner in the manner provided in section 88.48, subdivision 4. On determining that the contract should be canceled and no appeal therefrom be taken, the commissioner shall send notice thereof to the auditor of the county and to the town clerk of the town affected and file with the recorder a certified copy of the order, who shall forthwith note the cancellation upon the record thereof, and thereupon the land therein described shall cease to be an auxiliary forest and, together with the timber thereon, become liable to all taxes and assessments that otherwise would have been levied against it had it never been an auxiliary forest from the time of the making of the contract, any provisions of the statutes of limitation to the contrary notwithstanding, less the amount of taxes paid under the provisions of section 88.51, subdivision 1, together with interest on such taxes and assessments at six percent per annum, but without penalties.

The commissioner may in like manner and with like effect cancel the contract upon written application of the owner.

The commissioner shall cancel any contract if the owner has made successful application under sections 270.31 to 270.39 inclusive, the Minnesota tree growth tax law, and has paid to the county treasurer the difference between the amount which would have been paid had the land under contract been subject to the Minnesota tree growth tax law from the date of the filing of the contract and the amount actually paid under section 88.51, subdivisions 1 and 2. If the amount which would have been paid, had the land under contract been under the Minnesota tree growth tax law from the date of the filing of the contract, is less than the amount actually paid under the contract, the cancellation shall be made without further payment by the owner.

When the execution of any contract creating an auxiliary forest shall have been procured through fraud or deception practiced upon the county board or the commissioner or any other person or body representing the state, it may be canceled upon suit brought by the attorney general at the direction of the ~~executive council~~ *commissioner*. This cancellation shall have the same effect as the cancellation of a contract by the commissioner.

Sec. 2. Minnesota Statutes 1986, section 88.49, subdivision 9, is amended to read:

Subd. 9. [AUXILIARY FORESTS; WITHDRAWAL OF LAND FROM.] Land needed for other purposes may be withdrawn from an auxiliary forest as herein provided. A verified application therefor in a form prescribed by the commissioner of natural resources may be made by the owner to the county board of the county in which the land is situated, describing the land and stating the purpose of withdrawal. Like proceedings shall be had upon the application as upon an application for the establishment of an auxiliary forest, except that consideration need be given only to the questions to be determined as provided in this subdivision. If the county board shall determine that the land proposed to be withdrawn is needed and is suitable for the purposes set forth in the application, and that the remaining land in the auxiliary forest is suitable and sufficient for the purposes thereof as provided by law, the board may, in its discretion, grant the application,

subject to the approval of the commissioner ~~and the executive council~~. Upon such approval a supplemental contract evidencing the withdrawal shall be executed, filed, and recorded or registered as the case may require, in like manner as an original auxiliary forest contract. Thereupon the land described in the supplemental contract shall cease to be part of the auxiliary forest, and, together with the timber thereon, shall be liable to taxes and assessments in like manner as upon cancellation of an auxiliary forest contract.

Sec. 3. Minnesota Statutes 1986, section 88.49, subdivision 11, is amended to read:

Subd. 11. [AUXILIARY FORESTS; TRANSFER OF TITLE; PROCEDURE ON DIVISION.] The title to the land in an auxiliary forest or any part thereof is subject to transfer in the same manner as the title to other real estate, subject to the auxiliary forest contract therefor and to applicable provisions of law. In case the ownership of such a forest is divided into two or more parts by any transfer or transfers of title and the owners of all such parts desire to have the same made separate auxiliary forests, they may join in a verified application therefor to the county board of the county in which the forest is situated in a form prescribed by the commissioner of natural resources. If the county board determines that each of the parts into which the forest has been divided is suitable and sufficient for a separate auxiliary forest as provided by law, it may, in its discretion, grant the application, subject to the approval of the commissioner ~~and the executive council~~. Upon such approval, the commissioner shall prepare a new auxiliary forest contract for each part transferred, with like provisions and for the remainder of the same term as the prior contract in force for the entire forest at the time of the transfer, and shall also prepare a modification of such prior contract, eliminating therefrom the part or parts of the land transferred but otherwise leaving the remaining land subject to all the provisions of such contract. The new contract or contracts and modification of the prior contract shall be executed and otherwise dealt with in like manner as provided for an original auxiliary forest contract, but no such instrument shall take effect until all of them, covering together all parts of the forest existing before the transfer, have been executed, filed, and recorded or registered, as the case may require. Upon the taking effect of all such instruments, the owner of the forest prior to the transfer shall be divested of all rights and relieved from all liabilities under the contract then in force with respect to the parts transferred except such as may have existed or accrued at the time of the taking effect of such instruments, and thereafter the several tracts into which the forest has been divided and the respective owners thereof shall be subject to the new contract or contracts or the modified prior contract relating thereto, as the case may be, as provided for an original auxiliary forest contract. The provisions of this subdivision shall not supersede or affect the application of any other provision of law to any auxiliary forest which is divided by transfer of title unless the procedure herein authorized is fully consummated.

Sec. 4. Minnesota Statutes 1986, section 90.031, subdivision 3, is amended to read:

Subd. 3. ~~The executive council may compromise and settle, with the approval of the attorney general, upon terms as it may deem just, any claim of the state for casual and involuntary trespass upon state lands or timber where the full value of such timber or other materials so taken in trespass exceeds \$5,000; provided, that no claim shall be settled for less~~

than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. The executive council commissioner may make settlement for not less than the full value of any timber cut by lessees of state lands holding under section 92.50.

Sec. 5. Minnesota Statutes 1986, section 90.041, subdivision 2, is amended to read:

Subd. 2. The commissioner may compromise and settle, with the approval of the attorney general, upon terms the commissioner deems just, any claim of the state for casual and involuntary trespass upon state lands or timber where the full value of the timber or other materials taken in trespass is \$5,000 or less; provided that no claim shall be settled for less than the full value of all timber or other materials taken in casual trespass or the full amount of all actual damage or loss suffered by the state as a result. The commissioner shall advise the executive council of any information acquired by the commissioner concerning any trespass on state lands, giving all details and names of witnesses and all compromises and settlements made under this subdivision.

Sec. 6. Minnesota Statutes 1986, section 90.101, subdivision 1, is amended to read:

Subdivision 1. The commissioner may sell the timber on any tract of state land in lots not exceeding \$20,000 in appraised value and may determine the number of sections or fractional sections of land to be covered by any one permit issued to the purchaser of timber on state lands, or in any one contract or other instrument relating thereto. No timber shall be sold, except (1) to the highest bidder at public auction, and or (2) if unsold at public auction the commissioner may offer the timber for private sale for a period of no more than 90 days after the public auction to any person who pays the appraised value for the timber. The minimum price shall be the appraised value as fixed by the report of the state appraiser. All sales shall be held in the county in which the tract is located and no sale shall be held in more than one location on any one day.

Sec. 7. Minnesota Statutes 1986, section 90.14, is amended to read:

90.14 [AUCTION SALE PROCEDURE.]

All state timber shall be offered and sold by the same unit of measurement as it was appraised. The sale shall be made to the party who (1) shall bid the highest price for all the several kinds of timber as advertised, or (2) if unsold at public auction, to the party who purchases at any sale authorized under section 90.101, subdivision 1. The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner 25 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

Sec. 8. Minnesota Statutes 1986, section 90.151, subdivision 1, is amended to read:

Subdivision 1. (a) Following receipt of the down payment for state timber sold at public auction, the commissioner shall issue a numbered permit to

the purchaser, in a form approved by the attorney general, by the terms of which the purchaser shall be authorized to enter upon the land, and to cut and remove the timber therein described, according to the provisions of this chapter. The permit shall be correctly dated and executed by the commissioner or agent and signed by the purchaser.

(b) The permit shall expire no later than ~~two~~ *three* years after the date of sale as the commissioner shall specify, and the timber shall be cut within the time specified therein. All cut timber, equipment, and buildings not removed from the land within 90 days after expiration of the permit shall become the property of the state.

(c) The commissioner may grant an additional period of time not to exceed 120 days for the removal of cut timber, equipment, and buildings upon receipt of such request by the permit holder for good and sufficient reasons. No permit shall be issued to any person other than the purchaser in whose name the bid was made.

Sec. 9. Minnesota Statutes 1986, section 90.151, subdivision 13, is amended to read:

Subd. 13. [PERMIT EXTENSIONS.] (a) The commissioner may grant extensions of timber permits and contracts for periods as the commissioner deems advisable, provided that:

(1) for permits issued on or after May 15, 1975, *and before the effective date of this act*, the total of the extensions shall not exceed three years from the date of the expiration of the original permit; and

(2) for permits issued ~~prior to May 15, 1975 the total of the extensions and the original permit term shall not exceed ten years from date of issuance of the permit.~~ *on or after the effective date of this act, the permit may not be extended more than two one-year periods.*

(b) All extensions granted pursuant to this subdivision shall be subject to all the provisions of this chapter.

Subd. 14. [INTEREST ON EXTENSIONS.] (a) The commissioner shall include in each extension a condition that the purchaser shall pay to the state interest at the rate of:

(1) eight percent of the unpaid purchase price for each year of extension ~~or portion thereof for an extension granted under subdivision 13, paragraph (a), clause (1); and~~

(2) ~~five percent the first year of extension and 15 percent the second year of extension for an extension granted under subdivision 13, paragraph (a), clause (2).~~

(b) *The interest shall be calculated from the beginning of the extension period to the date of the seasonal scale report of products cut as and computed on:*

(1) the sale price of the timber cut; or

(2) if not cut, upon the official estimate ~~thereof; however,~~ *of the merchantable timber not utilized under the permit.*

(c) A purchaser is not required to pay interest totaling \$1 or less.

Sec. 10. Minnesota Statutes 1986, section 90.161, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided by law the purchaser of any state timber, before any timber permit shall become effective for any purpose, shall within 90 days from the date of purchase give a good and valid bond to the state of Minnesota equal to the value of all timber covered or to be covered by the permit, as shown by the sale price bid therefor and the appraisal report thereof as to quantity, less the amount of any payment pursuant to section 90.14, which bond shall be conditioned upon the faithful performance by the purchaser and successors in interest of all the terms and conditions of the permit and all requirements of law in respect to such sales; and the bond shall be approved in writing by the commissioner and filed for record in the commissioner's office. *In the alternative to cash and bond as provided above, but upon the same conditions, a purchaser may post bond for 100 percent of the purchase price and request refund of the amount of any payment pursuant to section 90.14.*

Sec. 11. Minnesota Statutes 1986, section 90.173, is amended to read:

90.173 [PURCHASER'S OR ASSIGNEE'S CASH DEPOSIT IN LIEU OF BOND.]

In lieu of filing the bond required by section 90.161 or 90.171, as security for the issuance or assignment of a timber permit the person required to file the bond may deposit with the state treasurer cash, a certified check, a cashier's check, a *personal check*, a postal, bank, or express money order, assignable bonds or notes of the United States, or an assignment of a bank savings account or investment certificate or an irrevocable bank letter of credit, in the same amount as would be required for a bond. If securities listed in this section are deposited, the par value of the securities shall be not less than the amount required for the timber sale bond, and the person required to file the timber sale bond shall submit an agreement authorizing the commissioner to sell or otherwise take possession of the security in the event of default under the timber sale. All of the conditions of the timber sale bond shall equally apply to the deposit with the state treasurer. In the event of a default the state may take from the deposit the sum of money to which it is entitled; the remainder, if any, shall be returned to the person making the deposit and shall bear interest at the rate determined pursuant to section 549.09 if not returned within 30 days from the date of the default. Sums of money as may be required by the state treasurer to carry out the terms and provisions of this section are appropriated from the general fund to the state treasurer for these purposes. When cash is deposited for a bond, it shall be applied to the amount due when a statement is prepared and transmitted to the permit holder pursuant to section 90.181. Any balance due to the state shall be shown on the statement and shall be paid as provided in section 90.181. Any amount of the deposit in excess of the amount determined to be due pursuant to section 90.181 shall be returned to the permit holder when a final statement is transmitted pursuant to that section. All or part of a cash bond may be withheld from application to an amount due on a nonfinal statement if it appears that the total amount due on the permit will exceed the bid price.

Sec. 12. Minnesota Statutes 1986, section 97A.205, is amended to read:

97A.205 [ENFORCEMENT OFFICER POWERS.]

An enforcement officer is authorized to:

(1) execute and serve court issued warrants and processes relating to wild animals, wild rice, public waters, water pollution, conservation, and

use of water, in the same manner as a constable or sheriff;

(2) enter any land to carry out the duties and functions of the division;

(3) make investigations of violations of the game and fish laws;

(4) take an affidavit, if it aids an investigation;

(5) arrest, without a warrant, a person that is detected in the actual violation of the game and fish laws, a provision of chapters 84A, 85, 86A, 88 to 106A, 361, sections 89.51 to 89.61 and ~~18.431 to 18.436~~; or 609.66, subdivision 1, clauses (1), (2), (5), and (7); and 609.68; and

(6) take an arrested person before a court in the county where the offense was committed and make a complaint.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, sections 18.431, 18.432, 18.433, 18.434, 18.435, 18.436, and 88.13 are repealed.

Sec. 14. [EFFECTIVE DATE.]

This act is effective 30 days after final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; changing certain provisions relating to the sale of state timber; eliminating laws relating to white pine blister rust control and cutting notices; amending Minnesota Statutes 1986, sections 88.49, subdivisions 5, 9, and 11; 90.031, subdivision 3; 90.041, subdivision 2; 90.101, subdivision 1; 90.14; 90.151, subdivisions 1 and 13; 90.161, subdivision 1; 90.173; and 97A.205; repealing Minnesota Statutes 1986, sections 18.431 to 18.436 and 88.13."

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. 909: A bill for an act relating to natural resources; establishing a state flood hazard mitigation grant program; authorizing grants-in-aid to local government units; appropriating money; amending Minnesota Statutes 1986, section 104.02; proposing coding for new law in Minnesota Statutes, chapter 104.

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 84.01, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of Laws 1969, chapter 1129, and to other applicable laws the commissioner shall organize the department and employ ~~two~~ *three* assistant commissioners, ~~both~~ *each* of whom shall serve at the pleasure of the commissioner in the unclassified service, one of whom shall have responsibility for coordinating and directing the planning of every division within the agency, and such other officers, employees, and agents as the commissioner may deem necessary to discharge the functions of the department, define the duties of such officers, employees,

and agents and to delegate to them any of the commissioner's powers, duties, and responsibilities subject to the control of, and under the conditions prescribed by, the commissioner. Appointments to exercise delegated power shall be by written order filed with the secretary of state.

Sec. 2. Minnesota Statutes 1986, section 84.081, subdivision 1, is amended to read:

Subdivision 1. [DIRECTORS.] Subject to the commissioner's authority to revise or abolish existing divisions and to establish new divisions, all as prescribed in section 84.083, subdivision 1, the department of natural resources shall be organized with the following divisions: a division of lands and forestry, a division of waters, soils and minerals, a division of game and fish, a division of parks and recreation, and a division of enforcement and field service. Each division shall be under the immediate charge of a director, subject to the supervision and control of the commissioner. The commissioner may place a director's position in the unclassified service if the position meets the criteria established in section 43A.08, subdivision 1a. They shall be chosen with regard to knowledge, training, experience, and ability in administering the work of their respective divisions, *and with consideration given to applicable professional registration.*

Sec. 3. Minnesota Statutes 1986, section 104.02, is amended to read:

104.02 [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of sections 104.01 to 104.07 and sections 4 and 5, the terms defined in this section have the meanings given them.

Subd. 2. [REGIONAL FLOOD.] "Regional flood" means a flood which is representative of large floods known to have occurred generally in Minnesota and reasonably characteristic of what can be expected to occur on an average frequency in the magnitude of the 100 year recurrence interval.

Subd. 3. [FLOODPLAIN.] "Floodplain" means the areas adjoining a watercourse or water basin which has been or hereafter may be covered by the regional flood.

Subd. 4. [FLOODWAY.] "Floodway" means the channel of the watercourse, the bed of water basins, and those portions of the adjoining floodplains which are reasonably required to carry and discharge, *and provide storage for* the regional flood.

Subd. 5. [FLOOD FRINGE.] "Flood fringe" means that portion of the floodplain outside of the floodway.

Subd. 6. [LOCAL GOVERNMENTAL UNIT OR LOCAL GOVERNMENT.] "Local governmental unit" or "local government" means a county or, *statutory or home rule charter city, town, watershed district, or lake improvement district.*

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources.

Subd. 8. [STRUCTURAL FLOOD MANAGEMENT MEASURES.] "*Structural flood management measures*" means physical actions taken to modify the behavior and extent of floods and flooding, including the construction of dams, dikes, levees, flood bypass channels, flood storage and retardation structures, and water level control structures, but exclud-

ing deepening or straightening of existing stream channels.

Subd. 9. [NONSTRUCTURAL FLOOD MANAGEMENT MEASURES.] "Nonstructural flood management measures" means actions in floodplains designed to reduce the damaging effects of floods on existing and potential users of floodplains, without physically altering the flood behavior. The measures include:

- (1) public acquisition of floodplain lands;
- (2) relocation of public and private structures and facilities;
- (3) floodproofing of public and private facilities;
- (4) installation and operation of flood warning systems and evacuation procedures;
- (5) adoption and enforcement of land use control ordinances and building codes;
- (6) installation of signs and other notifications in regional flood areas; and
- (7) provision of flood insurance and public education.

Subd. 10. [MITIGATION.] "Mitigation" means the act of alleviating the effects of floods and flooding by moderating or reducing the severe damages resulting from floods through structural and nonstructural flood management measures.

Subd. 11. [MITIGATION MEASURES.] "Mitigation measures" means structural or nonstructural flood management measures, or both.

Subd. 12. [WATERBASIN.] "Waterbasin" has the meaning given it by section 105.37, subdivision 9.

Sec. 4. [104.10] [STATE INVENTORY AND ASSESSMENT.]

The commissioner shall conduct a statewide inventory and flood damage assessment of flood prone structures and lands.

Sec. 5. [104.11] [FLOOD HAZARD MITIGATION GRANTS.]

Subdivision 1. [GRANTS AUTHORIZED.] The commissioner may make grants to local governments to:

(1) conduct floodplain damage reduction studies to determine the most feasible, practical, and effective methods and programs for mitigating the damages due to flooding within flood prone rural and urban areas and their watersheds; and

(2) plan or implement, or both, flood mitigation measures.

Subd. 2. [ACTION ON GRANT APPLICATIONS.] (a) Upon receipt of a request for a grant for less than \$75,000 on forms provided by the commissioner, the commissioner shall confer with the local government requesting the grant and may make a grant based on the following considerations:

(1) the extent and effectiveness of mitigation measures already implemented by the local government requesting the grant;

(2) the feasibility, practicability, and effectiveness of the proposed mitigation measures and the associated nonflood related benefits and detriments;

(3) *the level of grant assistance that should be provided to the local government, based on available facts regarding the nature, extent, and severity of flood problems;*

(4) *the frequency of occurrence of severe flooding that has resulted in declaration of the area as a flood disaster area by the president of the United State;*

(5) *the economic, social, and environmental benefits and detriments of the proposed mitigation measures;*

(6) *whether the floodplain management ordinance or regulation adopted by the local government meets the minimum standards established by the commissioner, the degree of enforcement of the ordinance or regulation, and whether the local government is complying with the ordinance or regulation;*

(7) *the degree that the grant request is consistent with local water plans developed under chapters 110B and 112 and sections 473.875 to 473.883;*

(8) *the financial capabilities of the local government to solve its flood hazard problems without financial assistance; and*

(9) *the estimated cost and method of financing of the proposed mitigation measures based on local funds and federal and state funding assistance.*

(b) *If the amount of the grant requested is \$75,000 or more, the commissioner shall determine, under the considerations in paragraph (a), whether any part of the grant shall be awarded and submit to the governor and the legislature for funding consideration before each odd-numbered year a list of the grant requests or parts of grant requests of \$75,000 or more. The commissioner must prioritize the grant requests, under the considerations in paragraph (a), beginning with the projects the commissioner determines most deserving of financing.*

(c) *The maximum amount of a grant may not exceed one-half the total cost of the proposed mitigation measures.*

(d) *After July 1, 1991, grants made under this section may be made to local governments whose grant requests are part of, or responsive to, a comprehensive local water plan prepared under chapter 110B or 112 or sections 473.875 to 473.883.*

Sec. 6. Minnesota Statutes 1986, section 105.40, subdivision 1, is amended to read:

Subdivision 1. The director of the division of waters, soils and minerals of the department of natural resources shall ~~be a registered professional engineer, skilled in hydraulics~~ possess the qualifications required of division directors by section 84.081, subdivision 1. Under the direction of the commissioner, the director shall ~~make~~ be responsible for providing the surveys and engineering investigations required by sections 105.37 to 105.55 and shall perform the following duties.

Sec. 7. Minnesota Statutes 1986, section 105.482, subdivision 5, is amended to read:

Subd. 5. [LIMITATIONS.] If the cost of repair or reconstruction of a state owned dam or a grant to a local governmental unit is less than ~~\$75,000~~ \$250,000, the commissioner may direct that the state owned dam be repaired or reconstructed or that a grant be made to repair or reconstruct a

dam owned by a local governmental unit ~~without the approval of the state executive council. If the cost of repair or reconstruction of a state owned dam, or a grant to a local governmental unit is \$75,000 or more but less than \$150,000, the expenditure shall be made only with the approval of the state executive council.~~ If the cost of repair or reconstruction of a state owned dam or a grant to a local governmental unit is ~~\$150,000~~ \$250,000 or more, the commissioner may recommend the project to the legislature for its consideration and action, except in the following emergency situations. With the approval of the ~~executive council~~ legislative advisory commission on request of the commissioner of finance, the commissioner may direct that a state owned dam be repaired or reconstructed or a grant be made to a local governmental unit where the commissioner determines that an emergency condition exists and that there is danger that life will be lost or that substantial property losses will be suffered if such action is not promptly taken.

Sec. 8. [APPROPRIATION.]

\$1,000,000 is appropriated from the general fund to the commissioner of natural resources for the purposes of sections 4 and 5, to be available until July 1, 1989.

Sec. 9. [COMPLEMENT.]

The approved complement of the department of natural resources is increased by ____ positions.

Sec. 10. [EFFECTIVE DATE.]

Sections 1, 2, and 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to natural resources; establishing a state flood hazard mitigation grant program; authorizing grants-in-aid to local government units; revising qualifications for the office of director of the division of waters; authorizing an additional assistant commissioner of natural resources; appropriating money; amending Minnesota Statutes 1986, sections 84.01, subdivision 3; 84.081, subdivision 1; 104.02; 105.40, subdivision 1; and 105.482, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 104."

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

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

S.F. No. 1092: A bill for an act relating to water; prohibiting the commissioner of natural resources from issuing certain permits or approving certain plans for diversion of water from certain water basins before consultation with state and Canadian officials; amending Minnesota Statutes 1986, sections 105.37, by adding subdivisions; 105.405, subdivision 2, and by adding subdivisions; and 105.44, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 105.37, is amended by

adding a subdivision to read:

Subd. 17. "Basin of origin" means waters of the state that originate within the water basins of the Great Lakes, the Red River of the North, the Mississippi River, or the Missouri River.

Sec. 2. Minnesota Statutes 1986, section 105.37, is amended by adding a subdivision to read:

Subd. 18. "Consumptive use" means water that is withdrawn from its source for immediate further use in the area of the source and is not directly returned to the source.

Sec. 3. Minnesota Statutes 1986, section 105.405, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS FOR DIVERSION.] No permit authorized by sections 105.37 to 105.55 nor any plan for which that requires a permit or the commissioner's approval is required or permitted, involving a diversion of any waters of the state, surface or underground, in excess of 2,000,000 gallons per day average in any 30-day period, to a place outside of this state or from the basin of origin within this state shall be granted or approved until after (1) a determination by the commissioner that the water remaining in this state the basin of origin will be adequate to meet the state's basin's water resources needs during the specified life of the diversion project; and after (2) approval by the legislature.

Sec. 4. Minnesota Statutes 1986, section 105.405, is amended by adding a subdivision to read:

Subd. 3. [REQUIREMENTS FOR CONSUMPTIVE USE.] No permit authorized by sections 105.37 to 105.55 nor any plan that requires a permit or the commissioner's approval, involving a consumptive use in excess of 2,000,000 gallons per day average in any 30-day period, shall be granted or approved until after (1) a determination by the commissioner that the water remaining in the basin of origin will be adequate to meet the basin's water resources needs during the specified life of the consumptive use; and (2) approval by the legislature.

Sec. 5. Minnesota Statutes 1986, section 105.405, is amended by adding a subdivision to read:

Subd. 4. [REQUIREMENTS FOR GREAT LAKES.] (a) No permit authorized by sections 105.37 to 105.55 nor any plan that requires a permit or the commissioner's approval, involving a diversion or consumptive use of waters of the state from the Great Lakes water basin within Minnesota where the diversion or consumptive use of waters would be in excess of 5,000,000 gallons per day average in any 30-day period, shall be granted or approved until:

(1) the commissioner has notified and solicited comments on the proposed diversion or consumptive use from the offices of the governors of the Great Lakes states and premiers of the Great Lakes provinces, the appropriate water management agencies of the Great Lakes states and provinces, and the international joint commission;

(2) the commissioner has considered the comments and concerns of the offices, agencies, and commission to which notice was given under clause (1); and

(3) approval by the legislature.

(b) If an objection is made to the proposed diversion or consumptive use by an office, agency, or commission to which notice was given under paragraph (a), clause (1), the commissioner will convene a meeting with the affected office, agency or commission to investigate and consider the issues involved, and to seek a mutually agreeable solution to be recommended to the commissioner. In making a final decision on the approval of any permit or plan subject to review under this subdivision, the commissioner shall consider the record of the meeting and the recommendation. The commissioner shall send notification of the final decision to each office, agency, or commission to which notice was given under paragraph (a), clause (1).

Sec. 6. Minnesota Statutes 1986, section 105.44, subdivision 4, is amended to read:

Subd. 4. [TIME.] *(a) Except as provided in paragraph (b), the commissioner shall act upon all applications, ~~except for appropriations for irrigation, pursuant to subdivision 8,~~ for appropriation permits within 30 days after the application and all required data is filed in the commissioner's office; either waiving hearing and making an order thereon or directing hearing thereon.*

(b) The requirements of paragraph (a) do not apply to applications for:

(1) appropriations for irrigation, under subdivision 8;

(2) appropriations for diversion from the basin of origin in excess of 2,000,000 gallons per day average in any 30-day period; or

(3) appropriations with a consumptive use in excess of 2,000,000 gallons per day average for any 30-day period."

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. 760: A bill for an act relating to taxation; providing for conveyance of certain tax-forfeited land to its previous owner.

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

Page 1, delete lines 7 to 15 and insert:

"Notwithstanding Minnesota Statutes, section 92.45, or any other law, the commissioner of revenue shall convey to Duane and Gloria Fuchs, Glyndon, Minnesota, the state's interest in the land in Becker county described as Lot 2, Township 138n, 43 West Dahlgren Beach, which became forfeited for unpaid property taxes in 1984. The attorney general shall prepare appropriate instruments of conveyance with a precise description of all land subject to this section. The price for the land shall be the same as that provided for a redemption under Minnesota Statutes, section 281.02."

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

S.F. No. 423: A bill for an act relating to finance; allowing remaining funds in Red River of the North dike appropriation to be used for planning and engineering.

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

Delete everything after the enacting clause and insert:

"Section 1. [EXPANDING USE OF RED RIVER DIKE FUNDS.]

The unobligated balance of the appropriations made in Laws 1981, chapter 361, section 3, subdivision 3, and Laws 1985, First Special Session chapter 15, section 4, subdivision 5, does not cancel pursuant to Minnesota Statutes, section 16A.28 or other law, but is available for grants to evaluate the practicality and feasibility of establishing a coordinated diking system along both sides of the Red River of the North beginning at East Grand Forks and Grand Forks and extending north for the Minnesota counties of Polk, Marshall, and Kittson, and North Dakota counties of Grand Forks, Walsh, and Pembina. The commissioner of natural resources shall make the grants available to the Lower Red River watershed management board to cooperate and work with the Minnesota counties and the North Dakota counties and local water management organizations."

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

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

S.F. No. 650: A bill for an act relating to game and fish; providing for cooperative management of wildlife resources; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Page 1, line 20, delete "*at least ten*"

Page 2, line 1, delete "*, and interested individuals,*"

Page 2, line 3, delete "*In soliciting*"

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

Page 2, line 10, after "*must*" insert "*use the following criteria to*" and delete "*based on*"

Page 2, line 15, delete "*local sportsmen*" and insert "*volunteer*"

Page 2, line 29, after "*projects*" delete the comma and insert "*and*" and delete "*, and*" and insert "*of*" and delete "*relative*" and insert "*effectiveness*"

Page 2, line 30, delete "*success*"

Page 2, line 32, delete everything before "*environment*"

Page 2, line 33, before the period, insert "*of the house of representatives and senate*"

Page 3, line 7, after "projects" insert "in which"

Page 3, line 8, delete "in and request further information from" and insert a period

Page 3, delete lines 9 and 10

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

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

S.F. No. 635: A bill for an act relating to taxation; income; requiring that the nongame wildlife checkoff appear on the short income tax return; amending Minnesota Statutes 1986, section 290.39, subdivision 3.

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

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

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

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 85.41, subdivision 2, is amended to read:

Subd. 2. [LICENSE AGENTS.] County auditors are appointed agents of the commissioner for the sale of annual cross country ski licenses and daily permits. A county auditor may appoint subagents within the county or within adjacent counties to sell licenses and *daily* permits. Upon appointment the auditor shall notify the commissioner of the name and address of the subagent. The auditor may revoke the appointment of a subagent at any time. Upon demand of the commissioner, the auditor shall revoke a subagent's appointment. The auditor shall furnish license and *daily* permit blanks on consignment to any subagent who furnishes a surety bond in favor of the county in an amount at least equal to the value of the blanks to be consigned to that subagent. The county auditor shall be responsible for all blanks issued to, and user fees received by agents, except in St. Louis county or in a county where the county auditor does not retain fees paid for license purposes. In these counties, the responsibilities imposed upon the county auditor are imposed upon the county. The commissioner may promulgate additional rules pursuant to under section 98.50 97A.485, subdivision 2 11.

Any resident desiring to sell annual cross country ski licenses and daily permits may either purchase for cash or obtain on consignment license and *daily* permit blanks from a county auditor in groups of not less than ten individual blanks. In selling licenses, the resident shall be deemed a subagent of the county auditor and the commissioner, and shall observe all rules promulgated by the commissioner for the accounting and handling of licenses pursuant to under section 98.50 97A.485, subdivision 40 11.

The county auditor shall promptly deposit all monies received from the sale of licenses and *daily permits* with the county treasurer, and shall promptly transmit any reports required by the commissioner, plus 96 percent of the price to each annual licensee *and daily permittee*, exclusive of the issuing fee, for each annual license *and daily permit* sold or consigned by the auditor and subsequently sold to a licensee *or daily permittee* during the accounting period.

The county auditor shall retain as a commission:

(1) four percent of all annual license *and daily permit* fees, excluding the issuing fee for licenses *and daily permits* consigned to subagents; and

(2) *the issuing fees on licenses and on daily permits sold by the auditor to licensees or daily permittees.*

Unsold blanks in the hands of any subagent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner. Any blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the subagent possessing the same or to whom they are charged shall be accountable."

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

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

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

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

Delete everything after the enacting clause and insert:

"Section 1. [115.091] [CITATION.]

Sections 1 to 11 may be cited as the "Minnesota clean water partnership act."

Sec. 2. [115.092] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 11.

Subd. 2. [BEST MANAGEMENT PRACTICES.] "Best management practices" means practices, techniques, and measures that prevent or reduce water pollution from nonpoint sources by using the most effective and practicable means of achieving water quality goals. Best management practices include, but are not limited to, official controls, structural and nonstructural controls, and operation and maintenance procedures.

Subd. 3. [DIRECTOR.] "Director" means the director of the pollution control agency.

Subd. 4. [LOCAL UNIT OF GOVERNMENT.] "Local unit of govern-

ment" means a statutory or home rule charter city, town, county, soil and water conservation district, watershed district, an organization formed for the joint exercise of powers under section 471.59, and any other special purpose district or authority exercising authority in water and related land resources management at the local level.

Subd. 5. [NONPOINT SOURCE.] "Nonpoint source" is a land management activity or land use activity that contributes or may contribute to ground and surface water pollution as a result of runoff, seepage, or percolation that is not a point source. Nonpoint sources include rural and urban land management activities and land use activities and specialty land use activities such as transportation.

Subd. 6. [OFFICIAL CONTROLS.] "Official controls" means ordinances and regulations that control the physical development of the whole or part of a local government unit or that implement the general objectives of the local government unit.

Subd. 7. [PROJECT.] "Project" means the diagnostic study of water pollution caused by nonpoint sources of water pollution, a plan to implement best management practices, and the physical features constructed or actions taken by a local unit of government to implement best management practices.

Sec. 3. [115.093] [CLEAN WATER PARTNERSHIP PROGRAM.]

A clean water partnership program is established as provided in sections 3 to 11. The agency shall administer the clean water partnership program. As a basis for the program, the agency and the metropolitan council shall conduct an assessment of waters under section 4. After the assessment is completed the agency shall provide financial and technical assistance under section 5 to local units of government for projects in geographical areas that contribute to surface or ground water flows. The projects shall provide for protection and improvement of surface and ground water from nonpoint sources of water pollution.

Sec. 4. [115.094] [STATEWIDE RESOURCE ASSESSMENT.]

The agency shall conduct an assessment of waters of the state that have been polluted by nonpoint sources and of geographical areas with waters of the state that have a high potential for water pollution caused by nonpoint sources as provided in the federal Clean Water Act, Public Law Number 100-4, section 319, 101 United States Statutes 52 to 61. The metropolitan council shall conduct the assessment in the metropolitan area, as defined in section 473.121, subdivision 2, in cooperation with the agency. The assessment shall be completed by July 1, 1988.

Sec. 5. [115.095] [FINANCIAL AND TECHNICAL ASSISTANCE; ELIGIBILITY.]

Subdivision 1. [FINANCIAL ASSISTANCE.] (a) The agency may award grants for up to 50 percent of the eligible cost for:

- (1) the development of a diagnostic study and implementation plan; and
- (2) the implementation of that plan.

(b) The agency shall determine which costs are eligible costs and grants shall be made and used only for eligible costs.

Subd. 2. [TECHNICAL ASSISTANCE.] The agency may provide tech-

nical assistance to local units of government to ensure efficient and effective development and implementation of projects and coordination of projects with other water management activities.

Sec. 6. [115.096] [ELIGIBILITY FOR ASSISTANCE.]

Subdivision 1. [GENERALLY.] (a) To be eligible for the financial or technical assistance or both as provided in section 5, a local unit of government applying for assistance must:

(1) have authority to coordinate and enter into contracts with local, state, and federal agencies and private organizations, raise funds, and adopt and enforce official controls; and

(2) provide the agency with the documents required in subdivision 2.

(b) After July 1, 1991, only projects that are a part of, or are responsive to, a local water plan under chapter 110B, section 112.46, or sections 473.875 to 473.883 will be eligible under this subdivision.

Subd. 2. [DOCUMENTS REQUIRED.] (a) An applicant for assistance shall submit the following to the agency:

(1) an application form as prescribed by the agency;

(2) evidence that the applicant has consulted with the local soil and water conservation districts and watershed districts, where they exist, in the preparation of the application; and

(3) one of the following documents:

(i) the comprehensive water plan authorized under chapter 110B;

(ii) a surface water management plan required under section 473.878;

(iii) an overall plan required under section 112.46; or

(iv) any other local plan that provides an inventory of existing physical and hydrologic information on the area, a general identification of water quality problems and goals, and that demonstrates a local commitment to water quality protection or improvement.

(b) The document submitted in compliance with paragraph (a), clause (3), must identify existing and potential nonpoint source water pollution problems and must recognize the need and demonstrate the applicant's commitment to abate or prevent water pollution from nonpoint sources in the geographic areas for which the application is submitted.

Sec. 7. [115.097] [AGENCY REVIEW OF APPLICATIONS; RANKING OF PROJECTS.]

Subdivision 1. [RANKING OF APPLICATIONS.] The agency shall rank applications for technical and financial assistance in order of priority and shall, within the limits of available appropriations, grant those applications having the highest priority.

Subd. 2. [RANKING CRITERIA.] The agency shall by rule adopt appropriate criteria to determine the priority of projects. The criteria shall give the highest priority to projects that best demonstrate compliance with the following objectives:

(1) demonstration of participation, coordination, and cooperation between local units of government and other public agencies, including soil and water conservation districts or watershed districts, or both those

districts;

(2) maximization of the degree of water quality improvement or protection relative to the cost of implementing the best management practices;

(3) utilization of best management practices to provide a feasible means of abating or preventing nonpoint source water pollution; and

(4) consistency of the project goals and objectives with the state water quality management plans, the statewide resource assessment conducted under section 4, and other applicable state and local resource management programs.

Sec. 8. [115.098] [PLAN IMPLEMENTATION.]

Subdivision 1. [IMPLEMENTATION ACCORDING TO LAW AND CONTRACT.] A local unit of government receiving technical or financial assistance or both from the agency shall carry out the implementation plan approved by the agency according to the terms of the plan, any contract or grant agreement made with the agency and according to sections 3 to 11, the rules of the agency, and applicable federal requirements.

Subd. 2. [REVIEW BY AGENCY.] The director or the director's designee may, at any reasonable time, inspect any project and conduct an audit of the expenditure of financial assistance funds granted by the agency in order to determine whether the local unit of government has complied with subdivision 1.

Subd. 3. [ENFORCEMENT OF AGREEMENTS.] The agency may bring a civil action in district court to recover from a local governmental unit any financial assistance funds used in violation of subdivision 1.

Sec. 9. [115.099] [RULES.]

The agency shall adopt permanent rules and may adopt emergency rules necessary to implement sections 3 to 11. The rules must at least contain:

(1) procedures to be followed by local units of government in applying for technical or financial assistance or both;

(2) conditions for the administration of assistance;

(3) procedures for the development, evaluation, and implementation of best management practices;

(4) requirements for a diagnostic study and implementation plan;

(5) criteria for the evaluation and approval of a diagnostic study and implementation plan;

(6) criteria for the evaluation of best management practices;

(7) criteria for the ranking of projects in order of priority for assistance;

(8) criteria for defining and evaluating eligible costs and cost-sharing by local units of government applying for assistance; and

(9) other matters as the agency and the director find necessary for the proper administration of sections 3 to 11, including rules determined by the director to be necessary for the implementation of federal programs to control nonpoint source water pollution.

Sec. 10. [115.10] [NONPOINT SOURCE POLLUTION CONTROL PLAN AND PROGRAM EVALUATION.]

For the purpose of coordinating the programs and activities used to control nonpoint sources of pollution to achieve the state's water quality goals, the agency shall:

(1) develop a state plan for the control of nonpoint source water pollution to meet the requirements of the federal Clean Water Act, Public Law Number 100-4, section 319, 101 United States Statutes 52 to 61;

(2) work through the environmental quality board to coordinate the activities and programs of federal, state, and local agencies involved in nonpoint source pollution control and, where appropriate, develop agreements with federal and state agencies to accomplish the purposes and objectives of the state nonpoint source pollution control plan; and

(3) evaluate the effectiveness of programs in achieving water quality goals and recommend to the legislature, under section 3.195, subdivision 1, any necessary amendments to the Minnesota clean water partnership act.

Sec. 11. [115.101] [PUBLIC AGENCY COORDINATION.]

Subdivision 1. [PROJECT COORDINATION TEAM.] The director shall establish and chair a project coordination team made up of representatives of the pollution control agency, department of natural resources, soil and water conservation board, department of agriculture, department of health, state planning agency, Minnesota extension service, United States Environmental Protection Agency, United States Department of Agriculture Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, water resources board, metropolitan council, association of Minnesota counties, league of Minnesota cities, and other agencies as the director may determine.

Subd. 2. [DUTIES.] The project coordination team shall evaluate projects and recommend to the director those projects that the team believes should receive financial or technical assistance or both from the agency. After approval of assistance for a project by the agency, the team shall review project activities and assist in the coordination of the state program with other state and federal resource management programs.

Sec. 12. [APPROPRIATION.]

\$_____ is appropriated from the _____ fund to the pollution control agency for the purpose of the Minnesota clean water partnership act, to be available until expended."

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

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

S.F. No. 385: A bill for an act relating to game and fish; clarifying and making technical changes in the game and fish laws; recodifying establishment of the wild rice management account; defining enforcement officer; defining brown trout as a game fish; defining an unloaded firearm; allowing the commissioner to use the game and fish fund for activities of the enforcement division; designating notices to be placed on state park and wildlife management area boundaries; changing the expiration date for muskrat farm licenses; removing certain restrictions on the size of shooting

preserves; prescribing violations of hunting while under the influence of alcohol or a controlled substance; providing when license must be in personal possession; allowing more than one license, except a big game license, to be issued in a license year; exempting big game licenses from certain types of license revocations; prescribing submission of annual reports for tanners, fur dealers, and taxidermists; providing a nonresident under age 16 may purchase a nonresident fishing license and take and possess fish; prescribing conditions for oath administration; eliminating certain requirements for wild animals that are gifts; allowing a person to transport more than one big game animal; eliminating certain restrictions on transporting big game animals; prohibiting a person from trespassing to retrieve wounded game after being notified; allowing a person to ship more than one fish with a permit; prescribing permission needed to take wild animals in certain areas; allowing possession of shotgun and certain shells in areas where deer may be taken; allowing persons to take raccoons with lights and firearms at night; clarifying that a small game license is not required to pursue and tree raccoons during the closed season; authorizing the commissioner to restrict the taking of pine marten and opossum; eliminating requirement for a license and seals to take beaver damaging property; prescribing when certain devices to take fish may be possessed; amending Minnesota Statutes 1986, sections 97A.015, subdivisions 18, 25, 43, 45, and 51; 97A.055, subdivision 1; 97A.065, subdivision 2; 97A.075, subdivision 1; 97A.085, subdivisions 5 and 7; 97A.111, subdivisions 2 and 7; 97A.115, subdivision 3; 97A.135, subdivision 1; 97A.201, subdivision 1; 97A.211, subdivisions 1 and 2; 97A.221, subdivision 1; 97A.311, subdivision 4; 97A.315, subdivision 2; 97A.325, subdivision 1; 97A.331, subdivision 1; 97A.405, subdivision 2; 97A.415, subdivision 1; 97A.421, subdivision 1; 97A.425, subdivision 3; 97A.445, subdivision 3; 97A.451, subdivisions 1 and 5; 97A.475, subdivision 7; 97A.481; 97A.505, subdivisions 4 and 5; 97A.535, subdivisions 3 and 4; 97A.545, subdivision 4; 97A.551, subdivision 3; 97B.001, subdivisions 3, 5, and 7; 97B.041; 97B.061; 97B.065; 97B.081, subdivision 1; 97B.601, subdivision 4; 97B.605; 97B.635; 97B.655, subdivision 2; 97C.345, subdivisions 2 and 3; repealing Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.121, subdivision 5; 97A.255, subdivision 3; 97A.461; 97A.505, subdivisions 1, 3, and 6; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [84.0911] [WILD RICE MANAGEMENT ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] The wild rice management account is established as an account in the state treasury.

Subd. 2. [RECEIPTS.] Money received from the sale of wild rice licenses issued by the commissioner under section 84.091, subdivision 3, clauses (1) and (3), shall be credited to the wild rice management account.

Subd. 3. [USE OF MONEY IN ACCOUNT.] (a) Money in the wild rice management account shall be used by the commissioner for management of designated public waters to improve natural wild rice production.

(b) Money that is not appropriated from the wild rice management account does not cancel but shall remain in the wild rice management account

until appropriated.

Sec. 2. Minnesota Statutes 1986, section 97A.015, subdivision 3, is amended to read:

Subd. 3. [BIG GAME.] "Big game" means deer, moose, elk, bear, ~~an-~~
~~telope,~~ and ~~caribou~~ cougar.

Sec. 3. Minnesota Statutes 1986, section 97A.015, subdivision 18, is amended to read:

Subd. 18. [ENFORCEMENT OFFICER.] "Enforcement officer" means the commissioner, the director of the *enforcement division*, a conservation officer, or a game refuge manager.

Sec. 4. Minnesota Statutes 1986, section 97A.015, subdivision 25, is amended to read:

Subd. 25. [GAME FISH.] "Game fish" means walleye, sauger, yellow perch, channel catfish, flathead catfish; members of the pike family, Esocidae, including muskellunge and northern pike; members of the sunfish family, Centrarchidae, including largemouth bass, smallmouth bass, sunfish, rock bass, white crappie, black crappie, members of the temperate bass family, Percichthyidae, including white bass and yellow bass; members of the salmon and trout subfamily, Salmoninae, including Atlantic salmon, chinook salmon, coho salmon, pink salmon, kokanee salmon, lake trout, brook trout, *brown trout*, rainbow (steelhead) trout, and splake; members of the paddlefish family, Polyodontidae; members of the sturgeon family, Acipenseridae, including lake sturgeon, and shovelnose sturgeon. "Game fish" includes hybrids of game fish.

Sec. 5. Minnesota Statutes 1986, section 97A.015, subdivision 43, is amended to read:

Subd. 43. [ROUGH FISH.] "Rough fish" means carp, buffalo, sucker, sheepshead, bowfin, burbot, ~~eiseee~~ cisco, gar, goldeye, and bullhead.

Sec. 6. Minnesota Statutes 1986, section 97A.015, subdivision 45, is amended to read:

Subd. 45. [SMALL GAME.] "Small game" means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit, raccoon, lynx, bobcat, *red fox and gray fox*, fisher, pine marten, ~~opossum~~ *opossum*, badger, ~~cougar~~, wolverine, muskrat, mink, otter, and beaver.

Sec. 7. Minnesota Statutes 1986, section 97A.015, subdivision 51, is amended to read:

Subd. 51. [UNLOADED.] "Unloaded" means, with reference to a firearm, without ammunition in the barrels and magazine, *if the magazine is in the firearm*. A muzzle loading firearm with a flintlock ignition is unloaded if it does not have priming powder in a pan. A muzzle loading firearm with percussion ignition is unloaded if it does not have a percussion cap on a nipple.

Sec. 8. Minnesota Statutes 1986, section 97A.055, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; PURPOSES.] The game and fish fund is established as a fund in the state treasury. The money in the fund is annually appropriated to the commissioner for the activities of the division of fish and wildlife and the division of enforcement.

Sec. 9. Minnesota Statutes 1986, section 97A.065, subdivision 2, is amended to read:

Subd. 2. [FINES AND FORFEITED BAIL.] (a) Fines and forfeited bail collected from prosecutions of violations of the game and fish laws, sections 84.09 to 84.15, and 84.81 to 84.88, chapter ~~34B~~ 348, and any other law relating to wild animals, and aquatic vegetation must be paid to the treasurer of the county where the violation is prosecuted. The county treasurer shall submit one-half of the receipts to the commissioner and credit the balance to the county general revenue fund except as provided in paragraph (b).

(b) The commissioner must reimburse a county, from the game and fish fund, for the cost of keeping prisoners prosecuted for violations under this section if the county board, by resolution, directs: (1) the county treasurer to submit all fines and forfeited bail to the commissioner; and (2) the county auditor to certify and submit monthly itemized statements to the commissioner.

Sec. 10. Minnesota Statutes 1986, section 97A.075, subdivision 1, is amended to read:

Subdivision 1. [DEER AND BEAR LICENSES.] (a) For purposes of this subdivision, "deer license" means a license issued under section 97A.475, subdivision 2, clauses (4) and (5) and subdivision 3, clauses (2) and (3).

(b) At least \$2 from each deer license shall be used for deer habitat improvement.

(c) At least \$1 from each resident deer license and each resident bear license shall be used for deer and bear management programs, including a computerized licensing system.

Sec. 11. Minnesota Statutes 1986, section 97A.085, subdivision 5, is amended to read:

Subd. 5. [SPECIES GAME REFUGE FOR SPECIFIED GAME.] The commissioner may, by order, designate a ~~species~~ game refuge for only specified species. The game refuge must be posted accordingly.

Sec. 12. Minnesota Statutes 1986, section 97A.085, subdivision 7, is amended to read:

Subd. 7. [GAME REFUGE BOUNDARY POSTING.] (a) The designation of a state game refuge is not effective until the boundary has been posted with notices that measure at least 12 inches. ~~The notices posted on state park boundaries must have black letters on a yellow background stating that the area is a state park. The notices on other game refuges must have black letters on a white background stating that the area is a state game refuge.~~

(b) The notices must be posted at intervals of not more than 500 feet or less along the boundary. The notices must also be posted at all public road entrances to the refuges, except where the boundary is also an international or state boundary in public waters. Where the boundary of a refuge extends more than 500 feet continuously through a body of water, instead of placing notices in the water, notices with the words, "Adjacent Waters Included," may be placed on the shoreline at the intersection of the boundary and the water 20 feet or less above the high water mark and at intervals of 500 feet or less along the shoreline.

(c) A certification by the commissioner or the director, or a certification filed with the commissioner or director by a conservation officer, refuge

supervisor, or other authorized officer or employee, stating that the required notices have been posted is prima facie evidence of the posting.

Sec. 13. Minnesota Statutes 1986, section 97A.111, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF LICENSE.] (a) The commissioner shall investigate the application filed and may require the applicant to produce evidence of the facts stated. The commissioner shall issue a muskrat farm license to an applicant if the commissioner determines that:

- (1) the applicant is the owner of the land;
- (2) the applicant intends to establish and operate a muskrat farm; and
- (3) the establishment of a muskrat farm in the proposed area will conserve the natural resources.

(b) The license must describe the land and certify that the licensee is entitled to use the land to breed, raise, trap, and trade muskrats. ~~The license expires on December 31 each year but may be renewed annually at the discretion of the commissioner upon payment of the license fee.~~

Sec. 14. Minnesota Statutes 1986, section 97A.111, subdivision 7, is amended to read:

Subd. 7. [ANNUAL REPORT.] By March 4 ~~31~~ of each year, the licensee must submit a signed report to the commissioner covering the preceding ~~calendar~~ license year. The report must be completed on a form furnished by the commissioner stating the license number, the number and value of muskrats killed, transported, and sold from the muskrat farm, and other information required by the commissioner.

Sec. 15. Minnesota Statutes 1986, section 97A.115, subdivision 3, is amended to read:

Subd. 3. [SIZE OF PRESERVE.] A private shooting preserve must be at least 100 ~~but not more than 1,000~~ contiguous acres, including any water area. A preserve limited to duck hunting may be a minimum of 50 contiguous acres including water area.

Sec. 16. Minnesota Statutes 1986, section 97A.121, subdivision 5, is amended to read:

Subd. 5. [MARKING HARVESTED GAME.] Harvested game, except ducks that are marked in accordance with regulations of the United States Fish and Wildlife Service, must be tagged with a self-sealing tag, identifying the private shooting preserve. The commissioner shall issue the tags at a cost of 15 cents each. The tag must remain attached on the bird ~~until while~~ the bird is ~~actually prepared for consumption transported~~.

Sec. 17. Minnesota Statutes 1986, section 97A.135, subdivision 1, is amended to read:

Subdivision 1. [PUBLIC HUNTING AND WILDLIFE AREAS.] (a) The commissioner or the commissioner of administration shall acquire and improve land for public hunting, game refuges, and food and cover planting. The land may be acquired by a gift, lease, easement, *purchase*, or condemnation. At least two-thirds of the total area acquired in a county must be open to public hunting. The commissioner may designate land acquired under this subdivision as a wildlife management area for the purposes of the outdoor recreation system.

(b) The commissioner of administration may transfer money to the commissioner for acquiring ~~wetlands~~ *wildlife lands* to qualify for Pittman-Robertson funds. The transferred money is reappropriated to the commissioner for the ~~wetland~~ *wildlife land* acquisition.

Sec. 18. Minnesota Statutes 1986, section 97A.201, subdivision 1, is amended to read:

Subdivision 1. [ENFORCEMENT BY THE COMMISSIONER.] The commissioner shall execute and enforce the laws relating to wild animals. The commissioner may delegate execution and enforcement of the wild animal laws to the director, ~~game refuge managers,~~ and ~~conservation enforcement~~ officers.

Sec. 19. Minnesota Statutes 1986, section 97A.211, subdivision 1, is amended to read:

Subdivision 1. [NOTICE TO APPEAR IN COURT.] (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws, chapter 84, 105, or ~~406~~ *106A*, or section 609.68 if:

(1) the person is arrested and is released from custody prior to appearing before a court; or

(2) the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.

(b) The enforcement officer shall prepare, in quadruplicate, a written notice to appear in court. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged, the offense, and the time and the place to appear in court. The court must have jurisdiction within the county where the offense is alleged to have been committed.

Sec. 20. Minnesota Statutes 1986, section 97A.211, subdivision 2, is amended to read:

Subd. 2. [RELEASE AFTER ARREST.] A person arrested for a misdemeanor violation of the game and fish laws, chapter 84, 105, or ~~406~~ *106A* or section 609.68 may obtain release by signing the written notice prepared by the arresting officer promising to appear in court. The officer shall deliver a copy marked "SUMMONS" to the person arrested. The officer must then release the person from custody.

Sec. 21. Minnesota Statutes 1986, section 97A.221, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO CONFISCATION.] (a) An enforcement officer may confiscate:

(1) wild animals, wild rice, and other aquatic vegetation taken, bought, sold, transported, or possessed in violation of the game and fish laws or chapter 84; and

(2) firearms, bows and arrows, nets, boats, lines, poles, fishing rods and tackle, lights, lanterns, snares, traps, spears, dark houses, fish houses, and wild rice harvesting equipment *that are used*, with the owner's knowledge to unlawfully take or transport wild animals, wild rice, or other aquatic vegetation.

(b) An enforcement officer must confiscate nets and equipment unlawfully possessed within ten miles of Lake of the Woods or Rainy Lake.

(c) Confiscated property may be disposed of, retained for use by the division, or sold at the highest price obtainable as prescribed by the commissioner.

Sec. 22. Minnesota Statutes 1986, section 97A.255, subdivision 2, is amended to read:

Subd. 2. [BURDEN OF PROOF] In a prosecution that alleges animals have been taken, bought, sold, transported, or possessed in violation of the game and fish laws, the burden of establishing that the animals were domesticated, reared in a private preserve, raised in a private fish hatchery, taken for scientific purposes, or lawfully taken outside of this state, or received as a gift, is on the defendant.

Sec. 23. Minnesota Statutes 1986, section 97A.311, subdivision 4, is amended to read:

Subd. 4. [SUSPENSION OF LICENSE AGENT SUSPENSION.] In addition to other penalties, a license agent that violates a law, rule, or order of the commissioner relating to license sales, handling, or accounting forfeits the right to sell and handle licenses for a period of one year.

Sec. 24. Minnesota Statutes 1986, section 97A.315, subdivision 2, is amended to read:

Subd. 2. [LICENSE REVOCATIONS.] (a) If a person is convicted under subdivision 4 of trespassing under subdivision 1 while exercising or attempting to exercise an activity licensed under the game and fish laws or requiring snowmobile registration under section 84.82, the applicable license and registration are null and void.

(b) A person convicted of a gross misdemeanor under subdivision 1, paragraph (b), may not be issued a license to take game for two years after the conviction.

Sec. 25. Minnesota Statutes 1986, section 97A.325, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR FOR SALES OF \$300 OR MORE.] (a) A person that buys or sells protected wild animals in violation of the game and fish laws where the sales total \$300 or more is guilty of a gross misdemeanor. The person is subject to the penalty in section 97A.301, subdivision 2, except that the fine is may not be less than \$3,000 or more than \$10,000.

(b) Licenses possessed by a person convicted under this subdivision are null and void and the person may not take wild animals for three years after the conviction.

Sec. 26. Minnesota Statutes 1986, section 97A.331, subdivision 1, is amended to read:

Subdivision 1. [HUNTING WHILE INTOXICATED OR USING NARCOTIC DRUGS UNDER THE INFLUENCE OF ALCOHOL OR A CONTROLLED SUBSTANCE.] A person that violates a the provision of section 97B.065 relating to hunting while visibly intoxicated or under the influence of alcohol or a narcotic drug under section 97B.065, controlled substance is guilty of a gross misdemeanor.

Sec. 27. Minnesota Statutes 1986, section 97A.405, subdivision 2, is amended to read:

Subd. 2. [PERSONAL POSSESSION.] A person to whom a license is issued must have the license in personal possession while acting under the license and while traveling ~~to and~~ from the area where the licensed activity is performed. If possession of a license is required, a person must exhibit the proper license when requested by a conservation officer or peace officer. A receipt for license fees, a copy of a license, or evidence showing the issuance of a license does not entitle a licensee to exercise the rights or privileges conferred by a license.

Sec. 28. Minnesota Statutes 1986, section 97A.415, subdivision 1, is amended to read:

Subdivision 1. [ONE LICENSE PER PERSON.] Only one *trapping and big game* license of each kind may be issued to a person in a license year, ~~except the nonresident short-term angling license~~, unless authorized by commissioner's order.

Sec. 29. Minnesota Statutes 1986, section 97A.421, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The license of a person convicted of a violation of the game and fish laws relating to the license or wild animals covered by the license is void when:

(1) a second conviction occurs within three years under a license to take small game or to take fish by angling or spearing;

(2) a third conviction occurs within one year under a minnow dealer's license; or

(3) the conviction occurs under a license not described in clause (1) or (2).

(b) ~~Except for big game licenses and as otherwise provided in this section, and for one year after the conviction, the person may not obtain that the kind of license relating to the game and fish law violation.~~

Sec. 30. Minnesota Statutes 1986, section 97A.425, subdivision 3, is amended to read:

Subd. 3. [REPORTS.] An annual ~~notarized~~ report covering the preceding ~~calendar~~ license year must be submitted to the commissioner by ~~January~~ March 15. The commissioner may require other reports for statistical purposes. The reports must be on forms supplied by the commissioner.

Sec. 31. Minnesota Statutes 1986, section 97A.445, subdivision 3, is amended to read:

Subd. 3. [ANGLING AND SPEARING; DISABLED RAILROAD AND POSTAL RETIREES.] A license is not required to take fish by angling or spearing for a resident that is:

(1) receiving aid under the federal Railroad Retirement Act of 1937, United States Code ~~Annotated~~, title 45, section 228b(a)5; or

(2) a former employee of the United States Postal Service receiving disability pay under United States Code ~~Annotated~~, title 4, section 8337.

Sec. 32. Minnesota Statutes 1986, section 97A.451, subdivision 1, is amended to read:

Subdivision 1. [RESIDENTS OVER AGE 65; FISHING.] A resident age 65 or over may take fish by angling or spearing without a license if the resident has a valid driver's license, Minnesota identification card, or other document showing age and residency in possession while taking fish and while traveling to and from the location where fish are taken. The person must exhibit the proof of age at the request of a conservation officer or peace officer.

Sec. 33. Minnesota Statutes 1986, section 97A.451, subdivision 5, is amended to read:

Subd. 5. [NONRESIDENTS UNDER AGE 16; FISHING WITH PARENTS.] A nonresident under the age of 16 may take fish by angling without a license if a parent or guardian has a ~~nonresident~~ fishing license. Fish taken by a nonresident under the age of 16 without a license must be included in the limit of the parent or guardian. *A nonresident under age 16 may purchase a nonresident fishing license, take fish by angling, and possess a limit of fish.*

Sec. 34. Minnesota Statutes 1986, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, shall be

- (1) to take fish by angling, \$16;
- (2) to take fish by angling limited to seven consecutive days, \$13;
- (3) to take fish by angling for three *consecutive* days, \$10; and
- (4) to take fish by angling for a combined license for a family, \$27.50.

Sec. 35. Minnesota Statutes 1986, section 97A.481, is amended to read: 97A.481 [LICENSE APPLICATIONS UNDER OATH.]

All information required on a license application form must be furnished. The application must be made in writing and under oath. ~~A person authorized to issue licenses has the authority to administer oaths to applicants, and a license may not be issued without actually administering the oath.~~

Sec. 36. Minnesota Statutes 1986, section 97A.505, subdivision 4, is amended to read:

Subd. 4. [STORAGE OF PROTECTED WILD ANIMALS.] A person that stores protected wild animals *for others* must plainly mark the package, in ink, with the name and address of the owner, the license number of the person taking the animal, and the number and species in the package. A person may not use a commercial cold storage warehouse for protected wild animals, except lawfully taken fish and furs.

Sec. 37. Minnesota Statutes 1986, section 97A.505, subdivision 5, is amended to read:

Subd. 5. [LICENSE NOT REQUIRED FOR ANIMALS ACQUIRED BY GIFT.] *Lawfully taken* protected wild animals may be transferred by gift. A person is not required to have a license to possess and transport protected wild animals acquired by gift. ~~If wild animals are transported out of the county where the recipient resides, the recipient must:~~

(1) attach a tag marked in ink, with the name and address of the owner and the license number of the person taking the animals; or

(2) furnish an affidavit showing the name and address of the donor.

Sec. 38. Minnesota Statutes 1986, section 97A.535, subdivision 3, is amended to read:

Subd. 3. [TRANSPORTATION PERIOD RESTRICTED.] A person may transport ~~one~~ deer, ~~one~~ bear, or ~~one~~ moose during the open season and the two days following the season, and afterwards as prescribed by the commissioner.

Sec. 39. Minnesota Statutes 1986, section 97A.535, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTATION BY PERSON OTHER THAN LICENSEE.] A person other than the licensee may transport deer, bear, or moose that the licensee has registered as prescribed by the commissioner. ~~The person must transport the animal by the most direct route.~~ A tag must be attached to the animal and marked in ink with the address, license number, signature of the licensee, and the locations from which and to which the animal is being transported.

Sec. 40. Minnesota Statutes 1986, section 97A.545, subdivision 4, is amended to read:

Subd. 4. [UNDRESSED GAME BIRDS TAKEN IN ADJACENT STATES OUTSIDE OF THIS STATE.] (a) A person may transport into the state ~~dressed~~ *undressed* game birds that are lawfully taken and possessed ~~in adjacent states outside of this state.~~

(b) A resident may ship the undressed game birds by common carrier within the state. A nonresident may ship the undressed game birds out of the state by common carrier. Each shipment must be tagged or sealed by a conservation officer as prescribed by the commissioner.

Sec. 41. Minnesota Statutes 1986, section 97A.551, subdivision 3, is amended to read:

Subd. 3. [SHIPPING ~~ONE FISH TO ANY PERSON.~~] A person that has a license to take fish may ~~ship one~~ *make three shipments* of fish in a license year to any person within or out of the state after obtaining a permit for each shipment from the commissioner. *A shipment may not contain more than a possession limit of one species of fish.*

Sec. 42. Minnesota Statutes 1986, section 97B.001, subdivision 3, is amended to read:

Subd. 3. [ENTERING LAND PROHIBITED AFTER NOTICE.] Except as provided in ~~subdivisions 5 and subdivision 6,~~ a person may not enter any land to take a wild animal after being notified not to do so orally by the owner, occupant, or lessee.

Sec. 43. Minnesota Statutes 1986, section 97B.001, subdivision 5, is amended to read:

Subd. 5. [RETRIEVING WOUNDED GAME FROM AGRICULTURAL LAND.] *Except as provided in subdivision 3,* a hunter, on foot, may retrieve wounded game, during the open season for the game, from agricultural land that is not posted under subdivision 4, without permission of the landowner. The hunter must leave the land immediately after retrieving the wounded game.

Sec. 44. Minnesota Statutes 1986, section 97B.001, subdivision 7, is

amended to read:

Subd. 7. [TAKING WITH FIREARMS IN CERTAIN AREAS.] (a) A person may not take a wild animal with a firearm within 500 feet of a building occupied by a human or livestock without the written permission of the owner or occupant:

- (1) on another person's private agricultural land; or
- (2) on a public right-of-way.

(b) A person may not take a wild animal with a firearm without the ~~written~~ permission of the owner within 500 feet of a stockade or corral containing livestock.

(c) A person may not take a wild animal with a firearm:

(1) on land other than agricultural land within 200 feet of a building occupied by a human without the oral permission of the owner or occupant of the building; ~~or~~

(2) within 500 feet of a burning area.

Sec. 45. Minnesota Statutes 1986, section 97B.041, is amended to read:

97B.041 [POSSESSION OF FIREARMS AND AMMUNITION RESTRICTED IN DEER ZONES.]

A person may not possess a firearm or ammunition outdoors during the period beginning the tenth day before the open firearms season and ending the second day after the close of the season within an area where deer may be taken by a firearm, except:

(1) during the open season and in an area where big game may be taken, a firearm and ammunition authorized for taking big game in that area may be used to take big game in that area if the person has a valid big game license in possession;

(2) a ~~an~~ unloaded firearm that is ~~unloaded and~~ in a case or in a closed trunk of a motor vehicle;

(3) a shotgun and ~~only~~ shells containing *No. 4 buckshot or smaller diameter lead shot or steel shot*;

(4) a handgun or rifle and only short, long, and long rifle cartridges that are caliber of .22 inches;

(5) handguns possessed by a person authorized to carry a handgun under sections 624.714 and 624.715 for the purpose authorized; and

(6) on a target range operated under a permit from the commissioner.

Sec. 46. Minnesota Statutes 1986, section 97B.061, is amended to read:

97B.061 [REPORTS AND RECORDS.]

If requested by the commissioner, a person who has taken game must submit a report to the commissioner on a furnished form before ~~February 15~~ ~~March 15~~, stating the number and kind of each game animal taken during the preceding ~~calendar~~ license year.

Sec. 47. Minnesota Statutes 1986, section 97B.065, is amended to read:

97B.065 [HUNTING WHILE INTOXICATED OR USING NARCOTICS PROHIBITED UNDER THE INFLUENCE OF ALCOHOL OR A CON-

TROLLED SUBSTANCE.]

A person may not take protected wild animals with a firearm or by archery while ~~visibly intoxicated or under the influence of narcotics~~ alcohol or a controlled substance.

Sec. 48. Minnesota Statutes 1986, section 97B.081, subdivision 1, is amended to read:

Subdivision 1. [WITH FIREARMS AND BOWS.] (a) A person may not cast the rays of a spotlight, headlight, or other artificial light on a highway, or in a field, woodland, or forest, to spot, locate, or take a wild animal, while having in possession, either individually or as one of a group of persons, a firearm, bow, or other implement that could be used to kill big game.

(b) This subdivision does not apply to a firearm that is:

(1) unloaded;

(2) in a gun case expressly made to contain a firearm that fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened without any portion of the firearm exposed; and

(3) in the closed trunk of a motor vehicle.

(c) This subdivision does not apply to a bow that is:

(1) completely encased or unstrung; and

(2) in the closed trunk of a motor vehicle.

(d) If the motor vehicle under paragraph (b) or (c) does not have a trunk, the firearm or bow must be placed in the rearmost location of the vehicle.

(e) *This subdivision does not apply to persons taking raccoons under section 97B.621, subdivision 3.*

Sec. 49. Minnesota Statutes 1986, section 97B.601, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION TO LICENSE REQUIREMENTS.] (a) A resident under age 16 may take small game without a small game license, and a resident under age 13 may trap without a trapping license, as provided in section 97A.451, subdivision 3.

(b) A person may take small game without a small game license on land occupied by the person as a principal residence.

(c) An owner or occupant may take certain small game causing damage without a small game or trapping license as provided in section 97B.655.

(d) *A person may use dogs to pursue and tree raccoons under section 97B.621, subdivision 2, during the closed season without a license.*

Sec. 50. Minnesota Statutes 1986, section 97B.605, is amended to read:

97B.605 [COMMISSIONER MAY RESTRICT TAKING OF CERTAIN SMALL GAME ANIMALS.]

The commissioner may prescribe restrictions on and designate areas where gray and fox squirrels, cottontail and jack rabbits, snowshoe hare, raccoons, lynx, bobcat, ~~red fox and gray fox~~, ~~fishers~~, ~~fisher~~, pine marten, opossum, and badger may be taken and possessed.

Sec. 51. Minnesota Statutes 1986, section 97B.635, is amended to read:

97B.635 [FISHER; BADGER; ~~OPOSSUM~~ *OPOSSUM*; AND PINE MARTEN.]

Based upon population estimates, the commissioner may set the open season for fisher, badger, ~~opossum~~ *opossum*, and pine marten.

Sec. 52. Minnesota Statutes 1986, section 97B.655, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PERMIT FOR TAKING PROTECTED WILD ANIMALS.] The commissioner may issue special permits under section 97A.401, subdivision 5, to take protected wild animals that are damaging property. ~~A person must have the required license and seals to take beaver under the permit.~~

Sec. 53. Minnesota Statutes 1986, section 97B.701, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED METHODS OF TAKING.] A person may not take protected birds:

- (1) with a trap, net, or snare;
- (2) using bird lime;
- (3) with a swivel or set gun; ~~or~~
- (4) by dragging a rope, wire, or other device across a field; *or*
- (5) *by using fire.*

Sec. 54. Minnesota Statutes 1986, section 97C.345, subdivision 2, is amended to read:

Subd. 2. [POSSESSION.] (a) Except as specifically authorized, a person may not possess a spear, fish trap, net, dip net, seine, or other device capable of taking fish on or near any waters. Possession includes personal possession and in a vehicle.

(b) A person may possess spears, dip nets, bows and arrows, and spear guns allowed under section 97C.381 on or near waters between sunrise and sunset ~~after April 30 between May 1 and February 15.~~

Sec. 55. Minnesota Statutes 1986, section 97C.345, subdivision 3, is amended to read:

Subd. 3. [DIP NETS.] A person may possess and use a dip net between one hour before sunrise and one hour after sunset ~~after April 30 between May 1 and February 15.~~

Sec. 56. [REPEALER.]

Minnesota Statutes 1986, sections 97A.065, subdivision 4; 97A.255, subdivision 3; 97A.461; 97A.505, subdivisions 1, 3, and 6; and 97A.551, subdivision 1, are repealed.

ARTICLE 2

CROSS REFERENCE AMENDMENTS

Section 1. Minnesota Statutes 1986, section 84.0894, is amended to read:

84.0894 [ENFORCEMENT OF AQUATIC PLANTS AND ENDAN-

GERED SPECIES.]

An enforcement officer shall enforce a violation of ~~Laws 1986, chapter 386, article 4, sections 9 to 13~~ 84.0895, 84.091, 84.092, 84.093, and 84.152 in the same manner as a violation of the game and fish laws.

Sec. 2. Minnesota Statutes 1986, section 84.928, subdivision 7, is amended to read:

Subd. 7. [LIABILITY TO ROAD OR TRAIL AUTHORITY.] When a road, trail, or highway right-of-way is used as provided by sections 84.92 to 84.928, 85.018, ~~100.273, subdivision 9,~~ and 296.16, the authority having jurisdiction and the officers and employees of the authority are exempt from liability for any claim by any person arising from that use. This section shall have no effect on the liability of any party or organization having responsibility for the maintenance of a trail or roadway for all-terrain vehicles.

Sec. 3. Minnesota Statutes 1986, section 84.944, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION CONSIDERATIONS.] 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~~ 84.0895;

(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.

Sec. 4. Minnesota Statutes 1986, section 84.944, subdivision 2, is amended to read:

Subd. 2. [DESIGNATION OF ACQUIRED SITES.] The critical natural habitat acquired by the commissioner under this section shall be designated by the commissioner as: (1) an outdoor recreation unit pursuant to section 86A.07, subdivision 3, or (2) as provided in ~~section 97.48, subdivision 11, 26, or 27, 101.42, subdivision 9, or 101.475~~ sections 97A.101, 97A.125, 97C.001, 97C.011, and 97C.021.

Sec. 5. Minnesota Statutes 1986, section 84.944, subdivision 3, is amended to read:

Subd. 3. [COUNTY ACQUISITION APPROVAL.] The commissioner must follow the procedures under section ~~97.484~~ 97A.145, subdivision 2, for critical natural habitat acquired under this section.

Sec. 6. Minnesota Statutes 1986, section 85.41, subdivision 2, is amended to read:

Subd. 2. [LICENSE AGENTS.] County auditors are appointed agents of the commissioner for the sale of annual cross country ski licenses and daily

permits. A county auditor may appoint subagents within the county or within adjacent counties to sell licenses and permits. Upon appointment the auditor shall notify the commissioner of the name and address of the subagent. The auditor may revoke the appointment of a subagent at any time. Upon demand of the commissioner, the auditor shall revoke a subagent's appointment. The auditor shall furnish license and permit blanks on consignment to any subagent who furnishes a surety bond in favor of the county in an amount at least equal to the value of the blanks to be consigned to that subagent. The county auditor shall be responsible for all blanks issued to, and user fees received by agents, except in St. Louis county or in a county where the county auditor does not retain fees paid for license purposes. In these counties, the responsibilities imposed upon the county auditor are imposed upon the county. The commissioner may promulgate additional rules pursuant to as provided in section 98-50, subdivision 2 97A.485, subdivision 11.

Any resident desiring to sell annual cross country ski licenses and daily permits may either purchase for cash or obtain on consignment license and permit blanks from a county auditor in groups of not less than ten individual blanks. In selling licenses, the resident shall be deemed a subagent of the county auditor and the commissioner, and shall observe all rules promulgated by the commissioner for the accounting and handling of licenses pursuant to section 98-50, subdivision 40 97A.485.

The county auditor shall promptly deposit all monies received from the sale of licenses and permits with the county treasurer, and shall promptly transmit any reports required by the commissioner, plus 96 percent of the price to each annual licensee, exclusive of the issuing fee, for each annual license sold or consigned by the auditor and subsequently sold to a licensee during the accounting period. The county auditor shall retain as a commission four percent of all annual license fees, excluding the issuing fee for licenses consigned to subagents.

Unsold blanks in the hands of any subagent shall be redeemed by the commissioner if presented for redemption within the time prescribed by the commissioner. Any blanks not presented for redemption within the period prescribed shall be conclusively presumed to have been sold, and the subagent possessing the same or to whom they are charged shall be accountable.

Sec. 7. Minnesota Statutes 1986, section 106A.085, subdivision 1, is amended to read:

Subdivision 1. [WARRANTS AND ARRESTS.] ~~The commissioner, director of the fish and game division, game refuge patrol officers, and conservation officers~~ An enforcement officer, as defined in section 97A.015, subdivision 18, may execute and serve warrants, and arrest persons detected in actual violation of sections 106A.005 to 106A.811 as provided in section 97-50, subdivision 4 sections 97A.205 and 97A.211.

Sec. 8. Minnesota Statutes 1986, section 106A.401, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER MUST RECOGNIZE DRAINAGE OUTLET PROCEEDINGS WHEN PURCHASING WETLANDS.] If the commissioner purchases wetlands under section 97-484 97A.145, the commissioner must recognize that when a majority of landowners or owners of a majority of the land in the watershed, petition for a drainage outlet,

the state should not interfere with or unnecessarily delay the drainage proceedings if the proceedings are conducted according to this chapter.

Sec. 9. Minnesota Statutes 1986, section 106A.615, subdivision 6, is amended to read:

Subd. 6. [ASSESSMENTS ON WILDLIFE LANDS TO BE PAID FROM WILDLIFE ACQUISITION FUND.] An assessment against state land acquired for wildlife habitat shall be paid from the wildlife acquisition fund as provided in section 97.484 97A.071, subdivision 4.

Sec. 10. Minnesota Statutes 1986, section 144.95, subdivision 4, is amended to read:

Subd. 4. [RESEARCH TRIALS.] Research trials of mosquito management methods and materials are subject to the following laws and rules unless a specific written exemption, license, or waiver is granted; sections 97.48, 97.488, 98.48 84.0895, 84.092, 97A.045, subdivision 1, 105.38, 105.41, and 105.463; and Minnesota Rules, chapters 1505, 6115, 6120, 6134, and 6140.

Sec. 11. Minnesota Statutes 1986, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] Receipts from penalty assessments must be credited to a peace officers training account in the special revenue fund. Money credited to the peace officers training account may be appropriated for but not limited to the following purposes, among others:

(a) Up to ten percent may be provided for reimbursement to board approved skills courses in proportion to the number of students successfully completing the board's skills licensing examination.

(b) Assessments related to violations described in section 97.49, subdivision 5 97A.065, subdivision 2, are appropriated to provide peace officer training for persons employed by the commissioner of natural resources who are licensed under section 626.84, subdivision 1, clause (c), and who possess peace officer authority for the purpose of enforcing game and fish laws.

(c) The balance may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214."

Amend the title as follows:

Page 1, line 41, after "sections" insert "84.0894; 84.928, subdivision 7; 84.944, subdivisions 1, 2, and 3; 85.41, subdivision 2;"

Page 1, line 42, after "subdivisions" insert "3,"

Page 1, line 43, delete "subdidvision" and insert "subdivision"

Page 1, line 45, after "3;" insert "97A.121, subdivision 5;"

Page 2, line 1, after "1;" insert "97A.255, subdivision 2;"

Page 2, line 12, after the first semicolon, insert "97B.701, subdivision 2;"

Page 2, line 12, after "3;" insert "106A.085, subdivision 1; 106A.401, subdivision 1; 106A.615, subdivision 6; 144.95, subdivision 4; and 626.861, subdivision 4;"

Page 2, line 14, delete "97A.121, subdivision 5;"

Page 2, line 16, after the semicolon, insert "97A.551, subdivision 1;"

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. 743: A bill for an act relating to financial institutions; permitting additional detached facilities; amending Minnesota Statutes 1986, sections 47.52; and 49.34, subdivision 2.

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

Page 2, line 18, before "Notwithstanding" insert "(a)"

Page 2, line 29, before "Where" insert:

"(b) In addition to the authority granted in paragraphs (a) and (c), and notwithstanding the geographic limitations of subdivision 1 and the limitations on number of facilities and consent requirements contained in section 47.52, a state bank whose main banking office is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington may apply to the commissioner, pursuant to the procedures contained in sections 47.51 to 47.56 and 49.35 to 49.41, to acquire another state bank or national banking association and its detached facilities through merger, consolidation, or purchase of assets and assumption of liabilities and operate them as detached facilities of the successor bank if each resulting detached facility is located within the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington.

(c)"

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. 1053: A bill for an act relating to alcoholic beverages; providing for the licensing of low-volume brewers; allowing them to be granted an on-sale intoxicating liquor or nonintoxicating malt liquor license; amending Minnesota Statutes 1986, section 340A.301, subdivisions 6 and 7.

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

Page 1, line 24, before "solely" insert ", the entire production of which is" and after "consumption" insert "on tap"

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. 830: A bill for an act relating to commerce; franchises; regulating nonrenewals; requiring prior notice of nonrenewal; amending Minnesota Statutes 1986, section 80C.14.

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 80C.14, is amended to read:

80C.14 [UNFAIR PRACTICES.]

Subdivision 1. [PROHIBITION.] No person, whether by means of a term or condition of a franchise or otherwise, shall engage in any unfair or inequitable practice in contravention of such rules as the commissioner may adopt defining as to franchises the words "unfair and inequitable." For the purpose of rules defining the words "unfair and inequitable", the commissioner may specifically recognize classifications of franchises including but not limited to the classifications of motor vehicle fuel franchises, motor vehicle franchises, hardware franchises, and franchises which require that the franchisee make an initial, unfinanced investment in excess of \$200,000. ~~Any~~ A violation of this section is enjoined by a court of competent jurisdiction.

A temporary injunction may be granted under this section without requiring the posting of any bond or security. A bond or security ~~shall be~~ is required if a temporary restraining order is granted.

Subd. 2. [ACTS CONSTITUTING.] All franchise contracts or agreements, other than those classifications of franchises specifically recognized by the commissioner ~~pursuant to~~ under subdivision 1, and any other device or practice of a franchisor ~~shall must~~ conform to the following provisions subdivisions 3 and 4. ~~It shall be deemed is an unfair and inequitable practice for any a person to: commit an act specified in subdivisions 3 and 4.~~

Subd. 3. [TERMINATION OR CANCELLATION.] (a) *No person may terminate or cancel a franchise without first giving written notice setting forth all the reasons for the termination or cancellation to the franchisee at least 60 days in advance of termination or cancellation; except that the notice shall be is effective immediately upon receipt where the alleged grounds for termination or cancellation are:*

- (1) voluntary abandonment of the franchise relationship by the franchisee;
- (2) the conviction of the franchisee of an offense directly related to the business conducted pursuant to the franchise; or
- (3) failure to cure a default under the franchise agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logotype or other commercial symbol after the franchisee has received written notice to cure of at least 24 hours in advance thereof.

(b) *No person may terminate or cancel a franchise except for good cause. "Good cause" shall be means failure by the franchisee to substantially to comply with the material and reasonable franchise requirements imposed by the franchise franchisor including, but not limited to:*

- (1) the bankruptcy or insolvency of the franchisee;
- (2) assignment for the benefit of creditors or similar disposition of the assets of the franchise business;
- (3) voluntary abandonment of the franchise business;
- (4) conviction or a plea of guilty or no contest to a charge of violating any law relating to the franchise business; or
- (5) any act by or conduct of the franchisee which materially impairs the goodwill associated with the franchisor's trademark, trade name, service mark, logotype or other commercial symbol; or.

(e) *Subd. 4. [FAILURE TO RENEW.] No person may fail to renew a franchise unless the franchisee has been given written notice of the intention not to renew at least 90 180 days in advance thereof of the expiration of the franchise and has been given a sufficient opportunity to recover the franchisee's investment unless the failure to renew is for good cause as defined in clause (b) either:*

(1) the franchisor permits the franchisee to sell the franchise business to a purchaser meeting the franchisor's material and reasonable requirements for granting renewal of its franchises; or

(2) the franchisor purchases the franchisee's business at its fair market value as a going concern.

Subd. 5. [WITHHOLDING CONSENT TO TRANSFER.] No person may withhold consent to an assignment, transfer, or sale of the business of a franchisee, including all rights and obligations of the franchisee under the terms of the franchise contract or agreement, except upon a showing by the franchisor that the franchisee to be substituted fails to meet the franchisor's material and reasonable requirements for granting new franchises. In an action to enjoin a franchisor from withholding consent, the franchisor must prove by clear and convincing evidence that its action is consistent with the requirements of this subdivision.

Sec. 2. Minnesota Statutes 1986, section 80C.17, subdivision 1, is amended to read:

Subdivision 1. A person who violates any provision of sections 80C.01 to ~~80C.13 and 80C.15 to~~ 80C.22 or any rule or order thereunder shall be liable to the franchisee or subfranchisor who may sue for damages caused thereby, for rescission, or other relief as the court may deem appropriate.

Sec. 3. [EFFECTIVE DATE.]

This act is effective the day following final enactment and applies to all franchise contracts or agreements in effect on that date."

Delete the title and insert:

"A bill for an act relating to commerce; regulating nonrenewals and transfers of franchises; providing civil liability for unfair practices in relation to franchises; amending Minnesota Statutes 1986, sections 80C.14; and 80C.17, subdivision 1."

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

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

S.F. No. 631: A bill for an act relating to manufactured homes; defining terms; prohibiting certain unilateral permanent physical improvements; clarifying the termination of a park lease for substantial annoyance to other residents; regulating park closings; requiring an impact report; providing for a public hearing; creating a right of first refusal; providing for a right to redeem possession for failing to comply with a rule; clarifying remedies; amending Minnesota Statutes 1986, sections 327C.01, by adding subdivisions; 327C.03, subdivision 3; 327C.05, subdivision 2; 327C.09, subdivisions 1 and 5, and by adding a subdivision; 327C.11, subdivision 2, and by adding a subdivision; and 327C.15; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 1986, section 327C.09, subdivision 9.

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 327C.01, is amended by adding a subdivision to read:

Subd. 1a. [CLOSURE STATEMENT.] "Closure statement" means a statement prepared by the park owner clearly stating that the park is closing, addressing the availability, location, and potential costs of adequate replacement housing within a 25 mile radius of the park that is closing and the probable relocation costs of the manufactured homes located in the park.

Sec. 2. Minnesota Statutes 1986, section 327C.01, is amended by adding a subdivision to read:

Subd. 1b. [DISPLACED RESIDENT.] "Displaced resident" means a resident of an owner-occupied manufactured home who rents a lot in a manufactured home park, including the members of the resident's household, as of the date the park owner submits a closure statement to the local planning agency.

Sec. 3. Minnesota Statutes 1986, section 327C.01, is amended by adding a subdivision to read:

Subd. 7a. [PLANNING AGENCY.] "Planning agency" means the planning commission or the planning department of a municipality as defined in section 462.352, the planning and zoning commission of a town as defined in section 366.17, or the planning commission of a county, as defined in section 394.30, or if the municipality does not have a planning agency, the governing body of the municipality.

Sec. 4. Minnesota Statutes 1986, section 327C.02, is amended by adding a subdivision to read:

Subd. 2a. Notwithstanding section 566.09, in an action to recover possession of land for violation of a new or amended rule, if the court finds that the rule is reasonable or is not a substantial modification, the court shall issue an order in favor of the plaintiff for costs. The court shall order the defendant to comply with the rule within ten days. If the resident fails to comply with the rule at any time after the time period provided by the court, the park owner may, upon a showing to the court that three days'

written notice was given to the resident, move the court for writ of restitution to recover possession of the lot.

Sec. 5. Minnesota Statutes 1986, section 327C.02, subdivision 5, is amended to read:

Subd. 5. [WRITTEN NOTICE REQUIRED.] A prospective resident, before being asked to sign a rental agreement, must be given the following notice printed verbatim in boldface type of a minimum size of ten points. The notice and the safety feature disclosure form required under section 327C.07, subdivision 3a, must be posted in a conspicuous and public location in the park:

"IMPORTANT NOTICE

State law provides special rules for the owners and residents of manufactured home parks.

You may keep your home in the park as long as the park is in operation and you meet your financial obligations, obey state and local laws which apply to the park, obey reasonable park rules, do not substantially annoy or endanger the other residents or substantially endanger park personnel and do not substantially damage the park premises. You may not be evicted or have your rent increased or your services cut for complaining to the park owner or to a governmental official.

If you receive an eviction notice and do not leave the park, the park owner may take you to court. If you lose in court a sheriff may remove you and your home from the park within seven days. Or, the court may require you to leave the park within seven days but give you 60 days to sell the home within the park.

If you receive an eviction notice for a new or amended rule and the court finds the rule to be reasonable and not a substantial modification of your original agreement, the court will not order you to leave but will order you to comply with the rule within ten days. If you do not comply within the time given or if you violate the rule at a later time, you will be subject to eviction.

All park rules and policies must be reasonable. Your rent may not be increased more than twice a year. Changes made in park rules after you become a park resident will not apply to you if they substantially change your original agreement.

The park may not charge you an entrance fee.

The park may require a security deposit, but the deposit must not amount to more than two months rent.

You have a right to sell the home in the park. But the sale is not final until the park owner approves the buyer as a new resident, and you must advise in writing anyone who wants to buy your home that the sale is subject to final approval by the park owner. You must also disclose in writing certain safety information about your home to anyone who wants to buy it in the park. You must give this information to the buyer before the sale, in writing, on the form that is attached to this notice. You must completely and accurately fill out the form and you and the buyer should each keep a copy.

Your rental agreement and the park rules contain important information about your rights and duties. Read them carefully and keep a copy.

For further information concerning your rights, consult a private attorney. The state law governing the rental of lots in manufactured home parks may also be enforced by the Minnesota Attorney General."

In addition, the safety feature disclosure form required under section 327C.07, subdivision 3a, must be attached to the notice.

Sec. 6. Minnesota Statutes 1986, section 327C.09, subdivision 1, is amended to read:

Subdivision 1. [CAUSE REQUIRED.] A park owner may recover possession of land upon which a manufactured home is situated only for a reason specified in this section or section 10.

Sec. 7. Minnesota Statutes 1986, section 327C.09, subdivision 4, is amended to read:

Subd. 4. [RULE VIOLATIONS.] The resident fails to comply with a rule within 30 days after receiving written notice of the alleged noncompliance, except the 30 day notice requirement does not apply to nonpayment of rent. *Loud noise created by residents, guests, or their equipment is a rule violation. After written notice has been provided for two prior incidents, loud noise is a violation of subdivision 5.*

Sec. 8. Minnesota Statutes 1986, section 327C.09, subdivision 5, is amended to read:

Subd. 5. [ENDANGERMENT; SUBSTANTIAL ANNOYANCE.] The resident acts in the park in a manner which endangers other residents or park personnel, causes substantial damage to the park premises or substantially annoys other residents, and has received 30 days written notice to vacate, except the park owner may require the resident to vacate immediately if the resident violates this subdivision a second or subsequent time after receipt of the notice. *To be effective the notice must specify the time, date, and nature of the alleged annoyance, damage, or endangerment. A park owner seeking to evict pursuant to this subdivision need not produce evidence of a criminal conviction, even if the alleged misconduct constitutes a criminal offense.*

Sec. 9. Minnesota Statutes 1986, section 327C.11, subdivision 2, is amended to read:

Subd. 2. [WAIVER BY ACCEPTING RENT.] A park owner who gives a resident a notice as provided in section 327C.09, subdivisions 3, 4, 6, or 8 or 9, or section 10, does not waive the notice by afterwards accepting rent. Acceptance of rent for a period after the expiration of a final notice to quit waives that notice unless the parties agree in writing after service of the notice that the notice continues in effect.

Sec. 10. [327C.095] [PARK CLOSINGS.]

Subdivision 1. [CONVERSION OF USE; MINIMUM NOTICE.] *At least nine months before the conversion of all or a portion of a manufactured home park to another use, or before closure of a manufactured home park or cessation of use of the land as a manufactured home park, the park owner must prepare a closure statement and provide a copy to the local planning agency and a copy to a resident of each manufactured home. A resident may not be required to vacate until 60 days after the conclusion of the public hearing required under subdivision 4. If a lot is available in another section of the park that will continue to be operated as a park,*

the park owner must allow the resident to relocate the home to that lot unless the home, because of its size or local ordinance, is not compatible with that lot.

Subd. 2. [NOTICE OF HEARING; PROPOSED CHANGE IN LAND USE.] *If the planned conversion or cessation of operation requires a variance or zoning change, the municipality must mail a notice at least ten days before the hearing to a resident of each manufactured home in the park stating the time, place, and purpose of the public hearing. The park owner shall provide the municipality with a list of the names and addresses of at least one resident of each manufactured home in the park at the time application is made for a variance or zoning change.*

Subd. 3. [CLOSURE STATEMENT.] *Upon receipt of the closure statement from the park owner, the local planning agency shall submit the closure statement to the governing body of the municipality and request the governing body to schedule a public hearing. The municipality must mail a notice at least ten days before the hearing to a resident of each manufactured home in the park stating the time, place, and purpose of the public hearing. The park owner shall provide the municipality with a list of the names and addresses of at least one resident of each manufactured home in the park at the time the closure statement is submitted to the local planning agency.*

Subd. 4. [PUBLIC HEARING; RELOCATION COSTS.] *The governing body of the municipality shall hold a public hearing to review the closure statement and any impact that the park closing may have on the displaced residents and the park owner. Before any change in use or cessation of operation and as a condition of the change, the governing body may require a payment by the park owner to be made to the displaced resident for the reasonable relocation costs. If a resident cannot relocate the home to another manufactured home park within a 25 mile radius of the park that is being closed, the resident is entitled to relocation costs based upon an average of relocation costs awarded to other residents.*

The governing body of the municipality may also require that other parties, including the municipality, involved in the park closing provide additional compensation to residents to mitigate the adverse financial impact of the park closing upon the residents.

Subd. 5. [PARK CONVERSIONS.] *If the planned cessation of operation is for the purpose of converting the part of the park occupied by the resident to a condominium pursuant to chapter 515A, the provisions of section 515A.4-110, except paragraph (a), shall apply. The nine-month notice required by this section shall state that the cessation is for the purpose of conversion and shall set forth the rights conferred by this subdivision and section 515A.4-110, paragraph (b). Not less than 120 days before the end of the nine months, the park owner shall serve upon the resident a form of purchase agreement setting forth the terms of sale contemplated by section 515A.4-110, paragraph (b). Service of that form shall operate as the notice described by section 515A.4-110, paragraph (a).*

Sec. 11. [327C.096] [RIGHT OF FIRST REFUSAL.]

Subdivision 1. [NOTICE OF SALE.] *Before the sale or lease of a manufactured home park for any purpose that would result in the closure or cessation of use of the land as a manufactured home park, the park owner shall notify a resident of each manufactured home and the residents' as-*

sociation, if one has been formed, by certified mail within 14 days of any bona fide offer that the park owner intends to accept.

Subd. 2. [RIGHT OF PURCHASE.] Any group of residents or a residents' association entitled to notice under this section has the right to purchase or lease the park, provided that it meets the price and conditions of any offer by:

(1) executing a contract or purchase and sale or lease agreement with the park owner within 45 days of notice of the offer; and

(2) obtaining any necessary financing or guarantees within an additional 45 days.

Sec. 12. [STUDY REQUIRED.]

The metropolitan council shall conduct a study to determine the feasibility of establishing a metropolitan manufactured home park development fund. The purpose of this fund would be to provide low interest development loans to persons interested in constructing manufactured home parks within the seven county metropolitan area. The results of this study shall be forwarded to the legislature by January 1, 1988.

Sec. 13. [REPEALER.]

Minnesota Statutes 1986, section 327C.09, subdivision 9, is repealed."

Delete the title and insert:

"A bill for an act relating to manufactured homes; defining terms; clarifying the termination of a park lease for substantial annoyance to other residents; allowing certain new or amended rule violations to be cured; regulating park closings; requiring a closure statement; providing for a public hearing; creating a right of first refusal; clarifying remedies; requiring a feasibility study by the metropolitan council; amending Minnesota Statutes 1986, sections 327C.01, by adding subdivisions; 327C.02, subdivision 5, and by adding a subdivision; 327C.09, subdivisions 1, 4, and 5; and 327C.11, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 327C; repealing Minnesota Statutes 1986, section 327C.09, subdivision 9."

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

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

S.F. No. 948: A bill for an act relating to crimes; permitting evidence showing a tendency to fabricate allegations of sexual assault; requiring three days' notice of intent to introduce evidence of victim's prior sexual conduct; amending Minnesota Statutes 1986, section 609.347, subdivisions 3, 4, and 6.

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. 855: A bill for an act relating to retirement; various public employee pension plans; specifying that exemptions from legal process do not include marital property divisions; requiring the provision of certain public pension plan information in marriage dissolution actions; providing

for court appointed actuaries in marriage dissolution actions; amending Minnesota Statutes 1986, sections 69.51; 352.15, subdivision 1; 352B.071; 353.15; 354.10; 354A.11; 422A.24; 423.39; 423.61; 423.813; 424.27; 518.54, subdivision 5, and by adding subdivisions; and 518.58; proposing coding for new law in Minnesota Statutes, chapters 356 and 518.

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 69.51, is amended to read:
69.51 [PAYMENTS EXEMPT FROM PROCESS.]

All payments made, or to be made, by any relief association under any of the provisions of sections 69.25 to 69.53 shall be totally exempt from garnishment, execution, or other legal process ~~and, except as provided in section 518.58, section 18, or 518.611.~~ No persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment or to pay any sum on account thereof; ~~and.~~ Any attempt to transfer any such right or claim, or any part thereof, shall be void.

Sec. 2. Minnesota Statutes 1986, section 352.15, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION; EXCEPTIONS.] None of the moneys, annuities, or other benefits mentioned herein shall be assignable either in law or in equity or be subject to any state estate tax, or to execution, levy, attachment, garnishment, or other legal process, except as provided in *subdivision 1a or section 518.58, section 18, or 518.611.* ~~Provided, however,~~

Subd. 1a. [AUTOMATIC DEPOSITS.] The executive director may pay an annuity, benefit or refund to a banking institution, qualified under chapter 48, that is trustee for a person eligible to receive such annuity, benefit or refund. Upon the request of a retired, disabled or former employee, the executive director may mail the annuity, benefit or refund check to a banking institution, savings association or credit union for deposit to such employee's account or joint account with a spouse. The board of directors may prescribe the conditions under which such payments will be made.

Sec. 3. Minnesota Statutes 1986, section 352.96, is amended by adding a subdivision to read:

Subd. 6. [EXEMPTION FROM PROCESS.] *As money to which legal title is vested in the state of Minnesota, no amount of deferred compensation is assignable or subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, section 18, or 518.611.*

Sec. 4. Minnesota Statutes 1986, section 352B.071, is amended to read:
352B.071 [EXEMPTION FROM PROCESS.]

None of the money, annuities, or other benefits provided for in this chapter shall be assignable either in law or in equity or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in *section 518.58, section 18, or 518.611.*

Sec. 5. Minnesota Statutes 1986, section 353.15, is amended to read:

353.15 [NONASSIGNABILITY AND EXEMPTION OF ANNUITIES AND BENEFITS FROM JUDICIAL PROCESS.]

Subdivision 1. [EXEMPTION; EXCEPTIONS.] No money, annuity, or benefit provided for in this chapter is assignable or subject to any state estate tax, or to execution, levy, attachment, garnishment, or legal process, except as provided in *subdivision 2* or section 518.58, section 18, or 518.611. ~~Provided, however,~~

Subd. 2. [AUTOMATIC DEPOSITS.] The association may pay an annuity, benefit or refund to a trust company, qualified under chapter 48, that is trustee for a person eligible to receive such annuity, benefit or refund. Upon the request of a retired, disabled or former member, the association may mail the annuity, benefit or refund check to a banking institution, savings association or credit union for deposit to such person's account or joint account with a spouse. The association may prescribe the conditions under which such payment will be made.

Subd. 3. [PAYMENT TO PUBLIC BODIES.] If in the judgment of the executive director conditions so warrant, payment may be made to a public body in behalf of an annuitant, disablitant, or survivor upon such terms as the executive director may prescribe.

Sec. 6. Minnesota Statutes 1986, section 354.10, is amended to read:

354.10 [FUND NOT SUBJECT TO ASSIGNMENT OR PROCESS; BENEFICIARIES.]

Subdivision 1. [EXEMPTION; EXCEPTIONS.] The right of a teacher to take advantage of the benefits provided by this chapter, is a personal right only and shall not be assignable. All money to the credit of a teacher's account in the fund or any money payable to the teacher from the fund shall belong to the state of Minnesota until actually paid to the teacher or a beneficiary pursuant to the provisions of this chapter. Any power of attorney, assignment or attempted assignment of a teacher's interest in the fund, or of the beneficiary's interest therein, by a teacher or a beneficiary, shall be null and void and the same shall be exempt from taxation under chapter 291 and from garnishment or levy under attachment or execution, except as provided in *subdivision 2* or section 518.58, section 18, or 518.611. ~~Provided however,~~

Subd. 2. [AUTOMATIC DEPOSITS.] The board may pay an annuity or benefit to a banking institution, qualified under chapter 48, that is a trustee for a person eligible to receive such annuity or benefit. Upon completion of the proper forms as provided by the board, the annuity or benefit check may be mailed to a banking institution, savings association or credit union for deposit to the recipient's individual account or joint account with a spouse. The board shall prescribe the conditions which shall govern these procedures.

Subd. 3. [PAYMENT TO PUBLIC BODIES.] If in the judgment of the executive director conditions so warrant, payment may be made to a public body in behalf of an annuitant, disablitant, or survivor upon such terms as the executive director may prescribe.

Subd. 4. [CHANGES IN BENEFICIARIES.] Any beneficiary designated by a teacher under the terms of this chapter, may be changed or revoked by the teacher at pleasure, in such manner as the board may prescribe. In case a designated beneficiary dies before the teacher designating the ben-

eficiary dies, and a new beneficiary is not designated, the teacher's estate shall be the beneficiary.

Sec. 7. Minnesota Statutes 1986, section 354A.11, is amended to read:

354A.11 [CERTAIN MONEYS AND CREDITS OF TEACHERS EXEMPT.]

All moneys deposited by a teacher or member or deposited by any other person or corporation, municipal or private, to the credit of a teacher or member of a teachers retirement fund association organized pursuant to this chapter, and all moneys, rights, and interests or annuities due or to become due to a teacher, member, or annuitant, or their beneficiaries, from any association shall not be assignable, shall be exempt from garnishment, attachment, and execution or sale on any final process issued from a court and other legal process, except as provided in section 518.58, section 18, or 518.611, and shall not be subject to the estate tax provisions of this state. ~~This section does not make the moneys nonmarital property.~~

Sec. 8. [356.80] [PROVISION OF INFORMATION IN THE EVENT OF MARRIAGE DISSOLUTION.]

Subdivision 1. [INFORMATION FOR A PENDING MARRIAGE DISSOLUTION.] (a) Upon request, a public or private pension plan must provide the court and the parties to a marriage dissolution action involving a plan member or former plan member with information regarding pension benefits or rights, including death benefits and insurance, of the plan member or former plan member. The pension plan shall provide this information upon request of the court or a party to the action without requiring a signed authorization from the plan member or former plan member.

(b) The information must include the pension benefits or rights of the plan member or former plan member as of the first day of the month following the date of the request, as of the first day of the seventh month following the date of the request if the action involves an active plan member, and as of the date of valuation of marital assets under section 518.58, if the person requesting the information specifies that date. The information must also include the accrued service credit of the person, the credited salary of the person for the most current five-year period, a summary of the benefit plan, and any other information relevant to the calculation of the present value of the benefits or rights.

Subd. 2. [INFORMATION FOR AN EXISTING DISSOLUTION DECREE.] If a marriage dissolution decree rendered by a court of competent jurisdiction prior to the effective date of this section provided a procedure for dividing pension benefits or rights in the form of future pension plan payments, upon request the applicable pension plan shall provide on a timely basis to the court and the parties to the action the required information to implement that procedure.

Subd. 3. [ACCESS TO DATA.] Notwithstanding any provision of chapter 13 to the contrary, a responsible authority may release private or confidential data on individuals to the court, the parties to a marriage dissolution, their attorneys, and an actuary appointed under section 19, to the extent necessary to comply with this section.

Sec. 9. Minnesota Statutes 1986, section 422A.24, is amended to read:

422A.24 [ALLOWANCES NOT ASSIGNABLE OR SUBJECT TO

PROCESS.]

No moneys payable pursuant to this chapter shall be assignable either in law or equity or be subject to execution, levy, attachment, garnishment, or other legal process, except as provided in section 518.58, section 18, or 518.611, nor shall any of the proceeds of payments due pursuant to this chapter be subject to the inheritance tax provisions of this state upon transfer to a surviving spouse or minor or dependent child of the decedent or a trust for their benefit.

Sec. 10. Minnesota Statutes 1986, section 423.39, is amended to read:

423.39 [FUNDS EXEMPT FROM EXECUTION.]

All payments made or to be made by any such police officers' relief association under any of the provisions of Laws 1947, Chapter 625, shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, section 18, or 518.611; ~~and~~. No persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment, or to pay any sum on account thereof; ~~and~~. Any attempt to transfer any such right or claim, or any part thereof, shall be absolutely void.

Sec. 11. Minnesota Statutes 1986, section 423.61, is amended to read:

423.61 [PENSION EXEMPT FROM LEGAL PROCESS.]

All payments made or to be made by any such police officers' relief association under any of the provisions of sections 423.41 to 423.62 shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, section 18, or 518.611; ~~and~~. No persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment, or to pay any sum on account thereof; ~~and~~. Any attempt to transfer any such right or claim, or any part thereof, shall be absolutely void.

Sec. 12. Minnesota Statutes 1986, section 423.813, is amended to read:

423.813 [PAYMENTS EXEMPT FROM PROCESS, ASSIGNMENT FORBIDDEN.]

Any payment made by the association under any provision of sections 423.801 to 423.814 is exempt from any legal process, except as provided in section 518.58, section 18, or 518.611. No person entitled to any such payment may assign the same. The association may not recognize any assignment or pay any sum on account thereof.

Sec. 13. Minnesota Statutes 1986, section 424.27, is amended to read:

424.27 [PAYMENTS EXEMPT FROM LEGAL PROCESS.]

All payments made or to be made by any relief associations under any of the provisions of sections 424.01 to 424.29 shall be totally exempt from garnishment, execution, or other legal process, except as provided in section 518.58, section 18, or 518.611; ~~and~~. No persons entitled to such payment shall have the right to assign the same, nor shall the association have authority to recognize any assignment, or to pay any sum on account thereof; ~~and~~. Any attempt to transfer any such right or claim or any part thereof shall be void.

Sec. 14. Minnesota Statutes 1986, section 518.54, subdivision 5, is amended to read:

Subd. 5. [MARITAL PROPERTY; EXCEPTIONS.] "Marital property" means property, real or personal, including vested *public or private* pension plan benefits or rights, acquired by the parties, or either of them, to a dissolution, legal separation, or annulment proceeding at any time during the existence of the marriage relation between them, or at any time during which the parties were living together as husband and wife under a purported marriage relationship which is annulled in an annulment proceeding. All property acquired by either spouse subsequent to the marriage and before a decree of legal separation is presumed to be marital property regardless of whether title is held individually or by the spouses in a form of coownership such as joint tenancy, tenancy in common, tenancy by the entirety, or community property. Each spouse shall be deemed to have a common ownership in marital property that vests not later than the time of the entry of the decree in a proceeding for dissolution or annulment. The extent of the vested interest shall be determined and made final by the court pursuant to section 518.58. The presumption of marital property is overcome by a showing that the property is nonmarital property.

"Nonmarital property" means property real or personal, acquired by either spouse before, during, or after the existence of their marriage, which

(a) is acquired as a gift, bequest, devise or inheritance made by a third party to one but not to the other spouse;

(b) is acquired before the marriage;

(c) is acquired in exchange for or is the increase in value of property which is described in clauses (a), (b), (d), and (e);

(d) is acquired by a spouse after a decree of legal separation; or

(e) is excluded by a valid antenuptial contract.

Sec. 15. Minnesota Statutes 1986, section 518.54, is amended by adding a subdivision to read:

Subd. 10. [PUBLIC PENSION PLAN BENEFITS OR RIGHTS.] "*Public pension plan benefits or rights*" means a benefit or right from a public pension plan accrued to the end of the month in which marital assets are valued, as determined under the terms of the laws or other plan document provisions governing the plan, including section 356.30.

Sec. 16. Minnesota Statutes 1986, section 518.54, is amended by adding a subdivision to read:

Subd. 11. [PUBLIC PENSION PLAN.] "*Public pension plan*" means a pension plan or fund specified in section 356.20, subdivision 2, or 356.30, subdivision 3, the deferred compensation plan specified in section 352.96, or any retirement or pension plan or fund, including a supplemental retirement plan or fund, established, maintained, or supported by a governmental subdivision or public body whose revenues are derived from taxation, fees, assessments, or from other public sources.

Sec. 17. Minnesota Statutes 1986, section 518.58, is amended to read:
518.58 [DIVISION OF MARITAL PROPERTY.]

Subdivision 1. [GENERAL.] Upon a dissolution of a marriage, an annulment, or in a proceeding for disposition of property following a dissolution of marriage by a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to dispose of the property and which

has since acquired jurisdiction, the court shall make a just and equitable division of the marital property of the parties without regard to marital misconduct, after making findings regarding the division of the property. The court shall base its findings on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, opportunity for future acquisition of capital assets, and income of each party. The court shall also consider the contribution of each in the acquisition, preservation, depreciation or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker. It shall be conclusively presumed that each spouse made a substantial contribution to the acquisition of income and property while they were living together as husband and wife. The court may also award to either spouse the household goods and furniture of the parties, whether or not acquired during the marriage.

If the court finds that either spouse's resources or property, including the spouse's portion of the marital property as defined in section 518.54, subdivision 5 are so inadequate as to work an unfair hardship, considering all relevant circumstances, the court may, in addition to the marital property, apportion up to one-half of the property otherwise excluded under section 518.54, subdivision 5, clauses (a) to (d) to prevent the unfair hardship. If the court apportions property other than marital property, it shall make findings in support of the apportionment. The findings shall be based on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, and opportunity for future acquisition of capital assets and income of each party.

If the court finds that it is necessary to preserve the marital assets of the parties, the court may order the sale of the homestead of the parties or the sale of other marital assets, as the individual circumstances may require, during the pendency of a proceeding for a dissolution of marriage or an annulment. If the court orders a sale, it may further provide for the disposition of the funds received from the sale during the pendency of the proceeding.

Subd. 2. [PENSION PLANS.] The division of marital property that represents vested public pension benefits or rights in the form of future public pension plan payments:

(1) may not commence until the public plan member submits a valid application for a public pension plan benefit and the benefit becomes payable;

(2) is payable only to the extent of the amount of the public pension plan benefit payable under the terms of the plan;

(3) is not payable for a period that exceeds the time that public pension plan benefits are payable to the public pension plan benefit recipient;

(4) is not payable in a lump sum amount from public pension plan assets attributable in any fashion to a spouse with the status of an active member, deferred retiree, or benefit recipient of a public pension plan; and

(5) if the former spouse to whom the payments are to be made dies prior to the end of the specified payment period with the right to any remaining payments accruing to an estate or to more than one survivor, is payable only to a trustee on behalf of the estate or the group of survivors for

subsequent apportionment by the trustee.

Sec. 18. [518.581] [SURVIVING SPOUSE BENEFIT.]

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

Subd. 2. [PAYMENT OF FUNDS BY RETIREMENT PLAN.] (a) If the court has ordered that a spouse has an interest in a pension plan, the court may order the pension plan to withhold payment of a refund upon termination of employment or lump sum distribution to the extent of the spouse's interest in the plan, or to provide survivor benefits ordered by the court.

(b) The court may not order the pension plan to:

(1) pay more than the equivalent of one surviving spouse benefit, regardless of the number of spouses or former spouses who may be sharing in a portion of the total benefit;

(2) pay surviving spouse benefits under circumstances where the plan member does not have a right to elect surviving spouse benefits; or

(3) pay surviving spouse benefits if the former spouse would not be eligible for benefits under the terms of the plan;

(4) order survivor benefits which, when combined with the benefit payable to the pension plan member, exceed the actuarial equivalent value of the normal retirement annuity form.

(c) If more than one spouse or former spouse is entitled to a surviving spouse benefit, the pension plan shall pay each spouse a portion of the benefit based on the ratio of the number of years the spouse was married to the plan member to the total number of years the plan member was married to spouses who are entitled to the benefit.

Subd. 3. [NOTICE TO FORMER SPOUSE.] A pension plan shall notify a former spouse of an application by the employee for a refund of pension benefits if the former spouse has filed with the pension plan:

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

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

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

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

Subd. 4. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given in this subdivision.

(a) "Current or former public employee" or "employee" means an individual who has an interest in a pension plan.

(b) "Surviving spouse benefit" means (1) a benefit a surviving spouse may be eligible for under the laws and bylaws of the pension plan if the employee dies before retirement, or (2) a benefit selected for or available to a surviving spouse under the laws and bylaws of the pension plan upon the death of the employee after retirement.

Sec. 19. [518.582] [PROCEDURE FOR VALUING PENSION BENEFITS OR RIGHTS.]

Subdivision 1. [APPOINTMENT OF ACTUARY.] (a) Each court of this state that has jurisdiction to decide marriage dissolution matters may appoint an approved actuary to function as an expert witness in valuing pension benefits or rights.

(b) An approved actuary is a person who is enrolled as a member of the American Academy of Actuaries, or is enrolled as an actuary pursuant to the Federal Employee Retirement Income Security Act of 1974, as amended.

Subd. 2. [STANDARDS.] A court appointed actuary shall determine the present value of pension benefits or rights that are marital property of the parties to the action based on the applicable plan documents of the pension plan and the applicable actuarial assumptions specified for use in calculating optional annuity forms by the pension plan or for funding the pension plan, if reasonable, or as specified by the court. The court appointed actuary shall report to the court and to the parties the present value of the pension benefits or rights that are marital property.

Subd. 3. [COMPENSATION.] The court appointed actuary may be compensated at a rate established by the court. The compensation of the court appointed actuary shall be allocated between the parties as the court directs.

Subd. 4. [STIPULATION.] In lieu of valuing pension benefits or rights through use of the court appointed actuary, the parties may stipulate the present value of pension benefits or rights that are marital property.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 7 and 9 to 13 are effective on the day following final enactment. Sections 14 to 18 are effective August 1, 1987, and apply to marriage dissolution decrees issued on or after that date."

Amend the title as follows:

Page 1, lines 2 and 5, delete "public"

Page 1, line 9, after the second semicolon, insert "352.96, by adding a subdivision;"

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

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

S.F. No. 1155: A bill for an act relating to Scott county; authorizing the issuance of county bonds for capital improvements.

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

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

S.F. No. 259: A bill for an act relating to public safety; establishing state reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

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

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

S.F. No. 775: A bill for an act relating to education; providing for model programs in adult vocational occupational literacy training; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

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

Page 1, delete lines 10 to 17

Page 1, line 18, delete "MODEL"

Page 1, line 19, delete "model"

Page 2, lines 1, 13, and 29, delete "model"

Page 2, line 3, after "education," insert "and"

Page 2, delete line 16

Reletter the paragraphs in sequence

Renumber the subdivisions in sequence

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

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

S.F. No. 929: A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; authorizing certain state board of vocational technical education powers; changing certain state director duties; clarifying school days; amending Minnesota Statutes 1986, sections 121.901, subdivision 1; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 136C.04, subdivision 12, and by adding a subdivision; 136C.13, by adding a subdivision; 136C.15; 136C.29, subdivision 5; and 136C.35; repealing Minnesota Statutes 1986, section 136C.32.

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 15.014, subdivision 3, is amended to read:

Subd. 3. [TASK FORCE FOR CURRICULUM DEVELOPMENT PURPOSES.] In addition to the task forces for which compensation of members is authorized in subdivision 2, the state board of education and the state

board of vocational technical education may each create not to exceed ten task forces, to be compensated as provided in section 15.059, subdivision 6. A task force created pursuant to this subdivision shall be for curriculum development purposes only and shall expire within one year after its creation. The task force shall report to the state board before its expiration or upon the completion of its task, whichever occurs first.

Sec. 2. Minnesota Statutes 1986, section 120.05, is amended to read:

120.05 [PUBLIC SCHOOLS.]

Subdivision 1. [CLASSIFICATION.] For the purpose of administration all public schools are classified under the following heads, provided the requirements in subdivision 2 are met:

- (1) Elementary,
- (2) Middle school,
- (3) Secondary,
- (4) Vocational center school,
- (5) ~~Area vocational~~ Technical school institute.

Subd. 2. [DEFINITIONS.] (1) Elementary school means any school with building, equipment, courses of study, class schedules, enrollment of pupils ordinarily in grades one through six or any portion thereof and staff meeting the standards established by the state board of education.

(a) The state board of education shall not close a school or deny any state aids to a district for its elementary schools because of enrollment limitations classified in accordance with the provisions of subdivision 2, clause (1).

(2) Middle school means any school other than a secondary school giving an approved course of study in a minimum of three consecutive grades above fourth but below tenth with building, equipment, courses of study, class schedules, enrollment and staff meeting the standards established by the state board of education.

(3) Secondary school means any school with building, equipment, courses of study, class schedules, enrollment of pupils ordinarily in grades seven through twelve or any portion thereof and staff meeting the standards established by the state board of education.

(4) A vocational center school is one serving a group of secondary schools with approved areas of secondary vocational training and offering vocational secondary and adult programs necessary to meet local needs and meeting standards established by the state board of education.

(5) ~~An area vocational~~ A technical school institute is a school operated according to the standards established by the state board of vocational technical education.

Sec. 3. Minnesota Statutes 1986, section 121.901, subdivision 1, is amended to read:

Subdivision 1. There is created an advisory council on uniform financial accounting and reporting standards, composed of 13 members appointed as follows:

- (1) Two employees of the state department of education appointed by

the commissioner of education;

(2) An employee of the office of state auditor appointed by the state auditor;

(3) One licensed certified public accountant appointed by the state board of education;

(4) ~~Nine~~ *Eight* persons who are representative of the various size school districts in the state and who are public school employees whose positions involve activities related to school financing and accounting, appointed by the state board; and

(5) *One person representing post-secondary vocational technical education appointed by the state director of vocational technical education.*

Professional associations composed of persons eligible to be appointed under clauses (3) and (4) may recommend nominees from their associations to the state board.

Sec. 4. Minnesota Statutes 1986, section 121.933, is amended to read:

121.933 [STATEWIDE MANAGEMENT INFORMATION SYSTEM; DELEGATION OF POWERS AND DUTIES.]

Subdivision 1. [PERMITTED DELEGATIONS.] The state board of *vocational technical education, the state board of education,* and the department may provide, by the delegation of powers and duties or by contract, for the implementation and technical support of ESV-IS and SDE-IS, including the development of applications software pursuant to section 121.931, subdivision 5, by the Minnesota educational computing consortium, by a regional management information center or by any other appropriate provider.

Subd. 2. [PROHIBITED DELEGATIONS.] The state board of *vocational technical education, the state board of education,* and the department may not delegate to the Minnesota educational computing consortium any of their powers and duties to develop policy and to plan for ESV-IS and SDE-IS, to monitor and enforce compliance with rules and data standards, or to approve the actions of districts and regions. Powers and duties which may not be delegated include the powers and duties in sections 121.931, subdivisions 3, 4, 6, 7, and 8 and 121.932, subdivisions 1 and 2.

Sec. 5. Minnesota Statutes 1986, section 121.934, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] An advisory council to the state board consisting of ~~44~~ *12* members appointed by the governor is hereby established. Membership terms, compensation of members, removal of members, and the filling of membership vacancies shall be as provided in section 15.059. The governor is encouraged to solicit the suggestions of the state board, the governing boards of regional management information centers, and school boards in selecting members of the council.

Sec. 6. Minnesota Statutes 1986, section 121.934, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The council shall be composed of:

(a) four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

(b) three persons employed in management positions in the private sector, at least two of whom are data processing managers or hold an equivalent position in the private sector;

(c) three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least two of whom are data processing managers or hold an equivalent position in the public sector; ~~and~~

(d) one person from the general public; *and*

(e) *one person representing post-secondary vocational technical education.*

Members selected pursuant to clauses (b) and (c) shall not be employees or board members of local school districts or the department of education. The council shall include at least one resident of each congressional district.

Sec. 7. Minnesota Statutes 1986, section 123.37, subdivision 1a, is amended to read:

Subd. 1a. The board may authorize its superintendent or business manager, *or AVTI director in those districts operating an area vocational technical institute*, to lease, purchase, and contract for goods and services within the budget as approved by the board, provided that any transaction in an amount exceeding the minimum amount for which bids are required must first be specifically authorized by the board and must fulfill all other applicable requirements in subdivision 1.

Sec. 8. Minnesota Statutes 1986, section 125.05, is amended to read:

125.05 [BOARD TO ISSUE LICENSES.]

Subdivision 1. [QUALIFICATIONS.] The authority to license teachers as defined in section 125.03, subdivision 1, is vested in the board of teaching except that the authority to license supervisory and support personnel as defined in section 125.03, subdivision 4, is vested in the state board of education *and the authority to license post-secondary and adult vocational teachers, supervisory, and support personnel is vested in the state board of vocational technical education.* Licenses shall be issued to such persons as the board of teaching ~~or~~, the state board of education, *or the state board of vocational technical education* finds to be competent for their respective positions. For teachers, as defined in section 125.03, subdivision 5, competency includes successful completion of an examination of academic knowledge in each field of licensure and, for persons applying for initial licenses, an examination of skills in reading, writing, and mathematics. Qualifications of *elementary and secondary* teachers and other *elementary and secondary* professional employees except supervisory and support personnel shall be determined by the board of teaching under the rules which it promulgates. Licenses under the jurisdiction of the board of teaching shall be issued through the licensing section of the department of education. Licenses under the jurisdiction of the state board of education shall be issued through the licensing section of the department of education. *Licenses under the jurisdiction of the state board of vocational technical education shall be issued by the state board of vocational technical education.*

Subd. 2. [EXPIRATION AND RENEWAL.] Each license issued through the licensing section of the department of education *or the state board of vocational technical education* shall bear the date of issue. Licenses shall expire and be renewed in accordance with the respective rules promulgated by the board of teaching ~~or~~, the state board of education, *or the state board*

of vocational technical education. Renewal requirements for the renewal of a license shall include the production of satisfactory evidence of successful teaching experience for at least one school year during the period covered by the license in grades or subjects for which the license is valid or the completion of such additional preparation as the board of teaching *or the state board of vocational technical education* shall prescribe. Requirements for the renewal of the licenses of supervisory and support personnel shall be established by the state board of education *or the state board of vocational technical education.*

Subd. 3. [EFFECTIVE DATE.] Nothing contained herein shall be construed as affecting the validity of a permanent certificate or license issued prior to July 1, 1969.

Subd. 4. [HUMAN RELATIONS.] The board of teaching ~~and~~, the state board of education, *and the state board of vocational technical education* shall accept training programs completed through Peace Corps, VISTA, or Teacher Corps in lieu of completion of the human relations component of the training program for purposes of issuing or renewing a license in education.

Subd. 6. [LIMITED PROVISIONAL LICENSES.] The board of teaching *and the state board of vocational technical education* may grant provisional licenses, which shall be valid for two years, in fields in which licenses were not issued previously or in fields in which a shortage of licensed teachers exists. A shortage shall be defined as a lack of or an inadequate supply of licensed personnel within a given licensure area in a school district that has notified the board of teaching of the shortage and has applied to the board of teaching for provisional licenses for that district's licensed staff.

Sec. 9. Minnesota Statutes 1986, section 125.06, is amended to read:

125.06 [APPLICANTS TRAINED IN OTHER STATES.]

When a license to teach is authorized to be issued to any holder of a diploma or a degree of a Minnesota state university, or of the University of Minnesota, or of a liberal arts university, or a technical training institution, such license may also, in the discretion of the board of teaching ~~or~~, the state board of education, *or the state board of vocational technical education*, whichever has jurisdiction, be issued to any holder of a diploma or a degree of a teacher training institution of equivalent rank and standing of any other state, granted by virtue of the completion of a course in teacher preparation essentially equivalent in content to that required by such Minnesota state university or the University of Minnesota or a liberal arts university in Minnesota or a technical training institution as preliminary to the granting of a diploma or a degree of the same rank and class.

Sec. 10. Minnesota Statutes 1986, section 125.08, is amended to read:

125.08 [TEACHERS' AND ADMINISTRATORS' LICENSES, FEES.]

Each application for the issuance, renewal, or extension of a license to teach *at the elementary or secondary level* shall be accompanied by a processing fee in an amount set by the board of teaching by rule. Each application for the issuance, renewal or extension of a license as supervisory or support personnel *at the elementary or secondary level* shall be accompanied by a processing fee in an amount set by the state board of education by rule. *Each application for the issuance, renewal, or extension of a license for post-secondary vocational or adult vocational teachers, supervisors,*

or support personnel shall be accompanied by a processing fee in an amount set by the state board of vocational technical education by rule. The processing fee for an elementary or secondary teacher's license shall be paid to the executive secretary of the board of teaching. The processing fee for the licenses of elementary and secondary supervisory and support personnel shall be paid to the commissioner. The processing fee for licenses of post-secondary and adult vocational teachers, supervisors, and support personnel shall be paid to the state director of vocational technical education. The executive secretary of the board of teaching and, the commissioner, and the state director shall deposit the fees with the state treasurer, as provided by law, and report each month to the commissioner of finance the amount of fees collected. The fees as set by the boards shall be nonrefundable for applicants not qualifying for a license, provided however, that a fee shall be refunded by the state treasurer in any case in which the applicant already holds a valid unexpired license. The boards may waive or reduce fees for applicants who apply at the same time for more than one license, even if the licenses are under the jurisdiction of different boards.

Sec. 11. Minnesota Statutes 1986, section 125.12, subdivision 1, is amended to read:

Subdivision 1. [TEACHER DEFINED.] A superintendent, principal, supervisor, and classroom teacher and any other professional employee required to hold a license from the state department or the state board of vocational technical education shall be deemed to be a "teacher" within the meaning of this section.

Sec. 12. Minnesota Statutes 1986, section 125.18, subdivision 1, is amended to read:

Subdivision 1. A teacher who holds a license from the department or the state board of vocational technical education and a contract for employment in a public school may be granted a sabbatical leave by the board employing such person under rules promulgated by such board.

Sec. 13. Minnesota Statutes 1986, section 125.182, subdivision 2, is amended to read:

Subd. 2. "Teacher" means a classroom teacher or other similar professional employee required to hold a license from the board of teaching or the state board of vocational technical education.

Sec. 14. Minnesota Statutes 1986, section 126.12, subdivision 2, is amended to read:

Subd. 2. *For public elementary and secondary schools*, every Saturday shall be a school holiday, except that school may be held on a Saturday if necessary to meet the requirement in section 124.19 of making a good faith attempt to make up time lost on account of circumstances which were beyond the control of the school board. The school board shall determine the number of school days of each school year on or before April 1 of the calendar year in which such school year commences.

Sec. 15. Minnesota Statutes 1986, section 136C.04, subdivision 12, is amended to read:

Subd. 12. [PROGRAMS AND COURSES.] The state board shall approve, disapprove, and coordinate programs and courses. The state board shall adopt policies that include at least minimum class sizes and placement ratios. After consultation with affected school boards, the state board may

add, eliminate, transfer, or change programs *and courses* as it determines advisable. The state board shall consider the integrated services of secondary, post-secondary, and adult vocational education when it reviews intermediate district programs *and courses*.

In the case of intermediate districts, the state board may apply the following criteria when adding, eliminating, transferring, or changing programs *and courses*:

(a) the school board may be allowed to continue offering integrated secondary, post-secondary, and adult programs; and

(b) the school board may determine the use of facilities and equipment for secondary, post-secondary, adult, and special education programs and educational services for low incidence populations.

Sec. 16. Minnesota Statutes 1986, section 136C.04, is amended by adding a subdivision to read:

Subd. 19. [GIFTS; BEQUESTS.] The state board may receive and accept on behalf of the state and for the benefit of any area vocational technical institute, any gift, bequest, devise, or endowment that any person, firm, corporation, or association makes to the board by will, deed, gift, or otherwise for the purpose of vocational technical education. The state board may use any money given it or any of the area vocational technical institutes under its jurisdiction by any person, firm, corporation, or association, by will, deed, gift, devise, or endowment for the purpose of providing money for any aspect of vocational technical education. Use of the money may not be inconsistent with the terms and conditions under which the money was received by the board or an AVTI under its jurisdiction. Gifts, bequests, devises, or endowments are appropriated to the board for the purposes stated. All taxes and special assessments constituting a lien on real property received and accepted by the board under this subdivision must be paid in full before title is transferred to the state.

Sec. 17. Minnesota Statutes 1986, section 136C.15, is amended to read:

136C.15 [STUDENT ASSOCIATIONS.]

Every school board governing an area vocational technical institute shall give recognition as an authorized extracurricular activity to an area vocational technical institute student association affiliated with the Minnesota vocational technical student association. *The state director may provide staff assistance and leadership to the student association.* The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the area vocational technical institute which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The moneys in this fund shall be available for expenditure for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings.

Sec. 18. Minnesota Statutes 1986, section 136C.29, subdivision 5, is amended to read:

Subd. 5. [REPAIR AND BETTERMENT AID.] The final allocation of repair and betterment aid by the state board does not constitute approval of a project for the purposes of section 136C.07, subdivision 5. The aid shall be placed in the repair and betterment fund and used solely for the

purposes of reconstructing, improving, remodeling, and repairing existing AVTI buildings and grounds. The school board shall authorize and approve actual expenditures of the aid allocated; ~~except that expenditures which exceed \$5,000 shall receive prior approval by the state director. The process in section 136C.28 shall not constitute approval for this purpose.~~ Use of the aid shall be governed by the provisions of section 136C.07, subdivision 5.

Sec. 19. [REPEALER.]

Minnesota Statutes 1986, sections 136C.32 and 136C.35, are repealed.

Sec. 20. [INSTRUCTION TO REVISOR.]

The revisor of statutes is instructed to change the words "AVTI," "area vocational technical institute," "vocational technical institute," "area vocational technical school," "vocational technical school," "vocational school," "vocational institute," "technical school," and "school," and the plurals of each to "technical institute" or "technical institutes" when they refer to a school operated according to standards established by the state board of vocational technical education. The change shall be made in Minnesota Statutes 1988 and subsequent editions of the statutes."

Delete the title and insert:

"A bill for an act relating to education; adding post-secondary vocational technical representation to UFARS and ESV computer councils; clarifying certain duties of the state board of vocational technical education and the state director of vocational technical education; applying a consistent name to schools operating under standards of the state board of vocational technical education; amending Minnesota Statutes 1986, sections 15.014, subdivision 3; 120.05; 121.901, subdivision 1; 121.933; 121.934, subdivisions 1 and 2; 123.37, subdivision 1a; 125.05; 125.06; 125.08; 125.12, subdivision 1; 125.18, subdivision 1; 125.182, subdivision 2; 126.12, subdivision 2; 136C.04, subdivision 12, and by adding a subdivision; 136C.15; and 136C.29, subdivision 5; repealing Minnesota Statutes 1986, sections 136C.32 and 136C.35."

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

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

S.F. No. 1084: A bill for an act relating to local government; authorizing cities to impose a street access charge and providing for its collection; proposing coding for new law in Minnesota Statutes, chapter 471.

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

Page 1, line 12, after the period, insert "*The ordinance shall provide for the use of the funds generated by the street access charges to be used for city street and highway capital improvement projects.*"

Page 1, line 15, after "to" insert "*and expended for*"

Page 1, line 17, delete "*shall*" and insert "*may*"

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. 923: A bill for an act relating to metropolitan government; providing for the composition of the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.604, subdivision 1.

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

Page 3, line 8, delete "*may be removed*" and insert "*serves*"

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. 1275: A bill for an act relating to Hennepin county; providing bonding authority for library construction and betterment; amending Minnesota Statutes 1986, section 383B.245.

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

Page 2, line 12, strike "The authority"

Page 2, line 13, strike "granted the board by this paragraph is the same authority"

Page 2, line 14, strike "granted by Laws 1969, chapter 967,"

Page 2, line 15, strike "section 1, as amended."

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

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

S.F. No. 1235: A bill for an act relating to crimes; sexual conduct; prohibiting sexual penetration in a public place; abolishing the crimes of consensual sodomy, fornication, and adultery; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1986, sections 609.293; 609.34; and 609.36.

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. 979: A bill for an act relating to human rights; defining "employee" to include commission salespersons for certain purposes; clarifying certain provisions; amending Minnesota Statutes 1986, sections 181.81, subdivision 1; and 363.01, by adding a subdivision.

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

Page 3, line 16, delete "*that term*"

Page 3, line 17, delete "is"

Page 3, line 18, delete everything after "state" and insert a period

Page 3, delete lines 19 to 21

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

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

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

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 518.54, subdivision 5, is amended to read:

Subd. 5. [MARITAL PROPERTY; EXCEPTIONS.] "Marital property" means property, real or personal, including vested pension benefits or rights, acquired by the parties, or either of them, to a dissolution, legal separation, or annulment proceeding at any time during the existence of the marriage relation between them, or at any time during which the parties were living together as husband and wife under a purported marriage relationship which is annulled in an annulment proceeding, *but prior to the date of valuation under section 518.58, subdivision 1*. All property acquired by either spouse subsequent to the marriage and before a ~~decree of legal separation~~ *the valuation date* is presumed to be marital property regardless of whether title is held individually or by the spouses in a form of coownership such as joint tenancy, tenancy in common, tenancy by the entirety, or community property. Each spouse shall be deemed to have a common ownership in marital property that vests not later than the time of the entry of the decree in a proceeding for dissolution or annulment. The extent of the vested interest shall be determined and made final by the court pursuant to section 518.58. The presumption of marital property is overcome by a showing that the property is nonmarital property.

"Nonmarital property" means property real or personal, acquired by either spouse before, during, or after the existence of their marriage, which

(a) is acquired as a gift, bequest, devise or inheritance made by a third party to one but not to the other spouse;

(b) is acquired before the marriage;

(c) is acquired in exchange for or is the increase in value of property which is described in clauses (a), (b), (d), and (e);

(d) is acquired by a spouse after a ~~decree of legal separation~~ *the valuation date*; or

(e) is excluded by a valid antenuptial contract."

Page 1, line 11, before "Upon" insert "*Subdivision 1. [GENERAL.]*"

Page 2, line 7, after the period, insert "*The court shall value marital assets for purposes of division between the parties as of the day the pro-*

ceeding for dissolution or annulment is commenced, unless a different date is agreed upon by the parties, or unless the court finds that the parties subsequently made a good faith reconciliation, in which case the court may establish the valuation date as of the date the reconciliation ended. Within 60 days after a proceeding for dissolution or annulment is commenced, unless the time is extended either by agreement of the parties or by order of the court for good cause shown, each party shall serve and file a verified statement identifying all assets, marital and nonmarital, the values of the assets and the basis for the values, and disclosing all liabilities of the parties. If there is a substantial change in value of an asset between the date of valuation and the final distribution, the court may adjust the valuation of that asset as necessary to effect an equitable distribution. During the pendency of a marriage dissolution or annulment proceeding, each party owes a fiduciary duty to the other for any profit or loss derived by the party, without consent of the other, from a transaction or from any use by the party of the marital assets."

Page 2, line 8, before "If" insert "*Subd. 2. [AWARD OF NONMARITAL PROPERTY.]*"

Page 2, line 23, before "If" insert "*Subd. 3. [SALE OR DISTRIBUTION WHILE PROCEEDING PENDING.] (a)*"

Page 2, delete line 31

Page 2, line 32, delete everything before the second "the" and insert: "(b)"

Page 2, line 32, delete "allow for" and insert "order"

Page 2, line 35, delete "emergency or compelling reasons" and insert "good cause shown"

Page 2, line 36, before the period, insert ", provided that the court shall fully protect the interests of the other party"

Page 3, delete lines 1 to 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "requiring parties to file a statement of assets and liabilities; providing that parties owe each other a fiduciary duty with respect to marital assets;"

Page 1, line 5, delete "section" and insert "sections 518.54, subdivision 5; and"

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

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

S.F. No. 1018: A bill for an act relating to crimes; criminal sexual conduct; creating a crime of fifth degree criminal sexual conduct; amending Minnesota Statutes 1986, section 609.341, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Pages 1 and 2, delete section 1 and insert:

"Section 1. Minnesota Statutes 1986, section 388.051, subdivision 2, is amended to read:

Subd. 2. [SPECIAL PROVISIONS.] (a) In Anoka, Carver, Dakota, Hennepin, Scott, and Washington counties, only the county attorney shall prosecute gross misdemeanor violations of sections 290.53, subdivisions 4 and 11; 290.92, subdivision 15; 290A.11, subdivision 2; 297A.08; 297A.39, subdivisions 4 and 8; 297B.10; 609.255, subdivision 3; 609.377; 609.378; 609.41; and 617.247.

(b) The county attorney shall prosecute failure to report physical or sexual child abuse or neglect as provided under section 626.556, subdivision 6, *and shall prosecute violations of fifth-degree criminal sexual conduct under section 2.*"

Page 2, line 20, before the period, insert "*as defined in section 609.341, subdivision 11, paragraph (a), clauses (i) and (iv)*"

Page 2, line 22, delete "*two years*" and insert "*one year*"

Page 2, line 23, delete "\$5,000" and insert "\$3,000"

Amend the title as follows:

Page 1, line 4, delete "609.341" and insert "388.051"

Page 1, line 5, delete "11" and insert "2"

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

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

S.F. No. 1019: A bill for an act relating to crimes; criminal sexual conduct; clarifying the definition of "mentally incapacitated"; providing that criminal sexual contact requires sexual or aggressive intent; amending Minnesota Statutes 1986, section 609.341, subdivisions 7 and 11.

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

Page 2, after line 27, insert:

"Sec. 3. Minnesota Statutes 1986, section 609.341, subdivision 14, is amended to read:

Subd. 14. "Coercion" means words or circumstances that cause the complainant reasonably to fear that the actor will inflict bodily harm upon, or hold in confinement, the complainant or another, *or force the complainant to submit to sexual penetration or contact, but proof of coercion does not require proof of a specific act or threat.*"

Page 2, line 28, delete "3" and insert "4"

Page 2, line 29, delete "*and 2*" and insert "*to 3*"

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "expanding the definition of coercion;"

Page 1, line 6, delete "and" and insert a comma and after "11" insert

“, and 14”

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

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

S.F. No. 764: A bill for an act relating to witnesses; expanding the exception to the husband-wife privilege applicable to crimes committed against children; amending Minnesota Statutes 1986, section 595.02, subdivision 1.

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

Page 1, line 24, delete everything after “*spouse*”

Page 1, line 25, delete the new language

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert “allowing spousal testimony with respect”

Page 1, line 3, delete everything before “to”

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

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

S.F. No. 947: A bill for an act relating to crimes; dictating circumstances in which the court may stay execution of sentence following conviction for a second or subsequent offense relating to criminal sexual conduct; providing that information regarding a sexual assault victim is private; amending Minnesota Statutes 1986, sections 609.346, subdivisions 2 and 3; and 611A.06.

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

Page 1, line 24, delete everything after “*at*” and insert “*a*”

Page 1, delete line 25

Page 2, lines 4 and 5, delete “*as directed by the court*”

Page 2, delete section 3

Page 3, line 2, delete “*to 3*” and insert “*and 2*”

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete everything before “amending”

Page 1, line 7, delete “sections” and insert “section”

Page 1, line 8, delete “; and 611A.06”

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

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

S.F. No. 611: A bill for an act relating to public safety; allowing bureau of criminal apprehension to permit amateur radio operators to use radio equipment capable of receiving police emergency radio frequency; amending Minnesota Statutes 1986, section 299C.37, 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. Minnesota Statutes 1986, section 299C.37, subdivision 1, is amended to read:

Subdivision 1. No person other than peace officers within the state ~~and, the members of the state patrol, and persons who hold an amateur radio license issued by the Federal Communications Commission,~~ shall equip any motor vehicle with any radio equipment or combination of equipment, capable of receiving any radio signal, message, or information from any police emergency frequency, or install, use or possess the ~~same equipment in such a~~ motor vehicle without ~~first obtaining permission to do so from the superintendent of the bureau upon such a form of application as prescribed by the superintendent may prescribe.~~ Any person who is convicted of a violation of this subdivision shall, upon conviction for the first offense, be guilty of a misdemeanor, and for the second and subsequent offenses shall be guilty of a gross misdemeanor."

Amend the title as follows:

Page 1, line 6, delete "3" and insert "1"

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

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

S.F. No. 538: A bill for an act relating to trusts; regulating investment of trust assets; prescribing the standard of care for trustees; allowing trustees to delegate duties and employ agents; amending Minnesota Statutes 1986, sections 501.125, subdivision 1; and 501.66, subdivision 28; repealing Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a.

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 501.125, subdivision 1, is amended to read:

Subdivision 1. [GENERAL PROPERTIES AND INVESTMENTS.] (a) ~~In acquiring, investing, reinvesting, exchanging and managing property,~~ A trustee is authorized to ~~acquire invest in~~ every kind of ~~real or personal~~ property, ~~real, personal or mixed,~~ and every kind of investment, specifically including, but not by way of limitation, bonds, debentures and other individual or corporate obligations, mutual funds, and corporate stocks. ~~A trustee, in determining the prudence of a particular investment, shall consider the role that the proposed investment or investment course of action plays within the overall portfolio of assets. In applying the total asset~~

~~management approach, that a prudent person would invest in having in mind the preservation of the trust estate and the amount and regularity of the income derived. In considering an investment, a trustee shall exercise the care, skill, and judgment and care under the circumstances then prevailing, which persons that a person of ordinary prudence, discretion, and intelligence would exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of their funds the person's own property; and shall consider the role that the investment plays within the trust's overall portfolio of assets. If the trustee has special greater skills or expertise than a person of ordinary prudence or if the trustee holds itself out as having special skills or expertise is named trustee by representing that the trustee has greater skills than a person of ordinary prudence, the trustee is under a duty to use those skills or expertise.~~

~~(b) Except as may be provided to the contrary in the instrument, the following are Among the factors that should to be considered by a trustee in applying the total asset management approach determining the prudence of a particular investment are the following:~~

~~(1) the probable income of the trust as well as the probable safety of the capital of the trust;~~

~~(2) marketability of investments the composition of the portfolio of the trust with regard to diversification;~~

~~(3) the length of the term of investments of the trust;~~

~~(4) the duration of the trust;~~

~~(5) the liquidity needs and current return of the trust's portfolio relative to the anticipated cash requirements of the trust;~~

~~(6) requirements of the beneficiary or beneficiaries;~~

~~(7) other assets of the beneficiary or beneficiaries, known to the trustees, including earning capacity; and.~~

~~(8) effect of investments in increasing or diminishing liability for taxes~~

~~(7) the relative interests of income and remainder beneficiaries;~~

~~(8) the tax consequences; and~~

~~(9) the reasonableness of administrative costs, fees and commissions that will be paid from the trust, in view of the complexity of the investment, the skills of the trustee and other persons who will be paid for investment services, and the anticipated return from the investment.~~

~~(c) An investment that is otherwise prudent must not be considered imprudent solely because it is in new, unproven, untried, or other enterprises with a potential for significant growth or in a limited partnership or commingled fund investing in these enterprises.~~

Sec. 2. [501.155] [EMPLOYEES AND AGENTS OF TRUSTEE.]

Unless otherwise provided in the instrument, a trustee may employ attorneys, accountants, investment advisors, agents, or other persons, even if they are associated with the trustee, to advise or assist the trustee in the performance of duties. The trustee may act without independent investigation upon their recommendations or, instead of acting personally, employ one or more agents to perform any act of administration, whether

or not discretionary, except that:

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

(2) the employment does not relieve the trustee of liability for the acts of a person that, if done by the trustee, would result in liability to the trustee; and

(3) the employment does not relieve the trustee of the duty to select and retain a person with reasonable care.

Sec. 3. Minnesota Statutes 1986, section 501.66, subdivision 28, is amended to read:

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

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

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

Sec. 4. Minnesota Statutes 1986, section 524.2-202, is amended to read:

524.2-202 [AUGMENTED ESTATE.]

The augmented estate means the estate reduced by funeral and administration expenses, the homestead, family allowances and exemptions, liens, mortgages, and enforceable claims, to which is added the sum of the following amounts:

(1) The value of property, other than the homestead, transferred by the decedent at any time during the marriage, to or for the benefit of any person other than the surviving spouse, to the extent that the decedent did not receive adequate and full consideration in money or money's worth for the transfer, if the transfer is of any of the following types:

(i) any transfer under which the decedent retained at the time of death the possession or enjoyment of, or right to income from, the property;

(ii) any transfer to the extent that the decedent retained at the time of death a power, either alone or in conjunction with any other person, to revoke or to consume, invade or dispose of the principal for personal benefit;

(iii) any transfer whereby property is held at the time of decedent's death by decedent and another with right of survivorship;

(iv) any transfer made within one year of death of the decedent to the extent that the aggregate transfers to any one donee in the year exceeds \$30,000.

Any transfer is excluded if made with the written consent or joinder of the surviving spouse. Property is valued as of the decedent's death except that property given irrevocably to a donee during lifetime of the decedent is valued as of the date the donee came into possession or enjoyment if that occurs first.

Notwithstanding the provisions of items (i) to (iv), the augmented estate includes the proceeds of property described in clause (3) only to the extent provided in clause (3).

(2) The value of property, other than the homestead, owned by the surviving spouse at the decedent's death, plus the value of property transferred by the spouse at any time during marriage to any person other than the decedent which would have been includable in the spouse's augmented estate if the surviving spouse had predeceased the decedent, to the extent the owned or transferred property is derived from the decedent by any means other than testate or intestate succession or as an obligation of support without a full consideration in money or money's worth. For purposes of this clause:

(i) Property derived from the decedent includes, but is not limited to, any beneficial interest of the surviving spouse in a trust created by the decedent during the decedent's lifetime; any property appointed to the spouse by the decedent's exercise of a general or special power of appointment also exercisable in favor of others than the spouse; any proceeds of insurance, including accidental death benefits, on the life of the decedent attributable to premiums paid by the decedent; any lump sum immediately payable and the commuted value of the proceeds of annuity contracts under which the decedent was the primary annuitant attributable to premiums paid by the decedent; the commuted value of amounts payable after the decedent's death under any public or private pension, disability compensation, benefit, or retirement plan or account, excluding the federal social security system and tier 1 railroad retirement benefits, by reason of service performed, disabilities incurred, or deposits made by the decedent; any property held at the time of decedent's death by decedent and the surviving spouse with right of survivorship; any property held by decedent and transferred by contract to the surviving spouse by reason of the decedent's death; and the value of the share of the surviving spouse resulting from rights in community property in this or any other state formerly owned with the decedent.

(ii) Property owned by the spouse at the decedent's death is valued as of the date of death. Property transferred by the spouse is valued at the time the transfer became irrevocable, or at the decedent's death, whichever occurred first. Income earned by included property prior to the decedent's death is not treated as property derived from the decedent.

(iii) Property owned by the surviving spouse as of the decedent's death of the kind described in clause (2)(i) is presumed to have been derived from the decedent except to the extent that the surviving spouse establishes that it was derived from another source. All other property owned by the surviving spouse as of the decedent's death, or previously transferred by the surviving spouse, is presumed not to have been derived from the decedent except to the extent that an interested party establishes that it was derived from the decedent.

(3) The value of property paid to, or for the benefit of, a person other than the surviving spouse as a result of the decedent's death if the property is any of the following types:

(i) proceeds of insurance, including accidental death benefits, but excluding (1) insurance required by a judgment and decree or court order; (2) credit life insurance; (3) insurance required by the terms of a contract; (4) insurance obtained for the purpose of discharging any other liability;

contingent or fixed; to the extent the proceeds are used to discharge the liability; or (5) insurance obtained for a bona fide business purpose attributable to premiums paid by the decedent during the marriage except that: (a) if an enforceable claim satisfied with proceeds of insurance on the decedent's life is not deducted in computing the augmented estate, the proceeds must not be included separately; (b) if the value of a business interest is included in the augmented estate, the proceeds of insurance on the decedent's life that are paid to the business or are applied in performance of a purchase agreement relating to the business interest must not be included separately; (c) if the decedent was required by a decree or order dissolving a prior marriage to pay premiums on insurance on the decedent's life for the benefit of specified persons, the proceeds of that insurance must not be included separately; and (d) in other similar cases the proceeds of insurance must not be included separately;

(ii) a lump sum immediately payable, or the commuted value of the proceeds of annuity contracts under which the decedent was the primary annuitant attributable to premiums paid by the decedent during the marriage; or

(iii) the commuted value of amounts payable after the decedent's death under any public or private pension, disability compensation, benefit, or retirement plan or account, excluding the federal social security system and tier 1 railroad retirement benefits, by reason of service performed, disabilities incurred, or deposits made by the decedent, attributable to premiums or contributions paid by the decedent during the marriage.

For purposes of this clause, premiums or contributions paid by the decedent's employer, the decedent's partner, a partnership of which the decedent was a member, or the decedent's creditors, are deemed to have been paid by the decedent, and any amounts otherwise includable in the augmented estate are excluded if made with the written consent or joinder of the surviving spouse.

Unless the payer of the property has received written notice of intention to file a petition for the elective share, the property may be paid, upon request and satisfactory proof of the decedent's death, to the designated beneficiary of the property. Payment made discharges the payer from all claims for the amounts paid. This does not extend to payments made after the payer has received written notice of intention to file a petition for the elective share. Unless the notice is withdrawn by the surviving spouse, the surviving spouse must concur in any demand for withdrawal.

For an insurer, the written notice of intention to file a petition for the elective share must be mailed to its home office by registered mail, return receipt requested, or served upon the insurer in the same manner as a summons in a civil action. Upon receipt of written notice of intention to file a petition for the elective share, an insurer may pay any amounts owed by it specified in clause (3) to the court in which the probate proceedings relating to the estate of the decedent are venued, or if no proceedings have been commenced, to the court having jurisdiction of decedents' estates located in the county of the insured's residence. The court shall hold the funds and, upon its determination under section 524.2-205, subsection (d), shall order its disbursement in accordance with the determination. If no petition is filed in the court within the specified time under section 524.2-205, subsection (a), or if filed, the demand for an elective share is withdrawn under section 524.2-205, subsection (c), the court shall order disbursement

to the designated beneficiary. Payment made to the court discharges the insurer from all claims for the amounts paid.

Upon petition to the probate court by the designated beneficiary, the court may order that all or part of the property be paid to the designated beneficiary in an amount and subject to conditions consistent with this section.

Sec. 5. [REPEALER.]

Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a, are repealed.

Sec. 6. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to probate; changing and clarifying certain powers of trustees; redefining "augmented estate" for certain purposes; amending Minnesota Statutes 1986, sections 501.125, subdivision 1; 501.66, subdivision 28; and 524.2-202; proposing coding for new law in Minnesota Statutes, chapter 501; repealing Minnesota Statutes 1986, sections 501.125, subdivision 1a; and 501.66, subdivision 6a."

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

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

S.F. No. 243: A bill for an act relating to motor vehicle safety; providing for enforcement of sanctions for operation of snowmobiles while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, sections 84.87, subdivisions 1 and 2, and by adding a subdivision; 169.02, subdivision 1; 169.121, subdivision 1; 169.123, subdivision 2; and 169.129.

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

Page 1, delete section 1

Page 3, line 14, delete "and" and insert a comma and after " 169.123" insert ", and 169.129"

Page 3, line 15, delete "upon streets, highways" and insert "within this state"

Page 4, after line 7, insert:

"Sec. 4. Minnesota Statutes 1986, section 84.928, subdivision 1., is amended to read:

Subdivision 1. [OPERATION ON STREETS AND HIGHWAYS.] (a) A person shall not operate an all-terrain vehicle upon the roadway, shoulder, or inside bank or slope of a trunk, county state-aid, or county highway in this state and, in the case of a divided trunk or county highway, on the right-of-way between the opposing lanes of traffic, except as provided in sections 84.92 to 84.929. A person shall not operate an all-terrain vehicle within the right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being

used exclusively as transportation to and from work on agricultural lands. A person shall not operate an all-terrain vehicle within the right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway. A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.

(b) An all-terrain vehicle may make a direct crossing of a street or highway provided:

(1) the crossing is made at an angle of approximately 90 degrees to the direction of the highway and at a place where no obstruction prevents a quick and safe crossing;

(2) the vehicle is brought to a complete stop before crossing the shoulder or main traveled way of the highway;

(3) the driver yields the right-of-way to all oncoming traffic that constitutes an immediate hazard;

(4) in crossing a divided highway, the crossing is made only at an intersection of the highway with another public street or highway; and

(5) if the crossing is made between the hours of one-half hour after sunset to one-half hour before sunrise or in conditions of reduced visibility, only if both front and rear lights are on.

(c) An all-terrain vehicle may be operated upon a bridge, other than a bridge that is part of the main traveled lanes of an interstate highway, when required for the purpose of avoiding obstructions to travel when no other method of avoidance is possible; provided the all-terrain vehicle is operated in the extreme right-hand lane, the entrance to the roadway is made within 100 feet of the bridge, and the crossing is made without undue delay.

(d) A person shall not operate an all-terrain vehicle upon a public street or highway unless the vehicle is equipped with at least one headlight and one taillight, each of minimum candlepower as prescribed by rules of the commissioner, with reflector material of a minimum area of 16 square inches mounted on each side forward of the handlebars, and with brakes conforming to standards prescribed by rule of the commissioner, and all of which are subject to the approval of the commissioner of public safety.

(e) An all-terrain vehicle may be operated upon a public street or highway other than as provided by paragraph (b) in an emergency during the period of time when and at locations where the condition of the roadway renders travel by automobile impractical.

(f) Chapter 169 applies to the operation of all-terrain vehicles upon streets and highways, except for those provisions relating to required equipment and except those provisions which by their nature have no application.

(g) A sled, trailer, or other device being towed by an all-terrain vehicle must be equipped with reflective materials as required by rule of the commissioner.

(h) Sections 169.121, 169.123, and 169.129 apply to the operation of all-terrain vehicles within the state or upon the ice of any boundary water of this state.

Sec. 5. Minnesota Statutes 1986, section 84.928, subdivision 3, is amended to read:

Subd. 3. [OPERATING UNDER INFLUENCE OF ALCOHOL OR CONTROLLED SUBSTANCE.] A person may not operate or be in control of an all-terrain vehicle *within this state or on the ice of any boundary water of this state* while under the influence of alcohol or a controlled substance, as provided in section 169.121, subdivision 1, or a controlled substance defined in section 152.01, subdivision 4. ~~A person violating this subdivision is guilty of a crime and is punishable in accordance with the provisions of section 169.121, subdivisions 3 and 4.~~ A person who operates or is in control of an all-terrain vehicle *within this state or on the ice of any boundary water of this state* consents to a chemical test to determine the presence of alcohol or a controlled substance and is subject to section 169.123."

Page 7, line 1, delete "8" and insert "9"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "snowmobiles" insert "and all-terrain vehicles"

Page 1, line 7, after the first semicolon, insert "84.928, subdivisions 1 and 3;"

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

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

S.F. No. 605: A bill for an act relating to crimes; defining the crime of using police radios while committing a criminal act; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in sections 609.251, 609.585, 609.21, subdivisions 3 and 4, ~~and~~ 609.2691, *and section 2*, if a person's conduct constitutes more than one offense under the laws of this state, the person may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts."

Page 1, line 14, delete "*criminal act*" and insert "*felony or violation of section 609.487*" and delete the second "*criminal*" and insert "*felony or violation of section 609.487*"

Page 1, line 15, delete "*act*" and delete "*imprisonment*" and insert "*imprisonment*"

Page 1, line 17, after the period, insert "A prosecution for or conviction of the crime of use or possession of a police radio is not a bar to conviction for any other crime committed while possessing or using the police radio."

Page 1, lines 19 and 20, delete "criminal act" and insert "felony or violation of section 609.487"

Page 1, line 23, delete "Section" and insert "Sections" and delete "is" and insert "and 2 are" and delete "applies" and insert "apply"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "amending Minnesota Statutes 1986, section 609.035;"

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. 433: A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; proposing coding for new law as Minnesota Statutes, chapter 468.

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 3.981, is amended to read:
3.981 [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 3.981 to 3.983 and 14.131 have the meanings given them in this section.

Subd. 2. [MANDATE.] A "mandate" is a requirement imposed upon a local political subdivision by an external governmental or judicial authority which, if not complied with, results in (a) civil liability, (b) criminal penalty, or (c) administrative sanctions such as reduction or loss of funding.

Subd. 3. [LOCAL POLITICAL SUBDIVISION.] A "local political subdivision" is a county, city, or town or other taxing district or municipal corporation.

Subd. 24. [COSTS MANDATED BY THE STATE.] (a) "Costs mandated by the state" means increased costs that a local agency or a school district political subdivision is required to incur as a result of:

(a) (1) a law enacted after June 30, 1985, which mandates a new program or an increased level of service of an existing program;

(b) (2) an executive order issued after June 30, 1985, which mandates a new program;

(c) (3) an executive order issued after June 30, 1985, which implements or interprets a state statute and, by this implementation or interpretation, increases program levels above the levels required before July 1, 1985;

(d) (4) a statute enacted after June 30, 1985, or executive order issued

after June 30, 1985, which implements or interprets a federal statute or regulation and, by this implementation or interpretation, increases program or service levels above the levels required by this federal statute or regulation;

(e) (5) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which implements or interprets a statute or amendment adopted or enacted pursuant to the approval of a statewide ballot measure by the voters and, by this implementation or interpretation, increases program or service levels above the levels required by the ballot measure;

(f) (6) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which removes an option previously available to local agencies and thus increases program or service levels or prohibits a specific activity and so forces local agencies to use a more costly alternative to provide a mandated program or service;

(g) (7) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which requires that an existing program or service be provided in a shorter time period and thus increases the cost of the program or service;

(h) (8) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which adds new requirements to an existing optional program or service and thus increases the cost of the program or service as the local agencies have no reasonable alternatives other than to continue the optional program;

(i) (9) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which creates new revenue losses stemming from new property or sales and use tax exemptions;

(j) (10) a statute enacted after June 30, 1985, or executive order issued after June 30, 1985, which requires costs previously incurred at local option that have subsequently been mandated by the state; or

(k) (11) a statute enacted or an executive order issued after March 26, 1986 which requires payment of a new fee or increases the amount of an existing fee;

(12) when state statutory or executive actions are intended to achieve compliance with federal statutes or regulations or court orders, state mandates shall be determined as follows:

(i) if the federal statute or regulation or court order is discretionary, the state statutory or executive action is a state mandate;

(ii) if the state statutory or executive action exceeds what is required by the federal statute or regulation or court order, only the provisions of the state action which exceed the federal requirements are a state mandate; and

(iii) if the state statutory or executive action does not exceed what is required by the federal statute or regulation or court order, the state action is not a state mandate.

(b) State mandated costs include the costs of:

(1) a rule issued after December 31, 1988, which mandates a new responsibility; and

(2) a rule issued after December 31, 1988, which implements or interprets a state statute enacted after December 31, 1986, and by doing so

increases program levels above the levels required before January 1, 1988.

Sec. 2. Minnesota Statutes 1986, section 3.982, is amended to read:

3.982 [FISCAL NOTES FOR STATE-MANDATED ACTIONS.]

Subdivision 1. [DIVISION OF STATE AND LOCAL MANDATES.] When the state proposes to mandate that a local agency or school district take an action, and when reasonable compliance with that action would force the local agency or school district to incur costs mandated by the state, a fiscal note shall be prepared as provided in section 3.98, subdivision 2 and shall be made available to the public upon request. If the action is among the exceptions listed in section 3.983, a fiscal note need not be prepared.

When a bill proposing a mandate is introduced and referred to a standing committee, the chair of the standing committee to which the bill is referred shall request the appropriate state agency or department to prepare a fiscal note before the bill is heard in the committee. Before a proposed mandate is issued in an executive order, the governor or appropriate agency head assigned by the governor shall prepare the fiscal note and make it available to the public.

A division of state and local mandates in the office of state auditor is created. The division shall make a reasonable determination in a timely manner of the estimated and actual financial effects on each local political subdivision of each program mandated by the legislature and each rule proposed by an administrative agency. The division may require the commissioner of the appropriate administrative agency of the state to supply in a timely manner any information determined by the division to be necessary to determine local financial effects. The commissioner shall convey the requested information to the division with a signed statement to the effect that the information is accurate and complete to the best of the commissioner's ability.

The division when requested shall update its determination of financial effects based on either actual cost figures or improved estimates or both.

Subd. 2. [MANDATE EXPLANATIONS.] Any bill introduced in the legislature after December 31, 1988, which seeks to impose program or financial mandates on local political subdivisions shall include as an attachment bill appropriate responses to the following guidelines. It shall state and list:

(1) the policy goals which are sought to be attained, the performance standards that are to be imposed, and an explanation why the goals and standards will best be served by requiring compliance on the part of local political subdivisions;

(2) performance standards which will allow local political subdivisions flexibility and innovation of method in achieving these goals;

(3) the rationale for each prescribed standard and the process by which each standard shall govern inputs such as staffing and other administrative aspects of the program;

(4) the sources of additional revenue, in addition to existing funding for similar programs, that are directly linked to imposition of the mandates that will provide adequate and stable funding for their requirements;

(5) what input has been obtained to ensure that the implementing agencies have the capacity to carry out the delegated responsibilities; and

(6) *the reasons why less intrusive measures such as financial incentives or voluntary compliance would not yield the equity, efficiency, or desired level of statewide uniformity in the proposed program.*

Subd. 3. [LOCAL INVOLVEMENT; LAWS.] Any bill introduced in the legislature after December 31, 1988, which seeks to impose a program or financial mandate on local political subdivisions shall include as an attachment a description of the efforts put forth, if any, to involve local political subdivisions in the creation or development of the proposed mandate.

Subd. 4. [NO MANDATE RESTRICTION.] Except as specifically provided by this act, nothing in this act shall be construed to restrict or eliminate the authority of the state to create or impose programs by legislative mandate upon local political subdivisions.

Sec. 3. Minnesota Statutes 1986, section 3.983, subdivision 3, is amended to read:

Subd. 3. [MISCELLANEOUS EXCEPTIONS.] A fiscal note need not be prepared for the cost of a mandated action if the law containing the mandate:

- (a) accommodates a specific local request;
- (b) results in no new local government duties;
- (c) leads to revenue losses from exemptions to taxes other than sales, use, or property taxes;
- (d) provides only clarifying or conforming, nonsubstantive changes on local government;
- (e) imposes additional net local costs which are minor (less than \$200 for any single local government if the mandate does not apply statewide or less than one-tenth of a mill times the entire value of taxable property in the state if the mandate is statewide) and do not cause a financial burden on local government;
- (f) is a legislative mandate or executive order enacted before July 1, 1985, or a rule initially implementing legislation enacted before July 1, 1985;
- (g) implements something other than a state statute or executive order, such as a federal, court, or voter-approved mandate;
- (h) ~~appears in rules that are permissive or discretionary in nature;~~
- ~~(i) defines a new crime or redefines an existing crime or infraction;~~
- ~~(j) provides, or falls within the purview of existing, revenue sources or other financing mechanisms; or~~
- ~~(k) (i) results in savings that equal or exceed costs;~~
- ~~(j) provides for the holding of elections;~~
- ~~(k) clarifies the assurance of due process and equal protection;~~
- ~~(l) provides for the notification and conduct of public meetings;~~
- ~~(m) specifies the procedures for administrative and judicial review of actions taken by local political subdivisions;~~
- ~~(n) provides for the protection of the public from malfeasance, misfeasance, or nonfeasance by officials of local political subdivisions;~~

(o) relates to financial administration, including the levy, assessment, and collection of taxes; or

(p) requires the preparation and submission of financial audits necessary to the administration of state laws.

Sec. 4. [3.984] [REIMBURSEMENT TO LOCAL POLITICAL SUBDIVISIONS FOR COSTS OF STATE MANDATES.]

Subdivision 1. [DEFINITIONS.] Definitions of class A and class B state mandates have the meanings given them.

(a) For purposes of this section, "class A state mandates" are defined as those laws under which the state mandates to local political subdivisions, their participation, the organizational structure of the program, and the procedural regulations under which the law must be administered.

(b) For purposes of this section, "class B state mandates" are those mandates that allow the political subdivisions to opt for administration of a law with program elements mandated beforehand and with an assured revenue level from the state of 90 percent of full program and administrative costs.

Subd. 2. [REPORT.] The division of state and local mandates shall submit to the department of finance by September 1, 1990, and by September 1 of each year thereafter, a report by local political subdivisions of the costs of class A state mandates established after December 31, 1988, to be reimbursed for the next preceding fiscal year.

The department of finance shall annually include the statewide total of the statement of costs of class A mandates to be reimbursed as a line item appropriation in the state budget for the next fiscal year.

The state treasurer shall, in July 1991 and in July of each year thereafter, distribute to local political subdivisions the reimbursements for class A state mandated costs in accordance with the report submitted to the department of finance.

Subd. 3. [CERTAIN POLITICAL SUBDIVISIONS; REPORT.] The local political subdivisions that have opted to administer class B state mandates shall report to the division of state and local mandates on or before September 1, 1990, and on or before September 1 of each year thereafter, regarding the fact that revenue for a class B state mandate has fallen below 85 percent of the total cost of the program and that the local political subdivision intends to cease administration of the program.

The division shall forward a copy of the report to the department of finance and the respective chairs of the senate finance committee and the house appropriations committee for inclusion of the shortfall as a line item appropriation in the state budget for the next fiscal year.

The local political subdivision may exercise its option to cease administration only if the legislature has failed to include the shortfall as an appropriation in the state budget for the next fiscal year.

Subd. 4. [EXEMPTIONS.] Statutes and executive orders enumerated in Minnesota Statutes, section 3.983, are exempted from this section.

Sec. 5. Minnesota Statutes 1986, section 14.11, subdivision 1, is amended to read:

Subdivision 1. [FISCAL NOTE ON RULE IN NOTICE.] If the adoption of a rule by an agency will require the expenditure of public ~~money monies~~ by local public bodies, the appropriate notice of the agency's intent to adopt a rule shall be accompanied by a written statement giving the agency's reasonable estimate of the total cost to all local public bodies in the state to implement the rule for the two years immediately following adoption of the rule if the estimated total cost exceeds \$100,000 in either of the two years after December 31, 1988, shall be accompanied by a written report of the division of state and local mandates. The report shall state the division's opinion of the total cost to local public bodies to implement the rule for the two years immediately following adoption of the rule. The report shall further contain the opinion of the division as to the consistency of the proposed rule with the original legislative intent. The division shall have 60 days from the date of the agency's request to issue the report. For purposes of this subdivision, local public bodies shall mean officers and governing bodies of the political subdivisions of the state and other officers and bodies of less than statewide jurisdiction which have the authority to levy taxes.

Sec. 6. [14.401] [PERIODIC REVIEW OF ADMINISTRATIVE RULES.]

The division of state and local mandates shall review every five years the rules adopted after December 31, 1988, that have significant financial impact upon local political subdivisions. For purposes of this section, "significant financial impact" means requiring local political subdivisions to expand existing services, employ additional personnel, or increase local expenditures. The division shall determine the costs and benefits of each rule and submit a report to the commission with its opinion, if any, for the continuation, modification, or elimination of each rule.

Delete the title and insert:

"A bill for an act relating to local government; regulating the development, imposition, and management of state mandates upon local political subdivisions; amending Minnesota Statutes 1986, sections 3.981; 3.982; 3.983, subdivision 3; and 14.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3 and 14."

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

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

S.F. No. 1295: A bill for an act relating to the city of Minneapolis; giving the city certain powers pertaining to conventions and tourism activities.

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

Page 2, after line 27, insert:

"Sec. 4. Laws 1986, chapter 396, section 4, subdivision 3, is amended to read:

Subd. 3. [USE OF PROPERTY.] Revenues received from the tax may only be used:

(1) to pay costs of collection;

(2) to pay or secure the payment of any principal of, premium or interest on bonds issued in accordance with this act;

(3) to pay costs to acquire, design, equip, construct, improve, maintain, operate, administer, or promote the convention center or related facilities, including financing costs related to them;

(4) to pay reasonable and appropriate costs determined by the city to replace housing *and the ice arena* removed from the site; and

(5) to maintain reserves for the foregoing purposes deemed reasonable and appropriate by the city.

In the event of any amendment to chapter 297A enacted subsequent to the effective date of this act which exempts sales or uses which were taxable under chapter 297A on the effective date of this act, the city may by ordinance extend the tax authorized hereby to any such sales or uses provided that the city council shall have determined that such extension is necessary to provide revenues for the uses to which taxes may be applied under this section and further provided that, in the estimation of the city council, the aggregate annual collections following such extension will not exceed the aggregate annual collections which would have been generated if chapter 297A, as in effect on the effective date of this act, were then in effect. Any revenue bonds issued in accordance with this act may, with the consent of the city council, contain a covenant that the tax will be so extended to the extent necessary to pay principal and interest on the bonds when due.

Money for replacement housing shall be made available by the city only for new construction, conversion of nonresidential buildings, and for rehabilitation of vacant residential structures, only if all of the units in the newly constructed building, converted nonresidential building, or rehabilitated residential structure are to be used for replacement housing."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert "; providing for the use of certain tax revenues; amending Laws 1986, chapter 396, section 4, subdivision 3"

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. 11: A bill for an act relating to local government; permitting the establishment of a fire protection district for the city of Moose Lake and surrounding territory.

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

Page 2, after line 32, insert:

"Sec. 2. Laws 1974, chapter 400, section 5, subdivision 4, is amended to read:

Subd. 4. [EXECUTIVE DIRECTOR.] The board ~~shall~~ may appoint an executive director who shall be selected solely upon the basis of his training, experience and other qualifications and who shall serve at the pleasure of the board and at a compensation to be determined by the board. The executive director need not be a resident of the district. He may also be selected by the board to serve as either secretary or treasurer, or both, of the board. As executive director, he shall attend all meetings of the board, but shall not vote, and shall have the following powers and duties:

(a) He shall see that all resolutions, rules, regulations, or orders of the board are enforced.

(b) He shall appoint and remove, upon the basis of merit and fitness, all subordinate officers and regular employees of the board except the secretary and the treasurer and their deputies.

(c) He shall present to the board plans, studies and other reports prepared for board purposes and recommend to the board for adoption such measures as he deems necessary to enforce or carry out the powers and duties of the board, or the efficient administration of the affairs of the board.

(d) He shall keep the board fully advised as to its financial condition, and he shall prepare and submit to the board, and to the governing bodies of the local government units, the board's annual budget and other financial information as the board may request.

(e) He shall recommend to the board for adoption such rules and regulations as he deems necessary for the efficient operation of the district disposal system.

(f) He shall perform such other duties as may be prescribed by the board."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, before the period, insert "; providing for the optional appointment of the executive director of the Moose Lake-Windemere sanitary sewer district board; amending Laws 1974, chapter 400, section 5, subdivision 4"

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

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

S.F. No. 313: A bill for an act relating to veterans; providing for special motor vehicle license plates for former prisoners of war free of charge; amending Minnesota Statutes 1986, section 168.125.

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

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

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

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. 1043: A bill for an act relating to insurance; regulating the formation and operation of risk retention groups; prescribing the powers and duties of the commissioner; defining terms; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 60E.

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. 990: A bill for an act relating to liquor; authorizing the city of Little Falls to issue a temporary on-sale intoxicating liquor license.

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

Page 1, line 13, delete "1978" and insert "1987"

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

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

S.F. No. 361: A bill for an act relating to state employees; permitting certain employees to donate vacation time to a union representative; amending Minnesota Statutes 1986, section 43A.04, subdivision 8.

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

Page 1, line 12, reinstate the stricken "up to"

Page 1, lines 12 and 13, delete the new language and insert "eight"

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. 79: A bill for an act relating to occupations and professions; generally revising and updating the laws relating to licensure of podiatrists; providing for definitions, licensing, practice without a license, disciplinary action, and investigations; providing penalties; amending Minnesota Statutes 1986, sections 153.01, subdivisions 2 and 3; 153.02; 153.03; 214.01; and 319A.02; proposing coding for new law in Minnesota Statutes, chapter 153; repealing Minnesota Statutes 1986, sections 153.01, subdivision 4; 153.04 to 153.09; 153.13; 153.14; and 153.15.

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

Page 11, line 14, delete "shall take"

Page 11, line 15, delete "effect" and insert "is effective"

Page 11, line 16, delete "*shall remain*" and insert "*remains*"

Page 11, lines 21 and 22, delete "*shall*" and insert "*must*"

Page 11, line 27, delete "*shall be*" and insert "*is*"

Page 11, line 28, delete "*shall*"

Page 11, line 29, delete "*order*" and insert "*orders*"

Page 12, line 15, delete "*shall*"

Page 12, line 16, delete "*have*" and insert "*has*"

Page 13, line 2, delete "*shall be*" and insert "*is*"

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

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

H.F. No. 564 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.
564	526				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 564 be amended as follows:

Delete all the language after the title of H.F. No. 564 and insert the language after the title of S.F. No. 526, the first engrossment; further, delete the title of H.F. No. 564 and insert the title of S.F. No. 526, the first engrossment.

And when so amended H.F. No. 564 will be identical to S.F. No. 526, and further recommends that H.F. No. 564 be given its second reading and substituted for S.F. No. 526, 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. Davis from the Committee on Agriculture, to which was re-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:

Page 5, line 27, delete "*who must be conversant*"

Page 5, line 28, delete "*with*" and insert "*knowledgeable of*" and delete the third "*and*"

Page 5, delete line 29

Page 5, line 30, delete "*government*"

Page 5, line 31, delete everything after the period

Page 5, delete line 32

Page 5, line 33, delete "*subdivision 1a.*"

Page 6, line 5, after "*chair*" insert "*chosen from among the board members*"

Page 6, line 17, after "*members*" insert "*but not more than six members*"

Page 6, line 18, after the semicolon, insert "*and*"

Page 6, line 20, delete "*; and*" and insert a period

Page 6, delete line 21

Page 6, line 32, delete "*with the advice and consent of the senate*"

Page 6, line 36, after "*districts*" delete the comma and insert a period

Page 7, line 1, delete "*respectively.*"

Page 7, line 10, delete everything after "*temporary*"

Page 7, line 11, delete "*shall*" and insert "*must*"

Page 7, line 14, delete "*delegate to*" and insert "*authorize*" and delete "*or*" and insert "*and*"

Page 7, line 15, delete "*any*" and delete "*board's powers and duties*" and insert "*board to act on behalf of the board*"

Page 7, line 19, delete everything after "*quorum*"

Page 7, delete lines 20 and 21

Page 7, line 22, delete "*record of its official actions*"

Page 7, line 34, after the comma, insert "*watershed management organizations,*"

Page 8, line 9, delete "*Public Law Number*" and insert "*United States Code, title 16, section 1009;*"

Page 8, delete line 10

Page 13, line 4, delete everything after "18." and insert "[TRANSFER OF EMPLOYEES.]"

Page 13, line 5, delete everything before "*All*"

Page 13, line 12, after "*policy*" insert "*board*" and after "*other*" delete "*board,*"

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

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

S.F. No. 682: A bill for an act relating to human services; changing standards of assistance and eligibility for general assistance recipients and work readiness participants; amending Minnesota Statutes 1986, sections 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.05, subdivision 1, and by adding a subdivision; 256D.051, subdivisions 4 and 5; 256D.06, subdivisions 1 and 2; 256D.08, subdivision 1; 256D.101; and 256D.15.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1986, section 144.219, is amended to read:

144.219 [AMENDMENT OF VITAL RECORDS.]

Upon the order of a court of this state, upon the request of a court of another state, or upon the filing of an ~~acknowledgment of paternity a declaration of parentage under section 257.34~~ with the state registrar or the appropriate court ~~which is not disputed by the mother named on the original birth certificate within a reasonable time after being informed of the filing,~~ a new birth certificate shall be registered consistent with the findings of the court or with the ~~acknowledgment of paternity declaration of parentage.~~

Sec. 2. Minnesota Statutes 1986, section 256.01, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] Subject to the provisions of section 241.021, subdivision 2, the commissioner of human services shall:

(1) Administer and supervise all forms of public assistance provided for by state law and other welfare activities or services as are vested in the commissioner.

(2) Administer and supervise all child welfare activities; promote the enforcement of laws protecting handicapped, dependent, neglected and delinquent children, and children born to mothers who were not married to the children's fathers at the times of the conception nor at the births of the children; license and supervise child-caring and child-placing agencies and institutions; supervise the care of children in boarding and foster homes or in private institutions; and generally perform all functions relating to the field of child welfare now vested in the state board of control.

(3) Administer and supervise all noninstitutional service to handicapped persons, including those who are visually impaired, hearing impaired, or physically impaired or otherwise handicapped. The commissioner may provide and contract for the care and treatment of qualified indigent children in facilities other than those located and available at state hospitals when it is not feasible to provide the service in state hospitals.

(4) Assist and actively cooperate with other departments, agencies and institutions, local, state, and federal, by performing services in conformity with the purposes of Laws 1939, chapter 431.

(5) Act as the agent of and cooperate with the federal government in matters of mutual concern relative to and in conformity with the provisions of Laws 1939, chapter 431, including the administration of any federal funds granted to the state to aid in the performance of any functions of the commissioner as specified in Laws 1939, chapter 431, and including the promulgation of rules making uniformly available medical care benefits to all recipients of public assistance, at such times as the federal government increases its participation in assistance expenditures for medical care to recipients of public assistance, the cost thereof to be borne in the same proportion as are grants of aid to said recipients.

(6) Establish and maintain any administrative units reasonably necessary for the performance of administrative functions common to all divisions of the department.

(7) Administer and supervise any additional welfare activities and services as are vested by law in the department.

(8) The commissioner is designated as guardian of both the estate and the person of all the wards of the state of Minnesota, whether by operation of law or by an order of court, without any further act or proceeding whatever, except as to persons committed as mentally retarded.

(9) Act as coordinating referral and informational center on requests for service for newly arrived immigrants coming to Minnesota.

(10) The specific enumeration of powers and duties as hereinabove set forth shall in no way be construed to be a limitation upon the general transfer of powers herein contained.

(11) Establish county, regional, or statewide schedules of maximum fees and charges which may be paid by local agencies for medical, dental, surgical, hospital, nursing and nursing home care and medicine and medical supplies under all programs of medical care provided by the state and for congregate living care under the income maintenance programs.

(12) Have the authority to conduct and administer experimental projects to test methods and procedures of administering assistance and services to recipients or potential recipients of public welfare. To carry out such experimental projects, it is further provided that the commissioner of human services is authorized to waive the enforcement of existing specific statutory program requirements, rules, and standards in one or more counties. The order establishing the waiver shall provide alternative methods and procedures of administration, shall not be in conflict with the basic purposes, coverage, or benefits provided by law, and in no event shall the duration of a project exceed ~~two~~ four years. It is further provided that no order establishing an experimental project as authorized by the provisions of this section shall become effective until the following conditions have been met:

(a) The proposed comprehensive plan including estimated project costs and the proposed order establishing the waiver shall be filed with the secretary of the senate and chief clerk of the house of representatives at least 60 days prior to its effective date.

(b) The secretary of health, education, and welfare of the United States has agreed, for the same project, to waive state plan requirements relative to statewide uniformity.

(c) A comprehensive plan, including estimated project costs, shall be approved by the legislative advisory commission and filed with the com-

missioner of administration.

(13) In accordance with federal requirements establish procedures to be followed by local welfare boards in creating citizen advisory committees, including procedures for selection of committee members.

(14) Allocate federal fiscal disallowances or sanctions which are based on quality control error rates for the aid to families with dependent children, medical assistance, or food stamp program in the following manner:

(a) One-half of the total amount of the disallowance shall be borne by the county boards responsible for administering the programs and shall be shared by each county board in the same proportion as that county's expenditures for the sanctioned program are to the total of all counties' expenditures for that program. Each county shall pay its share of the disallowance to the state of Minnesota. When a county fails to pay the amount due hereunder, the commissioner may deduct the amount from reimbursement otherwise due the county, or the attorney general, upon the request of the commissioner, may institute civil action to recover the amount due.

(b) Notwithstanding the provisions of paragraph (a), if the disallowance results from knowing noncompliance by one or more counties with a specific program instruction, and that knowing noncompliance is a matter of official county board record, the commissioner may require payment or recover from the county or counties, in the manner prescribed in paragraph (a), an amount equal to the portion of the total disallowance which resulted from the noncompliance, and may distribute the balance of the disallowance according to paragraph (a).

(15) Develop and implement special projects that maximize reimbursements and result in the recovery of money to the state. For the purpose of recovering state money, the commissioner may enter into contracts with third parties. Any recoveries that result from projects or contracts entered into under this paragraph shall be deposited in the state treasury and credited to a special account until the balance in the account reaches \$400,000. When the balance in the account exceeds \$400,000, the excess shall be transferred and credited to the general fund. All money in the account is appropriated to the commissioner for the purposes of this paragraph.

Sec. 3. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 1a. [DEFINITIONS.] As used in this section and section 19, the following words have the meanings given them:

(a) "AFDC" means aid to families with dependent children.

(b) "AFDC-UP" means that group of AFDC clients who are eligible for assistance by reason of unemployment as defined by the commissioner under section 256.12, subdivision 14.

(c) "Caretaker" means a parent or eligible adult who is part of the assistance unit that has applied for or is receiving AFDC.

(d) "Employment and training services" means programs, activities, and services related to job training and job placement, including job service programs, job training partnership act programs, wage subsidies, remedial and secondary education programs, post-secondary education programs excluding education leading to an advanced degree, vocational education programs, work incentive programs, work readiness programs,

employment search, community work experience programs, displaced homemaker programs, self-employment programs, grant diversion, employment experience programs, youth employment programs, community investment programs, supported work programs, and counseling and support activities necessary to stabilize the caretaker or the family.

(e) "Employment and training service provider" means an administrative entity certified by the commissioner of jobs and training to deliver employment and training services under section 268.0122, subdivision 3.

(f) "Priority groups" or "priority caretakers" means recipients of AFDC or AFDC-UP designated as priorities for employment and training services under section 5.

(g) "Support services" means programs, activities, and services intended to stabilize families and individuals or provide assistance for family needs related to employment or participation in employment and training services, including child care, transportation, housing assistance, personal and family counseling, crisis intervention services, peer support groups, chemical dependency counseling and treatment, money management assistance, and parenting skill courses.

Sec. 4. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 1b. [WORK INCENTIVE SUBSIDIZED HOUSING PROGRAM.] Within the limit of available appropriations, employed recipients of aid to families with dependent children who meet eligibility requirements established by the commissioner of human services are eligible for a state housing subsidy as an incentive to seek and retain employment. The commissioner of human services shall adopt rules for the work incentive subsidized housing program using eligibility criteria, subsidy amounts, and an administrative system developed jointly by the commissioner of human services and the commissioner of jobs and training. The rules must:

(1) target recipients who are or are likely to become long-term recipients or who experience substantial barriers to employment;

(2) establish a fixed or sliding scale subsidy amount that will create a significant work incentive yet enable the program to serve the greatest possible number of recipients;

(3) limit the subsidy to persons who become employed while receiving assistance; and

(4) provide for continued subsidy payments for up to one year after termination of assistance to ease the transition from assistance to self-sufficiency.

The program must be coordinated with existing work and training programs and must be designed to maximize savings in the aid to families with dependent children program. The subsidy must be provided as in-kind assistance, and it is not available if it would be considered countable income under state and federal requirements.

Sec. 5. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 2a. [PRIORITY GROUPS.] (a) Priority for participation in employment and training services under this section must be given to caretakers who:

(1) are under the age of 22;

(2) have not received a high school diploma or general equivalency diploma; or

(3) have received 24 months or more of AFDC over the last 36 months.

(b) Highest priority for participation in employment and training services under this section must be given to caretakers with two or more of the characteristics listed in paragraph (a).

Sec. 6. Minnesota Statutes 1986, section 256.736, subdivision 3, is amended to read:

Subd. 3. [OPERATION OF PROGRAMS REGISTRATION.] To determine who shall be designated as an appropriate individual for certification for employment and training services, the commissioner of jobs and training shall provide, by rule, standards for county boards consistent with the standards promulgated by the secretary of health and human services. County boards shall certify appropriate individuals for employment and training services, shall notify the commissioner of human services, and shall require that every individual certified, as a condition of receiving aid to families with dependent children, register for employment services, training, and employment, unless such individual is: (a) To the extent permissible under federal law, every caretaker is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;

(2) a person caretaker who is ill, incapacitated or of advanced age;

(3) a person so remote from caretaker for whom participation in an employment and training service and where transportation is not reasonably available that effective participation is precluded would require a round trip commuting time by available transportation of more than two hours;

(4) a person caretaker whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a parent caretaker or other caretaker relative of a child under the age of six who personally provides full-time care for the child;

(6) a parent or other caretaker if another adult relative in the assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment;

(7) a pregnant woman in the last trimester of pregnancy; or

(8) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (7).

Any individual referred to in clauses (3) and (5) to (8) must be advised of the option to register for any available employment services, and training services, and employment if the individual so desires, and must be informed of the any available child care and other support services available if the individual decides to register.

(b) If, after planning with a recipient a decision is made that the recipient must register for employment services, training, and employment, the county board shall notify the recipient in writing of the need to register for participation in an employment and training service and that the recipient to the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on the effective date of this section shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 7. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 3a. [PARTICIPATION.] Caretakers in priority groups must participate in employment and training services under this section to the extent permissible under federal law. However, no assistance unit may be sanctioned for a caretaker's failure to participate in employment and training services under this section if failure results from inadequate funding for employment and training services.

Sec. 8. Minnesota Statutes 1986, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any ~~relative or child~~ caretaker required to register for participate in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) Pay ten percent of the cost of the work incentive program and any other costs that are required of that agency by federal regulation for employment and training services for recipients of aid to families with dependent children;

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulations; and

(4) Provide that when it has been certified by the ~~commissioner of jobs and training, certification to be binding upon the commissioner of human services county board~~, that a ~~relative or child~~ certified under caretaker required to participate in an employment and training program to the ~~commissioner of jobs and training~~ has been found by the ~~commissioner~~, after a hearing conducted in the manner prescribed by section 268.10, subdivision 3, with the right of review in accordance with the provisions of section 268.10, subdivision 8, employment and training service provider to have refused without good cause to participate in appropriate employment and training services or to have refused without good cause to accept a bona fide offer of public or other employment, the county board shall provide that:

(a) If the ~~relative~~ caretaker makes the refusal, the ~~relative's~~ caretaker's

needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the ~~relative~~ caretaker if a protective payee cannot reasonably be found.

(b) Aid with respect to a dependent child will be denied if a child who makes the refusal is the only child receiving aid in the family.

(c) If there is more than one child receiving aid in the family, aid for the child who makes the refusal will be denied and the child's needs will not be taken into account in making the grant determination.

(d) If the assistance unit's eligibility is based on the nonexempt principal earner's unemployment and this principal earner fails or refuses without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87; ~~if the family is subject to requirements of the work incentive program.~~

Sec. 9. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 4a. [NOTICE AND RIGHT OF APPEAL.] The employment and training service provider shall notify the county board of a caretaker's failure without good cause to cooperate or accept employment. Any determination, action, or inaction on the part of the county board relating to a caretaker's participation under section 256.736 is subject to the notice and hearing procedures in section 256.045, and Code of Federal Regulations, title 45, section 205.10.

Sec. 10. Minnesota Statutes 1986, section 256.736, subdivision 6, is amended to read:

Subd. 6. [PROTECTION FROM GARNISHMENT.] Earnings of a recipient caretaker while participating in full or part-time employment or training shall be protected from garnishment. This protection shall extend for a period of six months from the date of termination of a recipient's caretaker's grant of assistance.

Sec. 11. Minnesota Statutes 1986, section 256.736, subdivision 8, is amended to read:

Subd. 8. [SPECIAL NEEDS.] The commissioner of human services shall amend the state plan for aid to families with dependent children to provide, as special needs payments, money for the costs of child care, transportation, tuition, and items associated with education or seeking employment to the extent allowed under federal regulations and state appropriations. The commissioner of human services, with the assistance of the commissioner of education, shall establish a procedure whereby a governmental entity that pays for child care may contract with a county agency authorized to administer AFDC under sections 393.01, subdivision 7, and 393.07, subdivision 2, to make the child care payments on their behalf to AFDC recipients who are eligible for employment special needs funds. The governmental entity shall reimburse the county agency for the nonfederal share of the payments and administrative costs necessary to carry out the contract. The commissioners of human services and education shall provide information and technical assistance to governmental entities about the availability of special needs payments for child care. Governmental entities that receive state aid for child care through the community social services

act, the sliding fee child care program, or other programs, shall request special needs payments for child care provided to AFDC recipients who are potentially eligible for special needs assistance under criteria established by the commissioner of human services.

Sec. 12. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 10. [COUNTY DUTIES.] County boards shall:

(1) refer all caretakers required to register under subdivision 3 who are in the priority groups to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider caretakers who fall into the priority groups;

(3) provide all caretakers with information on available employment and training services and support services;

(4) provide all caretakers with information on available social services and support services that will be available after they leave the AFDC program, such as child support enforcement, extended medical coverage and other health care programs, child care assistance, housing assistance, transportation, and counseling and social services;

(5) encourage clients to view AFDC as a temporary program providing grants and services to clients who set goals and develop strategies for supporting their families without AFDC assistance;

(6) work with the employment and training service provider to encourage voluntary participation by caretakers in the priority groups;

(7) work with the employment and training service provider to collect data as required by the commissioner;

(8) encourage nonpriority caretakers to attend an orientation meeting and to develop a plan to obtain self-sufficiency; and

(9) notify the commissioner of the caretakers required to participate in employment and training services.

Sec. 13. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 11. [EMPLOYMENT AND TRAINING SERVICES.] (a) County boards shall ensure that the following core services are made available to appropriate caretakers under this section:

(1) orientation meetings;

(2) employment search; and

(3) case management services as defined in subdivision 12 for caretakers in the priority groups.

(b) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

Sec. 14. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 12. [CASE MANAGEMENT SERVICES.] For the purposes of subdivision 11, clause (3), case management services include the following

activities:

(1) assessment of the caretaker's employment, training, and educational needs;

(2) development of an employability plan and development of a written contract establishing goals and a timetable for completing education and obtaining suitable employment;

(3) ongoing assistance to help the caretaker execute the employability plan and the contract;

(4) assistance in securing necessary support services such as child care, transportation, and counseling; and

(5) appropriate in-school and on-the-job follow-up.

Sec. 15. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 13. [EMPLOYMENT SEARCH.] (a) The commissioner of human services shall establish an employment search program under United States Code, title 42, section 602(a)(35). The principal wage earner in an AFDC-UP assistance unit must participate in the employment search program within four months of being determined eligible for AFDC-UP unless:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities; or

(3) the caretaker is unable to secure employment due to inability to communicate in the English language.

The employment and training service provider shall refer caretakers unable to communicate in the English language to English as a second language courses.

(b) The employment search program must provide the following services:

(1) an initial period of up to four weeks of job search activities for not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board if the caretaker fails to cooperate with the employment search requirement; and

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks.

(c) The employment search program may provide services to non-AFDC-UP caretakers.

Sec. 16. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 14. [REPORTING.] The commissioner of human services, in cooperation with the commissioner of jobs and training and the coordinator of full productivity and opportunity, shall develop reporting requirements for local agencies and employment and training service providers. The requirements must include information necessary to track recipients as they move between activities and information necessary to evaluate the

effectiveness of the services.

Sec. 17. Minnesota Statutes 1986, section 256.736, is amended by adding a subdivision to read:

Subd. 15. [ALLOCATION OF MONEY.] State money appropriated for use under this section must be allocated to counties as follows:

(a) Forty percent of the state money must be allocated for case management services and orientation for caretakers in the priority groups. The allocation must be based on the average monthly number of caretakers receiving AFDC in the county who are under age 22 and the average monthly number of AFDC cases open in the county for 24 or more consecutive months and residing in the service delivery region for the 12-month period ending March 31 of the previous fiscal year.

(b) Twenty percent of the state money must be allocated for orientation for nonpriority caretakers based on the average monthly number of nonpriority caretakers receiving AFDC in the county for the period ending March 31 of the previous fiscal year. Funds may be used to develop employability plans for nonpriority caretakers if resources allow.

(c) Twenty-five percent of the state money must be allocated for employment search activities based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending March 31 of the previous fiscal year.

(d) Fifteen percent of the state money must be allocated at the discretion of the commissioner, after consultation with the coordinator, based on participation levels for priority group members in each county.

(e) No more than 15 percent of the money appropriated for use under this section may be used for administrative activities.

(f) Counties and the department of jobs and training shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services for the reimbursement and appropriate the reimbursed money to the county or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

Sec. 18. Minnesota Statutes 1986, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after

application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans awarded pursuant to a federal law when public assistance was considered in making the award and the award was made on the basis of financial need; and that part of any other educational grant or loan which is used for educational purposes, such as tuition, fees, equipment, transportation and child care expenses necessary for school attendance;

(3) the first \$75 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) an amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded;

(5) thirty dollars plus one-third of the remainder of each individual's earned income not already disregarded for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has:

(a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; or

(b) refused without good cause to accept an offer of suitable employment; or

(c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or

(d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services.

Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income

provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment.

The disregard of \$30 and one-third of the remainder of earned income described in clause (5) shall be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clauses (5)(a) to (5)(d) shall be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards under clause (d), the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(6) the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and

(7) insurance settlements to pay medical bills, to compensate a member of an assistance unit for partial or permanent loss of function or a body part, or to repair or replace insured property.

The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit shall be paid to the assistance unit within 15 days ~~of~~ *after the end of the month in which* the collection of such periodic support payments occurred and shall be disregarded in determining the amount of assistance.

Sec. 19. [256.765] [PROJECTS FOR LONG-TERM RECIPIENTS.]

Subdivision 1. [ESTABLISHMENT AND PURPOSE.] The commissioner of human services shall establish a grant program for projects to serve long-term caretakers who have received AFDC for at least 36 months. The program must pay for innovative projects that provide comprehensive services to long-term caretakers who cannot be helped effectively by other job training and education programs with the goal of achieving permanent employment.

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

(a) "Participant" means a recipient of AFDC who is receiving services under the program.

(b) "Substantial barriers to employment" means disabilities, chemical dependency, having children with disabilities, lack of a high school degree, lack of a marketable occupational skill, three or more children, or the lack of regular work experience in the previous five years.

(c) "Case management" means case management as defined in section 14.

Subd. 3. [APPLICATION.] Counties, employment and training service

providers, cities, local and state agencies, tribes, educational institutions, job training agencies, community-based organizations, displaced home-maker programs, supported work programs, and other nonprofit agencies may apply for grants under this section.

Subd. 4. [SELECTION.] A committee consisting of the commissioner of human services, the commissioner of jobs and training, the coordinator of full productivity and opportunity, and the director of the state board of vocational technical education shall review the project proposals and select projects to receive grants under this section. The first set of projects must be selected by March 1, 1988. At least two projects must be selected that are operated by or in cooperation with tribes or organizations representing ethnic minorities, except that the committee may reject any project proposal that does not meet the design requirements established in subdivision 5.

Subd. 5. [PROJECT DESIGN.] (a) Projects selected under this section must:

(1) provide participants with a full range of personal, family, and career development services;

(2) use existing resources whenever feasible;

(3) agree that at least 75 percent of the participants served will be long-term recipients and up to 25 percent of the participants will have substantial barriers to employment;

(4) provide for payment of participants' medical expenses through employer-paid health insurance, medical assistance, or other means for at least 12 months following the beginning of employment;

(5) provide services, including child care, to participants for at least 12 months following the beginning of employment;

(6) provide necessary on-the-job monitoring and support;

(7) meet financial and administrative standards established by the commissioner;

(8) participate in reporting and evaluation systems including a 12-month and a 24-month post-program follow-up on the employment, earnings, and public assistance status of participants; and

(9) provide matching fundings from sources other than income maintenance grants, medical assistance, food stamps, or state job training funds.

(b) Priority for grants under this section must be given to projects that meet the requirements in paragraph (a) and can demonstrate that the project will include the following:

(1) agreements with employers to train or place participants in specific jobs;

(2) access to jobs with higher wage levels relative to the local labor market or that include plans for specific career ladders or wage increase schedules; and

(3) substantial multi-agency participation or coordination.

Subd. 6. [ALLOWABLE EXPENDITURES.] (a) Projects may use money received under this section for education, employment, social services, support services, rehabilitation services, relocation assistance, job development, work experience, and on-the-job training, case management, med-

ical services, and other appropriate services.

(b) Projects may use up to 15 percent of the money received under this section for administrative expenses. Administrative expenses do not include expenses for activities in paragraph (a).

(c) The commissioner may establish limits on the use of money for particular purposes or services.

Subd. 7. [DEMONSTRATION AND EVALUATION.] For the biennium ending June 30, 1989, projects are demonstration projects to test the effectiveness of a comprehensive approach to serving populations with high needs. The coordinator of full productivity and opportunity shall submit to the governor and the legislature a progress report by February 1, 1989, and shall submit subsequent program evaluation reports as part of the biennial plan.

Subd. 8. [CONTINUED FUNDING.] Projects that received grants for the biennium ending June 30, 1989, and achieve effective results must be given priority for grants in succeeding grant cycles.

Subd. 9. [CARRYOVER AUTHORITY.] Money appropriated in one fiscal year may be carried forward into the next year to support long-term training and follow-up services.

Sec. 20. [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, except mental health services and chemical dependency services.

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

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 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 re-determination 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.*

Sec. 21. [256.979] [CHILD SUPPORT INCENTIVES.]

Subdivision 1. [RATIO DETERMINATION.] *Using information reported to the commissioner of human services under Title IV-D of the Social Security Act by county agencies responsible for child support enforcement, the commissioner shall determine the cost-benefit ratio for each county on a quarterly basis. The commissioner shall determine the ratio by dividing each county's nonpublic assistance collections by the county child support agency costs. For purposes of this section, collections made on behalf of another county agency in Minnesota shall be identified and counted only by the county agency making the collection.*

Subd. 2. [PERCENTAGE DETERMINATION.] *The commissioner shall use the following table to determine the percentage for each county that corresponds to the ratio determined in subdivision 1. The commissioner shall multiply each county agency's quarterly nonpublic assistance col-*

lections by the applicable percentage to determine the county agency's nonpublic assistance dollar amount for purposes of subdivision 3.

Ratio*	Percent
.1 or less	3.0
.2	3.5
.4	4.0
.6	4.5
.8	5.0
1.0	5.5
1.2	6.0
1.4	6.5
1.6	7.0
1.8	7.5
2.0	8.0
2.2	8.5
2.4	9.0
2.6	9.5
2.8 or more	10.0

*A county ratio that falls between two listed ratios must be rounded up to the next listed ratio.

Subd. 3. [DISTRIBUTION FORMULA.] (a) The commissioner shall determine each county child support enforcement agency's share of the state's quarterly incentive award for nonpublic assistance collections according to the formula in paragraph (b). County agencies that do not submit the required report to the commissioner within 30 days after the end of the quarter shall not receive an incentive award under this section and are excluded for purposes of the formula in this subdivision. Within 45 days after the end of the quarter, the commissioner shall inform each county agency of the determinations and pay the determined amount to the county agency.

(b) To determine the county agency's quarterly incentive award, the commissioner shall:

(1) add all county agency quarterly nonpublic assistance dollar amounts as determined in subdivision 2;

(2) divide the state's quarterly nonpublic assistance incentive award by the total obtained in clause (1); and

(3) multiply the quotient obtained in clause (2) by each county agency's quarterly nonpublic assistance dollar amount as determined under subdivision 2.

Sec. 22. 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.

Sec. 23. Minnesota Statutes 1986, section 256D.01, subdivision 1a, is amended to read:

Subd. 1a. [STANDARDS.] (a) A principal objective in providing general assistance is to provide for persons ineligible for federal programs who are unable to provide for themselves. To achieve these aims, the commissioner shall establish minimum standards of assistance for general assistance. The minimum standard of assistance determines the total amount of the general assistance grant without separate standards for shelter, utilities, or other needs.

For a recipient who is a member of a one-person assistance unit, the standard shall not be less than the combined total of the minimum standards of assistance for shelter and basic needs in effect on February 1, 1983. The standards of assistance shall not be lower for a recipient sharing a residence with another person unless that person is a responsible relative. The standards of assistance for recipients who are members of an assistance unit composed of more than one person must be equal to the aid to families with dependent children standard of assistance for a family of similar size and composition.

The standards shall be lowered for recipients who share a residence with a person who is a responsible relative of one or more members of the assistance unit if the responsible relative also receives general assistance or aid to families with dependent children. The standards must also be lowered for recipients who share a residence with a responsible relative if the relative is not receiving general assistance or aid to families with dependent children because the relative has been sanctioned or disqualified. If the responsible relative is receiving general assistance or aid to families with dependent children, or would be receiving them but for sanction or disqualification, then the standard applicable to the general assistance recipient's assistance unit must equal the amount that would be attributable to the members of the assistance unit if the members were included as additional recipients in the responsible relative's general assistance or aid to families with dependent children grant. When determining the amount attributable to members of an assistance unit that must receive a reduced standard, the amount attributed to adults must be the amount attributed to another child added to the responsible relative's assistance unit. When an assistance unit is subject to a reduced standard, the reduced standard must not exceed the standard that applies to an assistance unit that does not share a residence with a responsible relative.

For recipients, except recipients who are eligible under section 256D-05, subdivision 1, paragraph (a), clauses (1), (7), (8), (9), and (14), who share a residence with a responsible relative who is not receiving general assistance or aid to families with dependent children but who receives other income, the standards shall be lowered, subject to these limitations:

(a) The general assistance grant to the one-person assistance unit shall be in an amount such that total household income is equal to the aid to families with dependent children standard for a household of like size and composition, except that the grant shall not exceed that paid to a general assistance recipient living independently.

(b) Benefits received by a responsible relative under the supplemental security income program, the social security retirement program if the relative was receiving benefits under the social security disability program at the time of becoming eligible for the social security retirement program or if the relative is a person described in section 256D-05, subdivision 1, paragraph (a), clause (1), (7), or (9), the social security disability program,

a workers' compensation program, the Minnesota supplemental aid program, or on the basis of the relative's disability, must not be included in the household income calculation.

(b) For an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from his or her children and spouse, and who does not live with his or her parent or parents or a legal custodian, the standard of assistance shall be \$203. When the other standards specified in this subdivision increase, this standard shall also be increased by the same percentage.

(c) For an assistance unit consisting of an adult recipient who is childless and unmarried or living apart from his or her children and spouse, but who lives with his or her parent or parents, the general assistance standard of assistance shall be equal to the amount that the aid to families with dependent children standard of assistance would increase if the recipient were added as an additional minor child to an assistance unit consisting of the recipient's parent and all of that parent's family members, provided that the standard shall not exceed the standard for a general assistance recipient living alone. Benefits received by a responsible relative of the assistance unit under the supplemental security income program, a workers' compensation program, the Minnesota supplemental aid program, or any other program based on the responsible relative's disability, and any benefits received by a responsible relative of the assistance unit under the social security retirement program, shall not be counted in the determination of eligibility or benefit level for the assistance unit. An adult child shall be ineligible for general assistance if the available resources or the countable income of the adult child and the parent or parents with whom he or she lives are such that a family consisting of the adult child's parent or parents, the parent or parents' other family members and the adult child as the only or additional minor child would be financially ineligible for general assistance.

(d) For an assistance unit consisting of a married couple who are childless or who live apart from any child or children of whom either of the married couple is a parent or legal custodian, the standards of assistance shall be equal to the first and second adult standards of the aid to families with dependent children program. If one member of the couple is not included in the general assistance grant, then the standard of assistance for the other shall be equal to the second adult standard of the aid to families with dependent children program, except that, when one member of the couple is not included in the general assistance grant because he or she is not categorically eligible for general assistance under section 256D.05, subdivision 1, and has exhausted work readiness eligibility under section 256D.051, subdivision 4 or 5, for the period of time covered by the general assistance grant, then the standard of assistance for the remaining member of the couple shall be equal to the first adult standard of the aid to families with dependent children program.

(e) For an assistance unit consisting of all members of a family, the standards of assistance shall be the same as the standards of assistance applicable to a family under the aid to families with dependent children program if that family had the same number of parents and children as the assistance unit under general assistance and if all members of that family were eligible for the aid to families with dependent children program. If one or more members of the family are not included in the assistance unit for general assistance, the standards of assistance for the remaining mem-

bers shall be equal to the standards of assistance applicable to an assistance unit composed of the entire family, less the standards of assistance applicable to a family of the same number of parents and children as those members of the family who are not in the assistance unit for general assistance. Notwithstanding the foregoing, if an assistance unit consists solely of the minor children because their parent or parents have been sanctioned from receiving benefits from the aid to families with dependent children program, the standard for the assistance unit shall be equal to the special child standard of the aid to families with dependent children program.

Sec. 24. Minnesota Statutes 1986, section 256D.02, subdivision 5, is amended to read:

~~Subd. 5. "Family" means two or more individuals who are related by blood, marriage or adoption, who are living in a place or residence maintained by one or more of them as a home, and at least one of whom is a child who is not married to another of such individuals and is in the care of or dependent upon another of such individuals the following persons who live together: a minor child or a group of minor children related to each other as siblings, half siblings, or stepsiblings, together with their natural or adoptive parents, their stepparents, or their legal custodians, and any other minor children of whom an adult member of the family is a legal custodian.~~

Sec. 25. Minnesota Statutes 1986, section 256D.02, subdivision 8, is amended to read:

~~Subd. 8. "Income" means any form of income, including remuneration for services performed as an employee and net earnings from self-employment, reduced by the amount attributable to employment expenses as defined by the commissioner. The amount attributable to employment expenses shall include amounts paid or withheld for federal and state personal income taxes and federal social security taxes.~~

~~"Income" includes any payments received as an annuity, retirement, or disability benefit, including veteran's or workers' compensation; old age, survivors, and disability insurance; railroad retirement benefits; unemployment benefits; and benefits under any federally aided categorical assistance program, supplementary security income, or other assistance program; rents, dividends, interest and royalties; and support and maintenance payments. Such payments may not be considered as available to meet the needs of any person other than the person for whose benefit they are received, unless that person is under a legal duty to support another an adult family member or a spouse and the income is not excluded under section 256D.01, subdivision 1a. Goods and services provided in lieu of cash payment shall be excluded from the definition of income, except that payments made for room, board, tuition or fees by a parent, on behalf of a child enrolled as a full-time student in a post-secondary institution, must be included as income.~~

Sec. 26. Minnesota Statutes 1986, section 256D.03, subdivision 2, is amended to read:

~~Subd. 2. After December 31, 1980, state aid shall be paid to local agencies for 75 percent of all general assistance grants up to the standards of section 256D.01, subdivision 1a, and according to procedures established by the commissioner, except that, after December 31, 1987, state aid is reduced to 65 percent of all general assistance grants if the local agency does not~~

refer recipients who are eligible for assistance under section 256D.05, subdivision 1, paragraph (a), clause (15), to occupational or vocational literacy training if the training is available without additional county expenditures and accessible to the recipient.

After December 31, 1986, state aid must be paid to local agencies for 65 percent of work readiness assistance paid under section 256D.051 if the county does not have an approved and operating community investment program.

Any local agency may, from its own resources, make payments of general assistance: (a) at a standard higher than that established by the commissioner without reference to the standards of section 256D.01, subdivision 1; or, (b) to persons not meeting the eligibility standards set forth in section 256D.05, subdivision 1, but for whom the aid would further the purposes established in the general assistance program in accordance with rules promulgated by the commissioner pursuant to the administrative procedure act.

Sec. 27. Minnesota Statutes 1986, section 256D.05, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] (a) Each person or family whose income and resources are less than the standard of assistance established by the commissioner shall be eligible for and entitled to general assistance if the person or family is:

- (1) a person who is suffering from a permanent or temporary illness, injury, or incapacity which is medically certified and which prevents the person from obtaining or retaining employment;
- (2) a person whose presence in the home on a substantially continuous basis is required because of the certified illness, injury, incapacity, or the age of another member of the household;
- (3) a person who has been placed in a licensed or certified facility for purposes of physical or mental health or rehabilitation, or in an approved chemical dependency domiciliary facility, if the placement is based on illness or incapacity and is pursuant to a plan developed or approved by the local agency through its director or designated representative;
- (4) a person who resides in a shelter facility described in subdivision 3;
- (5) a person who is or may be eligible for displaced homemaker services, programs, or assistance under section 268.96, but only if that person is enrolled as a full-time student;
- (6) a person who is unable to secure suitable employment due to inability to communicate in the English language, provided that the person is not an illegal alien, and who, if assigned to a language skills program by the local agency, is participating in that program;
- (7) a person not described in clause (1) or (3) who is diagnosed by a licensed physician or licensed consulting psychologist as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;
- (8) a person who has an application pending for the social security disability program or the program of supplemental security income for the aged, blind, and disabled, or who has been terminated from either program and has an appeal from that termination pending;

(9) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work;

(10) a person completing a secondary education program;

(11) a family with one or more minor children; provided that, if all the children are six years of age or older, all the adult members of the family register for and cooperate in the work readiness program under section 256D.051; and provided further that, if one or more of the children are under the age of six and if the family contains more than one adult member, all the adult members except one adult member register for and cooperate in the work readiness program under section 256D.051. The adult members required to register for and cooperate with the work readiness program are not eligible for financial assistance under section 256D.051, except as provided in section 256D.051, subdivision 6, and shall be included in the general assistance grant. If an adult member fails to cooperate with requirements of section 256D.051, the local agency shall not take that member's needs into account in making the grant determination. The time limits of section 256D.051, subdivisions 4 and 5, do not apply to people eligible under this clause.

(12) a person who has substantial barriers to employment, including but not limited to factors relating to work or training history, as determined by the local agency in accordance with permanent or emergency rules adopted by the commissioner after consultation with the commissioner of jobs and training;

(13) a person who is certified by the commissioner of jobs and training before August 1, 1985, as lacking work skills or training or as being unable to obtain work skills or training necessary to secure employment, as defined in a permanent or emergency rule adopted by the commissioner of jobs and training in consultation with the commissioner; ~~or~~

(14) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be ~~functionally illiterate~~ ~~or~~ learning disabled;

(15) a person who is determined by the local agency, in accordance with emergency and permanent rules adopted by the commissioner, to be functionally illiterate, provided that the person complies with literacy training requirements set by the local agency under section 28. A person who is terminated for failure to comply with literacy training requirements may not reapply for assistance under this clause for 60 days. The local agency must provide an oral explanation to the person of the person's responsibilities under this clause and of the penalties for failure to comply (1) at the time an application is approved based on this clause, and (2) at the time the person is referred to literacy training; or

(16) a child under the age of 18 who is not living with a parent, stepparent, or legal custodian, but only if: the child is legally emancipated or living with an adult with the consent of an agency acting as a legal custodian; the child is at least 16 years of age and the general assistance grant is approved by the director of the local agency or a designated representative as a component of a social services case plan for the child; or the child is living with an adult with the consent of the child's legal custodian and the local agency.

(b) The following persons or families with income and resources that are

less than the standard of assistance established by the commissioner are eligible for and entitled to a maximum of six months of general assistance during any consecutive 12-month period, after registering with and completing six months in a work readiness program under section 256D.051:

(1) a person who has borderline mental retardation; and

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under paragraph (a), because the mental illness interferes with the medical certification process; provided that the person cooperates with social services, treatment, or other plans developed by the local agency to address the illness.

In order to retain eligibility under this paragraph, a recipient must continue to cooperate with work and training requirements as determined by the local agency.

Sec. 28. [256D.0505] [LITERACY TRAINING FOR RECIPIENTS.]

Subdivision 1. [OCCUPATIONAL AND VOCATIONAL PROGRAMS.] *The local agency must work with local educational institutions and job training programs to identify and develop occupational and vocational literacy programs. Occupational and vocational literacy programs are programs which provide literacy training to adults who lack formal education or job skills. The programs emphasize particular language and reading skills needed for successful job performance.*

Subd. 2. [ASSESSMENT AND ASSIGNMENT.] *The local agency must:*

(1) assess the reading potential and vocational or occupational interests of people eligible under section 256D.05, subdivision 1, paragraph (a), clause (15);

(2) assign suitable recipients to openings in occupational and vocational literacy programs;

(3) if no openings are available in accessible occupational or vocational literacy programs, assign suitable recipients to openings in other accessible literacy training programs; and

(4) reassign to another literacy program any recipient who does not complete an assigned program and who wishes to try another program.

Subd. 3. [SERVICES PROVIDED.] *The local agency must provide child care and transportation to enable people to participate in literacy training under this section.*

Subd. 4. [PAYMENT OF GENERAL ASSISTANCE.] *The local agency must provide assistance under section 256D.05, subdivision 1, paragraph (a), clause (15), to people who:*

(1) participate in a literacy program assigned under subdivision 2. To "participate" means to attend regular classes, complete assignments and make progress toward literacy goals;

(2) despite participation for a period of six months or more, fail to progress in assigned literacy programs;

(3) are not assigned to literacy training because there is no program available or accessible to them; or

(4) have failed for good cause to complete an assigned literacy program.

Subd. 5. [REASSESSMENT AND LITERACY REFERRAL.] (a) When a person is no longer functionally illiterate under rules adopted by the commissioner or is terminated for failure to comply with literacy training requirements, the local agency must assess the person's eligibility for general assistance under the remaining provisions of section 256D.05, subdivision 1. The local agency must refer to the work readiness program under section 256D.051 all people not eligible for general assistance.

(b) The local agency may also refer for voluntary work readiness services all recipients who reach a level of literacy that may allow successful participation in job training, provided that the job training does not interfere with a recipient's participation in literacy training. However, referral under this clause does not affect general assistance eligibility.

Subd. 6. [RIGHT TO NOTICE AND HEARING.] The local agency shall provide notice and opportunity for hearings for adverse actions under this section according to sections 256D.10 and 256D.101.

Subd. 7. [COSTS.] The state shall reimburse local agencies for the costs of providing child care and transportation under this section.

Sec. 29. Minnesota Statutes 1986, section 256D.051, subdivision 1, is amended to read:

Subdivision 1. [WORK REGISTRATION.] A person or family whose income and resources are less than the standard of assistance established by the commissioner, but who are not eligible to receive general assistance under section 256D.05, subdivision 1, are eligible for a work readiness program. Upon registration, a registrant is eligible to receive assistance in an amount equal to general assistance under section 256D.05, subdivision 1, for a maximum of six months during any consecutive 12-month period, subject to ~~subdivisions~~ subdivision 3, 4, and 5. The local agency shall pay work readiness assistance in monthly payments beginning at the time of registration.

Sec. 30. Minnesota Statutes 1986, section 256D.051, subdivision 2, is amended to read:

Subd. 2. [LOCAL AGENCY DUTIES.] (a) The local agency shall provide to registrants under subdivision 1 a work readiness program. The work readiness program must include:

- (1) an employability assessment and development plan in which the local agency estimates the length of time it will take the registrant to obtain employment;
- (2) referral to available employment assistance programs including the Minnesota employment and economic development program;
- (3) a job search program; and
- (4) other activities designed by the local agency to prepare the registrant for permanent employment.

In order to allow time for job search, the local agency shall not require an individual to participate in the work readiness program for more than 32 hours a week. The local agency shall require an individual to spend at least eight hours a week in job search or other work readiness program activities.

(b) The local agency may provide a work readiness program to recipients

under section 256D.05, subdivision 1, paragraph (b), *and shall provide a work readiness program to recipients referred under section 28, subdivision 5, paragraph (b).*

Sec. 31. Minnesota Statutes 1986, section 256D.051, subdivision 4, is amended to read:

Subd. 4. [TWO-MONTH ASSISTANCE.] The local agency shall terminate a registrant after two months in the work readiness program *if unless* the local agency determines that registrant is ~~not~~ eligible for assistance under subdivision 5. During the second month of work readiness assistance, the local agency must assess the registrant's eligibility under subdivision 5 and inform the registrant of the outcome of the assessment. A registrant who is not eligible under subdivision 5 is eligible for a maximum of two months of work readiness assistance in any consecutive 24-month period.

Sec. 32. Minnesota Statutes 1986, section 256D.051, subdivision 5, is amended to read:

Subd. 5. [SIX-MONTH ASSISTANCE.] *Except as provided in subdivision 4*, the following registrants are eligible for work readiness assistance for a maximum of six months in any consecutive 12-month period:

(1) a person who has borderline mental retardation;

(2) a person who exhibits perceptible symptoms of mental illness as certified by a qualified professional but who is not eligible for general assistance under section 256D.05, subdivision 1 because the mental illness interferes with the medical certification process; and

(3) a person who is certified by the commissioner of jobs and training as being unable to secure suitable employment because the person lives in a distressed county or who is unable to secure suitable employment because the local agency has determined that no jobs are available that a person with the registrant's work history, skills, and ability has the physical and mental ability to perform. For purposes of this paragraph, a county is distressed if it has an average unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made. The commissioner shall designate a contiguous portion of a county containing a city of the first class located outside of the metropolitan area as a distressed county if:

(a) that portion of the county has an unemployment rate of ten percent or more for the one-year period ending on April 30 of the year in which the designation is made; and

(b) that portion of the county has a population of at least 50,000 as determined by the 1980 federal census.

Sec. 33. Minnesota Statutes 1986, section 256D.051, subdivision 6, is amended to read:

Subd. 6. [LOCAL AGENCY OPTIONS.] The local agency may, at its option, provide up to ~~\$100~~ \$200 per registrant for direct expenses incurred by the registrant for transportation, clothes, and tools necessary for employment. ~~The local agency may provide an additional \$100 for direct expenses of registrants remaining in the work readiness program for more than two months.~~ After paying direct expenses as needed by individual registrants, the local agency may use any remaining money to provide additional services as needed by any registrant including education, ori-

entation, placement, other work experience, on-the-job training, and other appropriate activities.

Sec. 34. Minnesota Statutes 1986, section 256D.051, subdivision 8, is amended to read:

Subd. 8. ~~[INELIGIBILITY VOLUNTARY QUIT.] A person who is otherwise eligible to receive work readiness assistance under subdivision 1 must be terminated from work readiness assistance on quitting work without good cause, being fired for misconduct, or refusing to accept an offer of suitable employment. A person is not eligible for work readiness payments or services if, without good cause, the person voluntarily quits suitable employment or refuses a legitimate offer of suitable employment within 60 days before the date of application. A person who, without good cause, voluntarily quits suitable employment or refuses a legitimate offer of suitable employment while receiving work readiness payments or services shall be disqualified for two months according to rules adopted by the commissioner.~~

Sec. 35. Minnesota Statutes 1986, section 256D.06, subdivision 1, is amended to read:

Subdivision 1. General assistance shall be granted in such an amount that when added to the nonexempt income actually available to the individual, *married couple*, or family, the total amount equals the applicable standard of assistance ~~established by the commissioner~~ for general assistance. In determining eligibility for and the amount of assistance the local agency shall disregard the first \$50 of earned income per month.

Sec. 36. Minnesota Statutes 1986, section 256D.06, subdivision 1b, is amended to read:

Subd. 1b. ~~[EARNED INCOME SAVINGS ACCOUNT.]~~ In addition to the \$50 disregard required under subdivision 1, the local agency shall disregard an additional earned income up to a maximum of \$150 per month for persons residing in facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690 ~~or 9530.2500 to 9530.4000~~, and for whom discharge and work are part of a treatment plan. The additional amount disregarded must be placed in a separate savings account by the eligible individual, to be used upon discharge from the residential facility into the community. A maximum of \$1,000, including interest, of the money in the savings account must be excluded from the resource limits established by section 256D.08, subdivision 1, clause (1). Amounts in that account in excess of \$1,000 must be applied to the resident's cost of care. If excluded money is removed from the savings account by the eligible individual at any time before the individual is discharged from the facility into the community, the money is income to the individual in the month of receipt and a resource in subsequent months. If an eligible individual moves from a community facility to an inpatient hospital setting, the separate savings account is an excluded asset for up to 18 months. During that time, amounts that accumulate in excess of the \$1,000 savings limit must be applied to the patient's cost of care. If the patient continues to be hospitalized at the conclusion of the 18-month period, the entire account must be applied to the patient's cost of care.

Sec. 37. Minnesota Statutes 1986, section 256D.06, subdivision 2, is amended to read:

Subd. 2. Notwithstanding the provisions of subdivision 1, a grant of general assistance shall be made to an eligible individual, *married couple*, or family

for an emergency need, as defined in rules promulgated by the commissioner, where the recipient requests temporary assistance not exceeding 30 days if an emergency situation appears to exist and the individual is ineligible for the program of emergency assistance under aid to families with dependent children and is not a recipient of aid to families with dependent children at the time of application hereunder. If a recipient relates facts to the local agency which may be sufficient to constitute an emergency situation, the local agency shall advise the recipient of the procedure for applying for assistance pursuant to this subdivision.

Sec. 38. Minnesota Statutes 1986, section 256D.08, subdivision 1, is amended to read:

Subdivision 1. In determining eligibility of a family, *married couple*, or individual there shall be excluded the following resources:

(1) Real or personal property or liquid assets which do not exceed those permitted under the federally aided assistance program known as aid to families with dependent children; and

(2) Other property which has been determined, in accordance with and subject to limitations contained in rules promulgated by the commissioner, to be essential to the family or individual as a means of self-support or self-care or which is producing income that is being used for the support of the individual or family. The commissioner shall further provide by rule the conditions for those situations in which property not excluded under this subdivision may be retained by the family or individual where there is a reasonable probability that in the foreseeable future the property will be used for the self-support of the individual or family; and

(3) Payments, made pursuant to litigation and subsequent appropriation by the United States Congress, of funds to compensate members of Indian tribes for the taking of tribal land by the federal government.

Sec. 39. [DEMONSTRATION PROJECT; PERSONS WITHOUT A VERIFIED RESIDENCE ADDRESS.]

(a) The commissioner shall establish a one-county demonstration project to determine the effectiveness of establishing special procedures for providing assistance to applicants or recipients of general assistance, work readiness, or emergency general assistance, who do not have a verified residence address. For purposes of the demonstration project, the requirements in this section supersede section 256D.09, subdivision 4, and other conflicting laws and rules.

(b) For applicants or recipients of general assistance, emergency general assistance, and work readiness assistance who do not have a verified residence address, the local agency may provide assistance using one or more of the following methods:

(1) The local agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs.

(2) The local agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment; or issue assistance on the basis of actual need without regard to the standards of assistance established pursuant to section 256D.01, subdivision 1a.

(3) *The local agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard.*

(c) *An individual may verify a residence address by providing a driver's license; a state identification card; postmarked mail addressed to and received by the individual at the address; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.*

(d) *If the local agency elects to provide assistance on a weekly basis, the agency shall not provide assistance for a period during which no need is claimed by the individual. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The ten-day advance notice required under sections 256D.051, subdivision 13, and 256D.10 does not apply to weekly assistance issued under this paragraph.*

Sec. 40. Minnesota Statutes 1986, section 256D.101, is amended to read:

256D.101 [FAILURE TO COMPLY WITH WORK REQUIREMENTS; NOTICE.]

Subdivision 1. [DISQUALIFICATION.] If the local agency determines that a registrant has failed to comply with the requirements of section 256D.051, the local agency shall notify the registrant of the determination. The notification shall be in writing; shall state the facts that support the local agency's determination; shall specify the particular actions that must be taken by the registrant to achieve compliance; shall state that the recipient must take the specified actions by a date certain, which must be at least ~~15~~ *ten* days following the date the notification is mailed or delivered to the registrant; shall explain the ramifications of the registrant's failure to take the required actions by the specified date; and shall advise the registrant that the registrant may request and have a conference with the local agency to discuss the notification.

Subd. 2. [NOTICE OF GRANT REDUCTION, SUSPENSION, OR TERMINATION.] ~~No~~ *The* notice of grant reduction, suspension, or termination on the ground that a registrant has failed to comply with section 256D.051 shall be ~~given mailed or hand delivered~~ *mailed or hand delivered* by the local agency ~~until the notification required by subdivision 1 has been given; the time for compliance stated in the notification has lapsed; and the local agency has, subsequent concurrently with the notification required by subdivision 1. Prior to giving the notification, assessed the local agency must assess the registrant's eligibility for general assistance under section 256D.05 to the extent possible using information contained in the case file, and determined determine that the registrant is not eligible under that section. The determination that the registrant is not eligible shall be stated in the notice of grant reduction, suspension, or termination.~~

Subd. 3. [BENEFITS AFTER NOTIFICATION.] Assistance payments otherwise due to the registrant under section 256D.051 shall not be paid after the notification required in subdivision 1 has been provided to the registrant unless, before the date stated in the notification, the registrant takes the specified action necessary to achieve compliance or, within five days after the effective date stated in the notice, files an appeal of the grant reduction, suspension, or termination. If, by the required date, the

registrant does take the specified action necessary to achieve compliance, both the notification required by subdivision 1 and the notice required by subdivision 2 shall be canceled and all benefits due to the registrant shall be paid promptly. If by the required date, the registrant files an appeal of the grant reduction, suspension, or termination, benefits otherwise due to the registrant shall be continued pending the outcome of the appeal.

Sec. 41. Minnesota Statutes 1986, section 256D.15, is amended to read:
256D.15 [RELATIVE'S RESPONSIBILITY.]

The financial responsibility of a relative for an applicant for or recipient of general assistance or work readiness shall not extend beyond the relationship of a spouse or a parent of an adult child who resides with the parent, or the parent of a minor child regardless of where the minor child resides, or an adult family member who resides with the applicant or recipient.

Sec. 42. Minnesota Statutes 1986, section 257.33, is amended to read:
257.33 [DUTIES OF COMMISSIONER OF HUMAN SERVICES.]

Subdivision 1. [SERVICES TO PREGNANT WOMEN.] It shall be the duty of the commissioner of human services to offer appropriate social services to any pregnant woman who is in need of social services under criteria prescribed by rule of the commissioner. The commissioner shall also offer appropriate social services to the woman and her child after the birth of the child.

Subd. 2. [MINOR PARENTS AND THEIR CHILDREN.] (a) Every birth to a minor shall be reported by the hospital where the birth occurs, within three working days after the birth. The hospital shall make the report to the commissioner on a form provided by the department of human services county social services agency in the county in which the minor mother resides and shall notify the minor that the report has been made. The county social services agency shall contact any minor mother who resides in the county and determine whether she has a plan for herself and her child. The plan must consider:

- (1) the age of the minor parent;*
- (2) the involvement of the minor's parents or of other adults who provide active, ongoing guidance, support, and supervision;*
- (3) the involvement of the minor's child's father;*
- (4) a decision of the minor to keep and raise her child or place the child for adoption;*
- (5) completion of high school or GED;*
- (6) current economic support of the minor parent and child and plans for economic self-sufficiency;*
- (7) parenting skills of the minor parent;*
- (8) living arrangement of the minor parent and child;*
- (9) child care and transportation needed for education, training, or employment;*
- (10) ongoing health care; and*
- (11) other services as needed to address personal or family problems or*

to facilitate the personal growth and development and economic self-sufficiency of the minor parent and child.

(b) If the minor parent does not have a plan for herself and child, the county social services agency shall work with her to develop a plan and shall provide case management services as needed to assure the resources and services are available to meet the plan requirements.

(c) If the minor parent refuses to plan for herself and her child or fails to follow through on an agreed upon plan, the county social services agency shall seek an order for protective supervision or other appropriate disposition under section 50.

Sec. 43. Minnesota Statutes 1986, section 257.34, subdivision 1, is amended to read:

Subdivision 1. [ACKNOWLEDGMENT BY PARENTS.] The mother and father of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born may, in a writing signed by both of them before a notary public, declare and acknowledge under oath that they are the biological parents of the child. The declaration may provide that any such child born to the mother at any time before or up to ten months after the date of execution of the declaration is the biological child of the signatories. Execution of the declaration shall:

(a) have the same consequences as an acknowledgment by the signatories of parentage of the child for the purposes of sections 62A.041 and 62C.14, subdivision 5a;

(b) be conclusive evidence that the signatories are parents of the child for the purposes of sections 176.111 and ~~197.09 to 197.14~~ 197.75 and 197.752;

~~(c) have create a presumption that the same consequences as an acknowledgment by signatory is the biological father of paternity of the child for the purposes of sections 257.57 and 257.66~~ 257.51 to 257.74;

(d) when timely filed with the division of vital statistics of the Minnesota department of health as provided in section 259.261, qualify as an affidavit stating the intention of the signatories to retain parental rights as provided in section 259.261 if it contains the information required by section 259.261 or rules promulgated thereunder;

(e) have the same consequences as a writing declaring paternity of the child for the purposes of section 524.2-109; and

(f) be conclusive evidence that the signatories are parents of the child for the purposes of chapter 573.

Sec. 44. Minnesota Statutes 1986, section 257.57, subdivision 2, is amended to read:

Subd. 2. ~~An action to determine the existence or nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d) or (e) may be brought at any time by~~ The child, the mother or personal representative of the child, the public authority chargeable by law with the support of the child, the personal representative or a parent of the mother if the mother has died or is a minor, a man alleged or alleging himself to be the father, or the personal representative or a parent of the alleged father if the alleged father has died or is a minor ~~may bring an action.~~

(1) at any time for the purpose of declaring the existence of the father and child relationship presumed under section 257.55, subdivision 1, clause (d) or (e), or the nonexistence of the father and child relationship presumed under clause (d) of that subdivision; or

(2) for the purpose of declaring the nonexistence of the father and child relationship presumed under section 257.55, subdivision 1, clause (e), only if the action is brought within three years after the date of the execution of the declaration.

Sec. 45. Minnesota Statutes 1986, section 257.60, is amended to read: 257.60 [PARTIES.]

The child may be made a party to the action. If the child is a minor and is made a party, a general guardian or a guardian ad litem shall be appointed by the court to represent the child. The child's mother or father may not represent the child as guardian or otherwise. ~~If the child is a minor and the case involves a compromise under section 257.64, subdivision 1 or a lump sum payment under section 257.66, subdivision 4, the child and the commissioner of human services shall each be made a party before the court approves a compromise or orders a lump sum payment.~~ The natural biological mother, each man presumed to be the father under section 257.55, and each man alleged to be the ~~natural~~ biological father, shall be made parties or, if not subject to the jurisdiction of the court, shall be given notice of the action in a manner prescribed by the court and shall be given an opportunity to be heard. *The public agency responsible for support enforcement is joined as a party in each case in which rights are assigned under section 256.74, subdivision 5.* A person who may bring an action under section 257.57 may be made a party to the action. The court may align the parties. *The child shall be made a party whenever:*

(1) *the child is a minor and the case involves a compromise under section 257.64, subdivision 1, or a lump sum payment under section 257.66, subdivision 4, in which case the commissioner of human services shall also be made a party; or*

(2) *the child is a minor and the action is to declare the nonexistence of the father and child relationship; or*

(3) *an action to declare the existence of the father and child relationship is brought by a man presumed to be the father under section 257.55, or a man who alleges to be the father, and the mother of the child denies the existence of the father and child relationship.*

Sec. 46. Minnesota Statutes 1986, section 257.62, is amended by adding a subdivision to read:

Subd. 6. [TESTS, EVIDENCE ADMISSIBLE.] *In any hearing brought under subdivision 5, a certified report of the facts and results of a laboratory analysis or examination of blood or genetic tests that is performed in a laboratory accredited to meet the Standards for Parentage Testing of the American Association of Blood Banks and is prepared and attested by a qualified expert appointed by the court shall be admissible in evidence without proof of the seal, signature, or official character of the person whose name is signed to it unless a demand is made by a party in a motion or responsive motion made within the time limit for making and filing a responsive motion that the matter be heard on oral testimony before the court.*

Sec. 47. Minnesota Statutes 1986, section 257.63, subdivision 2, is amended to read:

Subd. 2. Upon refusal of a witness, including a party, to testify under oath or produce evidence, the court may order the party to testify under oath and produce evidence concerning all relevant facts. ~~If the refusal is upon the grounds that the No testimony or evidence might tend to incriminate the party, the court may grant the party immunity from all criminal liability on account of the testimony or evidence the party is required to produce. An other information compelled under the order granting immunity bars prosecution of, or any information directly or indirectly derived from such testimony or other information, may be used against the witness for any offense shown, in whole or in part, by testimony or evidence which the party is required to produce any criminal case, except for perjury committed in the testimony.~~ The refusal of a witness, who has been granted immunity, to obey an order to testify or produce evidence is subject to the sanctions within the jurisdiction of the court.

Sec. 48. Minnesota Statutes 1986, section 260.015, subdivision 6, is amended to read:

Subd. 6. "Dependent child" means a child:

- (a) Who is without a parent, guardian, or other custodian; or
- (b) Who is in need of special care and treatment required by a physical or mental condition and whose parent, guardian, or other custodian is unable to provide it; or
- (c) Whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody; or
- (d) Who is without proper parental care because of the emotional, mental, or physical disability, or minority or state of immaturity, of the child's parent, guardian, or other custodian.

Sec. 49. Minnesota Statutes 1986, section 260.155, is amended by adding a subdivision to read:

Subd. 9. [FACTORS IN DETERMINING DEPENDENCY DUE TO THE MINORITY OF A PARENT.] *(a) In determining whether a child is dependent due to the minority of a parent, the court shall consider, among other factors, the following:*

- (1) the age of the minor parent;*
 - (2) the emotional maturity of the minor parent;*
 - (3) the parenting skills of the minor parent;*
 - (4) whether the minor parent is married to and living with an adult and the emotional maturity and parenting skills of the adult;*
 - (5) the ability of the parent to provide for the short-term and long-term financial support of the child; and*
 - (6) whether the minor parent is receiving active, ongoing guidance, support, and supervision from a parent or other relative.*
- (b) If a minor parent is neither living with a parent nor married to and living with an adult, the minor parent's child is presumed to be dependent in the absence of reasonable evidence that the minor parent has the maturity and resources to provide for the financial and emotional well-being of the*

child.

Sec. 50. Minnesota Statutes 1986, section 260.191, is amended by adding a subdivision to read:

Subd. 5. [DEPENDENCY DUE TO THE MINORITY OF A PARENT.] (a) If the court finds that a child is dependent due to the minority of a parent but that the child is not abused or neglected, the court shall enter an order placing the child under the protective supervision of the county welfare board in the child's own home under conditions prescribed by the court, unless the court determines that, due to unique circumstances, a different disposition is in the best interest of the child. If the court orders a disposition other than protective supervision in the home, the court shall include in its findings and order the unique circumstances justifying the alternative disposition.

(b) If the court orders protective supervision, the court may, among other things, require the minor parent to attend high school or other education or training programs, participate in parenting skills programs, or cooperate with other programs arranged by the county welfare board to improve the minor parent's ability to provide for the emotional and financial support of the child. The court order must state that the conditions may be enforced only if appropriate child care and transportation are available.

Sec. 51. Minnesota Statutes 1986, section 267.02, is amended by adding a subdivision to read:

Subd. 7a. [EMPLOYMENT AND TRAINING SERVICE PROVIDER.] "Employment and training service provider" means an administrative entity certified by the commissioner to deliver employment and training services under section 268.0122, subdivision 3.

Sec. 52. Minnesota Statutes 1986, section 267.03, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The coordinator of full productivity and opportunity may:

(1) appoint a deputy, a confidential secretary, and up to two additional employees, in the unclassified service;

(2) appoint other employees under chapter 43A;

(3) make rules under chapter 14;

(4) enter into contracts;

(5) further the objectives of the biennial plan by recommending to the governor interdepartmental transfer of employment and training services or income maintenance and support services, which the commissioner of administration, if so ordered by the governor, shall carry out as provided in section 16B.37, subdivisions 1, 2, and 3, and implement so as not to lead to a reduction of federal money to the state or its political subdivisions;

(6) further the objectives of the biennial plan by recommending to the governor transfer of one or more employment and training services or income maintenance and support services to a certified service provider other than a state agency;

(7) initiate emergency wage subsidies, consider the recommendations of the commissioner of jobs and training for the use of the discretionary portion of wage subsidy appropriations, and allocate the discretionary por-

tion of wage subsidy appropriations;

(8) require the commissioners of jobs and training, human services, energy and economic development, and administration, and the state planning director, to furnish technical, administrative, and financial services to the coordinator upon request;

(9) require agencies to submit to the coordinator for approval or disapproval within 20 days any rule that relates to employment and training services or income maintenance and support services before the publication of the notice of intent required by section 14.22 or 14.30, and, if it is disapproved, require that the rule be amended and resubmitted to the coordinator;

(10) *by October 1, 1987, establish by permanent or emergency rule under chapter 14 the standards by which the commissioner of jobs and training shall certify employment and training service providers, including a requirement that certified providers have the ability to access or coordinate with available federal, state, and local employment and training services, educational services, and appropriate support services;*

(11) decertify service providers after consultation with the commissioner;

(12) contract with another local service unit or certified service provider for employment and training services in that local service unit if the coordinator, after consultation with the commissioner of jobs and training, finds that a local service unit consistently fails to provide service of sufficient quantity and quality to satisfy criteria established for the receipt of state money; ~~and~~

(13) ratify or disapprove the commissioner of jobs and training's decisions regarding the approval or disapproval of local service unit plans and community investment program plans; *and*

(14) *require state agencies, local agencies, and employment and training service providers to collect and provide any information necessary to evaluate the effectiveness of employment, training, education, and support services.*

Sec. 53. Minnesota Statutes 1986, section 268.0122, subdivision 3, is amended to read:

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

(1) administer the unemployment insurance laws and related programs;

(2) administer the aspects of aid to families with dependent children, general assistance, work readiness, and food stamps that relate to employment and training services, subject to the ~~limitations of federal regulations~~ *contract under section 268.86, subdivision 2;*

(3) administer wage subsidies and *the discretionary employment and training fund, and recommend to the coordinator the use of the discretionary portion of wage subsidy appropriations;*

(4) administer a national system of public employment offices as prescribed by United States Code, title 29, chapter 4B, the Wagner-Peyser Act, and other federal employment and training programs;

(5) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;

(6) enter into agreements with other departments of the state and local units of government as necessary;

(7) certify ~~competent~~ *employment and training* service providers and, with the concurrence of the coordinator, decertify service providers that fail to comply with performance criteria according to standards established by the coordinator;

(8) provide consistent, integrated employment and training services across the state;

(9) establish the standards for all employment and training services administered under this chapter;

(10) develop standards for the contents and structure of the ~~county~~ *local service unit* plans;

(11) provide current state and substate labor market information and forecasts, in cooperation with other agencies;

(12) prepare a plan and submit it to the coordinator in each even-numbered year, according to standards established by the coordinator, for use in developing a statewide employment and training plan;

(13) identify underserved populations, unmet service needs, and funding requirements;

(14) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired; and

(15) submit to the governor, the coordinator, the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semiannual report that:

(a) reports, by client classification, an unduplicated count of the kinds and number of services furnished through each program administered or supervised by the department or coordinated with it;

(b) reports on the number of job openings listed, developed, available, and obtained by clients;

(c) identifies the number of cooperative agreements in place, the number of individuals being served, and the kinds of service provided them;

(d) evaluates the performance of services, such as wage subsidies, community investments, work readiness, and grant diversions; and

(e) explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance, work readiness, and aid to families with dependent children caseloads and program expenditures.

Sec. 54. Minnesota Statutes 1986, section 268.86, subdivision 1, is amended to read:

Subdivision 1. [~~DEVELOPMENT~~ *DISCRETIONARY PROGRAMS*.] The commissioner shall develop and administer *discretionary* employment and training *services programs* to assist ~~appropriate recipients of public assistance and unemployed and underemployed persons eligible to receive wage subsidies~~ to become economically independent. ~~The services must have as their objective the improvement of clients' opportunities for economic independence through permanent employment. The services must provide sufficient employment and training options to allow local service~~

units to effectively meet the support services, educational, and training needs of their public assistance and wage subsidy clients programs may include on-the-job training, wage subsidies, classroom training, relocation expenses, temporary cash assistance for persons in training, and support services.

Sec. 55. Minnesota Statutes 1986, section 268.86, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATION INTERAGENCY AGREEMENTS.] Under agreements necessary to comply with federal regulations, By October 1, 1987, the commissioner, on behalf of and the commissioner of human services, shall administer enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps or aid to families with dependent children and food stamps. The commissioner shall administer employment and training services for general assistance and work readiness recipients in consultation with the commissioner of human services, including AFDC employment and training programs, grant diversion, and supported work. The contract must be approved by the coordinator and must address:

- (1) specific roles and responsibilities of each department;
- (2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;
- (3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;
- (4) procedures for providing technical assistance to local service units and employment and training service providers;
- (5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;
- (6) procedures for reimbursing appropriate agencies for administrative expenses; and
- (7) procedures for accessing available federal funds.

Sec. 56. Minnesota Statutes 1986, section 268.871, subdivision 1, is amended to read:

Subdivision 1. [RESPONSIBILITY AND CERTIFICATION.] Unless prohibited by federal law or otherwise determined by state law or the coordinator, a local service unit is responsible for the delivery of employment and training services. After February 1, 1986 1988, employment and training services must be delivered by public, nonprofit, or private service providers that are certified to provide the services employment and training service providers.

Sec. 57. Minnesota Statutes 1986, section 268.871, subdivision 2, is amended to read:

Subd. 2. [CONTRACTING PREFERENCE.] In contracting, a local service unit must give preference, whenever possible, to existing certified employment and training service providers including the job service, opportunities industrialization centers, displaced homemaker providers, work incentive providers, Minnesota employment and economic development

act providers, post-secondary educational institutions, and job training partnership act programs that can effectively coordinate federal, state, and local employment and training services; that can maximize use of available federal and other nonstate funds; and that have demonstrated the ability to serve public assistance clients as well as other unemployed people.

Sec. 58. Minnesota Statutes 1986, section 268.871, is amended by adding a subdivision to read:

Subd. 5. [REPORTS.] Each employment and training service provider under contract with a local service unit to deliver employment and training services must submit an annual report by March 1 to the local service unit. The report must specify:

(1) the types of services provided;

(2) the number of priority and nonpriority AFDC recipients served, the number of work readiness assistance recipients served, and the number of other clients served;

(3) how resources will be prioritized to serve priority and nonpriority public assistance recipients and other clients; and

(4) the manner in which state employment and training funds and programs are being coordinated with federal and local employment and training funds and programs.

Sec. 59. Minnesota Statutes 1986, section 268.872, subdivision 3, is amended to read:

Subd. 3. [DISCRETIONARY FUND; CREATION AND ALLOCATION.] The commissioner shall pay administrative aid to local service units for employment and training services according to the formula established by rule. Seventy-five percent of the money must be allocated among local service units based on the number of work readiness assistance recipients and aid to families with dependent children caseloads of individuals not exempt from work requirements as forecast by the commissioner of human services; 25 percent must be allocated in a way that encourages full-time, private-sector job placement, program completion by public assistance recipients, and other performance characteristics. This subdivision does not apply to the administrative aid for the work readiness program. establish a discretionary employment and training fund. Money appropriated to the department for the discretionary fund must be allocated to local service units or certified employment and training service providers at the discretion of the commissioner.

In allocating money for discretionary employment and training programs, the commissioner shall give priority to certified employment and training service providers that:

(1) serve a high proportion of distressed farmers and other individuals adversely affected by economic conditions within their service delivery region;

(2) have demonstrated success in developing and placing individuals into full-time private, public, and nonprofit employment;

(3) have demonstrated knowledge of and linkages with local, state, and federal training programs; educational programs including adult basic education, AVTIs, and community colleges; and providers of support services including child care and transportation; and

(4) have demonstrated ability to use alternative funding sources to maximize available employment, training, and education funds.

No more than two percent of the money appropriated for discretionary employment and training programs may be used to reimburse the commissioner for the costs of administering discretionary employment and training programs, and no more than five percent of the money allocated to a certified employment and training service provider may be used for administrative expenses.

Sec. 60. Minnesota Statutes 1986, section 268.88, is amended to read:
268.88 [LOCAL SERVICE UNIT PLANS.]

(a) Local service units shall prepare and submit to the commissioner by ~~October~~ April 15 of each year an annual plan for the subsequent calendar year. The commissioner shall notify each local service unit by ~~December~~ May 1 of each year if its plan has been approved or disapproved. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies *and programs* that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a report on the use of wage subsidies, grant diversions, community investment programs, sliding fee day care, and other services administered under this chapter;

(7) an annual update of the community investment program plan according to standards established by the commissioner; ~~and~~

(8) a performance review of *the employment and training service providers delivering employment and training services for the local service unit; and*

(9) *a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients.*

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the coordinator shall resolve their dispute.

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the coordinator until an acceptable amended

plan has been submitted.

(d) For 1985, local service unit plans must be submitted by November 1, 1985 and must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies that will be used to achieve these goals;

(3) the amount proposed to be allocated to each employment and training service;

(4) the proposed employment and training services and service providers the local service unit plans to utilize; and

(5) a statement of intent regarding the establishment of either a community investment program or an employment experience program.

If the local service unit provides a statement of intent for the establishment of a community investment program under clause (5), the local service unit must submit a preliminary community investment program plan by February 1, 1986.

Sec. 61. Minnesota Statutes 1986, section 268.91, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purposes of this section the following terms have the meanings given.

(a) "Child care services" means *child care provided in family day care homes, group day care homes, nursery schools, day nurseries, child day care centers, play groups, head start, and parent cooperatives, and in-home child care as defined in the Minnesota plan for social services to families and children or in the child's home.*

(b) "Child" means a person ~~14~~ 12 years old or younger, *or a person age 13 or 14 who is handicapped, as defined in section 120.03.*

(c) "Commissioner" means the commissioner of jobs and training.

(d) "Child care" means *the care of a child by someone other than a parent or legal guardian in or outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.*

(e) "County board" means *the board of county commissioners in each county.*

(f) "Education program" means *remedial or basic education or English as a second language instruction, high school education, a program leading to a general equivalency diploma, and post-secondary education excluding post-baccalaureate programs.*

(g) "Employment program" means *employment of recipients financially eligible for the child care sliding fee program, vocational assessment, and job readiness and job search activities.*

(h) "Human services board" means *a board established under section 402.02, Laws 1974, chapter 293, or Laws 1976, chapter 340.*

(i) "Provider" means *the child care license holder or the legal nonlicensed caregiver who operates a family day care home, a group family day care home, a day care center, a nursery school, or a day nursery, or*

who functions in the child's home.

(j) "Post-secondary educational systems" means the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board of vocational technical education.

(k) "AFDC priority groups" means the recipients defined in section 5.

(l) "AFDC" means aid to families with dependent children.

Sec. 62. Minnesota Statutes 1986, section 268.91, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF COMMISSIONER.] The commissioner shall develop standards for county and human services boards, and post-secondary educational systems, to provide child care services to enable eligible families to participate in employment or, training, or education programs. The commissioner shall distribute money to counties and post-secondary educational systems to reduce the costs of child care for eligible families. The commissioner shall adopt rules to govern the program in accordance with this section. The rules must establish a sliding schedule of fees for parents receiving child care services. ~~The commissioner shall require counties to collect and report data that the commissioner deems necessary to evaluate the effectiveness of the program in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.~~ The commissioner shall report to the full productivity and opportunity coordinator in each even-numbered year on the effectiveness of the program. ~~The commissioner, in cooperation with the commissioner of human services, shall maximize the use of federal money under the AFDC employment special needs program in section 256.736, subdivision 8, for recipients of aid to families with dependent children who are in education, training, job search, or other activities allowed under that program. Money appropriated under this section must be coordinated with the AFDC employment special needs program to accomplish this purpose. Federal reimbursement obtained must be allocated to the county or post-secondary educational system that spent money for child care that is federally reimbursable under the AFDC employment special needs program. The counties and post-secondary educational systems shall use the federal money to expand services under this section.~~

Sec. 63. Minnesota Statutes 1986, section 268.91, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION.] (a) By June 1 of each odd-numbered year, the commissioner shall notify all county and human services boards and post-secondary educational systems of the their allocation and the procedures used for the sliding fee program. ~~Allocations must be made by July 1 of each odd-numbered year.~~ If the appropriation is insufficient to meet the needs in all counties, the amount must be prorated among the counties.

(b) ~~For the purposes of this section~~ Except for set-aside funds allocated under section 64, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total appropriation goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the money

among counties on the basis of the number of families below the poverty level, as determined from the most recent special census, and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner of human services.

(c) Once each quarter, the commissioner shall review the use of child care fund allocations by county. In accordance with the formula found in paragraph (b), the commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full portion. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Sec. 64. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 3a. [SET-ASIDE MONEY.] (a) State money must be set aside by the commissioner for child care services for:

(1) AFDC priority groups;

(2) recipients of AFDC attending post-secondary education programs, excluding post-baccalaureate programs; and

(3) students attending post-secondary education programs, excluding post-baccalaureate programs, who meet sliding fee program eligibility standards.

The set-aside amount must be determined by the commissioner and must not exceed 57 percent of the total funds appropriated. Of the set-aside amount, one-third must be allocated for each of the three groups named in this paragraph.

(b) Set-aside money for AFDC priority groups must be allocated among the counties based on the average monthly number of caretakers receiving AFDC under the age of 22 and the average monthly number of AFDC cases open 24 or more months out of the past 36 months. The sum must be derived for each fiscal year based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate quarterly unspent set-aside money to counties that expend their full allocation. The county shall use the set-aside money for AFDC priority groups.

(c) The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for aid to families with dependent children priority groups. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resources permit, be guaranteed set-aside money for child care assistance from the county of their residence.

(d) Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

(e) If the commissioner finds, on or after January 1 of a fiscal year, that set-aside money is not being fully utilized, the commissioner may permit counties to use set-aside money for other eligible applicants, as long as priority for use of the money will continue to be given to the AFDC priority groups.

(f) *Set-aside money for persons listed in paragraph (a), clause (2), must be allocated among the post-secondary educational systems based on the number of students receiving AFDC in the most recent school year for which data is available. The systems shall allocate money to post-secondary institutions under their authority based on the number of students receiving AFDC in the most recent school year for which data is available. The post-secondary educational systems shall use these money for the persons listed in paragraph (a), clause (2), to reduce their costs of child care, including the costs of child care for students while employed if enrolled in an eligible education program at the same time.*

(g) *Set-aside money for persons listed in paragraph (a), clause (3), shall be allocated among the post-secondary educational systems based on the number of students with dependent children enrolled in the last fiscal year. Funds shall be used to reduce the students' costs of child care, including the costs of child care for students while employed if enrolled in an eligible education program at the same time. The systems shall allocate money to post-secondary institutions under their authority based on the number of students with dependent children enrolled in the last fiscal year.*

(h) *The post-secondary educational systems may reallocate unexpended money among institutions under their authority. The systems may reallocate unexpended money for persons listed in paragraph (a), clause (3), to persons listed in paragraph (a), clause (2). If by May 15 of each year money is unexpended, the money must be transferred to the commissioner for reallocation to the other post-secondary educational systems or to counties for AFDC priority groups. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.*

(i) *Recipients of AFDC who have completed their post-secondary education and had received child care funds during that education shall be assured, to the extent of available resources, of sliding fee money for employment programs after graduation if they meet sliding fee program eligibility standards.*

Sec. 65. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 3b. [REPORTING AND PAYMENTS.] *(a) Counties and post-secondary educational systems shall submit on forms prescribed by the commissioner a quarterly financial and program activity report which is due 20 calendar days after the end of each quarter. The financial and program activity report must include:*

(1) a detailed accounting of the expenditures and revenues for the program during the preceding quarter by funding source and by eligibility group;

(2) a description of activities and concomitant expenditures that are federally reimbursable under the AFDC employment special needs program;

(3) a description of activities and concomitant expenditures of set-aside money;

(4) information on money encumbered at the quarter's end but not yet reimbursable, for use in adjusting allocations as provided in section 64, paragraphs (e) and (h); and

(5) other data the commissioner considers necessary to account for the

program or to evaluate its effectiveness in preventing and reducing participants' dependence on public assistance and in providing other benefits, including improvement in the care provided to children.

(b) *The commissioner shall provide this information to the commissioner of human services within 25 calendar days after the end of each quarter to enable the commissioner of human services to maximize the use of federal money under the AFDC special needs program.*

(c) *The commissioner shall make payments to each county and post-secondary educational system in quarterly installments. The commissioner may certify an advance for the first quarter of the fiscal year. Later payments must be based on actual expenditures as reported in the quarterly financial and program activity report.*

(d) *The commissioner may withhold, reduce, or terminate the allocation of any county or post-secondary educational system that does not meet the reporting or other requirements of this program. The commissioner shall reallocate to other counties or post-secondary educational systems money so reduced or terminated.*

Sec. 66. Minnesota Statutes 1986, section 268.91, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL ELIGIBILITY.] (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) receive aid to families with dependent children;

(2) have household income below the eligibility levels for aid to families with dependent children; or

(3) have household income within a range established by the commissioner.

(b) Child care services for the families receiving aid to families with dependent children must be made available as in-kind services, to cover any difference between the actual cost and the amount disregarded under the aid to families with dependent children program. *Child care services to families whose incomes are below the threshold of eligibility for aid to families with dependent children, but that are not receiving aid to families with dependent children, must be made available without cost to the families.*

(c) Child care services to families with incomes in the commissioner's established range must be made available on a sliding fee basis. The lower limit of the sliding fee range must be the eligibility limit for aid to families with dependent children. The upper limit of the range must be neither less than 70 percent nor more than 90 percent of the state median income for a family of four, adjusted for family size.

(d) If a disproportionate amount of the available money is provided to any one of the groups described in subdivision 4, paragraph (a), the county board shall document to the commissioner the reason the group received a disproportionate share. *If a county projects that its child care allocation is insufficient to meet the needs of all eligible groups, it may prioritize among the groups to be served. Set-aside money must be prioritized by the state, and counties do not have discretion over the use of this money.*

Sec. 67. Minnesota Statutes 1986, section 268.91, subdivision 5, is amended to read:

Subd. 5. [EMPLOYMENT OR TRAINING ELIGIBILITY.] (a) Persons who are seeking employment and who are eligible for assistance under this section are eligible to receive the equivalent of one month of child care. Employed persons who work at least ten hours a week and receive at least a minimum wage for all hours worked are eligible for child care assistance.

(b) Persons eligible under this section for child care assistance for education or training must receive assistance for the length of the program or 24 months, whichever is shorter. An education or training program with demonstrated effectiveness may be approved by the commissioner of education and accredited by the appropriate agency as an eligible program including high school or an equivalent program, an English competency program, technical or vocational training, or a four-year or associate degree program participating in employment programs, training programs, or education programs are eligible for assistance from the child care sliding fee program, if they are financially eligible under the sliding fee scale set by the commissioner in subdivision 7.

Sec. 68. Minnesota Statutes 1986, section 268.91, subdivision 6, is amended to read:

Subd. 6. [COUNTY CONTRIBUTION.] (a) In addition to payments from parents, the program must be funded by county contributions. *Except for set-aside money, counties shall contribute five from county tax sources a minimum of 15 percent of the cost of the program in the program's first year and 15 percent in the second and subsequent years. The commissioner may require by rule that a county pay the commissioner the portion of sliding fee allocations paid by the state for which the county is responsible. The county shall advance its portion of sliding fee costs, based upon allocations made by the commissioner for that county for expenditures in the succeeding month. A The commissioner shall recover from the county as necessary to bring county expenditures into compliance with this subdivision.*

(b) *The commissioner shall recover from counties any state or federal money found to be ineligible. If a federal audit exception is taken based on a percentage of federal earnings, all counties shall pay a share proportional to their respective federal earnings during the period in question.*

(c) *To receive money through this program, each county shall certify to the commissioner that the county has not reduced allocations from other federal, state, and county sources, which, in the absence of child care sliding fee or wage subsidy money, would have been available for child care services.*

Sec. 69. Minnesota Statutes 1986, section 268.91, is amended by adding a subdivision to read:

Subd. 6a. [POST-SECONDARY RESPONSIBILITY.] (a) *The commissioner shall recover from post-secondary educational systems any state or federal money found to be ineligible. If a federal audit exception is taken based on a percentage of federal earnings, all systems shall pay a share proportional to their respective federal earnings during the period in question.*

(b) *To receive money through this program, each post-secondary educational system shall certify to the commissioner that the system has not reduced allocations from other federal and state sources, which, in the absence of child care sliding fee money, would have been available for child care services.*

Sec. 70. Minnesota Statutes 1986, section 510.07, is amended to read:
510.07 [SALE OR REMOVAL PERMITTED; NOTICE.]

The owner may sell and convey the homestead without subjecting it, or the proceeds of such sale for the period of one year after sale, to any judgment or debt from which it was exempt in the owner's hands *except that the proceeds of the sale shall not be exempt from a judgment or debt for a court ordered child support or maintenance obligation in arrears.* The owner may remove therefrom without affecting such exemption, if the owner does not thereby abandon the same as the place of abode. If the owner shall cease to occupy such homestead for more than six consecutive months the owner shall be deemed to have abandoned the same unless, within such period, the owner shall file with the county recorder of the county in which it is situated a notice, executed, witnessed, and acknowledged as in the case of a deed, describing the premises and claiming the same as the owner's homestead. In no case shall the exemption continue more than five years after such filing, unless during some part of the term the premises shall have been occupied as the actual dwelling place of the debtor or the debtor's family.

Sec. 71. Minnesota Statutes 1986, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Unless the obligee has *comparable or better* group dependent health insurance coverage available at a more reasonable cost, the court shall order the obligor to name the minor child as beneficiary on any health and dental insurance plan that is available to the obligor on a group basis or through an employer or union.

If the court finds that dependent health or dental insurance is not available to the obligor on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor to obtain dependent health or dental insurance, or to be liable for reasonable and necessary medical or dental expenses of the child.

If the court finds that the dependent health or dental insurance required to be obtained by the obligor does not pay all the reasonable and necessary medical or dental expenses of the child or that the dependent health or dental insurance available to the obligee does not pay all the reasonable and necessary medical or dental expenses of the child, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan.

Sec. 72. Minnesota Statutes 1986, section 518.24, is amended to read:
518.24 [SECURITY; SEQUESTRATION; CONTEMPT.]

In all cases when maintenance or support payments are ordered, the court may require sufficient security to be given for the payment of them according to the terms of the order. Upon neglect or refusal to give security, or upon failure to pay the maintenance or support, the court may sequester the obligor's personal estate and the rents and profits of real estate of the obligor, and appoint a receiver of them. The court may cause the personal estate and the rents and profits of the real estate to be applied according to the terms of the order. *If the obligor has shall be presumed to have an income from a source sufficient to pay the maintenance or support and the*

obligor fails to pay the same, the court shall order the obligor to pay it. A person or party who *If the obligor* disobeys the order may be punished by the court as for, it shall be prima facie evidence of contempt.

Sec. 73. Minnesota Statutes 1986, section 518.551, subdivision 1, is amended to read:

Subdivision 1. [PAYMENT TO PUBLIC AGENCY.]

The court shall direct that all payments ordered for maintenance and support be made to the public agency responsible for child support enforcement so long as the obligee is receiving or has applied for public assistance, *or has applied for child support and maintenance collection services.* Amounts received by the public agency responsible for child support enforcement greater than the amount granted to the obligee shall be remitted to the obligee.

Sec. 74. Minnesota Statutes 1986, section 518.611, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] Whenever an obligation for support of a dependent child or maintenance of a spouse, or both, is determined and ordered by a court of this state, ~~that court shall order the withholding of the amount of child support or maintenance as determined by court order, shall be withheld from the income, regardless of source, of the person obligated to pay the support or maintenance. When an order for withholding has not previously been secured, the obligee may or the public agency responsible for child support enforcement shall move the court, and the court shall grant the order~~ Every order for maintenance or support shall include the obligor's social security number and the name and address of the obligor's employer or other payor of funds.

Sec. 75. Minnesota Statutes 1986, section 518.611, subdivision 2, is amended to read:

Subd. 2. [NOTICE CONDITIONS OF INCOME WITHHOLDING.] ~~Each order for withholding shall provide for a conspicuous notice to the obligor that:~~ (a) [MAINTENANCE AND PRE-EXISTING CHILD SUPPORT ORDERS.] Withholding of maintenance, or child support ordered before August 1, 1987, shall result only if the obligor fails to make the maintenance or support payments, and ~~that no withholding shall be made until the following conditions are met:~~

(1) ~~The obligee or the public authority determines that~~ The obligor is at least 30 days in arrears;

(2) The obligee or the public authority serves written notice of its ~~determination of income withholding, showing arrearage, on the obligor at least 15 days before service of the notice of income withholding and a copy of the court's order for withholding on the payor of funds;~~

(3) Within the 15-day period, the obligor fails to move the court to deny withholding on the grounds that an arrearage of at least 30 days does not exist as of the date of the notice of income withholding, or on other grounds limited to mistakes of fact, and, ex parte, to stay service on the payor of funds until the motion to deny withholding is heard. ~~Within 45 days from the date of the notice of income withholding, the court shall hold the hearing on the motion to deny withholding and notify the parties of its decision;~~ and

(4) The obligee or the public authority serves a copy of the notice of income withholding and a copy of the court's ~~withholding~~ order on the payor of funds; and

(5) The obligee serves on the public authority a copy of the notice of income withholding, a copy of the court's ~~withholding~~ order, an application and the fee to use the public authority's collection services; or

(6) *The obligor waives the written notice and the requirements of this subdivision.*

(b) [NEW CHILD SUPPORT ORDERS.] *The conditions of paragraph (a) of this subdivision do not apply to an obligation for child support initially determined and ordered, or modified, by a court of this state on or after August 1, 1987. For the purposes of this section "modified" does not mean a cost-of-living adjustment without any other modification of the support order. Upon entry of the order for support the court shall mail a copy of the court's order and the provisions of this section to the obligor's employer or other payor of funds.*

The obligee who is not a recipient of public assistance shall make application to the public authority for child support and maintenance collection services when a new or modified order for support is entered.

(c) [ARREARAGES.] *To pay ~~the~~ an arrearage specified in existing at the notice time of income withholding service on the employer or payor of funds under this subdivision, the employer or payor of funds shall withhold from the obligor's income an additional amount equal to 20 percent of the monthly child support or maintenance obligation until the arrearage is paid.*

(e) *The obligor may, at any time, waive the written notice required by this subdivision.*

(d) *The obligor may move the court, under section 518.64, to modify the order respecting the amount of maintenance or support.*

Sec. 76. Minnesota Statutes 1986, section 518.611, subdivision 3, is amended to read:

Subd. 3. [WITHHOLDING HEARING.] *Within 45 days from the date of the notice given under subdivision 2, the court shall hold the hearing on the motion under subdivision 2, paragraph (a), clause (3), and notify the parties of its decision. At the hearing to deny withholding, if the court finds that there was no mistake of fact, the court shall order income withholding to begin no later than the first pay period that occurs after 14 days following the date of the hearing. If the court finds that an arrearage of at least 30 days existed as of the date of the notice of income withholding, but finds a mistake in the amount of arrearage, the court shall order income withholding, but it shall correct the amount of arrearage to be withheld under subdivision 2, paragraph ~~(b)~~ (c).*

Sec. 77. Minnesota Statutes 1986, section 518.611, subdivision 4, is amended to read:

Subd. 4. [EFFECT OF ORDER.] *Notwithstanding any law to the contrary, the order is binding on the employer, trustee, or other payor of the funds when service under subdivision 2 has been made. Withholding must begin no later than the first pay period that occurs after 14 days following the date of the notice. An employer or other payor of funds in this state is*

required to withhold income according to court orders for withholding issued by other states or territories. The payor shall withhold from the income payable to the obligor the amount specified in the order and amounts required under subdivision 2, paragraph (b) (c), and shall remit, within ten days of the date the obligor is paid the remainder of the income, the amounts withheld to the public authority. Employers may combine all amounts withheld from one pay period into one payment to each public authority, but shall separately identify each obligor making payment. Amounts received by the public authority which are in excess of public assistance expended for the party or for a child shall be remitted to the party. An employer shall not discharge, or refuse to hire, or otherwise discipline an employee as a result of a wage or salary withholding authorized by this section. The employer or other payor of funds shall be liable to the obligee for any amounts required to be withheld.

Sec. 78. Minnesota Statutes 1986, section 518.611, subdivision 6, is amended to read:

Subd. 6. [PRIORITY.] An order for withholding under this section or execution or garnishment upon a judgment for child support arrearages or preadjudicated expenses shall have priority over an attachment, execution, garnishment, or wage assignment and shall not be subject to the statutory limitations on amounts levied against the income of the obligor. Amounts withheld from an employee's income must not exceed the maximum permitted under the Consumer Credit Protection Act, United States Code, title 15, section 1673(b)(2). If there is more than one withholding order on a single employee, the employer shall put them into effect, giving priority first to amounts currently due and not in arrears and then to other amounts, in the sequence in which the withholding orders were received up to the maximum allowed in the Consumer Credit Protection Act. *Notwithstanding any law to the contrary, no funds from income sources included in section 518.54, subdivision 6, whether periodic or lump sum, shall be exempt from attachment or execution upon a judgment for child support arrearages.*

Sec. 79. Minnesota Statutes 1986, section 518.611, subdivision 8, is amended to read:

Subd. 8. [EMPLOYER OR PAYOR AND OBLIGOR NOTICE.] *When an individual is hired for employment, the employer shall request that the individual disclose whether or not the individual has court-ordered child support obligations that are required by law to be withheld from income and the terms of the court order, if any. The individual shall disclose this information at the time of hiring. When an individual discloses that the individual owes child support that is required to be withheld, the employer shall begin withholding according to the terms of the order and under this section. When a withholding order is in effect and the obligor's employment is terminated or the periodic payment terminates, the obligor and the obligor's employer or the payor of funds shall notify the public agency responsible for child support enforcement of the termination within 30 ten days of the termination date. The notice shall include the obligor's home address and the name and address of the obligor's new employer or payor of funds, if known. Information disclosed under this section shall not be divulged except to the extent necessary for the administration of the child support enforcement program or when otherwise authorized by law.*

Sec. 80. Minnesota Statutes 1986, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] The terms of a decree respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party; (3) receipt of assistance under sections 256.72 to 256.87; or (4) a change in the cost-of-living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair. On a motion for modification of maintenance, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court shall take into consideration the needs of the children and shall not consider the financial circumstances of each party's spouse, if any. A modification which decreases support or maintenance may be made retroactive only upon a showing that any failure to pay in accord with the terms of the original order was not willful with respect to any period during which the support obligor has pending a motion for modification but only from the date that notice of the motion has been given to the obligee and to the court or other entity which issued each support order. A modification which increases support or maintenance shall not be made retroactive if the obligor has substantially complied with the previous order. Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

Sec. 81. [SPECIAL STUDY.]

The commissioner shall report to the legislature by January 15, 1989, with recommendations for improving the family health insurance program, evidence of state savings as a result of the program, and recommendations for a formal evaluation.

Sec. 82. [REPORT TO THE LEGISLATURE.]

The commissioner of human services shall collect data on costs and collections and report to the chairs of the health and human services committees in the house of representatives and the senate on or before January 2, 1989, on the progress and experience of the county agencies in implementing the income withholding provisions of this act, including any recommendations for changes in the law.

Sec. 83. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute in chapter 257 the term "biological" when referring to a parent, mother, or father for the term "natural."

Sec. 84. [APPROPRIATIONS.]

\$_____ is appropriated from the general fund to the commissioner of jobs and training to administer the child care sliding fee program.

\$_____ is appropriated from the general fund to the commissioner of human services for the work incentive housing subsidy program, \$_____

to be available until June 30, 1988, and \$_____ to be available until June 30, 1989.

\$_____ is appropriated from the public health fund to the commissioner of human services for the family health insurance program.

\$_____ is appropriated to the commissioner of human services for use in providing state aid for literacy training under section 28.

There is appropriated from the general fund for the biennium ending June 30, 1989, \$_____ for the purpose of county child support collection incentives under section 21.

\$105,000 is appropriated from the general fund to the commissioner of human services for each year of the biennium ending June 30, 1989, to provide training and technical assistance to counties to:

(1) facilitate the transfer of general assistance recipients to federal disability programs by identifying recipients who are potentially eligible for benefits and helping them with the application and appeals process; and

(2) facilitate the transfer of general assistance medical care recipients to the medical assistance program by identifying recipients who are potentially eligible for medical assistance benefits and helping them establish eligibility.

Sec. 85. [REPEALER.]

Minnesota Statutes 1986, sections 256D.051, subdivisions 4, 5, and 12; and 257.34, subdivision 2, are repealed.

Sec. 86. [EFFECTIVE DATES.]

Sections 1 to 10, 12 to 79, and 81 to 85, are effective July 1, 1987. Sections 11 and 80 are effective the day following final enactment.

ARTICLE 2

Section 1. [FEDERAL AUTHORITY.]

Subdivision 1. [LEGISLATIVE WAIVERS.] The commissioner of human services shall seek from the Congress of the United States a change in or waiver of existing requirements of the aid to families with dependent children program (AFDC) to the extent necessary to allow the commissioner to:

(1) require that, as a condition of receiving AFDC, priority caretakers of children six weeks of age and older who have not completed a high school education be required to either attend high school or to work toward a general education diploma as long as necessary child care and transportation services are available to them;

(2) require that, as a condition of receiving AFDC, priority caretakers of children younger than six months be required to participate for not more than four hours a week in activities related to personal and family development, including parenting education, personal and vocational counseling, chemical dependency treatment, domestic abuse counseling, or remedial education, and then only if child care assistance is provided or if the activity includes the child as a participant, and if transportation needs are met;

(3) require that, as a condition of receiving AFDC, priority caretakers of children at least seven months but not more than 35 months of age to

participate in employment and training services for no more than 20 hours a week as long as necessary child care and transportation are available to them;

(4) require that, as a condition of receiving AFDC, priority caretakers of children aged three and over register for and participate in employment and training services and seek employment as long as necessary child care and transportation are available to them;

(5) replace the sanctions under section 256.736, subdivision 4, clause (4), paragraphs (a) and (d), with the following graduated sanctions:

(a) upon first caretaker refusal, 50 percent of the grant provided to the family shall be made in the form of protective or vendor payments;

(b) upon second caretaker refusal, the entire grant provided to the family shall be made in the form of protective or vendor payments; and

(c) upon third caretaker refusal, the caretaker's needs shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments;

(6) exclude all expenses related to education when determining income for food stamp purposes;

(7) disregard more earned income of a recipient than allowed under United States Code, title 42, section 602(a)(8)(B)(ii), to provide an incentive to work and prevent recipients from experiencing a sudden loss of income after four months of employment;

(8) exclude from consideration in computing the income of an AFDC caretaker parent under the age of 18 any income of the parents of the caretaker parent, without regard to the residence of the caretaker parent, to make it possible for a minor parent to receive financial assistance while remaining in a supportive home environment;

(9) determine the maximum value of an automobile which can be excluded as an asset under United States Code, title 42, section 602(a)(7)(B)(i), because of the need of AFDC recipients for reliable transportation in order to participate in work and training and become self-sufficient;

(10) disregard in computing income the cost of child care beyond that currently allowed under United States Code, title 42, section 602(a)(8)(A)(iii), because of the need of AFDC recipients for quality reliable child care in order to participate in work and training and become self-sufficient;

(11) permit a principal earner in a family receiving AFDC-UP to work more than 100 hours per month without being disqualified from the program, in order to recognize the financial reality of AFDC-UP families and to help the families achieve financial security before leaving the program;

(12) simplify eligibility determination processes, budgeting procedures, and excessive paperwork requirements without becoming subject to federal sanctions, in order to enhance self-esteem among clients and free workers to help families achieve self-sufficiency; and

(13) disregard quality control review requirements that are not directly related to actual grant miscalculation or client right violations, in order to move the AFDC program away from a system driven by audits, error rates, and sanctions.

Subd. 2. [ADMINISTRATIVE WAIVERS.] If congressional approval of

each of these measures has not been obtained by July 1, 1988, the commissioner shall seek federal approval through the administrative waiver process or other administrative mechanisms.

Subd. 3. [TERMS.] The commissioner shall negotiate no terms or conditions that infringe on recipients' entitlement to benefits or impede federal financial participation under the terms of United States Code, title 42, chapter 7, subchapter IV, part A.

Subd. 4. [IMPLEMENTATION.] The commissioner shall promulgate emergency rules as necessary to implement any waiver. Rules promulgated under authority of this section supersede any conflicting laws or rules until July 1, 1988."

Delete the title and insert:

"A bill for an act relating to human services; expanding employment and training services in the aid to families with dependent children program; changing standards of eligibility for general assistance recipients and work readiness recipients; implementing immediate income withholding; modifying the child care sliding fee program; establishing the family health insurance program; changing standards of eligibility for the medical assistance program; amending Minnesota Statutes 1986, sections 144.219; 256.01, subdivision 2; 256.736, subdivisions 3, 4, 6, and 8, and by adding subdivisions; 256.74, subdivision 1; 256B.06, subdivision 1; 256D.01, subdivision 1a; 256D.02, subdivisions 5 and 8; 256D.03, subdivision 2; 256D.05, subdivision 1; 256D.051, subdivisions 1, 2, 4, 5, 6, and 8; 256D.06, subdivisions 1, 1b, and 2; 256D.08, subdivision 1; 256D.101; 256D.15; 257.33; 257.34, subdivision 1; 257.57, subdivision 2; 257.60; 257.62, by adding a subdivision; 257.63, subdivision 2; 260.015, subdivision 6; 260.155, by adding a subdivision; 260.191, by adding a subdivision; 267.02, by adding a subdivision; 267.03, subdivision 2; 268.0122, subdivision 3; 268.86, subdivisions 1 and 2; 268.871, subdivisions 1 and 2, and by adding a subdivision; 268.872, subdivision 3; 268.88; 268.91, subdivisions 1, 2, 3, 4, 5, and 6, and by adding subdivisions; 510.07; 518.171, subdivision 1; 518.24; 518.551, subdivision 1; 518.611, subdivisions 1, 2, 3, 4, 6, and 8; and 518.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 256 and 256D; repealing Minnesota Statutes 1986, sections 256D.051, subdivisions 4, 5, and 12; and 257.34, subdivision 2."

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

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

S.F. No. 514: A bill for an act relating to human services; creating the office of ombudsman for mental health; defining terms; establishing the office of ombudsman; providing for the powers and duties of the ombudsman; creating the ombudsman committee; creating the mental health board; requiring reporting of abuse and neglect to the ombudsman for mental health; amending Minnesota Statutes 1986, sections 13.66; 626.556, subdivision 10, and by adding a subdivision; and 626.557, subdivision 11, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

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

as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 13.66, is amended to read:

13.66 [~~CORRECTIONS~~ OMBUDSMAN DATA.]

Subdivision 1. [PRIVATE DATA.] The following data maintained by the ombudsman for corrections *and the ombudsman for mental health and mental retardation* are classified as private, pursuant to section 13.02, subdivision 12:

(a) All data on individuals pertaining to contacts made by clients seeking the assistance of ~~the an~~ ombudsman, except as specified in subdivisions 2 and 3;

(b) Data recorded from personal and phone conversations and in correspondence between ~~the an~~ ombudsman's staff and persons interviewed during the course of an investigation;

(c) Client index cards;

(d) Case assignment data; and

(e) Monthly closeout data.

Subd. 2. [CONFIDENTIAL DATA.] The following data maintained by ~~the an~~ ombudsman are classified as confidential, pursuant to section 13.02, subdivision 3: the written summary of the investigation to the extent it identifies individuals.

Subd. 3. [PUBLIC DATA.] The following data maintained by the ombudsman *for corrections* are classified as public, pursuant to section 13.02, subdivision 15: client name, client location; and the inmate identification number assigned by the department of corrections.

Sec. 2. [245.91] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *For the purposes of sections 2 to 8, the following terms have the meanings given them.*

Subd. 2. [MENTAL HEALTH OR MENTAL RETARDATION AGENCY.] "*Mental health or mental retardation agency*" or "*agency*" means the divisions, officials, or employees of the state departments of human services and health, that are engaged in monitoring, providing, or regulating services to mental health or mental retardation clients. It does not include a political subdivision of the state.

Subd. 3. [MENTAL HEALTH OR MENTAL RETARDATION CLIENT.] "*Mental health or mental retardation client*" or "*client*" means a patient, resident, or other person served by a mental health or mental retardation agency or facility, who is receiving residential treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance.

Subd. 4. [MENTAL HEALTH OR MENTAL RETARDATION FACILITY.] "*Mental health or mental retardation facility*" or "*facility*" means a regional center operated by the commissioner of human services, a residential facility as defined in section 245.782, subdivision 6, that is required to be licensed by the commissioner of human services, and an acute care inpatient facility, that provides treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance.

Subd. 5. [REGIONAL CENTER.] "Regional center" means a regional center as defined in section 253B.02, subdivision 18.

Sec. 3. [245.92] [OFFICE OF OMBUDSMAN; CREATION; QUALIFICATIONS; FUNCTION.]

The office of ombudsman for mental health and mental retardation is created. The ombudsman shall promote the highest attainable standards of treatment, competence, efficiency, and justice for people receiving care or treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance. The ombudsman may gather information about decisions, acts, and other matters of an agency or facility. The ombudsman serves at the pleasure of the governor in the unclassified service and is accountable to the governor. The ombudsman must be selected without regard to political affiliation and must be a person who has knowledge and experience concerning the treatment, needs, and rights of mental health and mental retardation clients, and who is highly competent and qualified. No person may serve as ombudsman while holding another public office.

Sec. 4. [245.93] [ORGANIZATION OF OFFICE OF OMBUDSMAN.]

Subdivision 1. [STAFF] The ombudsman may appoint a deputy and a confidential secretary in the unclassified service and may appoint other employees as authorized by the legislature. The ombudsman and the full-time staff shall be members of the Minnesota state retirement association.

Subd. 2. [ADVOCACY.] The function of mental health and mental retardation client advocacy in the department of human services is transferred to the office of ombudsman according to section 15.039. The ombudsman shall maintain at least one client advocate in each regional center.

Subd. 3. [DELEGATION.] The ombudsman may delegate to members of the staff any authority or duties of the office except the duty of formally making recommendations to an agency or facility or reports to the governor or the legislature.

Sec. 5. [245.94] [POWERS OF OMBUDSMAN; REVIEWS AND EVALUATIONS; RECOMMENDATIONS.]

Subdivision 1. [POWERS.] (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.

(b) The ombudsman may mediate or advocate on behalf of a client.

(c) At the request of a client, or upon receiving a complaint or other information affording reasonable grounds to believe that the rights of a client who is not capable of requesting assistance have been adversely affected, the ombudsman may gather information about and analyze, on behalf of the client, the actions of an agency or facility.

(d) The ombudsman may examine, on behalf of a client, records of an agency or facility to which the client is entitled to access if the records relate to a matter that is within the scope of the ombudsman's authority. If the records are private and confidential and the client is capable of providing consent, the ombudsman shall first obtain the client's consent.

(e) The ombudsman may, at reasonable times in the course of conducting a review, enter and view premises within the control of an agency or facility.

(f) The ombudsman may attend department of human services review

board and special review board proceedings; proceedings regarding the transfer of patients or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions operated by the department of human services; and, subject to the consent of the affected patient or resident, other proceedings affecting the rights of residents or patients.

(g) To avoid duplication and preserve evidence, the ombudsman shall inform relevant licensing or regulatory officials before undertaking a review of an action of the facility.

(h) Sections 2 to 8 are in addition to other provisions of law under which any other remedy or right is provided.

Subd. 2. [MATTERS APPROPRIATE FOR REVIEW.] (a) In selecting matters for review by the office, the ombudsman shall give particular attention to unusual deaths or injuries of a client served by an agency or facility, or actions of an agency or facility that:

(1) may be contrary to law or rule;

(2) may be unreasonable, unfair, oppressive, or inconsistent with a policy or order of an agency or facility;

(3) may be mistaken in law or arbitrary in the ascertainment of facts;

(4) may be unclear or inadequately explained, when reasons should have been revealed;

(5) may result in abuse or neglect of a person receiving treatment; or

(6) may disregard the rights of a client or other individual served by an agency or facility.

(b) The ombudsman shall, in selecting matters for review and in the course of the review, avoid duplicating other investigations or regulatory efforts.

Subd. 3. [COMPLAINTS.] The ombudsman may receive a complaint from any source concerning an action of an agency or facility. After completing a review, the ombudsman shall inform the complainant and the agency or facility. No client shall be punished nor shall the general condition of the client's treatment be unfavorably altered as a result of a complaint by the client or by another person on the client's behalf.

Subd. 4. [RECOMMENDATIONS TO AGENCY.] (a) If, after reviewing a complaint and considering the response of an agency or facility and any other pertinent material, the ombudsman determines that the complaint has merit, the ombudsman may recommend that the agency or facility:

(1) consider the matter further;

(2) modify or cancel its actions;

(3) alter a rule, order, or internal policy;

(4) explain more fully the action in question; or

(5) take any other action the ombudsman recommends to the agency or facility involved.

(b) At the ombudsman's request, the agency or facility shall, within a reasonable time, inform the ombudsman about the action taken on the recommendation or the reasons for not complying with it.

Sec. 6. [245.95] [RECOMMENDATIONS AND REPORTS TO GOVERNOR.]

Subdivision 1. [SPECIFIC REPORTS.] The ombudsman may send conclusions and suggestions concerning any matter reviewed to the governor. Before making public a conclusion or recommendation that expressly or implicitly criticizes an agency or facility or any person, the ombudsman shall consult with the governor and the agency, facility, or person concerning the conclusion or recommendation. When sending a conclusion or recommendation to the governor that is adverse to an agency or facility or any person, the ombudsman shall include any statement of reasonable length made by that agency, facility, or person in defense or mitigation of the office's conclusion or recommendation.

Subd. 2. [GENERAL REPORTS.] In addition to whatever conclusions or recommendations the ombudsman may make to the governor on an ad hoc basis, the ombudsman shall at the end of each year report to the governor concerning the exercise of the ombudsman's functions during the preceding year.

Sec. 7. [245.96] [CIVIL ACTIONS.]

The ombudsman and his designees are not civilly liable for any action taken under sections 2 to 8 if the action was taken in good faith, was within the scope of the ombudsman's authority, and did not constitute willful or reckless misconduct.

Sec. 8. [245.97] [OMBUDSMAN COMMITTEE.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] An ombudsman committee consisting of 15 members shall be appointed by the governor. Members shall be appointed on the basis of their knowledge of and interest in the health and human services system subject to the ombudsman's authority. In making the appointments, the governor shall try to ensure that the overall membership of the committee adequately reflects the agencies, facilities, and programs within the ombudsman's authority and that members include consumer representatives, including clients, former clients, and relatives of present or former clients; representatives of advocacy organizations for clients and other individuals served by an agency or facility; human services and health care professionals, including specialists in psychiatry, psychology, internal medicine, and forensic pathology; and other providers of services to mental health or mental retardation clients or other individuals served by an agency or facility.

Subd. 2. [TERMS OF SERVICE; CHAIR.] Members shall be appointed for terms of three years. Of the members of the first committee appointed, one-third shall be appointed for one-year terms and one-third shall be appointed for two-year terms. Vacancies shall be filled in the same manner as original appointments for the remainder of any unexpired term. Members do not receive compensation, but are entitled to receive reimbursement for reasonable and necessary expenses incurred. The governor shall designate one member of the committee to serve as its chair at the pleasure of the governor.

Subd. 3. [MEETINGS.] The committee shall meet at least four times a year at the request of its chair or the ombudsman.

Subd. 4. [DUTIES.] The committee shall advise and assist the ombudsman in selecting matters for attention; developing policies, plans, and

programs to carry out the ombudsman's functions and powers; and making reports and recommendations for changes designed to improve standards of competence, efficiency, justice, and protection of rights. The committee shall function as an advisory body.

Subd. 5. [MEDICAL REVIEW SUBCOMMITTEE.] *At least five members of the committee, including at least three physicians, one of whom is a psychiatrist, shall be designated by the governor to serve as a medical review subcommittee. Terms of service, vacancies, and compensation are governed by subdivision 2. The governor shall designate one of the members to serve as chair of the subcommittee. The medical review subcommittee has the power to:*

(1) make a preliminary determination of whether the death of a client that has been brought to its attention is unusual or reasonably appears to have resulted from causes other than natural causes and warrants investigation;

(2) review the causes of and circumstances surrounding the death;

(3) request the county coroner or medical examiner to conduct an autopsy;

(4) assist an agency in its investigations of unusual deaths and deaths from causes other than natural causes; and

(5) submit a report regarding the death of a client to the committee, the ombudsman, the client's next-of-kin, and the facility where the death occurred and, where appropriate, make recommendations to prevent recurrence of similar deaths to the head of each affected agency or facility.

Subd. 6. [TERMS, COMPENSATION, AND REMOVAL.] *The membership terms, compensation, and removal of members of the committee are governed by section 15.0575, except as provided in this section.*

Sec. 9. Minnesota Statutes 1986, section 626.556, subdivision 9, is amended to read:

Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER.] *When a person required to report under the provisions of subdivision 3 knows or has reason to believe a child has died as a result of neglect or physical or sexual abuse, the person shall report that information to the appropriate medical examiner or coroner instead of the local welfare agency, police department or county sheriff. Medical examiners or coroners shall notify the local welfare agency or police department or county sheriff in instances in which they believe that the child has died as a result of neglect or physical or sexual abuse. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff and the local welfare agency. If the child was receiving residential treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance from a mental health or mental retardation agency or facility as defined in section 2, the medical examiner or coroner shall also notify and report findings to the ombudsman for mental health and mental retardation.*

Sec. 10. Minnesota Statutes 1986, section 626.556, subdivision 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT AGENCY UPON RECEIPT OF A REPORT.] *(a) If the report alleges neglect, physical abuse, or sexual abuse by a parent,*

guardian, or individual functioning within the family unit as a person responsible for the child's care, the local welfare agency shall immediately conduct an assessment and offer protective social services for purposes of preventing further abuses, safeguarding and enhancing the welfare of the abused or neglected minor, and preserving family life whenever possible. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a mental health or mental retardation client, as defined in section 2, has been the subject of physical abuse or neglect at a mental health or mental retardation agency or facility, as defined in section 2, it shall, in addition to its other duties under this section, immediately inform the ombudsman for mental health and mental retardation.

(c) Authority of the local welfare agency responsible for assessing the child abuse report and of the local law enforcement agency for investigating the alleged abuse includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged perpetrator. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found and may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this clause, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 49.02 of the Minnesota rules of procedure for juvenile courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under paragraph (c), and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(e) (d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regard-

ing the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(d) (e) Where the perpetrator or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the perpetrator or any person responsible for the child's care at reasonable places and times as specified by court order.

(e) (f) Before making an order under paragraph (d), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(f) (g) The commissioner, *the ombudsman for mental health and mental retardation*, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

Sec. 11. Minnesota Statutes 1986, section 626.557, subdivision 9, is amended to read:

Subd. 9. [MANDATORY REPORTING TO A MEDICAL EXAMINER OR CORONER.] A person required to report under the provisions of subdivision 3 who has reasonable cause to believe that a vulnerable adult has died as a direct or indirect result of abuse or neglect shall report that information to the appropriate medical examiner or coroner in addition to the local welfare agency, police department, or county sheriff or appropriate licensing agency or agencies. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county sheriff, the local welfare agency, and, if ap-

plicable, each licensing agency. *A person or agency that receives a report under this subdivision concerning a vulnerable adult who was receiving residential treatment for mental illness, mental retardation, chemical dependency, or emotional disturbance from a mental health or mental retardation agency or facility as defined in section 2, shall also report the information and findings to the ombudsman for mental health and mental retardation.*"

Delete the title and insert:

"A bill for an act relating to human services; creating the office of ombudsman for mental health and mental retardation; providing for the powers and duties of the ombudsman; creating a medical review board; requiring reporting of abuse and neglect to the ombudsman for mental health and mental retardation; amending Minnesota Statutes 1986, sections 13.66; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 245."

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

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

S.F. No. 1112: A bill for an act relating to athletic and sporting events; creating the Minnesota amateur sports commission and providing its powers and duties; requiring the sponsorship of certain amateur athletic events; authorizing an admission tax; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 240A.

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

Page 2, line 17, delete everything after "*shall*"

Page 2, delete line 18

Page 2, line 19, delete everything before the period and insert "*be compensated as provided under section 15.0575*"

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

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 294: A bill for an act relating to motor vehicles; authorizing special license plates for Pearl Harbor survivors; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Mr. Bertram from the Committee on Veterans, to which was referred

S.F. No. 33: A bill for an act relating to motor vehicles; providing for special license plates for Vietnam era veterans; amending Minnesota Statutes 1986, section 168.12, by adding a subdivision.

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

Page 1, line 14, after "July 1, 1978," insert "was discharged under honorable conditions,"

Page 1, after line 19, insert:

"The applicant shall have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application."

Page 1, lines 20 and 23, delete "adjutant general" and insert "commissioner of veterans affairs"

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

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

S.F. No. 54: A bill for an act relating to public safety; state government; creating state board of examiners for fire protection systems; proposing coding for new law as Minnesota Statutes, chapter 299J.

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

Delete everything after the enacting clause and insert:

"Section 1. [326.67] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 16.

Subd. 2. [COUNCIL.] "Council" means the Minnesota advisory council for examiners for fire protection systems.

Subd. 3. [FIRE PROTECTION SPRINKLER CONTRACTOR.] "Fire protection sprinkler contractor" means a person who contracts to sell, design, install, modify, alter, repair, maintain, or examine a fire protection system or its parts or related equipment.

Subd. 4. [FIRE PROTECTION SYSTEM.] "Fire protection system" means a sprinkler or standpipe and hose system for fire protection purposes only that is composed of an integrated system of underground and overhead piping designed in accordance with the applicable fire protection engineering standards published by the National Fire Protection Association, Inc. Notwithstanding the definitions in those standards, for the purposes of this section the definition of fire protection system does not include the water service piping to a city water main or piping used for potable water purposes or piping used for heating or cooling purposes. Openings from potable water piping for fire protection systems must be made by persons properly licensed under section 326.40. Nothing in this subdivision is intended to conflict with the Minnesota state building code or the Minnesota uniform fire code.

Subd. 5. [JOURNEYMAN SPRINKLER FITTER.] "Journeyman sprinkler fitter" means a person who is certified as competent to engage in the installing, connecting, altering, repairing, or adding to a fire protection system for and under the supervision of a fire protection sprinkler contractor.

Subd. 6. [APPRENTICE SPRINKLER FITTER.] "Apprentice sprinkler fitter" means a person, other than a fire protection sprinkler contractor or journeyman sprinkler fitter, who is regularly engaged in the industry

learning the business under the direct supervision of a fire protection sprinkler contractor or journeyman sprinkler fitter and whose duties are those of a helper only to the fire protection sprinkler contractor or journeyman sprinkler fitter. Apprentices must be registered with the department's division of apprenticeship in accordance with chapter 178.

Subd. 7. [PERSON.] "Person" includes an individual, partnership, joint venture, association, corporation, or otherwise organized business entity, or combination of them.

Subd. 8. [DEPARTMENT.] "Department" means the department of labor and industry.

Subd. 9. [COMMISSIONER.] "Commissioner" means the commissioner of labor and industry.

Sec. 2. [326.68] [COUNCIL MEMBERSHIP; OATH.]

The Minnesota advisory council of examiners for fire protection systems consists of five members appointed for a term of three years by the commissioner of labor and industry. Two members of the council must be licensed contractors or full-time, managing employees actively engaged in a licensed fire protection sprinkler contractor's business. One member of the council must be from the Minnesota fire marshals association. Two members of the council must be sprinkler fitters licensed under this chapter. If initial appointees, they must become licensed within 120 days of appointment.

A member may be reappointed.

Sec. 3. [326.69] [INITIAL TERM; COMPENSATION; REMOVAL; VACANCY.]

Subdivision 1. [INITIAL TERM.] Notwithstanding section 2, initial appointments to the council must be made in a manner and for a period not exceeding three years, so that the terms of members expire in different years. After the appointment of the initial council members, the term of a member is three years.

Subd. 2. [COMPENSATION.] The council members must be compensated under section 15.0575.

Subd. 3. [REMOVAL.] The commissioner may remove a member under section 15.0575.

Subd. 4. [VACANCY.] If the commissioner fails to appoint a member to fill a vacancy within 90 days after the vacancy has occurred, the council may fill the vacancy until a new member is approved and appointed.

Sec. 4. [326.70] [LICENSE REQUIRED.]

Subdivision 1. [IN GENERAL.] A person may not sell, design, install, modify, alter, repair, maintain, or make a maintenance inspection on a fire protection system, or offer to do so unless licensed to perform these duties or except as a registered professional engineer acting solely in a professional capacity. No license shall be required for repairs on existing installations. Except as provided in this section, if a license is required under sections 1 to 16, no person offering fire protection services may do any of the following unless the person is a licensed fire protection sprinkler contractor:

(1) advertise as a fire protection sprinkler contractor, fire sprinkler

contractor, or sprinkler fitter;

(2) add the person's name to, or in connection with, the title "fire protection sprinkler contractor," "fire sprinkler contractor," or "sprinkler fitter"; or

(3) add the person's name to any other words that tend to represent the person as a fire protection sprinkler contractor, fire sprinkler contractor, or sprinkler fitter.

A person who advertises as a fire protection sprinkler contractor must include in the advertisement the number of the person's license as a fire protection sprinkler contractor.

A vehicle used to conduct fire protection sprinkler business must have prominently displayed on its exterior the company name and license number of the fire protection sprinkler contractor performing fire protection services.

Subd. 2. [EXCEPTION.] Except that plumbers licensed under section 326.40 may contract to sell, design, install, modify, alter, demolish, repair, maintain, or examine a standpipe and hose system not in connection with parts of an automatic sprinkler system.

Subd. 3. [FIRE PROTECTION SPRINKLER CONTRACTOR.] (a) The fire protection sprinkler contractor is responsible for the preparation of detailed fire protection drawings for installation in accordance with the applicable statutes and rules of the state of Minnesota and its political subdivisions.

(b) A fire protection sprinkler contractor may be required by a municipality to pay fees normally imposed for local permits and to submit plans for review under section 14. However, a political subdivision of the state may not impose requirements to prove qualifications other than the production of a license valid under sections 1 to 16.

(c) No person may engage in or work at the business of a fire protection sprinkler contractor or journeyman sprinkler fitter unless licensed to do so by the commissioner. Sections 1 to 16 do not apply to a person solely selling or supplying products or materials to a licensed fire protection sprinkler contractor.

Subd. 4. [SPRINKLER FITTER.] A person may not undertake the prescribed activities of a sprinkler fitter under this chapter without having a valid license in possession.

Subd. 5. [INSPECTOR'S CREDIT.] An employee performing the duties of inspector for the department in regulating fire sprinkler systems may not receive time credit for the inspection duties when making an application for a license required by this section.

Sec. 5. [326.71] [RULES.]

The commissioner may adopt rules for permit, filing, and inspection fees; for the examination and licensing of fire protection sprinkler contractors, journeyman sprinkler fitters, and registered apprentices; and for enforcement of sections 1 to 16.

Sec. 6. [326.72] [EXCEPTION TO EXAMINATION.]

Persons who submit satisfactory proof to the commissioner that they have been actively engaged in fire sprinkler systems installation either as fire protection sprinkler contractors or journeyman sprinkler fitters for a

period of five years prior to the effective date of this section, and who apply for licenses within 60 days after the effective date of this section, must be granted the appropriate license upon payment of the required annual license fee.

Sec. 7. [326.73] [TEMPORARY PERMIT.]

The commissioner may issue a temporary revocable permit, valid until the next scheduled examination has been held and the results have been certified by the department. The fee for a temporary permit and for renewal of a temporary permit must be set by the commissioner under section 5.

Sec. 8. [326.74] [LICENSE DISPLAY; RENEWAL; DUPLICATE.]

Subdivision 1. [IN GENERAL.] Licenses are valid for one year and expire December 31 of each year regardless of the month issued.

Subd. 2. [RENEWAL.] A license that has not been suspended or revoked must be renewed for an additional year from its expiration on application for renewal on a form prescribed by the commissioner and payment of the fee prescribed.

Subd. 3. [DUPLICATE.] A duplicate license must be issued to replace a lost, destroyed, or mutilated license on application on a form prescribed by the commissioner and payment of the fee prescribed. A duplicate license must have the word "duplicate" stamped on its face and must bear the same number as that on the license replaced.

Subd. 4. [CONTRACTOR'S LICENSE POSTED; DISPLAYED.] A license issued under sections 1 to 16 must be posted in a conspicuous place in the fire protection sprinkler contractor's place of business.

Bids, proposals, and offers and preliminary, conceptual, shop, and field installation drawings must bear the contractor's license number in a prominent display.

Subd. 5. [SPRINKLER FITTER'S LICENSE IN POSSESSION; SIGNATURE WITH NUMBER.] Sprinkler fitters must carry their licenses when they are engaged in activities of their profession. A sprinkler fitter must present the license on request to the authority having jurisdiction. The sprinkler fitter must affix the license number to those certificates that require the sprinkler fitter's signature.

Sec. 9. [326.75] [FEES.]

The fees for licenses under this chapter for the fire protection sprinkler contractor, sprinkler fitter, and registration of apprentice may be set by the commissioner under section 5.

Sec. 10. [326.76] [FINANCIAL RESPONSIBILITY.]

Subdivision 1. [BOND.] The commissioner shall require an applicant who is a fire protection sprinkler contractor to put up a surety bond in an amount at least \$20,000 by a surety company authorized to do business in Minnesota as a surety.

Subd. 2. [INSURANCE.] Before a license as a fire protection sprinkler contractor is issued, the applicant must get and maintain in force at all times a full-term, comprehensive, general liability insurance policy, including completed operations and products coverage, from an insurance company authorized to do business in Minnesota. The policy must have an aggregate limit of at least \$500,000 for fire protection work. Evidence of

insurance must be filed with the board.

Sec. 11. [326.77] [ACTION ON APPLICATION.]

Subdivision 1. [DEPARTMENT DETERMINATION.] Within 120 days after an applicant has filed a complete application for a license and paid the required fees, the commissioner shall:

(1) conduct the testing required under this chapter;

(2) conduct an investigation of the applicant, limited to the applicant's eligibility; and

(3) either issue a license to the applicant, or notify the applicant in writing by registered mail of the decision not to grant the license and the reasons for the denial.

Subd. 2. [NOTICE OF HEARING.] When an application is denied, the commissioner shall specifically notify the applicant that the applicant has a right to a hearing conducted under section 13.

Sec. 12. [326.78] [REVOCATION; SUSPENSION; RENEWAL.]

Subdivision 1. [CAUSES FOR REVOCATION OR SUSPENSION.] The commissioner shall revoke a license, suspend the right of the licensee to use a license, or refuse to renew a license issued under this chapter, for any of the following causes:

(1) fraud, bad faith, misrepresentation, or bribery, either in securing a license or in conducting business under a license;

(2) making a false statement about a material matter in an application for a license; or

(3) failing to maintain the requirements of the license.

Subd. 2. [TERM OF REVOCATION OR SUSPENSION.] A license must not be suspended for longer than two years. A person whose license is revoked is eligible to apply for a license only after the expiration of two years.

Sec. 13. [326.79] [HEARING.]

If the commissioner decides not to grant or renew a license, it must give adequate notice and, if requested, provide a hearing. Notice of the hearing must be given in writing, by registered or certified mail with a return receipt requested, at least 15 days before the hearing.

Sec. 14. [326.80] [PERMIT; FILING; AND INSPECTION FEES.]

Subdivision 1. [REQUIRED PERMIT.] No person may construct or install fire protection systems without first filing an application for a permit with the department or a municipality that has complied with subdivision 2. Projects under construction prior to the effective date of sections 1 to 16 are not required to obtain a permit.

Subd. 2. [PERMISSIVE MUNICIPAL REGULATION.] A municipality may, by ordinance, require the inspection of fire protection system materials and construction and that they may not be constructed or installed except in accordance with state standards. The authority designated by the ordinance for issuing fire protection permits and assuring compliance with state standards must report to the department of labor and industry all violations of state fire protection standards. A municipality may not adopt

an ordinance with fire protection standards that does not comply with the minimum standards prescribed by the commissioner. The commissioner shall specify by rule the minimum qualifications for municipal inspectors.

Subd. 3. [SURCHARGE.] To defray the cost of administering sections 1 to 16, there is imposed on all municipalities except municipalities that have a letter of agreement with the commissioner to perform inspections, a surcharge on the filing fees, inspection fees, and permits issued after the effective date of sections 1 to 16 in connection with the construction or installation of fire protection systems. The surcharge must be two per cent of the fees collected, but may not be less than \$10 or greater than \$2,000. The surcharge may be amended under chapter 14 and section 16A.128.

Subd. 4. [COLLECTION AND REPORTS.] Fee surcharges must be collected by each municipality. A municipality having a population greater than 20,000 people must prepare and submit quarterly to the department a report of fees and surcharges collected during the previous quarter. All other municipalities must submit reports and surcharges on a semiannual basis. The reports must be in a form prescribed by the commissioner and submitted together with a remittance covering surcharges collected. The report and surcharge are due no later than the 15th day following the close of the period for which surcharges are being reported.

Subd. 5. [REPORTING OF PERMITS ISSUED.] Each municipality must submit to the department a copy of each permit issued within ten days after issuance. All permits must be issued on forms prescribed by or approved by the commissioner.

Subd. 6. [FILING AND INSPECTION FEES.] The commissioner must charge a filing fee set under section 5 for all applications for permits to construct or install fire protection systems. The fee for inspection of fire protection system construction or installation must also be set by the commissioner under section 5. This subdivision does not apply if a permit is issued by a municipality complying with subdivision 2.

Sec. 15. [326.81] [DEPOSIT OF FEES.]

Fees received under sections 1 to 16 must be deposited by the department to the credit of the general fund in the state treasury. The salaries and per diem of the inspectors and examiners, their expenses, and all incidental expenses of the department in carrying out the provisions of sections 1 to 16 must be paid from the appropriations made to the department.

Sec. 16. [326.82] [CRIMES.]

It is a misdemeanor to knowingly and willfully commit or order, instruct, or direct another to commit any of the following acts:

(1) to make a false statement in a license application, request for inspection, certificate, or other lawfully authorized or required form or statement provided by sections 1 to 16;

(2) to perform fire sprinkler work without a proper permit and license for that work unless the work is exempt from permitting and licensing;

(3) to fail to file a request for inspection when required;

(4) to interfere with, or refuse entry to, an inspector engaged in the performance of lawful duties; or

(5) to violate a statute, rule, or municipal ordinance that pertains to powers given to political subdivisions under section 14, subdivision 2."

Delete the title and insert:

"A bill for an act relating to public safety; creating the state advisory council of examiners for fire protection systems; requiring licenses and inspections by the department of labor and industry; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 326."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 349, 461, 1092, 464, 385, 743, 1053, 631, 948, 1084, 923, 1235, 979, 462, 1018, 1019, 764, 947, 611, 538, 243, 605, 1295, 833, 1043, 990, 361 and 79 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 564 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Davis moved that the names of Messrs. Morse, Berg, Stumpf and Langseth be added as co-authors to S.F. No. 806. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1096. The motion prevailed.

Mr. Langseth moved that the name of Mr. Davis be added as a co-author to S.F. No. 1315. The motion prevailed.

Mr. Dahl moved that the name of Mr. Luther be added as a co-author to S.F. No. 1332. The motion prevailed.

Mr. Knaak moved that the name of Mr. Merriam be added as a co-author to S.F. No. 1342. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Morse be added as a co-author to S.F. No. 1369. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 51: A Senate resolution congratulating Kristen Knock of New Hope on being named Mrs. Minnesota-America for 1987.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Concurrent Resolution No. 8: A Senate concurrent resolution designating the "Red Ribbon" to commemorate Minnesota citizens who are still missing in action or are being held against their will in Asian countries.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 9: A Senate concurrent resolution relating to adjournment for more than three days.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon its adjournment on Wednesday, April 15, 1987, the Senate may set its next day of meeting for Monday, April 20, 1987.

2. Upon its adjournment on Wednesday, April 15, 1987, the House of Representatives may set its next day of meeting for Monday, April 20, 1987.

3. Pursuant to the Minnesota Constitution, Article IV, Section 12, the Senate and House of Representatives each consents to the adjournment of the other for more than three days.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

CALENDAR

H.F. No. 28: A bill for an act relating to financial institutions; extending the EFT law to terminals located on the premises of a financial institution; providing options for a financial institution relating to the availability of an electronic financial terminal for other financial institutions; permitting certain advertising relating to an electronic financial terminal; amending Minnesota Statutes 1986, sections 47.61, subdivision 3; 47.63; 47.64, subdivisions 1, 3, and 4; and 47.67.

Mr. Cohen moved that H.F. No. 28, No. 1 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

S.F. No. 80: A bill for an act relating to insurance; providing flexibility in the amount of coverages other than for the dwelling under a homeowner's policy; proposing coding for new law in Minnesota Statutes, chapter 65A.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Brandl	Frederickson, D.R.	Laidig	Moe, D.M.
Anderson	Chmielewski	Freeman	Langseth	Moe, R.D.
Beckman	Cohen	Gustafson	Lantry	Morse
Belanger	Dahl	Hughes	Luther	Olson
Benson	Davis	Johnson, D.E.	Marty	Pehler
Berg	Dicklich	Jude	McQuaid	Peterson, D.C.
Berglin	Diessner	Knaak	Mehrkens	Peterson, R.W.
Bernhagen	Frank	Knutson	Merriam	Piper
Bertram	Frederickson, D.J.	Kroening	Metzen	Pogemiller

Purfeerst	Renneke	Solon	Stumpf	Waldorf
Ramstad	Samuelson	Spear	Taylor	Wegscheid
Reichgott	Schmitz	Storm	Vickerman	Willet

So the bill passed and its title was agreed to.

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

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 838: A bill for an act relating to St. Louis county; providing for a clerk in the unclassified civil service; amending Minnesota Statutes 1986, section 383C.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 59 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Dicklich; Johnson, D.J. and Merriam voted in the negative.

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Larson introduced—

S.F. No. 1383: A bill for an act relating to state land; authorizing conveyance of certain land to the town of Round Lake.

Referred to the Committee on Environment and Natural Resources.

Mr. Storm introduced—

S.F. No. 1384: A bill for an act relating to education; removing the not for profit requirement for certain schools in connection with unemployment obligations and tax deductions; amending Minnesota Statutes 1986, sections 268.04, subdivision 32; and 290.089, subdivision 2.

Referred to the Committee on Employment.

Messrs. Brandl, Cohen, Ms. Peterson, D.C.; Mr. Freeman and Mrs. McQuaid introduced—

S.F. No. 1385: A bill for an act relating to metropolitan government; requiring the metropolitan airports commission to reduce noise at an airport; restricting capital development; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Local and Urban Government.

Messrs. Ramstad; Johnson, D.J.; Samuelson; Mrs. McQuaid and Mr. Laidig introduced—

S.F. No. 1386: A bill for an act relating to ethics in government; redefining certain terms; changing certain filing requirements; amending Minnesota Statutes 1986, sections 10A.01, subdivisions 11, 15, and 16; and 10A.20, subdivisions 1 and 3.

Referred to the Committee on Elections and Ethics.

Messrs. Wegscheid; Peterson, R.W. and Novak introduced—

S.F. No. 1387: A bill for an act relating to taxation; property; eliminating, restricting, and clarifying property tax exemptions; appropriating money; amending Minnesota Statutes 1986, sections 272.01, subdivisions 2 and 3; 272.011; 272.02, subdivision 1, and by adding a subdivision; 272.025, subdivision 1; 273.115, subdivisions 1, 2, and 3; 273.116, subdivisions 1 and 2; 273.13, subdivision 25, and by adding a subdivision; 273.19, subdivisions 1, 3, 4, and by adding a subdivision; 297A.01, subdivision 11; and 398A.05; proposing coding for new law in Minnesota Statutes, chapter 272; repealing Minnesota Statutes 1986, sections 272.02, subdivisions 2 and 3; 295.44, subdivision 1; 383C.48; and 473.556, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Ms. Berglin introduced—

S.F. No. 1388: A bill for an act relating to health; providing for a Medicare enrollee's consumer bill of rights; providing for a reconsideration process if service is denied or limited; allowing for a determination of urgent need; proposing coding for new law in Minnesota Statutes, chapter 62D.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1389: A bill for an act relating to appropriations; providing funding for the establishment of a community-based juvenile residential correctional facility to serve American Indian juveniles in Hennepin county.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1390: A bill for an act relating to retirement; granting military service credit to certain state employees; proposing coding for new law in Minnesota Statutes, chapter 352.

Referred to the Committee on Governmental Operations.

Mses. Piper and Berglin introduced—

S.F. No. 1391: A bill for an act relating to children; establishing a program of cultural opportunities for kids; requiring certain nonprofit organizations to admit low-income families to events at reduced prices; amending Minnesota Statutes 1986, sections 290A.07, by adding a subdivision; 297A.25, subdivision 24; and proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Health and Human Services.

Messrs. Frederickson, D.J. and DeCramer introduced—

S.F. No. 1392: A bill for an act relating to agriculture; changing provisions concerning grain disputes; imposing penalties; amending Minnesota Statutes 1986, section 17B.05.

Referred to the Committee on Agriculture.

Mr. Wegscheid introduced—

S.F. No. 1393: A bill for an act relating to administrative procedure; contested cases; setting a time limit for the completion of hearings in contested cases; providing that opposing parties will be considered to prevail if a contested case is not completed within the time limit; proposing coding for new law in Minnesota Statutes, chapter 14.

Referred to the Committee on Governmental Operations.

Mrs. Lantry introduced—

S.F. No. 1394: A bill for an act relating to retirement; public employees retirement association; authorizing coverage for employees of the St. Paul Ramsey Medical Center commission; amending Minnesota Statutes 1986, section 246A.12, subdivisions 5, 6, and by adding a subdivision.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1395: A bill for an act relating to game and fish; transportation of firearms in a motor vehicle; amending Minnesota Statutes 1986, section 97B.045.

Referred to the Committee on Environment and Natural Resources.

Ms. Berglin introduced—

S.F. No. 1396: A bill for an act relating to human services; setting forth appeal procedure for recipients of case management services; amending Minnesota Statutes 1986, sections 256.045, subdivisions 1, 3, 4, 5, 6, 7, and 10, and by adding a subdivision; repealing Minnesota Statutes 1986, section 256.045, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. Bertram introduced—

S.F. No. 1397: A bill for an act relating to traffic regulations; setting speed limit of 65 miles per hour on rural interstate highways; amending Minnesota Statutes 1986, section 169.14, subdivision 2; repealing Minnesota Statutes 1986, section 169.141.

Referred to the Committee on Transportation.

Mr. Freeman, Mrs. Lantry, Messrs. Chmielewski, Kroening and Novak introduced—

S.F. No. 1398: A bill for an act relating to transportation; providing that private carriers in the construction industry comply with certain rules regarding drivers and vehicles; prescribing certain lease agreements; amending Minnesota Statutes 1986, sections 221.025; and 221.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 221.

Referred to the Committee on Employment.

Messrs. Vickerman, Stumpf, Gustafson, Solon and Davis introduced—

S.F. No. 1399: A bill for an act relating to economic development; dedication of lottery revenue; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 116P.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Pehler and Taylor introduced—

S.F. No. 1400: A bill for an act relating to education; appropriating money for a summer program for biology teachers.

Referred to the Committee on Education.

Messrs. Stumpf; Moe, R.D.; DeCramer; Davis and Berg introduced—

S.F. No. 1401: A resolution memorializing the President and Congress to immediately direct the Farmers Home Administration to participate in and cooperate with the Farmer-Lender Mediation Program in the State of Minnesota.

Referred to the Committee on Agriculture.

Mr. Storm introduced—

S.F. No. 1402: A bill for an act relating to taxation; property; modifying the metropolitan revenue distribution system; phasing out certain exemptions; decreasing the contribution percentage; changing certain definitions; eliminating the administrative auditor's functions; prohibiting use of proceeds for special purposes; amending Minnesota Statutes 1986, sections 473F01; 473F02, subdivisions 3 and 8; 473F06; 473F07; 473F08, subdivisions 2, 5, 6, 7a, and by adding a subdivision; 473F09; 473F10, subdivisions 1 and 2; and 473F13, subdivision 1; repealing Minnesota Statutes 1986, sections 473F02, subdivisions 6, 9, 11, 16, 17, 18, 19, and 20; 473F03; 473F12; and 473F13, subdivisions 2 and 3.

Referred to the Committee on Taxes and Tax Laws.

Mr. Johnson, D.J. introduced—

S.F. No. 1403: A bill for an act relating to local government; giving the Lake county housing and redevelopment authority port authority powers.

Referred to the Committee on Economic Development and Housing.

Mr. Johnson, D.J. introduced—

S.F. No. 1404: A bill for an act relating to local government; providing the Lake county housing and redevelopment authority with certain port authority powers.

Referred to the Committee on Economic Development and Housing.

Mr. Johnson, D.J. introduced—

S.F. No. 1405: A bill for an act relating to unemployment compensation; eliminating the waiting week; amending Minnesota Statutes 1986, sections 268.08, subdivision 1; 268.09, subdivisions 1, 2, and 3; and 268.231.

Referred to the Committee on Employment.

Mr. Knutson, by request, introduced—

S.F. No. 1406: A bill for an act relating to employment; requiring certain employers to make available a plan of health care coverage to all employees; proposing coding for new law in Minnesota Statutes, chapter 177.

Referred to the Committee on Employment.

Mr. DeCramer introduced—

S.F. No. 1407: A bill for an act relating to the state university system; authorizing agreements for early separation of senior faculty members; proposing coding for new law in Minnesota Statutes, chapter 136.

Referred to the Committee on Education.

Ms. Peterson, D.C.; Messrs. Purfeerst and DeCramer introduced—

S.F. No. 1408: A bill for an act relating to transportation; transferring two routes in Hennepin county from county state-aid system to trunk high-way system; transferring right-of-way ownership from Hennepin county to commissioner of transportation; amending Minnesota Statutes 1986, section 161.117; Laws 1986, chapter 452, section 32; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Ms. Peterson, D.C. introduced—

S.F. No. 1409: A bill for an act relating to education; authorizing certain school districts to issue bonds to improve buildings.

Referred to the Committee on Education.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1410: A bill for an act relating to education; increasing gifted and talented aid to districts offering advanced placement or international baccalaureate programs; appropriating money; amending Minnesota Statutes 1986, section 124.247, by adding a subdivision.

Referred to the Committee on Education.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1411: A bill for an act relating to education; establishing a limited open enrollment program for certain pupils; amending Minnesota Statutes 1986, section 124.223; proposing coding for new law in Minnesota Statutes, chapter 126.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1412: A bill for an act relating to unemployment compensation; making various technical and housekeeping changes; defining "wages"; regulating benefits and contributions; providing for the administration of the unemployment compensation law; providing penalties; amending Minnesota Statutes 1986, sections 268.04, subdivisions 9, 12, 24, 25, 26, 29, and by adding subdivisions; 268.06, subdivisions 2, 3a, 5, 6, 8, 19, 20, 22, and 24; 268.07, subdivision 3; 268.08, subdivisions 3, 3a, and by adding a subdivision; 268.09, subdivisions 1 and 3; 268.12, subdivision 8; 268.121; 268.15, subdivision 3; 268.16, subdivision 2, and by adding subdivisions; 268.161, subdivisions 1, 8, 9, and by adding a subdivision; 268.18, subdivisions 1, 2, 3, 4, 5, and by adding a subdivision; 268.65, subdivision 5; 270A.09, by adding a subdivision; and 508.25; proposing coding for new law in Minnesota Statutes, chapter 268; and repealing Minnesota Statutes 1986, section 268.24.

Referred to the Committee on Employment.

Mr. Pogemiller introduced—

S.F. No. 1413: A bill for an act relating to historic sites; establishing a St. Anthony Falls heritage interpretive zone and heritage board; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 138.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Gustafson introduced—

S.F. No. 1414: A bill for an act relating to state lands; authorizing a private sale of certain tax forfeited land in St. Louis county.

Referred to the Committee on Environment and Natural Resources.

Ms. Peterson, D.C. introduced—

S.F. No. 1415: A bill for an act relating to education; establishing a school and community partnership program on positive youth development; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Messrs. Davis and Renneke introduced—

S.F. No. 1416: A bill for an act relating to agriculture; allowing certain small commercial and industrial uses on metropolitan agricultural preserves by permit; amending Minnesota Statutes 1986, sections 40A.152, subdivision 1; 473H.10, subdivision 3; and 473H.17, subdivisions 1 and 2, and by adding a subdivision.

Referred to the Committee on Agriculture.

Mr. Dahl introduced—

S.F. No. 1417: A bill for an act relating to economic development; authorizing certain entities involved in economic development to participate in secondary markets; authorizing the use of appropriated money for secondary market purposes; amending Minnesota Statutes 1986, sections 116M.04, by adding a subdivision; 116M.08, by adding a subdivision; 362A.03, by adding a subdivision; 458.192, by adding a subdivision; 458C.14, by adding a subdivision; and 462.445, subdivision 4.

Referred to the Committee on Economic Development and Housing.

Mr. Dahl introduced—

S.F. No. 1418: A bill for an act relating to real property; authorizing use of restrictive covenants prohibiting presence of radioactive substances on land; proposing coding for new law in Minnesota Statutes, chapter 507.

Referred to the Committee on Environment and Natural Resources.

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

MOTIONS AND RESOLUTIONS

Ms. Berglin moved that S.F. No. 1295, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Novak moved that S.F. No. 344, No. 43 on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

MEMBERS EXCUSED

Messrs. DeCramer, Frederick and Lessard were excused from the Session of today.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, April 9, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate