

## FIFTY-THIRD DAY

St. Paul, Minnesota, Friday, May 15, 1987

The Senate met at 11:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

Mr. Laidig 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. Philip Berg.

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

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

The President declared a quorum present.

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1099.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 14, 1987

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 523 and 862.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 14, 1987

### FIRST READING OF HOUSE BILLS

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

H.F. No. 523: A bill for an act relating to elections; changing certain voter registration procedures to increase voter participation; providing for a computerized central registration system, voter registration forms in state income tax forms and booklets, and a combined voter registration, driver's license, and identification card form; appropriating money; amending Minnesota Statutes 1986, sections 201.021; 201.054, subdivision 1; 201.061, subdivision 1; 201.071, subdivision 4; 201.081; 201.121, subdivision 1; 201.13; 201.15; 201.161; 201.171; 201.221, subdivisions 2 and 4; 290.39, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 201.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 487, now on General Orders.

H.F. No. 862: A bill for an act relating to commerce; creating a legislative commission to study proposed low-level military air training in north-eastern Minnesota; prescribing its duties.

Referred to the Committee on Environment and Natural Resources.

### REPORTS OF COMMITTEES

Mr. Luther moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

H.F. No. 727 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.
727	674				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 727 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 727 and insert the language after the enacting clause of S.F. No. 674, the second engrossment; further, delete the title of H.F. No. 727 and insert the title of S.F. No. 674, the second engrossment.

And when so amended H.F. No. 727 will be identical to S.F. No. 674, and further recommends that H.F. No. 727 be given its second reading and substituted for S.F. No. 674, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1210 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.
1210	1113				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1210 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1210 and insert the language after the enacting clause of S.F. No. 1113, the second engrossment; further, delete the title of H.F. No. 1210 and insert the title of S.F. No. 1113, the second engrossment.

And when so amended H.F. No. 1210 will be identical to S.F. No. 1113, and further recommends that H.F. No. 1210 be given its second reading and substituted for S.F. No. 1113, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 606 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.
606	536				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 606 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 606 and insert the language after the enacting clause of S.F. No. 536, the third engrossment; further, delete the title of H.F. No. 606 and insert the title of S.F. No. 536, the third engrossment.

And when so amended H.F. No. 606 will be identical to S.F. No. 536, and further recommends that H.F. No. 606 be given its second reading and substituted for S.F. No. 536, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1351 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.
1351	1240				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1351 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1351 and insert the language after the enacting clause of S.F. No. 1240, the second engrossment; further, delete the title of H.F. No. 1351 and insert the title of S.F. No. 1240, the second engrossment.

And when so amended H.F. No. 1351 will be identical to S.F. No. 1240, and further recommends that H.F. No. 1351 be given its second reading and substituted for S.F. No. 1240, and that the Senate File be indefinitely postponed.

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

## SECOND READING OF HOUSE BILLS

H.F. Nos. 727, 1210, 606 and 1351 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Davis moved that the name of Mr. Morse be added as a co-author to S.F. No. 551. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 691. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1284. The motion prevailed.

Ms. Reichgott introduced—

Senate Resolution No. 76: A Senate resolution congratulating Ginger King, of Crystal, Minnesota, for receiving the Excellence in Educational Equity Award from the Minnesota Department of Education.

Referred to the Committee on Rules and Administration.

## SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

## CALENDAR

H.F. No. 291: A bill for an act relating to financial institutions; regulating incorporations and operations of banks; requiring approval of certain insider agreements; regulating acquisitions by bank holding companies; authorizing the commissioner to borrow money to satisfy obligations of certain closed institutions; regulating bank or trust company investments;

regulating claims against liquidated institutions; providing for the organization of credit unions; regulating interest and dividends paid on deposits; regulating industrial loan and thrifts; providing for the submission of certain reports; modifying the maximum allowable interest rate on certain loans used to satisfy the balances owed on contracts for deed; requiring the periodic examination of collection agencies; regulating consumer deficiency judgments; modifying the examination requirement for safe deposit companies and insurance premium finance companies; regulating motor vehicle installment sales; regulating bank applications; amending Minnesota Statutes 1986, sections 46.041; 46.042; 46.07, subdivision 2; 46.131, subdivision 9; 47.10, subdivision 3, and by adding a subdivision; 47.204, subdivision 1; 47.205, subdivisions 2 and 4; 48.055, subdivision 5; 48.15, subdivision 2; 48.51; 48.61, subdivisions 3 and 5; 48.92, subdivision 10; 48.97, subdivision 2; 48.98, subdivision 1; 48.99, subdivision 1; 49.04, subdivision 1; 49.05, by adding a subdivision; 49.24, subdivision 5; 51A.58; 52.01; 52.02, subdivision 3; 52.09, subdivision 2; 52.18; 53.04, subdivisions 3a and 5; 53.09, subdivision 2; 55.095; 55.15; 56.12; 59A.06, subdivision 3; 168.66, subdivisions 5 and 9; 168.705; 168.71; 168.72, subdivisions 1 and 4; 168.73; 168.74; 325G.36; and 332.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 46 and 47; repealing Minnesota Statutes 1986, sections 48.60 and 55.13.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1542: 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.

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

So the bill passed and its title was agreed to.

H.F. No. 1113: A bill for an act relating to state departments and agencies; abolishing the Minnesota humane society as a state agency and authorizing its formation as a state federation of county and district societies; providing for the powers and duties of county and district societies and for the prevention of cruelty to animals; amending Minnesota Statutes 1986, sections 16B.51, subdivision 1; 43A.27, subdivision 2; 343.01; 343.06; 343.10; 343.12; 343.22, subdivision 1; 343.29, subdivision 1; 346.37, subdivision 6; and 347.37; repealing Minnesota Statutes 1986, section 343.04.

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 43 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	McQuaid	Schmitz
Anderson	Dicklich	Knutson	Mehrkens	Solon
Beckman	Diessner	Laidig	Moe, R.D.	Spear
Belanger	Frederickson, D.J.	Langseth	Morse	Stumpf
Benson	Frederickson, D.R.	Lantry	Olson	Taylor
Berg	Gustafson	Larson	Peterson, D.C.	Vickerman
Berglin	Hughes	Lessard	Peterson, R.W.	Willet
Bertram	Johnson, D.E.	Luther	Piper	
Chmielewski	Johnson, D.J.	Marty	Ramstad	

Those who voted in the negative were:

Bernhagen	Davis	Kroening	Pehler	Storm
Brandl	Frank	Merriam	Pogemiller	Waldorf
Cohen	Frederick	Metzen	Reichgott	
Dahl	Knaak	Moe, D.M.	Renneke	

So the bill passed and its title was agreed to.

S.F. No. 326: A bill for an act relating to public safety; authorizing executive council, under federal law, to repair state property damaged by major disaster; dedicating receipts from criminal justice datacommunications network billings; appropriating video gaming license fees to commissioner of public safety for disbursement to municipalities; amending Minnesota Statutes 1986, sections 9.061, subdivision 1; 299C.48; and 349.52, subdivisions 2 and 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Solon voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 834: A bill for an act relating to natural resources; providing for the deposit of receipts from private forest management services into the forest management fund; amending Minnesota Statutes 1986, sections 88.79, subdivision 2; and 89.04.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1345: A bill for an act relating to the judiciary; public defenders; providing for membership of the state board of public defense; providing for appointment of a chief administrator; requiring the state board of public defense to adopt standards governing district public defender offices; authorizing the state board of public defense to fix the salary of the state public defenders; requiring the state public defender to provide training for state and district public defenders, appointed counsel, and legal service corporation attorneys; providing that compensation of district public defenders may not exceed compensation of county attorneys; allowing representation of indigents by public defender before formal appointment; amending Minnesota Statutes 1986, sections 611.215, subdivisions 1 and 2, and by adding a subdivision; 611.216, subdivisions 1, 2, and 3; 611.23; 611.24; 611.25; 611.26, subdivisions 1, 2, 3, 4, and 6; and 611.27, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 611; repealing Minnesota Statutes 1986, sections 611.22; and 611.26, subdivisions 5 and 8.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Davis and Morse voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 514: 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; appropriating money; amending Minnesota Statutes 1986, sections 13.46, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 245.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1054: A bill for an act relating to vocational rehabilitation; limiting grants to sheltered workshops; providing for use of community-based employment; regulating and defining vocational rehabilitation programs; amending Minnesota Statutes 1986, sections 129A.01; 129A.03; 129A.06; 129A.07; and 129A.08.

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

The question was taken on the passage of the bill.



The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1202: A bill for an act relating to environment; establishing a siting process for a low-level radioactive waste facility; providing for volunteer sites and an alternative site selection process; establishing a siting board; appropriating money; amending Minnesota Statutes 1986, sections 116C.832, subdivision 1, and by adding subdivisions; 116C.834; and 116C.842, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 116C.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 405: A bill for an act relating to Forestville state park; adding property comprising Mystery Cave to Forestville state park; authorizing acquisition of lands and interests in lands therefor; providing for a Niagara Cave feasibility study; appropriating money.

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

So the bill passed and its title was agreed to.

S.F. No. 1437: A bill for an act relating to economic development; providing for review of state-funded scientific and technologically related research; creating an office of science and technology within the department of energy and economic development; creating a committee on science and technology research and development and providing for its powers and duties; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 1986, section 116J.94.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Jude voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1524: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

So the bill passed and its title was agreed to.

S.F. No. 612: A bill for an act relating to health; creating exceptions to the nursing home moratorium; establishing a review process for approval of additional exceptions to the moratorium; prohibiting renewal of licenses for nursing home and boarding care home beds in rooms with more than four beds; providing for changes in property-related costs for reduced licensed bed capacity; allowing for depreciation recapture; providing for a new appeals procedure for appraised value appeal requests; establishing service principles and rate-setting procedures for day training and habilitation services to persons with mental retardation and related conditions; appropriating money; amending Minnesota Statutes 1986, sections 144.55, subdivision 6; 144A.05; 144A.071, subdivision 3; 144A.27; 245.782, subdivision 5; 252.21; 252.22; 252.23; 252.24, subdivisions 1 and 4; 252.25; 256B.02, subdivision 8; 256B.431, subdivisions 2b, 2c, 3a, 4, and by adding subdivisions; 256B.50, subdivision 2; 256B.501, subdivisions 1, 2, and 8; and 256E.09, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 144A and 252; repealing Minnesota Statutes 1986, sections 256B.501, subdivisions 5, 6, 7, and 9; and 256E.06, subdivision 2a; repealing Minnesota Rules, parts 9525.1210, subparts 11 and 12; 9525.1230, subpart 2; 9525.1260; 9525.1270; 9525.1280; and 9525.1310.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1127: A bill for an act relating to utilities; providing for the establishment of flexible gas utility rates for certain customers subject to effective competition; requiring the department of public service to conduct a study; providing for recovery of study costs; proposing coding for new

law in Minnesota Statutes, chapter 216B.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Marty voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 858: A bill for an act relating to health; providing for asbestos regulation; directing the commissioner of health to regulate and license persons or entities enclosing, removing, or encapsulating asbestos; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

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 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

### CONFIRMATION

Mr. Johnson, D.J. moved that the report from the Committee on Taxes and Tax Laws, reported March 2, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Johnson, D.J. moved that the foregoing report be now adopted. The

motion prevailed.

Mr. Johnson, D.J. moved that in accordance with the report from the Committee on Taxes and Tax Laws, reported March 2, 1987, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### TAX COURT

Arthur C. Roemer, 2139 Sioux Blvd., New Brighton, Ramsey County, effective September 17, 1986, for a term expiring the first Monday in January, 1987, and effective January 26, 1987, for a term expiring the first Monday in January, 1993.

The motion prevailed. So the appointment was confirmed.

#### CONFIRMATION

Mr. Frank moved that the report from the Committee on Economic Development and Housing, reported March 9, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Frank moved that the foregoing report be now adopted. The motion prevailed.

Mr. Frank moved that in accordance with the report from the Committee on Economic Development and Housing, reported March 9, 1987, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### MINNESOTA HOUSING FINANCE AGENCY

Robert Worthington, 10326 Colorado Rd., Bloomington, Hennepin County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointment was confirmed.

#### CONFIRMATION

Mr. Dicklich moved that the report from the Committee on Public Utilities and Energy, reported March 16, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Dicklich moved that the foregoing report be now adopted. The motion prevailed.

Mr. Dicklich moved that in accordance with the report from the Committee on Public Utilities and Energy, reported March 16, 1987, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### PUBLIC UTILITIES COMMISSION

Darrel L. Peterson, 9740 Arkansas Path, Inver Grove Heights, Dakota County, effective April 30, 1986, for a term expiring the first Monday in January, 1987; and effective January 19, 1987, for a term expiring the first Monday in January, 1993.

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Mr. Dicklich moved that the report from the Committee on Public Utilities and Energy, reported March 26, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Dicklich moved that the foregoing report be now adopted. The motion prevailed.

Mr. Dicklich moved that in accordance with the report from the Committee on Public Utilities and Energy, reported March 26, 1987, the Senate, having given its advice, do now consent to and confirm the appointment of:

**DEPARTMENT OF PUBLIC SERVICE****DIRECTOR**

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

The motion prevailed. So the appointment was confirmed.

**CONFIRMATION**

Mr. Frank moved that the reports from the Committee on Economic Development and Housing, reported April 2, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Frank moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Frank moved that in accordance with the reports from the Committee on Economic Development and Housing, reported April 2, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

**MINNESOTA HOUSING FINANCE AGENCY****EXECUTIVE DIRECTOR**

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

**MINNESOTA HOUSING FINANCE AGENCY**

Bruce Bakken, 8395 College Trl. E., Inver Grove Heights, Dakota County, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

Demetrius G. Jelatis, 1161 Oak St., Red Wing, Goodhue County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointments were confirmed.

**CONFIRMATION**

Mr. Johnson, D.J. moved that the report from the Committee on Taxes and Tax Laws, reported April 9, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Johnson, D.J. moved that the foregoing report be now adopted. The motion prevailed.

Mr. Johnson, D.J. moved that in accordance with the report from the Committee on Taxes and Tax Laws, reported April 9, 1987, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### DEPARTMENT OF REVENUE

##### COMMISSIONER

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

The motion prevailed. So the appointment was confirmed.

#### CONFIRMATION

Mr. Bertram moved that the report from the Committee on Veterans, reported April 13, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Bertram moved that the foregoing report be now adopted. The motion prevailed.

Mr. Bertram moved that in accordance with the report from the Committee on Veterans, reported April 13, 1987, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### DEPARTMENT OF VETERANS AFFAIRS

##### COMMISSIONER

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

The motion prevailed. So the appointment was confirmed.

#### CONFIRMATION

Mr. Lessard moved that the reports from the Committee on General Legislation and Public Gaming, reported April 23, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Lessard moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Lessard moved that in accordance with the reports from the Committee on General Legislation and Public Gaming, reported April 23, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### BOARD OF THE ARTS

David M. Lilly, Jr., 1924 Irving Ave. S., Minneapolis, Hennepin County, effective May 23, 1986, for a term expiring the first Monday in January, 1988.

Carol Ann Mackay, 5925 Christmas Lake Rd., Excelsior, Hennepin County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Marjorie Hayden, 409 - 1st St. N.E., Little Falls, Morrison County,

effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Calvin Zuehlke, 1021 Marine Ave., Worthington, Nobles County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

#### CHARITABLE GAMBLING CONTROL BOARD

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

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

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

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

Raymond J. Joachim, 109 - 6th St. W., Jordan, Scott County, effective March 5, 1987, for a term expiring June 30, 1988.

#### MINNESOTA RACING COMMISSION

Richard M. Kirkes, P.O. Box 439, Bovey, Itasca County, effective February 6, 1987, for a term expiring June 30, 1991.

The motion prevailed. So the appointments were confirmed.

#### CONFIRMATION

Mr. Merriam moved that the report from the Committee on Finance, reported April 27, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Merriam moved that the foregoing report be now adopted. The motion prevailed.

Mr. Merriam moved that in accordance with the report from the Committee on Finance, reported April 27, 1987, the Senate, having given its advice, do now consent to and confirm the appointment of:

#### DEPARTMENT OF FINANCE

##### COMMISSIONER

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

The motion prevailed. So the appointment was confirmed.

#### CONFIRMATION

Mr. Willet moved that the reports from the Committee on Environment and Natural Resources, reported May 4, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Willet moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Willet moved that in accordance with the reports from the Committee on Environment and Natural Resources, reported May 4, 1987, the Senate,



having given its advice, do now consent to and confirm the appointments of:

#### MINNESOTA ENVIRONMENTAL QUALITY BOARD

Robert Dunn, 708 - 4th St. S., Princeton, Mille Lacs County, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

Barbara L. Hughes, 548 Rice Creek Terr., Fridley, Anoka County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Robert M. Tonra, 2601 S. Georgia Ave., St. Louis Park, Hennepin County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

#### MINNESOTA POLLUTION CONTROL AGENCY

##### DIRECTOR

Thomas Kalitowski, 7456 Quadrant Ave. S., Hastings, Dakota County, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

#### MINNESOTA POLLUTION CONTROL AGENCY

Ruth Ericson, 80 Edison Blvd., Silver Bay, Lake County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Edward Fairbanks, R.R. 3, Box 867, Bemidji, Beltrami County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Janet Green, 10550 Old N. Shore Rd., Duluth, St. Louis County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

#### MINNESOTA WATER RESOURCES BOARD

Peggy Lynch, 1621 Beechwood Ave., St. Paul, Ramsey County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

#### WASTE MANAGEMENT BOARD

Laurence E. Hunter, 807 W. Second St., Hastings, Dakota County, effective June 3, 1986, for a term expiring the first Monday in January, 1990.

Edith Kelly, 1022 Elm, Alexandria, Douglas County, effective June 3, 1986, for a term expiring the first Monday in January, 1988.

Mary A. Robinson, 422 Oak Ave., Delano, Wright County, effective June 3, 1986, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointments were confirmed.

#### CONFIRMATION

Mr. Davis moved that the reports from the Committee on Agriculture, reported May 6, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Davis moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Davis moved that in accordance with the reports from the Committee on Agriculture, reported May 6, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

**DEPARTMENT OF AGRICULTURE****COMMISSIONER**

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

**BOARD OF ANIMAL HEALTH**

Jack Delaney, R.R. 1, Lake Benton, Lincoln County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Herbert Halvorson, R.R. 2, Box 67, Hanska, Brown County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointments were confirmed.

**CONFIRMATION**

Mr. Purfeerst moved that the reports from the Committee on Transportation, reported April 6, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Purfeerst moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Purfeerst moved that in accordance with the reports from the Committee on Transportation, reported April 6, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

**DEPARTMENT OF PUBLIC SAFETY****COMMISSIONER**

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

**DEPARTMENT OF TRANSPORTATION****COMMISSIONER**

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

**TRANSPORTATION REGULATION BOARD**

Eldon Keehr, 201 - 22nd Ave. S., South St. Paul, Dakota County, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

The motion prevailed. So the appointments were confirmed.

**CONFIRMATION**

Mr. Frank moved that the reports from the Committee on Economic Development and Housing, reported May 8, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Frank moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Frank moved that in accordance with the reports from the Committee on Economic Development and Housing, reported May 8, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

DEPARTMENT OF ENERGY AND ECONOMIC DEVELOPMENT  
COMMISSIONER

David Speer, 608 Turnpike Rd., Golden Valley, Hennepin County, effective December 15, 1986, for a term expiring the first Monday in January, 1991.

IRON RANGE RESOURCES AND REHABILITATION  
COMMISSIONER

Jack DeLuca, 1001 E. Howard St., Hibbing, St. Louis County, effective March 2, 1987, for a term expiring the first Monday in January, 1991.

WORLD TRADE CENTER BOARD

Arnold Aberman, 8900 Minnehaha Cir., Minneapolis, Hennepin County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Ronald Bosrock, 1814 Hillcrest, St. Paul, Ramsey County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Willis R. Eken, Twin Valley, Norman County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

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

Thomas A. Foster, 332 Westwood Dr. N., Golden Valley, Hennepin County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

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

Irving M. Stern, 1660 S. Hwy. 100, St. Louis Park, Hennepin County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Paul Rexford Thatcher, 15 S. First St., Minneapolis, Hennepin County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

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

Mr. Frank requested that the appointment of Jack DeLuca be divided out.

The question was taken on the adoption of the motion of Mr. Frank to confirm the appointment of Jack DeLuca.

The roll was called, and there were yeas 40 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	Moe, R.D.	Reichgott
Anderson	Cohen	Jude	Morse	Solon
Beckman	Dahl	Knutson	Novak	Spear
Berg	DeCramer	Laidig	Pehler	Storm
Bernhagen	Frank	Lantry	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	McQuaid	Peterson, R.W.	Vickerman
Brandl	Freeman	Merriam	Purfeerst	Waldorf
Brataas	Hughes	Moe, D.M.	Ramstad	Willet

Those who voted in the negative were:

Belanger	Dicklich	Gustafson	Piper	Samuelson
Benson	Diessner	Johnson, D.J.	Pogemiller	Taylor
Davis				

The motion prevailed. So the appointment was confirmed.

The question recurred on the remainder of the appointments from the Committee on Economic Development and Housing reported May 8, 1987. The motion prevailed. So the appointments were confirmed.

## MOTIONS AND RESOLUTIONS - CONTINUED

### CONFIRMATION

Mr. Pehler moved that the reports from the Committee on Education, reported May 11, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Pehler moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Pehler moved that in accordance with the reports from the Committee on Education, reported May 11, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

### BOARD OF THE MINNESOTA SCHOOL OF THE ARTS AND RESOURCE CENTER

Roland Amundson, 1350 Dain Tower, Minneapolis, Hennepin County, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

George D. Appleby, 210 W. Grant, Minneapolis, Hennepin County, effective July 24, 1986, for a term expiring the first Monday in January, 1990.

Marilyn Berg, 1242 Culligan Ln., Mendota Heights, Dakota County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Reginald Buckner, 7225 Green Valley Rd., Golden Valley, Hennepin County, effective September 1, 1985, for a term expiring the first Monday in January, 1988.

Jack Fena, 311 E. Howard St., Hibbing, St. Louis County, effective August 31, 1985, for a term expiring the first Monday in January, 1988.

Florence Grieve, 280 Salem Church Rd., Sunfish Lake, Dakota County, effective September 1, 1985, for a term expiring the first Monday in January, 1988.

Owen R. Husney, 450 Lakeview Ave., Tonka Bay, Hennepin County, effective September 1, 1985, for a term expiring the first Monday in Jan-

uary, 1989.

Mary Ingebrand-Pohlad, 4101 W. 48th St., Edina, Hennepin County, effective September 1, 1985, for a term expiring the first Monday in January, 1989.

Alexandra Jacobs, 1700 Shoreline Dr., Wayzata, Hennepin County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Margaret Marvin, P.O. Box 100, Warroad, Roseau County, effective September 1, 1985, for a term expiring the first Monday in January, 1989.

Sarah Fields Nesson, 5429 Brookview Ave., Edina, Hennepin County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

William H. Richards, Box 167A, Walnut Grove, Murray County, effective November 21, 1986, for a term expiring the first Monday in January, 1989.

Ruth Roitenberg, 1201 Yale Pl., Minneapolis, Hennepin County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Harry Sieben, Jr., 90 Valley Ln., Hastings, Dakota County, effective January 6, 1986, for a term expiring the first Monday in January, 1990.

Nancy Brostrom Vollertsen, 1007 - 29th St. N.W., Rochester, Olmsted County, effective September 1, 1985, for a term expiring the first Monday in January, 1988.

#### MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Robert E. Ferguson, 855 Cliff Rd., Eagan, Dakota County, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

Celeste O'Donnell, 6320 Lookout Trl., Stillwater, Washington County, effective January 19, 1987, for a term expiring the first Monday in January, 1993.

Duane C. Scribner, 49 Arthur Ave. S.E., Minneapolis, Hennepin County, effective January 19, 1987, for a term expiring the first Monday in January, 1990.

#### STATE UNIVERSITY BOARD

Frank Furlan, 514 - 3rd Ave. N.W., Chisholm, St. Louis County, effective February 17, 1987, for a term expiring the first Monday in January, 1991.

Richard H. Jorgensen, 302 W. Redwood, Marshall, Lyon County, effective March 14, 1986, for a term expiring the first Monday in January, 1989.

James B. Lund, 11790 Wilder Dr., Eden Prairie, Hennepin County, effective February 17, 1987, for a term expiring the first Monday in January, 1991.

Jerry D. Serfling, 2388 Hidden Valley Ln., Stillwater, Washington County, effective February 17, 1987, for a term expiring the first Monday in January, 1991.

The motion prevailed. So the appointments were confirmed.

### CONFIRMATION

Mr. Willet moved that the reports from the Committee on Environment and Natural Resources, reported May 12, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Willet moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Willet moved that in accordance with the reports from the Committee on Environment and Natural Resources, reported May 12, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### DEPARTMENT OF NATURAL RESOURCES

##### COMMISSIONER

Joseph Alexander, 931 Kennard, St. Paul, Ramsey County, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

#### MINNESOTA POLLUTION CONTROL AGENCY

Arnold Onstad, 204 - 2nd St. S.E., Spring Grove, Houston County, effective September 2, 1986, for a term expiring the first Monday in January, 1989.

#### MINNESOTA WATER RESOURCES BOARD

Georgia Holmes, 1705 Linda Ln., North Mankato, Nicollet County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

#### WASTE MANAGEMENT BOARD

##### CHAIR

Joe Pavelich, 15 Cypress Blvd., Babbitt, St. Louis County, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

#### WASTE MANAGEMENT BOARD

Howard A. Andersen, 1072 Plummer Ln., Rochester, Olmsted County, effective June 3, 1986, for a term expiring the first Monday in January, 1988.

John E. Boland, 2443 E. Larpenteur Ave., Maplewood, Ramsey County, effective June 3, 1986, for a term expiring the first Monday in January, 1991.

William G. Kirchner, 6830 Newton Ave. S., Richfield, Hennepin County, effective June 3, 1986, for a term expiring the first Monday in January, 1990.

Ernest Lund, Box 149A, Gheen, St. Louis County, effective June 3, 1986, for a term expiring the first Monday in January, 1989.

Linda Peck, R.R. 4, St. Cloud, Stearns County, effective June 3, 1986, for a term expiring the first Monday in January, 1989.

The motion prevailed. So the appointments were confirmed.

### CONFIRMATION

Mr. Pehler moved that the reports from the Committee on Education, reported May 13, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Pehler moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Pehler moved that in accordance with the reports from the Committee on Education, reported May 13, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

#### DEPARTMENT OF EDUCATION

##### COMMISSIONER

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

##### COUNCIL ON QUALITY EDUCATION

Helen M. Johnson, 408 N. Cherry, Braham, Isanti County, effective January 17, 1986, for a term expiring the first Monday in January, 1990.

##### MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

John Young, Jr., Box 752, Hawley, Clay County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

Milton Radjenovich, P.O. Box 667, Buhl, St. Louis County, effective January 26, 1987, for a term expiring the first Monday in January, 1991.

##### STATE BOARD FOR COMMUNITY COLLEGES

Clarence E. Harris, 2030 Fairview, Roseville, Ramsey County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Ruth Herring, 109 - 14th Ave. S., Moorhead, Clay County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Erin McCabe, 2121 - 3rd Ave. E., Hibbing, St. Louis County, effective January 19, 1987, for a term expiring the first Monday in January, 1989.

##### STATE BOARD OF EDUCATION

Patricia A. Allen, 306 E. Woodley, Northfield, Rice County, effective February 2, 1987, for a term expiring the first Monday in January, 1991.

Ruth A. Myers, 1326 N. 19th Ave. E., Duluth, St. Louis County, effective February 2, 1987, for a term expiring the first Monday in January, 1991.

John C. Plocker, Rt. 3, Blue Earth, Faribault County, effective February 2, 1987, for a term expiring the first Monday in January, 1991.

Alan T. Zdon, 3825 - 3rd Ave. E., Hibbing, St. Louis County, effective February 6, 1987, for a term expiring the first Monday in January, 1990.

##### STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

FB. Daniel, 2056 Timmy St., Mendota Heights, Dakota County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

JoAnn Cardenas Enos, 149 Exeter Pl., St. Paul, Ramsey County, effective January 19, 1987, for a term expiring the first Monday in January, 1991.

Donald C. Ingram, 1003 - 9th St. N.W., Austin, Mower County, effective

January 19, 1987, for a term expiring the first Monday in January, 1991.

Mr. Peterson, R.W. requested that the appointment of Ruth Randall be divided out.

The question was taken on the adoption of the motion of Mr. Pehler to confirm the appointment of Ruth Randall.

The roll was called, and there were yeas 43 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Knutson	Morse	Schmitz
Anderson	DeCramer	Lantry	Novak	Solon
Beckman	Frank	Larson	Olson	Storm
Berglin	Frederickson, D.J.	Luther	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Marty	Piper	Taylor
Bertram	Freeman	McQuaid	Ramstad	Wegscheid
Brandl	Hughes	Merriam	Reichgott	Willet
Brataas	Jude	Moe, D.M.	Renneke	
Chmielewski	Knaak	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Belanger	Davis	Frederick	Laidig	Purfeerst
Benson	Dicklich	Gustafson	Peterson, D.C.	Spear
Berg	Diessner	Johnson, D.E.	Peterson, R.W.	Vickerman
Cohen				

The motion prevailed. So the appointment was confirmed.

The question recurred on the remainder of the appointments from the Committee on Education reported May 13, 1987. The motion prevailed. So the appointments were confirmed.

## MOTIONS AND RESOLUTIONS - CONTINUED

### CONFIRMATION

Mr. Chmielewski moved that the reports from the Committee on Employment, reported May 13, 1987, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Chmielewski moved that the foregoing reports be now adopted. The motion prevailed.

Mr. Chmielewski moved that in accordance with the reports from the Committee on Employment, reported May 13, 1987, the Senate, having given its advice, do now consent to and confirm the appointments of:

### DEPARTMENT OF JOBS AND TRAINING

#### COMMISSIONER

Joseph Samargia, 1319 Goodrich Ave., St. Paul, Ramsey County, effective January 5, 1987, for a term expiring the first Monday in January, 1991.

### DEPARTMENT OF LABOR AND INDUSTRY

#### COMMISSIONER

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



## BUREAU OF MEDIATION SERVICES

## DIRECTOR

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

## OFFICE OF FULL PRODUCTIVITY AND OPPORTUNITY

## COORDINATOR

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

## WORKERS' COMPENSATION COURT OF APPEALS

Manuel J. Cervantes, 310 Ryan Ave., St. Paul, Ramsey County, effective July 1, 1986, for a term expiring the first Monday in January, 1992.

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

Mr. Knaak requested that the appointments of Raymond Bohn, Keith Ford and Joseph Samargia be divided out.

The question was taken on the adoption of the motion of Mr. Chmielewski to confirm the appointment of Raymond Bohn.

The roll was called, and there were yeas 43 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Novak	Solon
Beckman	DeCramer	Knutson	Pehler	Spear
Berglin	Dicklich	Kroening	Peterson, D.C.	Stumpf
Bernhagen	Diessner	Lantry	Peterson, R.W.	Vickerman
Bertram	Frank	Marty	Piper	Waldorf
Brandl	Frederickson, D.J.	Merriam	Reichgott	Wegscheid
Chmielewski	Frederickson, D.R.	Moe, D.M.	Renneke	Willett
Cohen	Freeman	Moe, R.D.	Samuelson	
Dahl	Hughes	Morse	Schmitz	

Those who voted in the negative were:

Benson	Gustafson	Larson	Olson	Storm
Brataas	Johnson, D.E.	McQuaid	Ramstad	Taylor
Frederick	Knaak			

The motion prevailed. So the appointment was confirmed.

The question was taken on the adoption of the motion of Mr. Chmielewski to confirm the appointment of Keith Ford.

The roll was called, and there were yeas 41 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Peterson, D.C.	Stumpf
Beckman	Davis	Kroening	Peterson, R.W.	Taylor
Belanger	Dicklich	Lantry	Piper	Vickerman
Berglin	Diessner	Marty	Ramstad	Wegscheid
Bernhagen	Frank	Merriam	Reichgott	Willett
Bertram	Frederickson, D.J.	Moe, R.D.	Renneke	
Brandl	Frederickson, D.R.	Morse	Schmitz	
Chmielewski	Freeman	Novak	Solon	
Cohen	Hughes	Pehler	Spear	

Mrs. Brataas, Messrs. Jude, Knaak and Larson voted in the negative.

The motion prevailed. So the appointment was confirmed.

The question was taken on the adoption of the motion of Mr. Chmielewski to confirm the appointment of Joseph Samargia.

The roll was called, and there were yeas 36 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kroening	Peterson, D.C.	Stumpf
Beckman	Diessner	Lantry	Peterson, R.W.	Vickerman
Berglin	Frank	Marty	Piper	Waldorf
Brandl	Frederickson, D.J.	Merriam	Reichgott	Willet
Chmielewski	Frederickson, D.R.	Moe, R.D.	Renneke	
Cohen	Freeman	Morse	Schmitz	
Dahl	Hughes	Novak	Solon	
DeCramer	Jude	Pehler	Spear	

Those who voted in the negative were:

Belanger	Brataas	Johnson, D.E.	Olson	Wegscheid
Benson	Davis	Knaak	Ramstad	
Bernhagen	Frederick	Larson	Storm	
Bertram	Gustafson	McQuaid	Taylor	

The motion prevailed. So the appointment was confirmed.

The question recurred on the remainder of the appointments from the Committee on Employment, reported May 13, 1987. The motion prevailed. So the appointments were confirmed.

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Dicklich moved that S.F. No. 677 be taken from the table. The motion prevailed.

S.F. No. 677: A bill for an act relating to public utilities; providing for the reduced regulation of certain competitive telephone services, with limitations and procedures; requiring persons providing private shared tenant service to grant certain access; requiring a study and report on universal service assistance; amending Minnesota Statutes 1986, sections 237.01, subdivision 3; 237.081, subdivision 1a; 237.11; 237.12; 237.16, subdivision 1; 237.17; and 237.22; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Statutes 1986, sections 237.13; 237.41; 237.42; and 237.43.

## CONCURRENCE AND REPASSAGE

Mr. Dicklich moved that the Senate concur in the amendments by the House to S.F. No. 677 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 677 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Jude	Novak	Storm
Belanger	Dicklich	Knaak	Olson	Stumpf
Benson	Diessner	Kroening	Pehler	Vickerman
Berglin	Frank	Lantry	Peterson, D.C.	Waldorf
Bernhagen	Frederickson, D.J.	Larson	Piper	Wegscheid
Bertram	Frederickson, D.R.	Marty	Ramstad	Willet
Brandl	Freeman	McQuaid	Reichgott	
Cohen	Gustafson	Merriam	Schmitz	
Dahl	Hughes	Moe, R.D.	Solon	
Davis	Johnson, D.E.	Morse	Spear	

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

## MOTIONS AND RESOLUTIONS - CONTINUED

### CONFIRMATION

Mr. Spear moved that the appointments of notaries public, received March 9, 1987, be taken from the table. The motion prevailed.

Pursuant to Rule 22, Mr. Knaak moved that he be excused from voting on the confirmation of the notaries public. The motion prevailed.

Mr. Spear moved that the Senate do now consent to and confirm the appointments of the notaries public. The motion prevailed. So the appointments were confirmed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 1515 at 1:00 p.m.:

Messrs. Waldorf, Dicklich, Hughes, Taylor and Johnson, D.E. The motion prevailed.

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1283 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 1283: A bill for an act relating to health; prohibiting smoking in day care centers and health care facilities; amending Minnesota Statutes 1986, sections 144.412; and 144.414.

Mr. Marty moved to amend H.F. No. 1283, as amended pursuant to Rule 49, adopted by the Senate May 9, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 962.)

Page 1, after line 7, insert:

"Section 1. [144.395] [ADVERTISING OF TOBACCO PRODUCTS.]

*Subdivision 1. [PURPOSE.] Because the state has prohibited the use of tobacco products by minors and the furnishing of tobacco products to minors, it is the purpose of this section to prohibit the advertising of these products on public property in order to:*

*(1) avoid encouraging minors to engage in an illegal activity; and*

(2) *preserve the integrity of state and local governments by avoiding the appearance that the government endorses a restricted activity.*

**Subd. 2. [ADVERTISING ON PUBLIC PROPERTY PROHIBITED.]** *The advertising of tobacco products is prohibited on property owned or leased by the state, a political subdivision of the state, or a commission, board, agency, or other entity created or operated by the state or a political subdivision."*

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "prohibiting advertising of tobacco products on public property;"

Page 1, line 5, after "144.414" insert "; proposing coding for new law in Minnesota Statutes, chapter 144"

Mr. Solon questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 29, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Johnson, D.E.	Moe, D.M.	Samuelson
Berglin	Dicklich	Kroening	Morse	Schmitz
Bernhagen	Diessner	Lantry	Pehler	Spear
Chmielewski	Frank	Luther	Peterson, D.C.	Willet
Cohen	Frederickson, D.R.	Marty	Piper	
Dahl	Hughes	Merriam	Reichgott	

Those who voted in the negative were:

Adkins	Brataas	Knaak	Moe, R.D.	Storm
Anderson	DeCramer	Knutson	Novak	Stumpf
Belanger	Frederick	Laidig	Olson	Taylor
Benson	Frederickson, D.J.	Larson	Ramstad	Vickerman
Berg	Freeman	McQuaid	Renneke	Wegscheid
Bertram	Gustafson	Metzen	Solon	

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

Mr. Marty then moved to amend H.F. No. 1283, as amended pursuant to Rule 49, adopted by the Senate May 9, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 962.)

Page 2, after line 25, insert:

"Sec. 3. Minnesota Statutes 1986, section 325F.77, is amended by adding a subdivision to read:

**Subd. 3. [LEGISLATIVE INTENT.]** *Because the state prohibits both the use of tobacco products by minors and the furnishing of tobacco products to minors, and because the enforcement of an age-related restriction on the promotional distribution of tobacco products is impractical and ineffective, it is the intent of the legislature to control the distribution of these products and discourage illegal activity by prohibiting all promotional distribution, except as allowed in this section.*

Sec. 4. Minnesota Statutes 1986, section 325F77, is amended by adding a subdivision to read:

*Subd. 4. [PROHIBITION.] No person shall distribute smokeless tobacco products or cigarettes, cigars, pipe tobacco, or other tobacco products suitable for smoking, except that single serving samples of tobacco may be distributed in tobacco stores.*

Sec. 5. [REPEALER.]

*Minnesota Statutes 1986, section 325F77, subdivisions 1 and 2, are repealed."*

Page 2, line 26, delete "3" and insert "6"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "prohibiting promotional distribution of tobacco products;"

Page 1, line 5, delete "and" and after "144.414" insert "; and 325F77, by adding subdivisions; repealing Minnesota Statutes 1986, section 325F77, subdivisions 1 and 2"

### CALL OF THE SENATE

Mr. Spear imposed a call of the Senate for the balance of the proceedings on H.F. No. 1283. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 22, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Lantry	Novak	Spear
Belanger	Diessner	Luther	Pehler	Stumpf
Berlin	Frank	Marty	Peterson, D.C.	Waldorf
Bernhagen	Frederickson, D.I.	McQuaid	Peterson, R.W.	Willet
Brandl	Frederickson, D.R.	Merriam	Piper	
Cohen	Johnson, D.E.	Moe, D.M.	Ramstad	
Dahl	Laidig	Morse	Renneke	

Those who voted in the negative were:

Adkins	Chmielewski	Hughes	Larson	Storm
Anderson	Dicklich	Johnson, D.J.	Lessard	Vickerman
Berg	Frederick	Knaak	Olson	
Bertram	Freeman	Knutson	Samuelson	
Brataas	Gustafson	Kroening	Solon	

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 1283, as amended pursuant to Rule 49, adopted by the Senate May 9, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 962.)

Page 2, after line 15, insert:

*"For the 1988-1989 school year, all school districts shall receive revenue pursuant to Minnesota Statutes, section 124.252, subdivision 3, for the purposes of instituting a program to highlight the health risks associated with smoking cigarettes and the use of other tobacco products. In association with this initiative, all districts shall implement, for tenth grade*

*students, the literacy assessment test developed by the commissioner of human services pursuant to section 256D.05. The results of these tests and the status of their tobacco awareness program shall be reported to the department of education annually."*

Mr. Diessner moved to amend the Benson amendment to H.F. No. 1283 as follows:

Page 1, line 11, delete "*In association with this*"

Page 1, delete lines 12 to 17

The question was taken on the adoption of the amendment to the amendment.

The roll was called, and there were yeas 23 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Novak	Reichgott
Beckman	Diessner	Lessard	Pehler	Vickerman
Brandl	Frederickson, D.J.	Luther	Peterson, D.C.	Willet
Chmielewski	Freeman	Marty	Peterson, R.W.	
Cohen	Hughes	Merriam	Piper	

Those who voted in the negative were:

Anderson	Brataas	Knaak	Olson	Storm
Belanger	Dahl	Laidig	Pogemiller	Stumpf
Benson	Frank	Larson	Purfeerst	
Berg	Frederick	McQuaid	Ramstad	
Bernhagen	Frederickson, D.R.	Mehrkins	Renneke	
Bertram	Gustafson	Morse	Solon	

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

The question recurred on the adoption of the Benson amendment.

The roll was called, and there were yeas 20 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Frank	Knutson	Mehrkins
Belanger	Brataas	Frederick	Laidig	Ramstad
Benson	Cohen	Frederickson, D.R.	Larson	Renneke
Berg	Dahl	Gustafson	McQuaid	Storm

Those who voted in the negative were:

Adkins	Dicklich	Lessard	Pehler	Spear
Beckman	Diessner	Luther	Peterson, D.C.	Stumpf
Berglin	Frederickson, D.J.	Marty	Peterson, R.W.	Vickerman
Bertram	Freeman	Merriam	Piper	Waldorf
Brandl	Knaak	Morse	Purfeerst	Willet
Chmielewski	Kroening	Novak	Reichgott	
Davis	Lantry	Olson	Solon	

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

H.F. No. 1283 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 51 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Frederick and Knutson voted in the negative.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 137 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 137: A bill for an act relating to criminal procedure; providing a procedure for ordering joint or separate trials for jointly charged defendants; permitting the prosecution to offer a rebuttal closing argument; allowing the prosecution and the defense an equal number of peremptory challenges when the offense charged is not punishable by life imprisonment; amending Minnesota Statutes 1986, section 631.07; proposing coding for new law in Minnesota Statutes, chapter 631.

### CALL OF THE SENATE

Mr. Spear imposed a call of the Senate for the balance of the proceedings on H.F. No. 137. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 137 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 42 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Olson	Spear
Anderson	Dicklich	Knaak	Peterson, D.C.	Storm
Beckman	Diessner	Kroening	Piper	Stumpf
Belanger	Frank	Larson	Pogemiller	Taylor
Berg	Frederick	Luther	Purfeerst	Vickerman
Bernhagen	Frederickson, D.J.	McQuaid	Reichgott	Waldorf
Bertram	Frederickson, D.R.	Moe, D.M.	Renneke	
Brandl	Freeman	Moe, R.D.	Samuelson	
Brataas	Gustafson	Novak	Solon	

Those who voted in the negative were:

Benson	Davis	Lessard	Morse	Ramstad
Chmielewski	Jude	Marty	Pehler	Schmitz
Cohen	Laidig	Merriam	Peterson, R.W.	Willet

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1203 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 1203: A bill for an act relating to state government; reorganizing the department of agriculture, the department of energy and economic development, and the department of public service, and providing for the powers and duties of the three departments; changing the name of the department of energy and economic development to the department of trade and economic development; designating the department of jobs and training as the administrative agency for certain juvenile justice and delinquency prevention purposes; providing grants for youth intervention programs; changing the membership of the world trade center board; establishing the world trade center institute; authorizing the board to contract for certain services and programs; appropriating money; amending Minnesota Statutes 1986, sections 17.03, by adding a subdivision; 17.101, subdivision 1; 18.023, subdivision 11; 18.024, subdivision 1; 43A.08, subdivision 1; 44A.01; 44A.031; 104.35, subdivisions 2 and 3; 115A.12, subdivision 2; 116C.03, subdivision 2; 116J.01; 116J.03; 116J.58, subdivision 2; 116J.60; and 116J.63, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 44A; 116J; 236A; and 268; proposing coding for new law as Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1986, sections 4.09; 17.03, subdivision 5; 44A.03; 44A.04; 44A.05; 44A.07; 116J.404; and 116J.405.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knaak	Metzen	Reichgott
Beckman	Cohen	Laidig	Moe, D.M.	Renneke
Belanger	Dahl	Lantry	Morse	Schmitz
Benson	Davis	Larson	Novak	Spear
Berg	Frederick	Lessard	Olson	Storm
Berglin	Frederickson, D.J.	Luther	Pehler	Stumpf
Bernhagen	Frederickson, D.R.	Marty	Peterson, D.C.	Vickerman
Bertram	Gustafson	McQuaid	Pogemiller	Waldorf
Brataas	Hughes	Merriam	Purfeerst	Willet

Messrs. Anderson, Frank, Jude and Ramstad voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1112 a Special Order to be heard immediately.

**SPECIAL ORDER**

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; proposing coding for new law as Minnesota Statutes, chapter 240A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 1, as follows:

Those who voted in the affirmative were:



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

Mr. Waldorf voted in the negative.

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

### GENERAL ORDERS

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

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

S.F. Nos. 1253, 867, 1468, 1267, 909 and H.F. Nos. 542, 601, 1419 and 1621, which the committee recommends to pass.

H.F. No. 894, which the committee recommends to pass with the following amendment offered by Mr. Vickerman:

Page 3, line 33, after "(e)" insert " , or is receiving personal care assistant services pursuant to section 256B.02, subdivision 8, clause (17)"

The motion prevailed. So the amendment was adopted.

S.F. No. 313, which the committee recommends to pass with the following amendment offered by Mrs. McQuaid:

Page 1, after line 9, insert:

"Section 1. [168.123] [SPECIAL LICENSE PLATES FOR PEARL HARBOR SURVIVORS.]

*Subdivision 1. [ISSUANCE AND DESIGN.] The registrar shall issue special license plates bearing the inscription "PEARL HARBOR SURVIVOR" to an applicant who was a member of the United States Armed Forces stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, and who complies with the laws of this state relating to the registration and licensing of motor vehicles and drivers. Application for these plates may be made only at the time of renewal or first application for registration. The registrar shall determine the design and size of these plates.*

*Subd. 2. [FEES; TRANSFER.] The fee for one set of two plates is \$10,*

*in addition to the registration tax required by law for the motor vehicle. This additional fee is payable only when the plates are issued and is not payable in a year in which tabs or stickers are issued instead of number plates.*

*Notwithstanding section 168.12, subdivision 1, these plates may be transferred to another motor vehicle owned or jointly owned by the Pearl Harbor survivor on payment of a fee of \$5.*

*Fees paid under this subdivision must be paid into the state treasury and credited to the highway user tax distribution fund.*

*Subd. 3. [USE.] The registrar may issue special license plates under this section only for use on a motor vehicle that is a passenger automobile, van, station wagon, pickup truck, motorcycle, or recreational vehicle, and that is not used for commercial purposes."*

Renumber the sections in sequence and correct the internal references  
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 916, which the committee recommends to pass with the following amendment offered by Ms. Peterson, D.C.:

Amend H.F. No. 916, the unofficial engrossment, as follows:

Page 5, after line 9, insert:

"Sec. 9. Minnesota Statutes 1986, section 16B.19, subdivision 6, is amended to read:

Subd. 6. [CONTRACTS IN EXCESS OF \$200,000; SET-ASIDE.] The commissioner as a condition of awarding state procurements for construction contracts or approving contracts for consultant, professional, or technical services pursuant to section 16B.17 in excess of \$200,000 shall require that at least ten percent of the contract award to a prime contractor be subcontracted to a business owned and operated by a socially or economically disadvantaged person or persons or that at least ten percent of the contract award be expended in purchasing materials or supplies from said person or persons. If there is no socially or economically disadvantaged person or persons or other small businesses able to perform the subcontract or to provide the supplies or materials, the construction contract or contract for consultant, professional, or technical services may be awarded notwithstanding the ten percent requirement provided that the ten percent requirement is made up in other such contracts awarded or to be awarded by the same agency. Any subcontracting or purchasing of supplies and materials pursuant to this subdivision may not be included in determining the total amount of awards required by subdivisions 1, 2, and 5. In the event small businesses owned and operated by socially and economically disadvantaged persons are unable to perform ten percent of the prime contract award, the commissioner shall require that other small businesses perform at least ten percent of the prime contract award. The commissioner may determine that small businesses owned and operated by socially and economically disadvantaged persons are unable to perform at least ten percent of the prime contract award prior to the advertising for bids. Each construction contractor bidding on a project over \$200,000 shall submit with the bid a list of the businesses owned and operated by socially or economically disadvantaged persons that are proposed to be utilized on the

project with a statement indicating the portion of the total bid to be performed by each business. The commissioner shall reject any bid to which this subdivision applies that does not contain this information. Prime contractors receiving construction contract awards in excess of \$200,000 shall furnish to the commissioner the name of each business owned and operated by a socially or economically disadvantaged person or persons or other small business that is performing work or supplying supplies and materials on the prime contract and the dollar amount of the work performed or to be performed or the supplies and materials to be supplied. *Once the contract has been awarded, the prime contractor must use the socially and economically disadvantaged subcontractors proposed to be utilized on the project, unless the subcontractors are unable to perform in accordance with the award.*

This subdivision does not apply to prime contractors that are themselves small businesses owned and operated by socially or economically disadvantaged persons, as duly certified pursuant to section 16B.22."

Page 14, after line 35, insert:

"Sec. 21. Minnesota Statutes 1986, section 645.445, subdivision 2, is amended to read:

Subd. 2. "Small business" means a business entity organized for profit, including but not limited to any individual, partnership, corporation, joint venture, association or cooperative, which entity:

(a) Is not an affiliate or subsidiary of a business dominant in its field of operation; and

(b) Has 20 or fewer full-time employees; or

(c) *In the preceding fiscal year has not had more than the equivalent of \$1,000,000 in annual gross revenues in the preceding fiscal year; or*

(d) *If the business is a technical or professional service, shall not have had more than the equivalent of \$2,500,000 in annual gross revenues in the preceding fiscal year.*

Sec. 22. Minnesota Statutes 1986, section 645.445, subdivision 3, is amended to read:

Subd. 3. "Dominant in its field of operation" means having more than 20 full-time employees and more than \$1,000,000 in annual gross revenues *or \$2,500,000 in annual gross revenues if a technical or professional service.*

Page 17, line 17, delete "12, 14, and 18" and insert "13, 15, 19, 21 and 22"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 290, which the committee recommends to pass, subject to the following motions:

Mr. Bertram moved that H.F. No. 290, No. 74 on General Orders, be stricken and re-referred to the Committee on Governmental Operations.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 25 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Bernhagen	Frederick	Larson	Renneke
Anderson	Bertram	Gustafson	Lessard	Schmitz
Belanger	Brataas	Johnson, D.E.	McQuaid	Solon
Benson	Diessner	Kroening	Moe, D.M.	Stumpf
Berg	Frank	Laidig	Novak	Taylor

Those who voted in the negative were:

Beckman	Dahl	Hughes	Luther	Piper
Berglin	Davis	Jude	Marty	Ramstad
Brandl	Frederickson, D.J.	Knaak	Morse	Spear
Chmielewski	Frederickson, D.R.	Knutson	Pehler	Storm
Cohen	Freeman	Lantry	Peterson, D.C.	Vickerman

The motion did not prevail.

Mr. Benson moved to amend H.F. No. 290, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### OFFICE OF SOCIAL WORK AND MENTAL HEALTH BOARDS

##### Section 1. [148B.01] [DEFINITIONS.]

*Subdivision 1. [TERMS.] For the purposes of this chapter, the following terms have the meanings given.*

*Subd. 2. [OFFICE.] "Office" means the office of social work and mental health boards established in section 2.*

*Subd. 3. [BOARD OF SOCIAL WORK.] "Board of social work" means the board of social work established in article 2, section 2.*

*Subd. 4. [BOARD OF MARRIAGE AND FAMILY THERAPY.] "Board of marriage and family therapy" means the board of marriage and family therapy established in article 3, section 2.*

*Subd. 5. [BOARD OF UNLICENSED MENTAL HEALTH SERVICE PROVIDERS.] "Board of unlicensed mental health service providers" means the board of unlicensed mental health service providers established in article 4, section 2.*

*Subd. 6. [SOCIAL WORK AND MENTAL HEALTH BOARDS.] "Social work and mental health boards" or "boards" means the board of social work, the board of marriage and family therapy, and the board of unlicensed mental health service providers.*

*Subd. 7. [REGULATED INDIVIDUAL.] "Regulated individual" means a person licensed by the board of social work or the board of marriage and family therapy, or required to file with the board of unlicensed mental health service providers.*

##### Sec. 2. [148B.02] [OFFICE OF SOCIAL WORK AND MENTAL HEALTH BOARDS.]

*Subdivision 1. [CREATION.] The office of social work and mental health boards is established to coordinate the administrative and staff functions of the boards of social work, marriage and family therapy, and unlicensed mental health service providers, and to collect and publish information as*

*provided in this chapter. The office of social work and mental health boards consists of an executive secretary and other staff as provided in section 214.04.*

*Subd. 2. [REPORTS.] The office shall compile the report required by section 214.07 on behalf of the boards. The office shall present the information according to the category of educational credential held by the regulated individual, if any. Notwithstanding section 214.07, the office shall provide an interim report including this information to the commissioner of health on or before July 1, 1990.*

**Sec. 3. [148B.03] [APPLICABILITY.]**

*Sections 4 to 17 apply to all of the social work and mental health boards and the regulated individuals within their respective jurisdictions, unless superseded by an inconsistent law that relates specifically to a particular board.*

**Sec. 4. [148B.04] [DISCLOSURE.]**

*Subdivision 1. [CLASSIFICATION OF DATA.] Subject to the exceptions listed in this subdivision, all communications or information received by or disclosed to a board relating to any person or matter subject to its regulatory jurisdiction, and all records of any action or proceedings thereon, except a final decision of the board, are confidential and privileged and any disciplinary hearing must be closed to the public.*

*Subd. 2. [CONTESTED CASE PROCEEDINGS.] Upon application of a party in a contested case proceeding before a board, the board shall produce and permit the inspection and copying, by or on behalf of the moving party, of any designated documents or papers relevant to the proceedings, in accordance with rule 34, Minnesota rules of civil procedure.*

*Subd. 3. [INFORMATION ON ADVERSE ACTIONS.] If a board imposes disciplinary measures or takes adverse action of any kind, the name and business address of the regulated individual, the nature of the misconduct, and the action taken by the board are public data.*

*Subd. 4. [EXCHANGE OF INFORMATION.] The boards shall exchange information with other boards, agencies, or departments within the state, as required under section 214.10, subdivision 8, paragraph (d), and may release information in the reports required under section 2.*

**Sec. 5. [148B.05] [RIGHT TO PRACTICE.]**

*Subdivision 1. [ADVERSE ACTION BY A BOARD.] A suspension, revocation, condition, limitation, qualification, or restriction of a regulated individual's license, filing, or right to practice is in effect pending determination of an appeal unless the court, upon petition and for good cause shown, orders otherwise. The right to provide services is automatically suspended if (1) a guardian of the person of a regulated individual is appointed by order of a probate court pursuant to sections 525.54 to 525.612, for reasons other than the minority of the individual, or (2) the individual is committed by order of a probate court pursuant to chapter 253B or sections 526.09 to 526.11. The right to provide services remains suspended until the individual is restored to capacity by a court and, upon petition by the individual, the suspension is terminated by the board after a hearing. In its discretion, a board may restore and reissue permission to provide services, but as a condition thereof may impose any disciplinary or corrective measure that it might originally have imposed.*

**Subd. 2. [TEMPORARY SUSPENSION OF RIGHT OF PRACTICE.]** *In addition to any other remedy provided by law, a board may, without a hearing, temporarily suspend the right of a regulated individual to provide services if the board finds that the regulated individual has violated a statute or rule that the board is empowered to enforce and continued practice would create a serious risk of harm to the public. The suspension is effective upon written notice to the individual specifying the statute or rule violated and remains in effect until the board issues a final order in the matter after a hearing. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the administrative procedure act. The individual must be provided with at least 20 days' notice of any hearing held pursuant to this subdivision. The hearing must be scheduled to begin no later than 30 days after the suspension order is issued.*

**Sec. 6. [148B.06] [TAX CLEARANCE CERTIFICATE.]**

**Subdivision 1. [CERTIFICATE REQUIRED.]** *A board may not issue or renew a filing if the commissioner of revenue notifies the board and the regulated individual or applicant for a license or filing that the individual or applicant owes the state delinquent taxes in the amount of \$500 or more. A board may issue or renew a license or filing only if the commissioner of revenue issues a tax clearance certificate and the commissioner of revenue or the individual or applicant forwards a copy of the clearance to the board. The commissioner of revenue may issue a clearance certificate only if the individual or applicant does not owe the state any uncontested delinquent taxes. For purposes of this section, "taxes" means all taxes payable to the commissioner of revenue, including penalties and interest due on those taxes. "Delinquent taxes" do not include a tax liability if (i) an administrative or court action that contests the amount or validity of the liability has been filed or served, (ii) the appeal period to contest the tax liability has not expired, or (iii) the regulated individual or applicant has entered into a payment agreement to pay the liability and is current with the payments.*

**Subd. 2. [HEARING.]** *In lieu of the notice and hearing requirements of section 16, when a regulated individual or applicant is required to obtain a clearance certificate under this subdivision, a contested case hearing must be held if the individual or applicant requests a hearing in writing to the commissioner of revenue within 30 days of the date of the notice required in subdivision 1. The hearing must be held within 45 days of the date the commissioner of revenue refers the case to the office of administrative hearings. Notwithstanding any other law, the individual or applicant must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the regulated individual or applicant. The notice may be served personally or by mail.*

**Subd. 3. [INFORMATION REQUIRED.]** *The boards shall require all regulated individuals or applicants to provide their social security number and Minnesota business identification number on all license or filing applications. Upon request of the commissioner of revenue, the board must provide to the commissioner of revenue a list of all regulated individuals and applicants, including the name and address, social security number, and business identification number. The commissioner of revenue may request a list of the individuals and applicants no more than once each calendar year. Notwithstanding sections 290.61 and 297A.43, the commissioner of revenue may release information necessary to accomplish the*

*purpose of this subdivision.*

**Sec. 7. [148B.07] [REPORTING OBLIGATIONS.]**

**Subdivision 1. [PERMISSION TO REPORT.]** *A person who has knowledge of any conduct constituting grounds for discipline or adverse action relating to licensure or filing under this chapter may report the violation to the appropriate board.*

**Subd. 2. [INSTITUTIONS.]** *A state agency, political subdivision, agency of a local unit of government, private agency, hospital, clinic, prepaid medical plan, or other health care institution or organization located in this state shall report to the appropriate board any action taken by the agency, institution, or organization or any of its administrators or medical or other committees to revoke, suspend, restrict, or condition a regulated individual's privilege to practice or treat patients or clients in the institution, or as part of the organization, any denial of privileges, or any other adverse action or disciplinary action for conduct that might constitute grounds for adverse action or disciplinary action by a board under this chapter. The institution or organization shall also report the resignation of any regulated individuals prior to the conclusion of any disciplinary or adverse action proceeding for conduct that might constitute grounds for disciplinary or adverse action under this chapter; or prior to the commencement of formal charges but after the individual had knowledge that formal charges were contemplated or in preparation.*

**Subd. 3. [PROFESSIONAL SOCIETIES.]** *A state or local professional society for regulated individuals shall report to the appropriate board any termination, revocation, or suspension of membership or any other disciplinary or adverse action taken against a regulated individual. If the society has received a complaint that might be grounds for discipline under this chapter against a member on which it has not taken any disciplinary or adverse action, the society shall report the complaint and the reason why it has not taken action on it or shall direct the complainant to the appropriate board.*

**Subd. 4. [REGULATED INDIVIDUALS AND LICENSED PROFESSIONALS.]** *A regulated individual or a licensed health professional shall report to the appropriate board personal knowledge of any conduct that the regulated individual or licensed health professional reasonably believes constitutes grounds for disciplinary or adverse action under this chapter by any regulated individual, including conduct indicating that the individual may be medically incompetent, or may be medically or physically unable to engage safely in the provision of services. If the information was obtained in the course of a client relationship, the client is another regulated individual, and the treating individual successfully counsels the other individual to limit or withdraw from practice to the extent required by the impairment, the board may deem this limitation of or withdrawal from practice to be sufficient disciplinary action.*

**Subd. 5. [INSURERS.]** *Four times each year as prescribed by a board, each insurer authorized to sell insurance described in section 60A.06, subdivision 1, clause (13), and providing professional liability insurance to regulated individuals, or the medical joint underwriting association under chapter 62F, shall submit to the appropriate board a report concerning the regulated individuals against whom malpractice settlements or awards have been made to the plaintiff. The report must contain at least the following information:*

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

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

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

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

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

(6) the name of the regulated individual against whom an award was made or with whom a settlement was made.

The insurance company shall, in addition to the above information, report to the board any information it possesses that tends to substantiate a charge that a regulated individual may have engaged in conduct violating this chapter.

**Subd. 6. [COURTS.]** The court administrator of district court or any other court of competent jurisdiction shall report to the board any judgment or other determination of the court that adjudges or includes a finding that a regulated individual is mentally ill, mentally incompetent, guilty of a felony, guilty of a violation of federal or state narcotics laws or controlled substances act, or guilty of an abuse or fraud under Medicare or Medicaid; or that appoints a guardian of the regulated individual pursuant to sections 525.54 to 525.61 or commits a regulated individual pursuant to chapter 253B or sections 526.09 to 526.11.

**Subd. 7. [SELF-REPORTING.]** A regulated individual shall report to the appropriate board any personal action that would require that a report be filed with the board by any person, health care facility, business, or organization pursuant to subdivisions 2 to 6.

**Subd. 8. [DEADLINES; FORMS.]** Reports required by subdivisions 2 to 7 must be submitted not later than 30 days after the occurrence of the reportable event or transaction. The boards may provide forms for the submission of reports required by this section, may require that reports be submitted on the forms provided, and may adopt rules necessary to assure prompt and accurate reporting.

**Subd. 9. [SUBPOENAS.]** The boards may issue subpoenas for the production of any reports required by subdivisions 2 to 7 or any related documents.

#### **Sec. 8. [148B.08] [IMMUNITY.]**

**Subdivision 1. [REPORTING.]** Any person, health care facility, business, or organization is immune from civil liability or criminal prosecution for submitting a report to a board under section 7 or for otherwise reporting to the board violations or alleged violations of this chapter. All the reports are confidential and absolutely privileged communications.

**Subd. 2. [INVESTIGATION.]** Members of the boards of social work, marriage and family therapy, and unlicensed mental health professionals, and persons employed by the office or engaged in the investigation of violations and in the preparation and management of charges of violations



*of this chapter on behalf of the office or boards, are immune from civil liability and criminal prosecution for any actions, transactions, or publications in the execution of, or relating to, their duties under this chapter.*

**Sec. 9. [148B.09] [PROFESSIONAL COOPERATION.]**

*A regulated individual who is the subject of an investigation by or on behalf of a board shall cooperate fully with the investigation. Cooperation includes responding fully and promptly to any question raised by or on behalf of the board relating to the subject of the investigation and providing copies of client records, as reasonably requested by the board, to assist the board in its investigation. The board shall pay for copies requested. If the board does not have a written consent from a client permitting access to the client's records, the regulated individual shall delete any data in the record that identifies the client before providing it to the board. The board shall maintain any records obtained pursuant to this section as investigative data pursuant to chapter 13.*

**Sec. 10. [148B.10] [DISCIPLINARY RECORD ON JUDICIAL REVIEW.]**

*Upon judicial review of any board disciplinary or adverse action taken under this chapter, the reviewing court shall seal the administrative record, except for the board's final decision, and shall not make the administrative record available to the public.*

**Sec. 11. [148B.11] [PROFESSIONAL ACCOUNTABILITY.]**

*Subdivision 1. [INVESTIGATION.] Each board shall maintain and keep current a file containing the reports and complaints filed against regulated individuals within the board's jurisdiction. Each complaint filed with a board pursuant to section 214.10, subdivision 1, must be investigated according to section 214.10, subdivision 2. If the files maintained by a board show that a malpractice settlement or award to the plaintiff has been made against a regulated individual as reported by insurers under section 7, the executive director of the board shall notify the board and the board may authorize a review of the provider's practice.*

*Subd. 2. [ATTORNEY GENERAL INVESTIGATES.] When a board initiates a review of a regulated individual's practice it shall notify the attorney general who shall investigate the matter in the same manner as provided in section 214.10. If an investigation is to be made, the attorney general shall notify the regulated individual, and, if the incident being investigated occurred there, the administrator and chief of staff at the health care facilities or clinics in which the professional serves, if applicable.*

*Subd. 3. [ACCESS TO RECORDS.] The board shall be allowed access to records of a client treated by the regulated individual under review if the client signs a written consent permitting access. If no consent form has been signed, the hospital, clinic, or regulated individual shall first delete data in the record that identifies the client before providing it to the board.*

**Sec. 12. [148B.12] [MALPRACTICE HISTORY.]**

*Subdivision 1. [SUBMISSION.] Regulated individuals who have previously practiced in another state shall submit with their filing or application the following information:*

*(1) number, date, and disposition of any malpractice settlement or award*

*made to the plaintiff or other claimant relating to the quality of services provided by the regulated individual; and*

*(2) number, date, and disposition of any civil litigations or arbitrations relating to the quality of services provided by the regulated individual in which the party complaining against the individual prevailed or otherwise received a favorable decision or order.*

*Subd. 2. [BOARD ACTION.] The board shall give due consideration to the information submitted under this section. A regulated individual who willfully submits incorrect information is subject to disciplinary action under this chapter.*

**Sec. 13. [148B.13] [PUBLICATION OF DISCIPLINARY ACTIONS.]**

*At least annually, each board shall publish and release to the public a description of all disciplinary measures or adverse actions taken by the board. The publication must include, for each disciplinary measure or adverse action taken, the name and business address of the regulated individual, the nature of the misconduct, and the measure or action taken by the board.*

**Sec. 14. [148B.14] [EVIDENCE OF PAST SEXUAL CONDUCT.]**

*In a proceeding for the suspension or revocation of the right to practice or other disciplinary or adverse action involving sexual contact with a client or former client, the board or administrative law judge shall not consider evidence of the client's previous sexual conduct nor shall any reference to this conduct be made during the proceedings or in the findings, except by motion of the complainant, unless the evidence would be admissible under the applicable provisions of section 609.347, subdivision 3.*

**Sec. 15. [148B.15] [DISPUTE RESOLUTION.]**

*Subdivision 1. [ARBITRATION.] Each board shall encourage regulated individuals to submit all fee disputes to binding arbitration.*

*Subd. 2. [MEDIATION.] Each board shall encourage regulated individuals to submit all disputes that are not related to violations of a code of professional conduct to voluntary mediation.*

**Sec. 16. [148B.16] [CONTESTED CASES.]**

*Chapters 14 and 214 apply to any disciplinary proceeding or adverse action relating to filing taken under this chapter.*

**Sec. 17. [148B.17] [FEES.]**

*Each board shall by rule establish fees, including late fees, for licenses or filings and renewals so that the total fees collected by the board will as closely as possible equal anticipated expenditures during the fiscal biennium, as provided in section 16A.128, plus the prorated costs of the office of social work and mental health boards. Fees must be credited to the special revenue fund.*

*Sec. 18. Minnesota Statutes 1986, section 144.335, subdivision 1, is amended to read:*

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

*(a) "Patient" means a natural person who has received health care serv-*

ices from a provider for treatment of a medical, psychiatric or mental condition, or a person the patient designates in writing as a representative. Except for minors who have received health care services pursuant to sections 144.341 to 144.347, in the case of a minor, "patient" includes a parent or guardian, or a person acting as a parent or guardian in the absence of a parent or guardian.

(b) "Provider" means (1) any person who furnishes health care services and is licensed to furnish the services pursuant to chapters 147, 148, *148B*, 150A, 151, or 153; and (2) a health care facility licensed pursuant to this chapter or chapter 144A.

Sec. 19. Minnesota Statutes 1986, section 148A.01, subdivision 5, is amended to read:

Subd. 5. [PSYCHOTHERAPIST.] "Psychotherapist" means a physician, psychologist, nurse, chemical dependency counselor, social worker, member of the clergy, *marriage and family therapist, mental health service provider*, or other person, whether or not licensed by the state, who performs or purports to perform psychotherapy.

Sec. 20. Minnesota Statutes 1986, section 214.01, subdivision 2, is amended to read:

Subd. 2. "Health-related licensing board" means the board of examiners of nursing home administrators established pursuant to section 144A.19, the board of medical examiners created pursuant to section 147.01, the board of nursing created pursuant to section 148.181, the board of chiropractic examiners established pursuant to section 148.02, the board of optometry established pursuant to section 148.52, the board of psychology established pursuant to section 148.90, *the social work licensing board pursuant to article 2, section 2, the board of marriage and family therapy pursuant to article 3, section 2, the board of mental health service providers established pursuant to article 4, section 2*, the board of dentistry established pursuant to section 150A.02, the board of pharmacy established pursuant to section 151.02, the board of podiatry established pursuant to section 153.02, and the board of veterinary medicine, established pursuant to section 156.01.

Sec. 21. Minnesota Statutes 1986, section 214.04, subdivision 3, is amended to read:

Subd. 3. The executive secretary of each health-related and non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive secretaries and other employees of the following boards shall be hired by the board, and the executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) dentistry;
- (2) medical examiners;
- (3) nursing;
- (4) pharmacy;
- (5) accountancy;

- (6) architecture, engineering, land surveying and landscape architecture;
- (7) barber examiners;
- (8) cosmetology;
- (9) electricity;
- (10) teaching; and
- (11) peace officer standards and training;
- (12) social work;
- (13) marriage and family therapy;
- (14) unlicensed mental health service providers; and
- (15) office of social work and mental health boards.

The board of medical examiners shall set the salary of its executive director, which may not exceed 95 percent of the top of the salary range set for the commissioner of health in section 15A.081, subdivision 1. At least 30 days before the board of medical examiners adopts a salary increase for its executive director, the board shall submit the proposed salary increase to the legislative commission on employee relations for its review.

The executive secretaries serving the remaining boards shall be hired by those boards, and shall be in the unclassified civil service except for part-time executive secretaries, who are not required to be in the unclassified service. Boards not requiring a full-time executive secretary may employ such services on a part-time basis. To the extent practicable the sharing of part-time executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive secretaries of the boards and employees of the attorney general, shall be classified civil service employees of the department servicing the board. To the extent practicable the commissioner shall insure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

Sec. 22. Minnesota Statutes 1986, section 609.341, subdivision 17, is amended to read:

Subd. 17. "Psychotherapist" means a physician, psychologist, nurse, chemical dependency counselor, social worker, clergy, *marriage and family therapist, mental health service provider*, or other person, whether or not licensed by the state, who performs or purports to perform psychotherapy.

#### Sec. 23. [EMERGENCY RULES.]

*The office or boards may adopt emergency rules under sections 14.29 to 14.385 to carry out the provisions of this chapter. Notwithstanding contrary provisions of chapter 14, the authority to use sections 14.29 to 14.385 expires on December 31, 1988.*

## ARTICLE 2

### BOARD OF SOCIAL WORK

#### Section 1. [148B.18] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 to 11, the following terms have the meanings given them.*

**Subd. 2. [ACCREDITED PROGRAM OF SOCIAL WORK.]** "Accredited program of social work" means a school of social work or other educational program that has been accredited by the council on social work education.

**Subd. 3. [BOARD.]** "Board" means the social work licensing board created in section 2.

**Subd. 4. [COUNTY AGENCY SOCIAL WORKER.]** "County agency social worker" means an individual who is employed by a county social service agency in Minnesota in social work practice or clinical social work.

**Subd. 5. [STATE AGENCY SOCIAL WORKER.]** "State agency social worker" means an individual who is employed by a state social service agency in Minnesota in social work practice or clinical social work.

**Subd. 6. [PUBLIC AGENCY SOCIAL WORKER.]** "Public agency social worker" means an individual who is employed by the federal government or the state of Minnesota or any of its political subdivisions in social work practice or clinical social work.

**Subd. 7. [PRIVATE AGENCY SOCIAL WORKER.]** "Private agency social worker" means an individual who is employed by an entity not listed in subdivision 6 in the practice of social work or clinical social work.

**Subd. 8. [PRIVATE PRACTICE.]** "Private practice" means social work practice conducted by an individual who is either self-employed, or a member of a partnership or of a group practice, rather than being employed by an agency, clinic, or other similar entity.

**Subd. 9. [PSYCHOTHERAPY.]** "Psychotherapy" means treatment of a person or persons who have cognitive, emotional, behavioral, or social dysfunctions through psychological or interpersonal methods. The treatment is a planned and structured program, conducted by a qualified mental health professional and based on information from a differential diagnostic examination, and is directed toward the accomplishment of goals provided in a plan of care. Social workers qualified to practice psychotherapy are licensed independent clinical social workers; or licensed graduate or licensed independent social workers who have training required by section 4, subdivision 6, and practice under the supervision of a qualified mental health professional.

**Subd. 10. [QUALIFIED MENTAL HEALTH PROFESSIONAL.]** "Qualified mental health professional" means a psychiatrist, board-certified or eligible for board certification, and licensed under chapter 147; a psychologist licensed under sections 148.88 to 148.98; an independent clinical social worker who has the qualifications in section 4, subdivision 6; or a psychiatric registered nurse with a master's degree from an accredited school of nursing, licensed under section 148.211, with at least two years of postmaster's supervised experience in direct clinical practice.

**Subd. 11. [SOCIAL WORK PRACTICE.]** "Social work practice" includes the application of psychosocial theory and methods in the prevention, treatment, or resolution of social and/or psychological dysfunction caused by environmental stress, interpersonal or intrapersonal conflict, physical or mental disorders, or a combination of these causes, with particular attention to the person-in-situation configuration.

Social work practice also includes but is not limited to psychotherapy, which is restricted to social workers qualified to practice psychotherapy

as defined in subdivision 9. For the following four categories of licensure, social work practice also includes the following action:

(a) Licensed social workers evaluate and assess difficulties in psychosocial functioning, develop a treatment plan to alleviate those difficulties, and either carry it out themselves or refer clients to other qualified resources for assistance. Treatment interventions commonly include but are not limited to psychosocial evaluation; counseling of individuals, families, and groups; advocacy; referral to community resources; and facilitation of organizational change to meet social needs.

(b) Licensed graduate social workers and licensed independent social workers evaluate and treat more complex problems in psychosocial functioning. Treatment interventions include but are not limited to psychosocial evaluation; counseling of individuals, families, and groups; referral to community resources; advocacy; facilitation of organizational change to meet social needs; and psychotherapy when conducted under supervision as defined in subdivision 12.

(c) Licensed independent clinical social workers provide professional services for the diagnosis, treatment, and prevention of mental and emotional disorders in individuals, families, and groups, with the goal of restoring, maintaining, and enhancing social functioning. Treatment interventions include, but are not limited to, those listed for licensed graduate and licensed independent social workers plus individual, marital, and group psychotherapy without supervision. Independent clinical social work practice may be conducted by independent clinical social workers in private independent practice or in the employ of a public or private agency or corporation or other legal entity.

Social work practice is not medical care nor any other type of remedial care that may be reimbursed under medical assistance, chapter 256B, except to the extent such care is reimbursed under section 256B.02, subdivision 8, clause (5), or as provided under Minnesota Rules, parts 9500.1070, 9500.1020, or their successor parts.

Subd. 12. [SUPERVISION.] "Supervision" means the direction of social work practice in face-to-face sessions. Further standards for supervision shall be determined by the social work licensing board. Supervision shall be provided:

(1) by a social worker licensed at least at the level of the worker being supervised and qualified under section 4 to practice without supervision; or

(2) when the social work licensing board determines that supervision by a social worker as required in clause (1) is unobtainable, and in other situations considered appropriate by the board of social work examiners, by another qualified professional.

## Sec. 2. [148B.19] [SOCIAL WORK LICENSING BOARD.]

Subdivision 1. [CREATION.] The social work licensing board is created. The board consists of ten members appointed by the governor. The members are:

(1) six social workers licensed under sections 1 to 11;

(2) three public members as defined in section 214.02; and

(3) one school social worker licensed by the board of teaching.

**Subd. 2. [QUALIFICATIONS OF BOARD MEMBERS.]** *The six social worker members of the board shall be as follows: two licensed independent clinical social workers, two licensed independent social workers, and two licensed social workers.*

*Social worker members shall represent the following employment settings:*

- (1) two members shall be public agency social workers;*
- (2) two members shall be private agency social workers;*
- (3) one member shall be engaged in private practice;*
- (4) one member shall be an educator engaged in regular teaching duties at an accredited program of social work; and*
- (5) in addition, at least two members shall be persons of color and at least four members shall reside outside of the seven-county metropolitan area.*

**Subd. 3. [MEMBERS OF FIRST BOARD APPOINTED.]** *Members of the first board appointed according to subdivision 1, clause (1), and subdivision 2, clauses (1) to (5), need not be licensed, but must meet all qualifications, other than payment of fees, to be eligible for licensure under sections 1 to 11.*

**Subd. 4. [OFFICERS AND EXECUTIVE SECRETARY.]** *The board shall annually elect from its membership a chair, vice-chair, and secretary-treasurer, and shall adopt rules to govern its proceedings. The board shall appoint and employ an executive secretary who is not a member of the board.*

**Subd. 5. [TERMS AND SALARIES.]** *Chapter 214 applies to the social work licensing board unless superseded by sections 1 to 11.*

**Sec. 3. [148B.20] [DUTIES OF THE BOARD.]**

**Subdivision 1. [GENERAL.]** *The social work licensing board shall:*

*(a) Adopt and enforce rules for licensure of social workers and for regulation of their professional conduct. The rules must be designed to protect the public.*

*(b) Adopt rules establishing standards and methods of determining whether applicants and licensees are qualified under sections 4 to 6. The rules must make provision for examinations and must establish standards for professional conduct, including adoption of a code of professional ethics and requirements for continuing education.*

*(c) Hold examinations at least twice a year to assess applicants' knowledge and skills. The examinations may be written or oral and may be administered by the board or by a body designated by the board. Examinations must test the knowledge and skills of each of the four groups of social workers qualified under section 4 to practice social work. Examinations must minimize cultural bias and must be balanced in theory.*

*(d) Issue licenses to individuals qualified under sections 1 to 11.*

*(e) Issue copies of the rules for licensure to all applicants.*

*(f) Establish and implement procedures, including a standard disciplinary process, to ensure that individuals licensed as social workers will comply with the board's rules.*

(g) Establish, maintain, and publish annually a register of current licensees.

(h) Establish initial and renewal application and examination fees sufficient to cover operating expenses of the board and its agents.

(i) Educate the public about the existence and content of the rules for social work licensing to enable consumers to file complaints against licensees who may have violated the rules.

(j) Evaluate its rules in order to refine the standards for licensing social workers and to improve the methods used to enforce the board's standards.

**Subd. 2. [CONTINUING EDUCATION COMMITTEE.]** The board shall appoint a continuing education committee that shall advise the board on the administration of continuing education requirements in sections 1 to 11. The committee chair shall be appointed by the board and shall be a member of the board. Four additional committee members shall be appointed by the board and need not be board members. The committee members and chair shall consist of licensed social workers, licensed independent social workers, and licensed independent clinical social workers as defined in section 4, subdivision 6, and shall include:

(1) a social worker engaged in regular teaching duties at an accredited program of social work;

(2) a public agency social worker;

(3) a private agency social worker;

(4) a social worker engaged in private practice;

(5) a public member as defined in section 214.02; and

(6) in addition, at least one member shall be a person of color and at least one member shall reside outside of the seven-county metropolitan area.

#### **Sec. 4. [148B.21] [REQUIREMENTS FOR LICENSURE.]**

**Subdivision 1. [CATEGORIES OF LICENSEES.]** The board shall issue licenses for the following four groups of individuals qualified under sections 4 to 6 to practice social work:

(1) social workers;

(2) graduate social workers;

(3) independent social workers; and

(4) independent clinical social workers.

**Subd. 2. [FEE.]** Each applicant shall pay a nonrefundable fee set by the board. Fees paid to the board shall be deposited in the general fund.

**Subd. 3. [SOCIAL WORKER.]** To be licensed as a social worker, an applicant must provide evidence satisfactory to the board that the applicant:

(1) has received a baccalaureate degree from an accredited program of social work;

(2) has passed the examination provided for in section 3, subdivision 1;

(3) will engage in social work practice only under supervision as defined in section 1, subdivision 12, for at least two years in full-time employment



or 4,000 hours; and

(4) will conduct all professional activities as a social worker in accordance with standards for professional conduct established by the rules of the board.

*Subd. 4. [GRADUATE SOCIAL WORKER.] To be licensed as a graduate social worker, an applicant must provide evidence satisfactory to the board that the applicant:*

*(1) has received a master's degree from an accredited program of social work or doctoral degree in social work;*

*(2) has passed the examination provided for in section 3, subdivision 1;*

*(3) will engage in social work practice only under supervision as defined in section 1, subdivision 12; and*

*(4) will conduct all professional activities as a graduate social worker in accordance with standards for professional conduct established by the rules of the board.*

*Subd. 5. [INDEPENDENT SOCIAL WORKER.] To be licensed as an independent social worker, an applicant must provide evidence satisfactory to the board that the applicant:*

*(1) has received a master's degree from an accredited program of social work or doctoral degree in social work;*

*(2) has passed the examination provided for in section 3, subdivision 1;*

*(3) has practiced social work for at least two years in full-time employment or 4,000 hours under supervision as defined in section 1, subdivision 12, after receiving the master's or doctoral degree in social work; and*

*(4) will conduct all professional activities as an independent social worker in accordance with standards for professional conduct established by the rules of the board.*

*Subd. 6. [INDEPENDENT CLINICAL SOCIAL WORKER.] To be licensed as an independent clinical social worker, an applicant must provide evidence satisfactory to the board that the applicant:*

*(1) has received a master's degree from an accredited program of social work, or doctoral degree in social work, that included an advanced concentration of clinically oriented course work as defined by the board and a supervised clinical field placement at the graduate level, or postmaster's clinical training that is found by the board to be equivalent to that course work and field placement;*

*(2) has practiced clinical social work for at least two years in full-time employment or 4,000 hours under supervision as defined in section 1, subdivision 12, after receiving the master's or doctoral degree in social work;*

*(3) has passed the examination provided for in section 3, subdivision 1; and*

*(4) will conduct all professional activities as an independent clinical social worker in accordance with standards for professional conduct es-*

established by the rules of the board.

Sec. 5. [148B.22] [LICENSE RENEWAL REQUIREMENTS.]

*Subdivision 1. [RENEWAL.] Licensees shall renew licenses at the time and in the manner established by the rules of the board.*

*Subd. 2. [CONTINUING EDUCATION.] At the time of renewal, each licensee shall provide evidence satisfactory to the board that the licensee has completed during each three-year period at least the equivalent of 45 clock hours of continuing professional post-degree education in programs approved by the board and continues to be qualified to practice under sections 1 to 11.*

Sec. 6. [148B.23] [LICENSES; TRANSITION PERIOD.]

*Subdivision 1. [EXEMPTION FROM EXAMINATION.] For two years from the effective date of sections 1 to 11, the board shall issue a license without examination to an applicant:*

*(1) for a licensed social worker, if the board determines that the applicant has received a baccalaureate degree from an accredited program of social work, or that the applicant has at least a baccalaureate degree from an accredited college or university and two years in full-time employment or 4,000 hours of experience in the supervised practice of social work within the five years before the effective date of sections 1 to 11;*

*(2) for a licensed graduate social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline, as approved by the board;*

*(3) for a licensed independent social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline, as approved by the board; and, after receiving the degree, has practiced social work for at least two years in full-time employment or 4,000 hours under the supervision of a social worker meeting these requirements, or of another qualified professional; and*

*(4) for a licensed independent clinical social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline as approved by the board; and, after receiving the degree, has practiced clinical social work for at least two years in full-time employment or 4,000 hours under the supervision of a clinical social worker meeting these requirements, or of another qualified mental health professional.*

*Subd. 2. [OTHER REQUIREMENTS.] An applicant licensed under this section must also agree to:*

*(1) engage in social work practice only under the applicable supervision requirements provided in section 4 for each category of licensees; and*

*(2) to conduct all professional activities as a social worker in accordance with standards for professional conduct established by the board by rule.*

*Subd. 3. [TEMPORARY RULEMAKING AUTHORITY.] The board is*

authorized to adopt emergency and permanent rules to implement this section.

Sec. 7. [148B.24] [RECIPROCITY.]

*The board shall issue an appropriate license to an individual who holds a current license or other credential from another jurisdiction if the board finds that the requirements for that credential are substantially similar to the requirements in sections 4 to 6.*

Sec. 8. [148B.25] [NONTRANSFERABILITY OF LICENSES.]

*A social work license is not transferable.*

Sec. 9. [148B.26] [DENIAL, SUSPENSION, OR REVOCATION OF LICENSE.]

*Subdivision 1. [GROUNDS.] The board may refuse to renew or to grant a license to, or may suspend, revoke, or restrict the license of an individual whom the board, after a hearing under the contested case provisions of chapter 14, determines:*

*(1) is incompetent to engage in social work practice, or is found to be engaged in social work practice in a manner harmful or dangerous to a client or to the public;*

*(2) has violated the rules of the board or the statutes the board is empowered to enforce;*

*(3) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation; or*

*(4) has knowingly made a false statement on a form required by the board for licensing or license renewal.*

*Subd. 2. [RESTORING A LICENSE.] For reasons it finds sufficient, the board may grant a license previously refused, restore a license that has been revoked, or reduce a period of suspension or restriction of a license.*

*Subd. 3. [REVIEW.] Suspension, revocation, or restriction of a license shall be reviewed by the board at the request of the licensee against whom the disciplinary action was taken.*

Sec. 10. [148B.27] [PROHIBITION AGAINST UNLICENSED PRACTICE OR USE OF TITLES; PENALTY.]

*Subdivision 1. [PRACTICE.] After the board adopts rules, no individual shall engage in social work practice unless that individual holds a valid license as a licensed social worker, licensed graduate social worker, licensed independent social worker, or licensed independent clinical social worker.*

*Subd. 2. [USE OF TITLES.] After the board adopts rules, no individual shall be presented to the public by any title incorporating the words "social work" or "social worker" unless that individual holds a valid license issued under sections 1 to 11. City, county, and state agency social workers who are not licensed under sections 1 to 11 may use the title city agency social worker or county agency social worker or state agency social worker.*

*Subd. 3. [PENALTY.] A person who violates sections 4 to 11 is guilty of a misdemeanor.*

Sec. 11. [148B.28] [EXCEPTIONS TO LICENSE REQUIREMENT.]

*Subdivision 1. [OTHER PROFESSIONALS.] Nothing in sections 1 to 11 shall be construed to prevent members of other professions or occupations from performing functions for which they are qualified or licensed. This exception includes but is not limited to licensed physicians; registered nurses; licensed practical nurses; licensed psychologists; probation officers; members of the clergy; attorneys; marriage and family therapists; chemical dependency counselors; professional counselors; school counselors; and registered occupational therapists or certified occupational therapist assistants. These persons must not, however, hold themselves out to the public by any title or description stating or implying that they are engaged in the practice of social work, or that they are licensed to engage in the practice of social work.*

*Subd. 2. [STUDENTS.] Nothing in sections 1 to 11 shall be construed to prevent students enrolled in an accredited program of social work to engage in the practice of social work, or to prevent social work practice by individuals preparing for licensed independent clinical social work practice under qualified supervision in a social work setting.*

*Subd. 3. [GEOGRAPHIC WAIVER.] A geographic waiver may be granted by the board on a case-by-case basis to agencies with special regional hiring problems. The waiver will permit agencies to hire individuals, who do not meet the qualifications of section 4, to practice social work.*

*Subd. 4. [CITY, COUNTY, AND STATE AGENCY SOCIAL WORKERS.] The licensing of city, county, and state agency social workers shall be voluntary. City, county, and state agencies employing social workers shall not be required to employ licensed social workers, nor shall they require their social worker employees to be licensed.*

*Subd. 5. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NON-PROFIT AGENCIES WITH A MINORITY FOCUS.] The licensure of social workers who are employed by federally recognized tribes, or by private nonprofit agencies whose primary service focus addresses ethnic minority populations, and are themselves members of ethnic minority populations within said agencies, shall be voluntary.*

*Subd. 6. [HOSPITAL AND NURSING HOME SOCIAL WORKERS.] The licensure of social workers employed by hospitals and nursing homes licensed under chapters 144 and 144A shall be voluntary. Hospitals and nursing homes employing social workers shall not be required to employ licensed social workers, nor shall they require their social work employees to be licensed.*

## ARTICLE 3

### BOARD OF MARRIAGE AND FAMILY THERAPY

#### Section 1. [148B.29] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY] For the purposes of sections 1 to 11, the following terms have the meanings given.*

*Subd. 2. [BOARD.] "Board" means the board of marriage and family therapy created in section 2.*

*Subd. 3. [MARRIAGE AND FAMILY THERAPY.] "Marriage and family therapy" means the process of providing professional marriage and family psychotherapy to individuals, married couples, and family groups, either singly or in groups. The practice of marriage and family therapy*

*utilizes established principles that recognize the interrelated nature of the individual problems and dysfunctions in family members to assess, understand, and treat emotional and mental problems. Marriage and family therapy includes premarital, marital, divorce, and family therapy, and is a specialized mode of treatment for the purpose of resolving emotional problems and modifying intrapersonal and interpersonal dysfunction.*

**Sec. 2. [148B.30] [BOARD OF MARRIAGE AND FAMILY THERAPY EXAMINERS.]**

*Subdivision 1. [CREATION.] There is created a board of marriage and family therapy that consists of seven members appointed by the governor. Four members shall be licensed, practicing marriage and family therapists, each of whom shall for at least five years immediately preceding appointment, have been actively engaged as a marriage and family therapist, rendering professional services in marriage and family therapy. One member shall be engaged in the professional teaching and research of marriage and family therapy. Two members shall be representatives of the general public who have no direct affiliation with the practice of marriage and family therapy. All members shall have been a resident of the state two years preceding their appointment. Of the first board members appointed, three shall continue in office for two years, two members for three years, and two members, including the chair for terms of four years respectively. Their successors shall be appointed for terms of four years each, except that a person chosen to fill a vacancy shall be appointed only for the unexpired term of the board member whom the newly appointed member succeeds. Upon the expiration of a board member's term of office, the board member shall continue to serve until a successor is appointed and qualified.*

*Subd. 2. [TRANSITION PROVISION.] Notwithstanding subdivision 1, members of the first board appointed need not be licensed under sections 1 to 11, but shall meet all qualifications, other than payments of fees, so as to be eligible for licensure under sections 1 to 11.*

*Subd. 3. [OFFICERS; STAFF] The board shall annually elect from its membership a chair, a vice-chair, and secretary-treasurer, and shall adopt rules to govern its proceedings. The board shall appoint and employ an executive secretary who shall not be a member of the board.*

*Subd. 4. [MEMBERSHIP TERMS; COMPENSATION AND REMOVAL.] The membership terms, compensation, and removal of board members is governed by section 15.0575, unless superseded by this section.*

**Sec. 3. [148B.31] [DUTIES OF THE BOARD.]**

*The board shall:*

*(1) adopt and enforce rules for marriage and family therapy licensing, which shall be designed to protect the public;*

*(2) develop by rule appropriate techniques, including examinations and other methods, for determining whether applicants and licensees are qualified under sections 1 to 11;*

*(3) issue licenses to individuals who are qualified under sections 1 to 11;*

*(4) establish and implement procedures designed to assure that licensed marriage and family therapists will comply with the board's rules;*

(5) study and investigate the practice of marriage and family therapy within the state in order to improve the standards imposed for the licensing of marriage and family therapists and to improve the procedures and methods used for enforcement of the board's standards;

(6) formulate and implement a code of ethics for all licensed marriage and family therapists; and

(7) establish continuing education requirements for marriage and family therapists.

Sec. 4. [148B.32] [PROHIBITIONS AND PENALTY.]

*Subdivision 1. [UNLICENSED PRACTICE PROHIBITED.] After adoption of rules by the board implementing sections 1 to 11, no individual shall engage in marriage and family therapy practice unless that individual holds a valid license issued under sections 1 to 11.*

*Marriage and family therapy practice is not medical care nor any other type of remedial care that may be reimbursed under medical assistance, chapter 256B, except to the extent such care is reimbursed under section 256B.02, subdivision 8, clause (5).*

*Subd. 2. [APPEARANCE AS LICENSEE PROHIBITED.] After adoption of rules by the board implementing sections 1 to 11, no individual shall be held out to be a marriage and family therapist unless that individual holds a valid license issued under sections 1 to 11.*

*Subd. 3. [PENALTY.] A person who violates a provision of sections 1 to 11 is guilty of a gross misdemeanor.*

Sec. 5. [148B.33] [REQUIREMENTS FOR LICENSURE.]

*Subdivision 1. [DOCUMENTARY EVIDENCE OF QUALIFICATIONS.] An applicant for a license shall furnish evidence that the applicant:*

*(1) has attained the age of majority;*

*(2) is of good moral character;*

*(3) is a citizen of the United States, or is lawfully entitled to remain and work in the United States;*

*(4) has at least two years of supervised postgraduate experience in marriage and family counseling satisfactory to the board;*

*(5)(i) has completed a master's or doctoral degree in marriage and family therapy from a program in a regionally accredited educational institution or from a program accredited by the commissioner on accreditations for marriage and family therapy education of the American association for marriage and family therapists; or (ii) has completed a master's or doctoral degree from a regionally accredited educational institution in a related field for which the course work is considered by the board to be equivalent to that provided in clause (5)(i);*

*(6) will agree to conduct all professional activities as a licensed marriage and family counselor in accordance with a code of ethics for marriage and family therapists to be adopted by the board; and*

*(7) has passed an examination approved by the board by rule.*

*Subd. 2. [FEE.] Each applicant shall pay a nonrefundable application fee set by the board.*

**Sec. 6. [148B.34] [LICENSES; TRANSITION PERIOD.]**

*Notwithstanding section 5, clause (7), for two years from the effective date of sections 1 to 11, a license shall be issued to an applicant without examination if the board is satisfied that the applicant meets the requirements of section 5, subdivision 1, clauses (1) to (6).*

**Sec. 7. [148B.35] [RECIPROCITY WITH OTHER STATES.]**

*The board shall issue a marriage and family therapist's license to an individual who holds a current license as a marriage and family therapist from another jurisdiction if the board determines that the standards for licensure in the other jurisdiction are at least equivalent to or exceed the requirements of sections 1 to 11 and the rules of the board.*

**Sec. 8. [148B.36] [NONTRANSFERABILITY OF LICENSES.]**

*A marriage and family therapy license is not transferable.*

**Sec. 9. [148B.37] [REFUSAL TO GRANT LICENSE; SUSPENSION OR REVOCATION OF LICENSE.]**

*Subdivision 1. [GROUNDS FOR ACTION.] The board may refuse to grant a license to, or may suspend, revoke, condition, limit, qualify, or restrict the license of any individual who the board, after a hearing under the contested case provisions of chapter 14, determines:*

*(1) is incompetent to practice marriage and family therapy, or is found to engage in the practice of marriage and family therapy in a manner harmful or dangerous to a client or to the public;*

*(2) is convicted by a court of competent jurisdiction of a crime that the board determines is of a nature to render the convicted person unfit to practice marriage and family therapy. The board should compile, maintain, and publish a list of such crimes;*

*(3) has violated a provision of sections 1 to 11 or one or more of the rules of the board;*

*(4) has obtained or attempted to obtain a license or license renewal by bribery or fraudulent representation;*

*(5) has knowingly made a false statement on a form required by the board for licensing or license renewal; or*

*(6) has failed to obtain continuing education credits required by the board.*

*Subd. 2. [RESTORING A LICENSE.] For reasons it considers sufficient and upon a vote of five of its members, the board may restore a license that has been revoked, reduce a period of suspension, or withdraw a reprimand.*

**Sec. 10. [148B.38] [EXCEPTIONS FROM LICENSE REQUIREMENT.]**

*Subdivision 1. [OTHER PROFESSIONALS.] Nothing in sections 1 to 11 shall be construed to prevent qualified members of other licensed or certified professions or occupations, such as licensed physicians, registered nurses, licensed practical nurses, psychologists licensed by the board of psychology, social workers, probation officers, members of the clergy, attorneys, school counselors who are employed by an accredited educational institution while performing those duties for which they are employed, registered occupational therapists or certified occupational ther-*

apist assistants who are certified by the American Occupational Therapy Association, from doing work of a marriage and family therapy nature.

*Subd. 2. [STUDENTS.] Nothing in sections 1 to 11 shall be construed to prevent marriage and family therapy practice by students or interns or individuals preparing for marriage and family therapy to practice under qualified supervision of a licensed professional, recognized and approved by the board in a recognized educational institution or agency so long as they are designated by titles such as "student," "trainee," "intern," or other titles clearly indicating training status.*

*Subd. 3. [FEDERALLY RECOGNIZED TRIBES AND PRIVATE NON-PROFIT AGENCIES WITH A MINORITY FOCUS.] The licensure of marriage and family therapists who are employed by federally recognized tribes and private nonprofit agency marriage and family therapists, whose primary service focus addresses ethnic minority populations and who are themselves members of ethnic minority populations within said agencies, shall be voluntary for a period of five years at which time the legislature will review the need for mandatory licensure for all marriage and family therapists.*

**Sec. 11. [148B.39] [PRIVILEGED COMMUNICATIONS; EXCEPTIONS.]**

*A person licensed under sections 1 to 11 and employees and professional associates of the person cannot be required to disclose any information that the person, employee, or associate may have acquired in rendering marriage and family therapy services, unless:*

- (1) disclosure is required by other state laws;*
- (2) failure to disclose the information presents a clear and present danger to the health or safety of an individual;*
- (3) the person, employee, or associate is a party defendant to a civil, criminal, or disciplinary action arising from the therapy, in which case a waiver of the privilege accorded by this section is limited to that action;*
- (4) the patient is a defendant in a criminal proceeding and the use of the privilege would violate the defendant's right to a compulsory process or the right to present testimony and witnesses in that persons behalf; and*
- (5) a patient agrees to a waiver of the privilege accorded by this section, and in circumstances where more than one person in a family is receiving therapy, each such family member agrees to the waiver. Absent a waiver from each family member, a marital and family therapist cannot disclose information received by a family member.*

**ARTICLE 4**

**BOARD OF UNLICENSED MENTAL HEALTH SERVICE PROVIDERS**

**Section 1. [148B.40] [DEFINITIONS.]**

*Subdivision 1. [TERMS.] As used in sections 1 to 8, the following terms have the meanings given them in this section.*

*Subd 2. [BOARD.] "Board" means the board of mental health service providers established in section 2.*

*Subd. 3. [MENTAL HEALTH SERVICE PROVIDER.] "Mental health service provider" or "provider" means any person who provides, for a remuneration, mental health services as defined in subdivision 4. It does*



not include persons licensed by the board of medical examiners under chapter 147; the board of nursing under sections 148.171 to 148.285; or the board of psychology under sections 148.88 to 148.98; the board of social work under article 2, sections 1 to 13; the board of marriage and family therapy under article 3, sections 1 to 11; or another licensing board if the person is practicing within the scope of the license.

**Subd. 4. [MENTAL HEALTH SERVICES.]** "Mental health services" means the professional treatment, assessment, or counseling of another person for a cognitive, behavioral, emotional, mental, or social dysfunction, including intrapersonal or interpersonal dysfunctions.

**Subd. 5. [MENTAL HEALTH CLIENT.]** "Mental health client" or "client" means a person who receives the services of a mental health service provider.

**Sec. 2. [148B.41] [BOARD OF UNLICENSED MENTAL HEALTH SERVICE PROVIDERS.]**

**Subdivision 1. [COMPOSITION.]** The board of unlicensed mental health service providers consists of 17 members, including two chemical dependency counselors, two professional counselors, two pastoral counselors, five members representing other identifiable specialties and subgroups of providers subject to filing requirements, and six public members as defined in section 214.02. Within 90 days after the effective date of rules adopted by the board to implement sections 1 to 8, members of the board specified must be mental health service providers who have filed with the board pursuant to section 3.

**Subd. 2. [APPOINTMENT.]** Members of the board are appointed by the governor and serve under section 214.09.

**Subd. 3. [BOARD ADMINISTRATION.]** The board shall elect from among its members a chair and a vice-chair to serve for one year or until a successor is elected and qualifies. The members of the board have authority to administer oaths and the board, in session, to take testimony as to matters pertaining to the duties of the board. Six members of the board constitute a quorum for the transaction of business.

**Subd. 4. [RULEMAKING.]** The board shall adopt rules necessary to implement, administer, or enforce sections 1 to 8 under chapter 14 and section 214.001, subdivisions 2 and 3. The board shall consult with the commissioner of health, the commissioner of human services, and the commissioner of employee relations in the development of rules. The board may not adopt rules that restrict or prohibit persons from providing mental health services on the basis of education, training, experience, or supervision; or that restrict the use of any title.

**Sec. 3. [148B.42] [FILING REQUIRED.]**

**Subdivision 1. [FILING.]** All mental health service providers shall file with the state, on a form provided by the board, their name; home and business address; telephone number; degrees held, if any, major field, and whether the degrees are from an accredited institution and how the institution is accredited; and any other relevant experience. An applicant for filing who has practiced in another state shall authorize, in writing, the licensing or regulatory entity in the other state or states to release to the board any information on complaints or disciplinary actions pending against that individual, as well as any final disciplinary actions taken against that individual. The board shall provide a form for this purpose. The board

may reject a filing if there is evidence of a violation of or failure to comply with this chapter.

**Subd. 2. [ACKNOWLEDGMENT OF FILING.]** *The board shall issue an acknowledgment of filing to each mental health service provider who files under subdivision 1 and relevant rules of the board, and who is determined by the board to be in compliance with this chapter. The acknowledgment of filing must not be displayed in any manner nor shall it be shown to mental health clients. The acknowledgment of filing shall contain, in bold print, the phrase: "This acknowledgment of filing does not imply or certify in any way that this mental health professional has met any standards or criteria of education or training."*

**Subd. 3. [NONTRANSFERABILITY.]** *Acknowledgments of filing are nontransferable.*

**Subd. 4. [PENALTIES.]** *Failure to file with the board, or supplying false or misleading information on the filing form, application for registration, or any accompanying statements shall constitute grounds for adverse action.*

**Subd. 5. [PROVISION OF MENTAL HEALTH SERVICES WITHOUT FILING.]** *Except as otherwise provided in this chapter, it is unlawful for any person not filing with the board to provide mental health services in this state as defined in section 1, subdivision 4. Any person violating subdivision 1 is guilty of a gross misdemeanor.*

**Sec. 4. [148B.43] [PROHIBITED USE OF ACKNOWLEDGMENT.]**

*No mental health service provider may display the acknowledgment received under section 3, subdivision 2, or refer to it in any advertising, on stationary, or in any communication to a client or the public, or otherwise use the fact that the provider has filed with the state as an indication of state approval or endorsement or satisfaction of standards of conduct, training, or skill.*

**Sec. 5. [148B.44] [PROHIBITED CONDUCT.]**

**Subdivision 1. [PROHIBITED CONDUCT.]** *Notwithstanding any law to the contrary, the board may reject a filing or application, or may impose adverse action as described in section 6 against any mental health service provider for failure to comply with the provisions of this chapter. The following conduct is prohibited and is grounds for adverse action:*

(a) *Conviction of a crime reasonably related to the provision of mental health services. Conviction, as used in this subdivision, includes a conviction of an offense which, if committed in this state, would be deemed a felony without regard to its designation elsewhere, or a criminal proceeding where a finding or verdict of guilty is made or returned but the adjudication of guilt is either withheld or not entered.*

(b) *Conviction of crimes against persons. For the purposes of this chapter, a crime against a person means violations of the following sections: sections 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.215; 609.221; 609.222; 609.223; 609.224; 609.23; 609.231; 609.235; 609.24; 609.245; 609.25; 609.255; 609.265; 609.26, subdivision 1, clause (1) or (2); 609.342; 609.343; 609.344; 609.345; 609.365; 609.498, subdivision 1; 609.50, clause (1); 609.561; 609.562; and 609.595.*

(c) *Revocation, suspension, restriction, limitation, or other disciplinary action against the mental health professional's license, certificate, regis-*

tration, or right of practice in another state or jurisdiction, for offenses that would be subject to disciplinary action in this state, or failure to report to the board that charges regarding the person's license, certificate, registration, or right of practice have been brought in another state or jurisdiction.

(d) Advertising that is false or misleading.

(e) Filing with the board false or misleading statements of credentials, training, or experience.

(f) Conduct likely to deceive, defraud, or harm the public; or demonstrating a willful or careless disregard for the health, welfare, or safety of a client; or any other practice that may create unnecessary danger to any client's life, health, or safety, in any of which cases, proof of actual injury need not be established.

(g) Adjudication as mentally incompetent, or as a person who has a psychopathic personality as defined in section 526.09, or who is dangerous to himself or herself, or adjudication pursuant to chapter 253B, as chemically dependent, mentally ill, mentally retarded, or mentally ill and dangerous to the public.

(h) Inability to provide mental health services with reasonable safety to clients by reason of physical, mental, or emotional illness; drunkenness; or use of legend drugs, chemicals, controlled substances, or any other similar materials or mood-altering substances.

(i) Revealing a communication from, or relating to, a client except when otherwise required or permitted by law.

(j) Failure to comply with a client's request made under section 144.335, or to furnish a client record or report required by law.

(k) Splitting fees or promising to pay a portion of a fee to any other professional other than for services rendered by the other professional to the client.

(l) Engaging in abusive or fraudulent billing practices, including violations of the federal Medicare and Medicaid laws or state medical assistance laws.

(m) Engaging in sexual contact with a client or former client as defined in section 148A.01.

(n) Failure to make reports as required by section 5, or cooperate with an investigation of the board as required by section 7.

(o) Obtaining money, property, or services from a client, other than reasonable fees for services provided to the client, through the use of undue influence, harassment, duress, deception, or fraud.

(p) Undertaking or continuing a professional relationship with a client in which the objectivity of the professional would be impaired.

(q) Failure to provide the client with a copy of the client bill of rights, or violation of any provision of the client bill of rights.

Subd. 2. [EVIDENCE.] In adverse actions alleging a violation of subdivision 1, paragraph (a), (b), or (c), a copy of the judgment or proceeding under the seal of the court administrator or of the administrative agency that entered the same shall be admissible into evidence without further

authentication and shall constitute *prima facie* evidence of its contents.

**Subd. 3. [MENTAL EXAMINATION; ACCESS TO MEDICAL DATA.]**

(a) If the board has probable cause to believe that a mental health service provider comes under subdivision 1, paragraph (g) or (h), it may direct the provider to submit to a mental or physical examination or chemical dependency evaluation. For the purpose of this subdivision every mental health service provider is deemed to have consented to submit to a mental or physical examination or chemical dependency evaluation when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians', psychologists', or mental health professional's testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a mental health service provider to submit to an examination when directed constitutes an admission of the allegations against the provider, unless the failure was due to circumstance beyond the provider's control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A mental health service provider affected under this paragraph shall at reasonable intervals be given an opportunity to demonstrate that the provider can resume the provision of mental health services with reasonable safety to clients. In any proceeding under this paragraph, neither the record of proceedings nor the orders entered by the board shall be used against a mental health service provider in any other proceeding.

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

**Sec. 6. [148B.45] [ADVERSE ACTIONS.]**

**Subdivision 1. [FORMS OF ADVERSE ACTION.]** When the board finds that a mental health service provider has violated a provision or provisions of this chapter, it may do one or more of the following:

- (1) deny or reject the filing;
- (2) revoke the right to practice;
- (3) suspend the right to practice;

(4) impose limitations or conditions on the provider's provision of mental health services, the imposition of rehabilitation requirements, or the requirement of practice under supervision;

(5) impose a civil penalty not exceeding \$10,000 for each separate violation, the amount of the civil penalty to be fixed so as to deprive the provider of any economic advantage gained by reason of the violation charged or to reimburse the board for all costs of the investigation and proceeding;

(6) order the provider to provide unremunerated professional service under supervision at a designated public hospital, clinic, or other health care institution; or

(7) censure or reprimand the provider.

*Subd. 2. [PROCEDURES.] The board shall adopt a written statement of internal operating procedures for receiving and investigating complaints reviewing misconduct cases, and imposing adverse actions.*

*Subd. 3. [MANDATORY SUSPENSION OR REVOCATION OF RIGHT OF PRACTICE.] The board shall suspend or revoke the right of a provider to provide mental health services for violations of section 4, subdivision 1, paragraphs (a), (b), and (m).*

**Sec. 7. [148B.46] [MENTAL HEALTH CLIENT BILL OF RIGHTS.]**

*Subdivision 1. [SCOPE.] All mental health service providers other than those providing services in a facility regulated under section 144.651 shall provide to each client prior to providing treatment a written copy of the mental health client bill of rights. A copy must also be posted in a prominent location in the office of the mental health service provider. Reasonable accommodations shall be made for those clients who cannot read or who have communication impairments and those who do not read or speak English. The mental health client bill of rights shall include the following:*

*(a) The name, title, business address, and telephone number of the provider.*

*(b) The degrees, training, experience, or other qualifications of the provider, followed by the following statement in bold print:*

**THE STATE OF MINNESOTA HAS NOT ADOPTED UNIFORM EDUCATIONAL AND TRAINING STANDARDS FOR MENTAL HEALTH SERVICE PROVIDERS. THIS STATEMENT OF CREDENTIALS IS FOR INFORMATIONAL PURPOSES ONLY.**

*(c) The name, business address, and telephone number of the provider's supervisor, if any.*

*(d) Notice that a client has the right to file a complaint with the provider's supervisor, if any, and the procedure for filing complaints.*

*(e) The name, address, and telephone number of the board and notice that a client may file complaints with the board.*

*(f) The provider's fees per unit of service, the provider's method of billing for such fees, the names of any insurance companies that have agreed to reimburse the provider, or health maintenance organizations with whom the provider contracts to provide service, whether the provider accepts Medicare, medical assistance, or general assistance medical care, and whether the provider is willing to accept partial payment, or to waive payment, and in what circumstances.*

*(g) A statement that the client has a right to reasonable notice of changes in services or charges.*

(h) A brief summary, in plain language, of the theoretical approach used by the provider in treating patients.

(i) Notice that the client has a right to complete and current information concerning the provider's assessment and recommended course of treatment, including the expected duration of treatment.

(j) A statement that clients may expect courteous treatment and to be free from verbal, physical, or sexual abuse by the provider.

(k) A statement that client records and transactions with the provider are confidential, unless release of these records is authorized in writing by the client, or otherwise provided by law.

(l) A statement of the client's right to be allowed access to records and written information from records in accordance with section 144.335.

(m) A statement that other services may be available in the community, including where information concerning services is available.

(n) A statement that the client has the right to choose freely among available providers, and to change providers after services have begun, within the limits of health insurance, medical assistance, or other health programs.

(o) A statement that the client has a right to coordinated transfer when there will be a change in the provider of services.

(p) A statement that the client may refuse services or treatment, unless otherwise provided by law.

(q) A statement that the client may assert the client's rights without retaliation.

**Subd. 2. [ACKNOWLEDGMENT BY CLIENT.]** Prior to the provision of any service, the client must sign a written statement attesting that the client has received the client bill of rights.

#### **Sec. 8. [148B.47] [RENEWALS.]**

Notwithstanding any other law, the board shall adopt rules providing for the renewal of filings. The rules shall specify the period of time for which a filing is valid, procedures and information required for the renewal, and renewal fees.

#### **Sec. 9. [REPORTS.]**

**Subdivision 1. [COMMISSIONER OF HEALTH.]** The commissioner of health shall review the report of the office under sections 214.001, 214.13, and 214.141. The commissioner shall make recommendations to the legislature by January 15, 1991, on the need for registration or licensure of unlicensed mental health service providers and the need to retain the board of unlicensed mental health service providers.

**Subd. 2. [BOARD OF UNLICENSED MENTAL HEALTH SERVICE PROVIDERS.]** The board of unlicensed mental health service providers must report on the board's findings and activities to the commissioner of health and the legislature by July 1, 1990. The board shall report to the legislature on or before January 15, 1991, with recommendations on whether providers who are not trained should be allowed to continue to practice.

**Subd. 3. [LEGISLATIVE INTENT.]** Nothing in this section is intended to require the commissioner of health to delay review of applications for

*credentialing pursuant to sections 214.13 and 214.141 pending the outcome of the reports required under this section.*

Sec. 10. [APPROPRIATION.]

*\$835,000 is appropriated from the special revenue fund to the office of social work and mental health boards.*

Sec. 11. [SUNSET.]

*Article 4, sections 1 to 8, are repealed effective July 1, 1991."*

Delete the title and insert:

"A bill for an act relating to occupations and professions; establishing an office of social work and mental health boards; establishing a board of social work; regulating and licensing social workers; establishing a board of marriage and family therapy; licensing and regulating marriage and family therapists; establishing a board of unlicensed mental health service providers; regulating unlicensed health service providers; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 144.335, subdivision 1; 148A.01, subdivision 5; 214.01, subdivision 2; 214.04, subdivision 3; and 609.341, subdivision 17; proposing coding for new law as Minnesota Statutes, chapter 148B."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 43 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Brandl	Freeman	Larson	Samuelson
Anderson	Brataas	Gustafson	Luther	Schmitz
Beckman	Cohen	Hughes	McQuaid	Solon
Belanger	Dahl	Johnson, D.E.	Morse	Spear
Benson	Davis	Jude	Novak	Taylor
Berg	Frank	Knaak	Peterson, D.C.	Vickerman
Berglin	Frederick	Knutson	Piper	Willett
Bernhagen	Frederickson, D.J.	Laidig	Ramstad	
Bertram	Frederickson, D.R.	Lantry	Renneke	

Messrs. Marty and Storm voted in the negative.

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass H.F. No. 290.

The roll was called, and there were yeas 30 and nays 22, as follows:

Those who voted in the affirmative were:

Beckman	Frank	Knaak	Pehler	Renneke
Berglin	Frederickson, D.J.	Knutson	Peterson, D.C.	Schmitz
Brandl	Frederickson, D.R.	Lantry	Peterson, R.W.	Spear
Cohen	Freeman	Luther	Piper	Storm
Dahl	Hughes	Marty	Ramstad	Vickerman
Davis	Jude	Novak	Reichgott	Willett

Those who voted in the negative were:

Adkins	Bernhagen	Gustafson	McQuaid	Solon
Anderson	Bertram	Johnson, D.E.	Mehrkens	Taylor
Belanger	Brataas	Laidig	Moe, D.M.	
Benson	Diessner	Larson	Morse	
Berg	Frederick	Lessard	Samuelson	

The motion prevailed. So H.F. No. 290 was recommended to pass.

H.F. No. 735, which the committee recommends to pass with the fol-

lowing amendments offered by Mr. Chmielewski:

Page 2, after line 27, 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 and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski then moved to amend H.F. No. 735 as follows:

Page 2, after line 27, insert:

"Sec. 2. [MOOSE LAKE FIRE PROTECTION DISTRICT.]

*Subdivision 1. [AGREEMENT.] The city of Moose Lake and one or more of the towns of Moose Lake, Silver, and Windemere may by action of their city council and town boards establish the Moose Lake fire protection district. The town of Silver may provide that only a described part of its territory be included within the district. The district shall provide fire protection services throughout its territory and may exercise all the powers of the city and towns that relate to fire protection anywhere within its territory. Any other contiguous town or home rule charter or statutory city may join the district with the agreement of the cities and towns that comprise the district at the time of its application to join. Action to join the district may be taken by the city council or town board of the city or town.*



*Subd. 2. [BOARD.] The district shall be governed by a board composed of one member appointed by the city council or town board of each city and town in the district. A district board member may but is not required to be a member of a city council or town board. Except as provided in this section, members shall serve two-year terms ending the first Monday in January and until their successors are appointed and qualified. Of the members first appointed, as far as possible, the terms of one-half shall expire on the first Monday in January in the first year following their appointment and one-half the first Monday in January in the second year. The terms of those initially appointed shall be determined by lot. If an additional member is added because an additional city or town joins the district, the member's term shall be fixed so that, as far as possible, the terms of one-half of all the members expire on the same date.*

*Subd. 3. [EXECUTIVE DIRECTOR.] The board may appoint an executive director. The executive director shall be selected upon the basis of the applicant's training, experience, and other qualifications and 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. The executive director may also be selected by the board to serve as either secretary or treasurer, or both, of the board. The executive director shall attend all meetings of the board, but shall not vote, and shall have the following powers and duties:*

*(1) ensure that all resolutions, rules, regulations, or orders of the board are enforced;*

*(2) 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;*

*(3) present to the board plans, studies, and other reports prepared for board purposes and recommend to the board adoption of measures the director deems necessary to enforce or carry out the powers and duties of the board or the efficient administration of the affairs of the board;*

*(4) keep the board fully advised as to its financial condition and 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;*

*(5) recommend to the board for adoption rules and regulations deemed necessary for the efficient operation of the district disposal system; and*

*(6) perform other duties as may be prescribed by the board.*

*Subd. 4. [TAX.] The district may impose a property tax on real property in the district in an amount sufficient to discharge its operating expenses and debt payable in each year. The tax shall be disregarded in the calculation of any levies or limits on levies provided by Minnesota Statutes, chapter 275, or other law. A city or town that joins the district may not incur expenses or debt for fire protection services for territory included in the district and may not impose taxes for that purpose. The town of Silver may impose a property tax on territory not included in the district to discharge costs or debt incurred to provide fire protection services to that territory.*

*Subd. 5. [PUBLIC INDEBTEDNESS.] The district may incur debt in the manner provided for a municipality by Minnesota Statutes, chapter*

475, when necessary to accomplish a duty charged to it.

*Subd. 6. [WITHDRAWAL.] Upon two years notice, a city or town may withdraw from the district. Its territory shall remain subject to taxation for debt incurred prior to its withdrawal pursuant to Minnesota Statutes, chapter 475."*

Page 2, line 29, after the period, insert "Pursuant to Minnesota Statutes, section 645.023, subdivision 1, clause (a), section 2 takes effect without local approval the day following final enactment."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to local government; removing a restriction on issuance of off-sale liquor licenses in Kanabec county; permitting the establishment of a fire protection district for the city of Moose Lake and surrounding territory; amending Minnesota Statutes 1986, section 340A.405, subdivision 2."

The motion prevailed. So the amendment was adopted.

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

#### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 184 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S.F. NO. 184

A bill for an act relating to utilities; trade practices; restricting use and connection of automatic dialing-announcing devices to telephone lines; proposing coding for new law in Minnesota Statutes, chapter 325E.

May 14, 1987

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S.F. No. 184, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 184 be further amended as follows:

Page 1, after line 19, insert:

*"Subd. 4. [COMMERCIAL TELEPHONE SOLICITATION.] "Commercial telephone solicitation" means any unsolicited call to a residential subscriber when the person initiating the call has not had a prior business or personal relationship with the subscriber, and when the purpose of the call is to solicit the purchase or the consideration of purchase of goods or services by the subscriber. Commercial telephone solicitation does not include calls initiated by organizations listed in section 290.21, subdivision 3, clauses (a) to (e)."*

Renumber the remaining subdivision

Page 2, line 6, delete "does" and insert "and section 5 do"

Page 2, line 7, delete everything after "(2)" and insert "messages to subscribers with whom the caller has a current business or personal relationship"

Page 2, delete line 8

Page 2, line 9, delete everything before the comma

Page 2, after line 28, insert:

"Sec. 5. [325E.30] [TIME OF DAY LIMIT.]

*A caller shall not use an automatic dialing-announcing device nor make any commercial telephone solicitation before 9:00 a.m. or after 9:00 p.m."*

Page 2, line 29, delete "5" and insert "6"

Page 2, line 30, delete "4" and insert "5"

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Allan H. Spear, Gregory L. Dahl, William V. Belanger, Jr.

House Conferees: (Signed) Joseph Quinn, John Sarna, Karen Clark

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on S.F. No. 184 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 184 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 35 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	McQuaid	Renneke
Beckman	Dahl	Jude	Moe, D.M.	Solon
Belanger	Davis	Knaak	Morse	Spear
Benson	Frank	Laidig	Novak	Storm
Berg	Freeman	Larson	Piper	Stumpf
Bertram	Gustafson	Luther	Pogemiller	Vickerman
Brandl	Hughes	Marty	Ramstad	Willet

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Order of Business of Messages From the House.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recom-

mendation and report of the Conference Committee on House File No. 230, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 230 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1987

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 230

A bill for an act relating to elections; authorizing combination of certain municipalities for election purposes; amending Minnesota Statutes 1986, sections 204B.14, subdivisions 2, 4, 5, and by adding a subdivision; 204B.21, subdivision 2; and 204B.22, subdivision 1.

May 13, 1987

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 230, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 230 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 204B.14, subdivision 2, is amended to read:

Subd. 2. [SEPARATE PRECINCTS; REQUIREMENTS.] The following shall constitute at least one election precinct:

(a) Each city ward; and

(b) Each town and each statutory city, unless a ~~town and statutory city~~ *municipalities* are combined for election purposes *under subdivision 8*. Notwithstanding any law to the contrary, each town and each statutory city located within the metropolitan area as defined in section 473.121, subdivision 2 shall constitute at least one election precinct.

Sec. 2. Minnesota Statutes 1986, section 204B.14, subdivision 4, is amended to read:

Subd. 4. [BOUNDARY CHANGE PROCEDURE.] Any change in the boundary of an election precinct shall be adopted at least 90 days before the date of the next election, and shall not take effect until notice of the change has been posted in the office of the municipal clerk or county auditor for at least 60 days. *Except in the case of the combination or separation of municipalities for election purposes under subdivision 8*, the municipal clerk or county auditor shall notify each affected registered voter of the change in election precinct boundaries at least 30 days prior to the first election held after the change takes effect.

Sec. 3. Minnesota Statutes 1986, section 204B.14, subdivision 5, is

amended to read:

Subd. 5. [PRECINCT BOUNDARIES; DESCRIPTION; MAPS.] Each municipal clerk shall prepare and file with the county auditor of each county in which the municipality is located, with the secretary of state and with the state planning director maps showing the correct boundaries of each election precinct in the municipality. At least 30 days before any change in an election precinct or in a corporate boundary becomes effective, the municipal clerk shall prepare maps showing the new boundaries of the precincts and shall forward copies of these maps to the secretary of state, the appropriate county auditors and the state planning director. The clerk shall retain copies of the precinct maps for public inspection. The county auditor shall prepare and file precinct boundary maps for precincts in unorganized territories, *and the municipal clerk designated in the combination agreement shall prepare and file precinct boundary maps in the case of municipalities combined for election purposes under subdivision 8, in the same manner as provided for precincts in municipalities.* For every election held in the municipality the election judges shall be furnished precinct maps as provided in section 201.061, subdivision 6.

Sec. 4. Minnesota Statutes 1986, section 204B.14, is amended by adding a subdivision to read:

Subd. 8. [COMBINED PRECINCT.] (a) *Up to four contiguous municipalities located entirely outside the metropolitan area as defined in section 473.121, subdivision 2, that are contained in the same legislative district, congressional district, and county commissioner district may enter into a combination agreement to form one precinct for state and county election purposes, upon the approval of the county auditor. The governing body of each municipality proposing to enter into a combination agreement must provide the inhabitants of the municipality with published and posted notice of the proposed agreement three weeks before the second Tuesday in March. A combination agreement must be approved by resolutions of all of the governing bodies of the combining municipalities on or before the second Tuesday in March of an election year. A copy of the combination agreement must be submitted to the county auditor for approval, on or before May 1 of an election year.*

(b) *One or more of the municipalities in the combined precinct may withdraw from the combination by a resolution of the governing body of the withdrawing municipality, passed on or before the second Tuesday in March of an election year. The withdrawing municipality shall file the resolution with the county auditor no later than May 1 of an election year. The decision of any one municipality to withdraw from the combination agreement automatically dissolves the combination unless all the remaining municipalities continue to meet all the requirements of this subdivision.*

(c) *The combination agreement must specify the designated polling place and the municipal election officials or governing bodies responsible for appointing election judges and the chair of the election board, posting notices, preparing precinct maps, and carrying out other election duties required by law.*

(d) *In combining or separating, the municipalities must meet the time requirements specified in this section for changing precinct boundaries and in section 204B.16, subdivision 3, for designating a different polling place.*

Sec. 5. Minnesota Statutes 1986, section 204B.21, subdivision 2, is amended to read:

Subd. 2. [APPOINTING AUTHORITY; POWERS AND DUTIES.] Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory shall be appointed by the county board. *Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes.* Appointments shall be made from lists furnished pursuant to subdivision 1 subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. If no lists have been furnished or if additional election judges are required after all listed names have been exhausted, the appointing authority may appoint any other individual to serve as an election judge subject to the same requirements and qualifications. The appointments shall be made at least 25 days before the election at which the election judges will serve.

Sec. 6. Minnesota Statutes 1986, section 204B.22, subdivision 1, is amended to read:

Subdivision 1. [MINIMUM NUMBER REQUIRED.] A minimum of three election judges shall be appointed for each precinct. *In a precinct of municipalities combined for election purposes under section 204B.14, subdivision 8, at least one judge must be appointed from each municipality in the combined precinct; provided that not less than three judges shall be appointed for each combined precinct.* The appointing authorities may appoint election judges for any precinct in addition to the number required by this subdivision including additional election judges to count ballots after voting has ended.

Sec. 7. [PRECINCT BOUNDARY CHANGES.]

*Notwithstanding section 204B.14, subdivision 3, municipalities may enter a combination agreement as provided in section 4 until April 1, 1988.*

Sec. 8. [204B.45] [MAIL BALLOTING.]

Subdivision 1. [AUTHORIZATION.] Any town having fewer than 400 registered voters and not located in a metropolitan county as defined by section 473.121 may apply to the county auditor to provide balloting by mail at any county or state election with no polling place other than the office of the auditor or clerk. The county board may provide for balloting by mail in unorganized territory.

Subd. 2. [PROCEDURE.] *Notice of the election and the special mail procedure must be given at least six weeks prior to the election. No earlier than 20 days or later than 18 days prior to the election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the town or unorganized territory. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be pre-addressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The costs of the mailing shall be paid by the election jurisdiction in which the voter resides. Any ballot received by 8:00 p.m. on the day of the election must be counted.*

*Subd. 3. [ELECTION LAW APPLIED; RULES.] The Minnesota election law is applicable to mail balloting except as provided by this section or by rules adopted by the secretary of state, but only paper ballots may be used. The secretary of state shall adopt rules for the conduct of mail balloting, including instructions to voters, procedures for challenge of voters, public observation of the counting of ballots, and procedures for proper handling and safeguarding of ballots to ensure the integrity of the election."*

Delete the title and insert:

"A bill for an act relating to elections; authorizing combination of certain municipalities for election purposes; providing mail balloting; amending Minnesota Statutes 1986, sections 204B.14, subdivisions 2, 4, 5, and by adding a subdivision; 204B.21, subdivision 2; and 204B.22, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 204B."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Jim Tunheim, Sylvester B. Uphus, Clair L. Nelson

Senate Conferees: (Signed) LeRoy A. Stumpf, Jerome M. Hughes, Don Samuelson

Mr. Stumpf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 230 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 230 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 35 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Marty	Pogemiller
Beckman	Davis	Johnson, D.E.	McQuaid	Ramstad
Belanger	Frank	Jude	Moe, D.M.	Schmitz
Benson	Frederick	Knaak	Moe, R.D.	Spear
Bertram	Frederickson, D.R.	Laidig	Morse	Stumpf
Brataas	Freeman	Larson	Novak	Vickerman
Chmielewski	Gustafson	Luther	Piper	Willet

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 854, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 854 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1987

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 854

A bill for an act relating to judgments; clarifying the procedure and cost for filing foreign judgments; clarifying the procedure to be used in securing a judgment and execution; amending Minnesota Statutes 1986, sections 548.27; 548.30; 549.09; and 550.04.

May 13, 1987

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

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 854, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Howard R. Orenstein, Randy C. Kelly, Terry M. Dempsey

Senate Conferees: (Signed) Dennis R. Frederickson, Richard J. Cohen, Tad Jude

Mr. Frederickson, D.R. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 854 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 854 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 36 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	Marty	Spear
Beckman	Dahl	Hughes	McQuaid	Stumpf
Belanger	Davis	Johnson, D.E.	Moe, R.D.	Vickerman
Benson	Diessner	Jude	Morse	Willet
Bertram	Frank	Knaak	Novak	
Brandl	Frederick	Laidig	Ramstad	
Brataas	Frederickson, D.R.	Larson	Schmitz	
Chmielewski	Freeman	Luther	Solon	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1261 and the Conference Committee Report thereon were reported to the Senate.



**CONFERENCE COMMITTEE REPORT ON S.F. NO. 1261**

A bill for an act relating to the state building code; changing certain provisions relating to public buildings; amending Minnesota Statutes 1986, sections 16B.60, subdivisions 3 and 6; 16B.61, by adding a subdivision; and 16B.71.

May 14, 1987

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S.F. No. 1261, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1261 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 16B.60, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means a city, county, or town meeting the requirements of section 368.01, subdivision 1, ~~or the University of Minnesota, or the state for public buildings.~~

Sec. 2. Minnesota Statutes 1986, section 16B.60, subdivision 6, is amended to read:

Subd. 6. [PUBLIC BUILDING.] "Public building" means a building and its grounds, the cost of which is paid for by the state, a state agency ~~or governmental subdivision, an agency of a governmental subdivision, or~~ a school district.

Sec. 3. Minnesota Statutes 1986, section 16B.61, is amended by adding a subdivision to read:

*Subd. 1a. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer and enforce the state building code as a municipality with respect to public buildings in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees for public buildings. Fees and surcharges for public buildings must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.*

*Municipalities other than the state having a contractual agreement with the commissioner for code administration and enforcement service for public buildings shall charge their customary fees, including surcharge, to be paid directly to the contractual jurisdiction by the applicant seeking authorization to construct a public building. The commissioner shall contract with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings in the contractual jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.*

Sec. 4. Minnesota Statutes 1986, section 16B.71, is amended to read:

**16B.71 [PERMIT FEES, TO WHOM APPLICABLE.]**

Municipal building officials shall administer and enforce the state building code with respect to all subject structures constructed within their jurisdiction, including all buildings constructed by ~~the state of Minnesota, its agencies, departments, and instrumentalities, school districts, municipalities other than the state,~~ as defined in section 16B.60, and the University of Minnesota. These governmental bodies shall pay the building permit fees and surcharges that the inspecting municipality customarily imposes for its administration and enforcement of the code.

Sec. 5. Minnesota Statutes 1986, section 515A.2-110, is amended to read:

**515A.2-110 [CONDOMINIUM PLATS.]**

(a) Condominium plats are a part of the declaration. The condominium plat shall contain a certification by a registered professional land surveyor or registered professional architect, *as to the parts of the plat prepared by each*, that the condominium plat accurately depicts all information required by this section. *The portions of the condominium plat depicting the dimensions of the portions of the condominium described in paragraphs (b)(3), (8), (9), (10), and (11), may be prepared by either a land surveyor or an architect. The other portions of the plat must be prepared only by a land surveyor. All measurements must be undertaken in accordance with good professional practice. The certification must indicate that the work was undertaken by or under the supervision of the certifying architect or land surveyor. Certification by the architect or land surveyor does not constitute a guaranty or warranty of the nature, suitability, or quality of construction of the condominium.*

(b) Each condominium plat shall show:

(1) the number of the condominium and the boundaries and dimensions of the land included in the condominium;

(2) the dimensions and location of all existing structural improvements and roadways;

(3) the intended location and dimensions of any contemplated common element improvements to be constructed within the condominium labeled either "MUST BE BUILT" or "NEED NOT BE BUILT";

(4) the location and dimensions of any additional real estate, labeled as such;

(5) the extent of any encroachments by or upon any portion of the condominium;

(6) the location and dimensions of all recorded easements within the condominium serving or burdening any portion of the condominium;

(7) the distance between noncontiguous parcels of real estate;

(8) the location and dimensions of limited common elements, including porches, balconies and patios, other than limited common elements described in section 515A.2-102(2) and (4);

(9) the location and dimensions of the vertical boundaries of each unit and that unit's identifying number;

(10) the location and dimensions of the horizontal unit boundaries with reference to established or assumed datum and that unit's identifying number;

(11) any units which may be converted by the declarant to create additional units or common elements (section 515A.2-115) identified separately.

(c) When adding additional real estate (section 515A.2-111), the declarant shall record supplemental condominium plats for that real estate conforming to the requirements of subsection (b). If less than all additional real estate is being added, the supplemental condominium plats shall also show the location and dimensions of the remaining portion.

(d) If a declarant subdivides or converts any unit into two or more units, common elements or limited common elements (section 515A.2-115), the declarant shall record an amendment to the condominium plat showing the location and dimensions of any new units, common elements and limited common elements thus created.

#### Sec. 6. [EFFECTIVE DATE.]

*Sections 1 to 4 are effective the day following final enactment, but do not apply to the construction and remodeling of public buildings for which plans and specifications have been approved by the commissioner before that date."*

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) John J. Marty, David J. Frederickson, Dennis R. Frederickson

House Conferees: (Signed) Norman R. DeBlieck, Connie Morrison, Richard "Jeff" Jefferson

Mr. Marty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1261 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1261 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	Marty	Renneke
Beckman	Cohen	Hughes	McQuaid	Schmitz
Belanger	Dahl	Johnson, D.E.	Moe, R.D.	Solon
Benson	Diessner	Jude	Morse	Spear
Bernhagen	Frank	Knaak	Novak	Storm
Bertram	Frederick	Laidig	Piper	Stumpf
Brandl	Frederickson, D.R.	Larson	Pogemiller	Vickerman
Brataas	Freeman	Luther	Ramstad	Willet

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

#### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1114 and the Conference Committee Report thereon were reported to the Senate.

**CALL OF THE SENATE**

Mr. Solon imposed a call of the Senate for the balance of the proceedings on S.F. No. 1114. The Sergeant at Arms was instructed to bring in the absent members.

**CONFERENCE COMMITTEE REPORT ON S.F. NO. 1114**

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

May 7, 1987

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S.F. No. 1114, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Sam G. Solon, Don Anderson

House Conferees: (Signed) Joel Jacobs, Tom Osthoff, Tony Bennett

Mr. Solon moved that the foregoing recommendations and Conference Committee report on S.F. No. 1114 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The question was taken on the adoption of the motion.

Mr. Solon moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 12 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Dicklich	Kroening	Schmitz	Storm
Chmielewski	Frederick	Moe, R.D.	Solon	Waldorf
Davis	Gustafson			

Those who voted in the negative were:

Adkins	Brandl	Frederickson, D.R.	Larson	Piper
Beckman	Brataas	Freeman	Luther	Ramstad
Belanger	Cohen	Hughes	Marty	Renneke
Benson	Dahl	Johnson, D.E.	McQuaid	Spear
Berg	Diessner	Jude	Moe, D.M.	Stumpf
Bernhagen	Frank	Knaak	Morse	Vickerman
Bertram	Frederickson, D.J.	Laidig	Pehler	

The motion did not prevail. So the recommendations and Conference Committee report were not adopted.

Mr. Spear moved that the recommendations and Conference Committee Report on S.F. No. 1114 be re-referred to the Conference Committee as

formerly constituted for further consideration. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 911 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S.F. NO. 911

A bill for an act relating to education; requiring school districts to make available instruction in Braille reading and writing to blind pupils; proposing coding for new law in Minnesota Statutes, chapter 126.

May 14, 1987

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S.F. No. 911, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 911 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [126.071] [BRAILLE INSTRUCTION.]

*Subdivision 1. [AVAILABILITY.] A school district shall make available, to a blind pupil, instruction in Braille reading and writing as specified under subdivisions 2 and 3. A blind pupil is a pupil who is blind as defined in section 290.06, subdivision 3f, paragraph (4), clause (e).*

*Subd. 2. [ASSESSMENT.] A reading and writing assessment of a child identified as a blind child must be done at least once every three years. The person who performs the assessment must be mutually agreed upon by the school district and the parent. The assessment must be in writing and must recommend whether or not instruction in Braille reading and writing should be commenced or continued for the assessed child. The commissioner of education shall adopt rules establishing criteria for determining whether or not instruction in braille reading and writing should be commenced or continued for the assessed child.*

*Subd. 3. [SPECIFICS OF RECOMMENDATION.] The child's individual education plan must specify:*

- (1) a reason for recommending or not recommending Braille instruction;*
- (2) the date on which Braille instruction will commence;*
- (3) how many Braille sessions per week must be provided by the school district;*
- (4) the duration of each session;*
- (5) how to integrate Braille instruction into the assessed child's regular classroom activities; and*
- (6) the special training if any, that the classroom instructional personnel must have to provide the integrated Braille instruction.*

*Subd. 4. [BRAILLE IS A SERVICE.] Instruction in Braille reading and writing is a service included in special instruction and services under section 120.17."*

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Jerome M. Hughes, James C. Pehler, Nancy Brataas

House Conferees: (Signed) Tom Rukavina, Sally Olsen, Lona A. Minne

Mr. Hughes moved that the foregoing recommendations and Conference Committee Report on S.F. No. 911 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 911 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	McQuaid	Samuelson
Anderson	Dahl	Hughes	Merriam	Schmitz
Beckman	Davis	Johnson, D.E.	Moe, R.D.	Spear
Belanger	Dicklich	Jude	Morse	Storm
Benson	Diessner	Knaak	Novak	Stumpf
Bernhagen	Frank	Kroening	Pehler	Taylor
Bertram	Frederick	Laidig	Piper	Vickerman
Brandl	Frederickson, D.J.	Larson	Pogemiller	Waldorf
Brataas	Frederickson, D.R.	Luther	Ramstad	Willet
Chmielewski	Freeman	Marty	Renneke	

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Orders of Business of Messages From the House and First Reading of House Bills.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 859 and 919.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1987

## FIRST READING OF HOUSE BILLS

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

H.F. No. 859: A bill for an act relating to the department of finance; clarifying and correcting miscellaneous provisions to improve the administration of the department and of state government; appropriating money; amending Minnesota Statutes 1986, sections 3C.12, subdivision 2; 16A.06, by adding a subdivision; 16A.126, subdivision 2; 16A.127, subdivision 3; 16A.275; 16A.36, subdivision 2; and 116J.36, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 675, now on General Orders.

H.F. No. 919: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state and local bonds; authorizing levies; imposing taxes; appropriating money; amending Minnesota Statutes 1986, sections 297.13, subdivision 1; and 297.26; 297A.01, subdivision 3; 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A and 124; proposing coding for new law as Minnesota Statutes, chapter 240A.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 919 and that the rules of the Senate be so far suspended as to give H.F. No. 919 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 919 was read the second time.

Mr. Moe, R.D. moved to amend H.F. No. 919 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 919, and insert the language after the enacting clause, and the title, of S.F. No. 1530, the first engrossment.

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 919. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 919 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 50 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.J.	Moe, D.M.	Samuelson
Beckman	Davis	Kroening	Moe, R.D.	Schmitz
Belanger	DeCramer	Langseth	Morse	Solon
Berglin	Dicklich	Lantry	Novak	Spear
Bernhagen	Frederickson, D.J.	Lessard	Pehler	Stumpf
Bertram	Frederickson, D.R.	Luther	Peterson, D.C.	Taylor
Brandl	Freeman	Marty	Peterson, R.W.	Vickerman
Brataas	Gustafson	Mehrkens	Piper	Waldorf
Chmielewski	Hughes	Merriam	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	Metzen	Purfeerst	Willet

Those who voted in the negative were:

Adkins  
Benson  
Berg

Diessner  
Frank  
Frederick

Jude  
Knaak  
Knutson

Laidig  
Larson  
McQuaid

Ramstad  
Renneke  
Storm

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

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

There has been appointed as such committee on the part of the House: Trimble, Munger and Rose.

Senate File No. 865 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1987

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1138:

H.F. No. 1138: A bill for an act relating to small business; requiring use of certain socially and economically disadvantaged subcontractors; removing a five-year eligibility limitation; modifying the definition of small business; amending Minnesota Statutes 1986, sections 16B.19, subdivision 6; 16B.22; and 645.445, subdivisions 2 and 3.

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

Osthoff, Sarna and Pauly have been appointed as such committee on the part of the House.

House File No. 1138 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1987



Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1138, 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 appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1015:

H.F. No. 1015: A bill for an act relating to motorboat safety; providing for enforcement of sanctions for operation of a motorboat while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1986, section 361.121, subdivisions 2 and 3, and by adding subdivisions.

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

Rest, Blatz and Kludt have been appointed as such committee on the part of the House.

House File No. 1015 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1987

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1015, 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 appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 94, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 94: A bill for an act relating to public health; requiring an itemized billing for hearing aid repairs; amending Minnesota Statutes 1986, section 145.43, by adding a subdivision.

Senate File No. 94 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1987

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 353, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 353: A bill for an act relating to metropolitan water management; authorizing metropolitan counties to adopt ground water plans; relating to notice procedures in certain counties; amending Minnesota Statutes 1986, sections 112.53, subdivision 2; 473.875; 473.876, by adding subdivisions; 473.878, subdivisions 3, 5, 6, 7, and 9; proposing coding for new law in Minnesota Statutes, chapter 473.

Senate File No. 353 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1987

Mr. President:

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

S.F. No. 971: A bill for an act relating to public finance; modifying and extending means of financing operations of local government and certain nonprofit institutions; providing an income tax exemption for interest earned on certain governmental obligations; amending Minnesota Statutes 1986, sections 124.76, subdivision 2; 275.50, subdivision 5; 400.101; 429.061, subdivision 2; 429.091, subdivision 2, and by adding a subdivision; 462.461, subdivision 4; 462.555; 466.06; 471.981, subdivision 4, and by adding subdivisions; 473.811, subdivision 2; 474.02, subdivision 2; 474.03, subdivision 12; 475.51, subdivision 3; 475.54, subdivision 1, and by adding subdivisions; 475.55, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 475.56; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivisions 3 and 12; proposing coding for new law in Minnesota Statutes, chapters 471, and 475; repealing Minnesota Statutes 1986, sections 475.55, subdivision 5; and 475.67, subdivision 11.

Senate File No. 971 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1987

### CONCURRENCE AND REPASSAGE

Mr. Pogemiller moved that the Senate concur in the amendments by the House to S.F. No. 971 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 971: A bill for an act relating to public finance; modifying and extending means of financing operations of local government and certain nonprofit institutions; amending Minnesota Statutes 1986, sections 124.76, subdivision 2; 275.50, subdivision 5; 429.061, subdivision 2; 429.091, subdivision 2, and by adding a subdivision; 462.461, subdivision 4; 462.555; 462C.05, subdivision 1; 466.06; 471.981, subdivision 4, and by adding subdivisions; 474.02, subdivision 2; 474.03, subdivision 12; 475.51, subdivision 3; 475.54, subdivision 1; and by adding subdivisions; 475.55, subdivisions 1, 2, 3, 4, 6, 7, and by adding a subdivision; 475.56; 475.60, subdivision 2; 475.66, subdivision 3; and 475.67, subdivisions 3 and 12;

proposing coding for new law in Minnesota Statutes, chapters 471, and 475; repealing Minnesota Statutes 1986, sections 475.55, subdivision 5; and 475.67, subdivision 11.

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

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

The roll was called, and there were yeas 41 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Peterson, D.C.	Storm
Anderson	DeCramer	Johnson, D.E.	Piper	Stumpf
Belanger	Dicklich	Kroening	Pogemiller	Taylor
Bernhagen	Diessner	Laidig	Ramstad	Vickerman
Bertram	Frederick	Luther	Reichgott	Willet
Brandl	Frederickson, D.J.	McQuaid	Renneke	
Brataas	Frederickson, D.R.	Moe, R.D.	Schmitz	
Chmielewski	Freeman	Morse	Solon	
Dahl	Gustafson	Novak	Spear	

Those who voted in the negative were:

Benson	Frank	Larson	Merriam	Peterson, R.W.
Cohen	Knaak			

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

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 170: A bill for an act relating to economic development; recodifying provisions governing housing and redevelopment authorities, port authorities, economic development authorities, area redevelopment, municipal development districts, mined underground space development, rural development finance authorities, public development debt, enterprise zones, tax increment financing, and other local economic development tools; extending duration of bond allocation act; removing certain service persons' preference provisions from the housing and redevelopment authority law; modifying requirements for developers' tax abatements under the housing and redevelopment authority law; removing a sunset on certain St. Paul port authority provisions; allocating bonding authority subject to a volume cap under federal tax law; allocating bonding authority to the city of Minneapolis, located in Hennepin county, and to the city of Saint Paul, located in Ramsey county; amending Minnesota Statutes 1986, sections 16B.61, subdivision 3; 41A.05, subdivision 2; 41A.06, subdivision 5; 115A.69, subdivision 9; 116J.27, subdivision 4; 116M.03, subdivisions 11, 19, and 28; 116M.06, subdivision 3; 116M.07, subdivision 11; 124.214, subdivision 3; 216B.49, subdivision 7; 268.38, subdivision 3; 272.02, subdivision 5; 272.026; 272.68, subdivision 4; 273.13, subdivisions 9 and 24; 273.1393; 282.01, subdivision 1; 290.61; 298.2211, subdivisions 1 and 3; 353.01, subdivision 6; 355.11, subdivision 5; 355.16; 412.251; 462C.02, subdivisions 6 and 9; 462C.05, subdivision 7; 462C.06; 465.54; 465.74, subdivision 7; 465.77; 471A.03, subdivision 9; 473.195, subdivision 1; 473.201, subdivision 1; 473.504, subdivision 11; 473.556, subdivision 6;

473.638, subdivision 2; 473.811, subdivision 8; 473.852, subdivision 6; 473F02, subdivision 3; 473F05; 473F08, subdivisions 2, 4, and 6; 475.525, subdivision 3; 477A.011, subdivision 7; 504.24, subdivision 2; and 609.321, subdivision 12; repealing Minnesota Statutes 1986, sections 273.1312; 273.1313; 273.1314; 273.71; 273.72; 273.73; 273.74; 273.75; 273.76; 273.77; 273.78; 273.86; 362A.01; 362A.02; 362A.03; 362A.04; 362A.041; 362A.05; 362A.06; 373.31; 426.055; 458.09; 458.091; 458.10; 458.11; 458.12; 458.14; 458.15; 458.16; 458.17; 458.18; 458.19; 458.191; 458.192; 458.193; 458.194; 458.1941; 458.195; 458.196; 458.197; 458.198; 458.199; 458.1991; 458.70; 458.701; 458.702; 458.703; 458.711; 458.712; 458.713; 458.72; 458.74; 458.741; 458.75; 458.76; 458.77; 458.771; 458.772; 458.773; 458.774; 458.775; 458.776; 458.777; 458.778; 458.79; 458.80; 458.801; 458.81; 458C.01; 458C.03; 458C.04; 458C.05; 458C.06; 458C.07; 458C.08; 458C.09; 458C.10; 458C.11; 458C.12; 458C.13; 458C.14; 458C.15; 458C.16; 458C.17; 458C.18; 458C.19; 458C.20; 458C.22; 458C.23; 459.01; 459.02; 459.03; 459.04; 459.05; 459.31; 459.32; 459.33; 459.34; 462.411; 462.415; 462.421; 462.425; 462.426; 462.427; 462.428; 462.429; 462.4291; 462.432; 462.435; 462.441; 462.445; 462.451; 462.455; 462.461; 462.465; 462.466; 462.471; 462.475; 462.481; 462.485; 462.491; 462.495; 462.501; 462.505; 462.511; 462.515; 462.521; 462.525; 462.531; 462.535; 462.541; 462.545; 462.551; 462.555; 462.556; 462.561; 462.565; 462.571; 462.575; 462.581; 462.585; 462.591; 462.595; 462.601; 462.605; 462.611; 462.615; 462.621; 462.625; 462.631; 462.635; 462.641; 462.645; 462.651; 462.655; 462.661; 462.665; 462.671; 462.675; 462.681; 462.685; 462.691; 462.695; 462.701; 462.705; 462.712; 462.713; 462.714; 462.715; 462.716; 465.026; 465.53; 465.55; 465.56; 472.01; 472.02; 472.03; 472.04; 472.05; 472.06; 472.07; 472.08; 472.09; 472.10; 472.11; 472.12; 472.125; 472.13; 472.14; 472.15; 472.16; 472A.01; 472A.02; 472A.03; 472A.04; 472A.05; 472A.06; 472A.07; 472A.09; 472A.10; 472A.11; 472A.12; 472A.13; 472B.01; 472B.02; 472B.03; 472B.04; 472B.05; 472B.06; 472B.07; 472B.08; 474.01; 474.02; 474.03; 474.04; 474.05; 474.06; 474.07; 474.08; 474.09; 474.10; 474.11; 474.13; 474.15; amending Minnesota Statutes 1986, sections 462C.11, subdivisions 2 and 3; 474A.02, subdivisions 1, 2, 3, 6, 7, 8, 12, 14, 16, 18, 19, 21, 26, and by adding subdivisions; 474A.03, subdivision 1, and by adding a subdivision; 474A.04, subdivisions 5, 6, and by adding a subdivision; 474A.13, subdivisions 1, 4, and 5; 474A.14; 474A.15; 474A.16; 474A.17; 474A.18; 474A.20; and 474A.21; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1986, sections 474A.02, subdivisions 5, 9, 10, 11, 13, 15, 17, 20, 22, 23, 24, 25, 27, 28, and 29; 474A.03, subdivisions 2 and 3; 474A.04, subdivisions 1, 2, 3, and 4; 474A.05; 474A.06; 474A.07; 474A.08; 474A.09; 474A.10; 474A.11; 474A.12; 474A.13, subdivisions 2 and 3; and 474A.19; Laws 1961, chapter 545; Laws 1963, chapters 254; and 827; Laws 1967, chapter 541; Laws 1969, chapter 98; Laws 1973, chapter 114; Laws 1974, chapter 218; Laws 1975, chapter 326; Laws 1976, chapter 234, section 3; Laws 1979, chapter 269, section 1; Laws 1980, chapters 453; and 595, sections 5 and 8; Laws 1981, chapters 222, section 6; and 223, section 6, subdivision 3; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110; and 257, section 1; Laws 1984, chapters 397; 498; and 548, section 9; and Laws 1985, chapters 173; 177; 188; 189; 192; 199; 205; 206, sections 2 and 3; and 301, sections 3 and 4; proposing coding for new law as Minnesota Statutes, chapter 469.

Senate File No. 170 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1987

### CONCURRENCE AND REPASSAGE

Mr. Pogemiller moved that the Senate concur in the amendments by the House to S.F. No. 170 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 170: A bill for an act relating to economic development; recodifying provisions governing housing and redevelopment authorities, port authorities, economic development authorities, area redevelopment, municipal development districts, mined underground space development, rural development finance authorities, public development debt, enterprise zones, tax increment financing, and other local economic development tools; extending duration of bond allocation act; removing certain service persons' preference provisions from the housing and redevelopment authority law; modifying requirements for developers' tax abatements under the housing and redevelopment authority law; removing a sunset on certain St. Paul port authority provisions; amending Minnesota Statutes 1986, sections 16B.61, subdivision 3; 41A.05, subdivision 2; 41A.06, subdivision 5; 115A.69, subdivision 9; 116J.27, subdivision 4; 116M.03, subdivisions 11, 19, and 28; 116M.06, subdivision 3; 116M.07, subdivision 11; 124.214, subdivision 3; 216B.49, subdivision 7; 268.38, subdivision 3; 272.02, subdivision 5; 272.026; 272.68, subdivision 4; 273.13, subdivisions 9 and 24; 273.1393; 282.01, subdivision 1; 290.61; 298.2211, subdivisions 1 and 3; 353.01, subdivision 6; 355.11, subdivision 5; 355.16; 412.251; 462C.02, subdivisions 6 and 9; 462C.05, subdivision 7; 462C.06; 465.54; 465.74, subdivision 7; 465.77; 471A.03, subdivision 9; 473.195, subdivision 1; 473.201, subdivision 1; 473.504, subdivision 11; 473.556, subdivision 6; 473.638, subdivision 2; 473.811, subdivision 8; 473.852, subdivision 6; 473F02, subdivision 3; 473F05; 473F08, subdivisions 2, 4, and 6; 475.525, subdivision 3; 477A.011, subdivision 7; 504.24, subdivision 2; and 609.321, subdivision 12; repealing Minnesota Statutes 1986, sections 273.1312; 273.1313; 273.1314; 273.71; 273.72; 273.73; 273.74; 273.75; 273.76; 273.77; 273.78; 273.86; 362A.01; 362A.02; 362A.03; 362A.04; 362A.041; 362A.05; 362A.06; 373.31; 426.055; 458.09; 458.091; 458.10; 458.11; 458.12; 458.14; 458.15; 458.16; 458.17; 458.18; 458.19; 458.191; 458.192; 458.193; 458.194; 458.1941; 458.195; 458.196; 458.197; 458.198; 458.199; 458.1991; 458.70; 458.701; 458.702; 458.703; 458.711; 458.712; 458.713; 458.72; 458.74; 458.741; 458.75; 458.76; 458.77; 458.771; 458.772; 458.773; 458.774; 458.775; 458.776; 458.777; 458.778; 458.79; 458.80; 458.801; 458.81; 458C.01; 458C.03; 458C.04; 458C.05; 458C.06; 458C.07; 458C.08; 458C.09; 458C.10; 458C.11; 458C.12; 458C.13; 458C.14; 458C.15; 458C.16; 458C.17; 458C.18; 458C.19; 458C.20; 458C.22; 458C.23; 459.01; 459.02; 459.03; 459.04; 459.05; 459.31; 459.32; 459.33; 459.34; 462.411; 462.415; 462.421; 462.425; 462.426; 462.427; 462.428; 462.429; 462.4291; 462.432; 462.435; 462.441; 462.445; 462.451; 462.455; 462.461; 462.465; 462.466; 462.471; 462.475; 462.481; 462.485; 462.491; 462.495; 462.501; 462.505; 462.511; 462.515; 462.521; 462.525; 462.531; 462.535; 462.541; 462.545; 462.551; 462.555; 462.556; 462.561; 462.565; 462.571; 462.575; 462.581; 462.585; 462.591; 462.595; 462.601; 462.605; 462.611; 462.615; 462.621; 462.625; 462.631; 462.635; 462.641; 462.645; 462.651; 462.655; 462.661; 462.665; 462.671; 462.675; 462.681; 462.685;

462.685; 462.691; 462.695; 462.701; 462.705; 462.712; 462.713; 462.714; 462.715; 462.716; 465.026; 465.53; 465.55; 465.56; 472.01; 472.02; 472.03; 472.04; 472.05; 472.06; 472.07; 472.08; 472.09; 472.10; 472.11; 472.12; 472.125; 472.13; 472.14; 472.15; 472.16; 472A.01; 472A.02; 472A.03; 472A.04; 472A.05; 472A.06; 472A.07; 472A.09; 472A.10; 472A.11; 472A.12; 472A.13; 472B.01; 472B.02; 472B.03; 472B.04; 472B.05; 472B.06; 472B.07; 472B.08; 474.01; 474.02; 474.03; 474.04; 474.05; 474.06; 474.07; 474.08; 474.09; 474.10; 474.11; 474.13; 474.15; Laws 1961, chapter 545; Laws 1963, chapters 254; and 827; Laws 1967, chapter 541; Laws 1969, chapter 98; Laws 1973, chapter 114; Laws 1974, chapter 218; Laws 1975, chapter 326; Laws 1976, chapter 234, section 3; Laws 1979, chapter 269, section 1; Laws 1980, chapters 453; and 595, sections 5 and 8; Laws 1982, chapter 523, article 24, section 2; Laws 1983, chapters 110; and 257, section 1; Laws 1984, chapters 397; 498; and 548, section 9; and Laws 1985, chapters 173; 177; 188; 189; 192; 199; 205; 206, sections 2 and 3; and 301, sections 3 and 4; proposing coding for new law as Minnesota Statutes, chapter 469.

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

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

The roll was called, and there were yeas 46 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Pehler	Spear
Anderson	DeCramer	Johnson, D.E.	Peterson, D.C.	Storm
Beckman	Dicklich	Jude	Piper	Stumpf
Belanger	Diessner	Knaak	Pogemiller	Taylor
Berg	Frank	Kroening	Ramstad	Vickerman
Bernhagen	Frederick	Laidig	Reichgott	Willet
Bertram	Frederickson, D.J.	Luther	Renneke	
Brandl	Frederickson, D.R.	McQuaid	Samuelson	
Cohen	Freeman	Moe, R.D.	Schmitz	
Dahl	Gustafson	Morse	Solon	

Mr. Benson, Mrs. Brataas, Messrs. Larson and Merriam voted in the negative.

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

## MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 397 and the Conference Committee Report thereon were reported to the Senate.

## CONFERENCE COMMITTEE REPORT ON 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.

April 21, 1987

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S.F. No. 397, report that we have agreed

upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 397 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [204B.135] [REDISTRICTING OF ELECTION DISTRICTS.]

*Subdivision 1. [CITIES WITH WARDS.] A city that elects its council members by wards may not redistrict those wards in a year ending in one or before the legislature has been redistricted in a year ending in two. The wards must be redistricted within 45 days after the legislature has been redistricted or by May 10 in the year ending in two, whichever is first.*

*Subd. 2. [OTHER ELECTION DISTRICTS.] For purposes of this subdivision, "local government election district" means a county district, park and recreation district, school district, or soil and water conservation district. Local government election districts, other than city wards covered by subdivision 1, may not be redistricted until precinct boundaries are re-established under section 204B.14, subdivision 3, paragraph (c) or by May 10 in a year ending in two, whichever comes first. Election districts covered by this subdivision must be redistricted within 65 days of the time when the legislature has been redistricted or by June 1 in the year ending in two, whichever comes first.*

Sec. 2. Minnesota Statutes 1986, section 204B.14, subdivision 3, is amended to read:

*Subd. 3. [BOUNDARY CHANGES; PROHIBITIONS; EXCEPTION.] Notwithstanding other law or charter provisions to the contrary, during the period from January 1 in any year ending in seven to January 1 in any the time when the legislature has been redistricted in a year ending in two, no changes may be made in the boundaries of any election precinct except as provided in this subdivision.*

*(a) If a city annexes an unincorporated area located in the same county as the city and adjacent to the corporate boundary, the annexed area may be included in an election precinct immediately adjacent to it.*

*(b) A municipality or county may establish new election precincts lying entirely within the boundaries of any existing precinct and shall assign names to the new precincts which include the name of the former precinct.*

*During a year ending in one, the council of each home rule charter city which elects its council members by wards and which has a city election in the year ending in one or which has a general city election before March 15 in a year ending in two may change precinct boundaries for the purpose of reapportioning wards. As soon as possible after legislative apportionment, and prior to the next election, cities shall rearrange the*

*(c) Precinct boundaries must be reestablished within 45 days of the time when the legislature has been redistricted, or by May 10 in a year ending in two, whichever comes first.*

*Precincts must be arranged so that no precinct lies in more than one legislative district.*

Sec. 3. Minnesota Statutes 1986, section 375.025, subdivision 1, is amended to read:

Subdivision 1. [STANDARDS.] The redistricting plan in use in a county

shall be used until a new plan is adopted in accordance with this section. Each county shall be divided into as many districts numbered consecutively as it has members of the county board. Commissioner districts shall be bounded by town, municipal, ward, or precinct lines. Each district shall be composed of contiguous territory as regular and compact in form as practicable, depending upon the geography of the county involved and shall be as nearly equal in population as possible. No district shall vary in population more than ten percent from the average for all districts in the county, unless the result forces a voting precinct to be split. A majority of the least populous districts shall contain not less than a majority of the population of the county. A county may be redistricted by the county board after each federal census. When it appears after a federal census that the districts of the county are not in accord with the standards set forth in this subdivision, the county shall be redistricted by the county board within ~~180 days of the date on which certified copies of the latest federal census are filed with the secretary of state in accordance with section 600.18 the times set in section 1, subdivision 2.~~ Before acting to redistrict, the county board, or a redistricting commission if one is appointed, shall publish three weeks notice of its purpose, stating the time and place of the meeting where the matter will be considered, in the newspaper having the contract to publish the commissioners' proceedings for the county for the current year."

Delete the title and insert:

"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."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Donna C. Peterson, William P. Luther, Gary W. Laidig

House Conferees: (Signed) Linda Scheid, Tom Osthoff, Jerry Knickerbocker

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 397 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 397 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Moe, R.D.	Solon
Anderson	Dahl	Jude	Morse	Spear
Beckman	Davis	Knaak	Pehler	Storm
Belanger	Dicklich	Kroening	Peterson, D.C.	Taylor
Benson	Diessner	Laidig	Peterson, R.W.	Vickerman
Berg	Frank	Larson	Piper	Willet
Bernhagen	Frederickson, D.J.	Luther	Pogemiller	
Bertram	Frederickson, D.R.	Marty	Ramstad	
Brataas	Gustafson	McQuaid	Renneke	
Chmielewski	Hughes	Merriam	Schmitz	



Mr. Frederick voted in the negative.

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

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 785 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 785

A bill for an act relating to crimes; eliminating consent defense to charge of depriving another of parental rights; allowing filing of felony charges before 14 days have elapsed; increasing penalty for depriving another of parental rights; amending Minnesota Statutes 1986, section 609.26, subdivisions 2, 5, and 6.

May 14, 1987

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S.F. No. 785, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 785 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 609.26, subdivision 2, is amended to read:

Subd. 2. [DEFENSES.] No person violates subdivision 1 if the action:

(1) is taken to protect the child from physical or sexual assault or substantial emotional harm;

(2) is taken to protect the person taking the action from physical or sexual assault;

(3) is consented to by the parent, stepparent, or legal custodian seeking prosecution, *but consent to custody or specific visitation is not consent to the action of failing to return or concealing a minor child; or*

(4) is otherwise authorized by a court order issued prior to the violation of subdivision 1.

The defenses provided in this subdivision are in addition to and do not limit other defenses available under this chapter or chapter 611.

Sec. 2. Minnesota Statutes 1986, section 609.26, subdivision 5, is amended to read:

Subd. 5. [DISMISSAL OF CHARGE.] A felony charge brought under this section shall be dismissed if:

(a) the person voluntarily returns the child within 14 days after taking, detaining, or failing to return the child in violation of this section; or

(b)(1) the person taking the action and the child have not left the state of Minnesota; and (2) within a period of 14 days after taking the action, (i) a motion or proceeding under chapter 518, 518A, 518B, or 518C is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapter 518, 518A, 518B, or 518C.

Clause (a) does not apply if the person returns the child as a result of being located by law enforcement authorities.

*This subdivision does not prohibit the filing of felony charges or an offense report before the expiration of the 14 days.*

Sec. 3. Minnesota Statutes 1986, section 609.26, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] Except as otherwise provided in subdivision 5, whoever violates this section may be sentenced to imprisonment for not more than ~~one year and one day~~ *two years* or to payment of a fine of ~~\$3,000~~ *\$4,000*, or both."

Delete the title and insert:

"A bill for an act relating to crimes; restricting consent defense to charge of depriving another of parental rights; allowing filing of felony charges before 14 days have elapsed; increasing penalty for depriving another of parental rights; amending Minnesota Statutes 1986, section 609.26, subdivisions 2, 5, and 6."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Donna C. Peterson, Lawrence J. Pogemiller, William V. Belanger, Jr.

House Conferees: (Signed) Gloria M. Segal, Randy C. Kelly, Terry M. Dempsey

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 785 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 785 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	McQuaid	Reichgott
Anderson	Dahl	Hughes	Merriam	Renneke
Beckman	Davis	Johnson, D.E.	Moe, R.D.	Schmitz
Belanger	DeCramer	Jude	Morse	Spear
Benson	Dicklich	Knaak	Pehler	Storm
Berg	Diessner	Kroening	Peterson, D.C.	Stumpf
Bernhagen	Frank	Laidig	Peterson, R.W.	Taylor
Bertram	Frederickson, D.J.	Larson	Piper	Vickerman
Brataas	Frederickson, D.R.	Luther	Pogemiller	Willett
Chmielewski	Freeman	Marty	Ramstad	

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

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Marty moved that S.F. No. 1193, No. 6 on General Orders, be stricken and re-referred to the Committee on Public Utilities and Energy. The motion prevailed.

Mr. Davis moved that S.F. No. 1016 be withdrawn from the Committee on Finance, given its second reading and placed on General Orders. The motion prevailed.

S.F. No. 1016 was read the second time.

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Laidig and Jude introduced—

S.F. No. 1540: A bill for an act relating to the sentencing guidelines commission; changing the membership of the commission; amending Minnesota Statutes 1986, section 244.09, subdivision 2.

Referred to the Committee on Judiciary.

Mr. Brandl introduced—

S.F. No. 1541: A bill for an act relating to health; health maintenance organizations; regulating principal officers; limiting ownership in or involvement with certain other organizations under specified conditions; amending Minnesota Statutes 1986, section 62D.12, by adding a subdivision.

Referred to the Committee on Health and Human Services.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 89 and the Conference Committee Report thereon were reported to the Senate.

### **CONFERENCE COMMITTEE REPORT ON S.F. NO. 89**

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

May 14, 1987

The Honorable Jerome M. Hughes  
President of the Senate

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

We, the undersigned conferees for S.F. No. 89, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 89 be further amended as follows:

Delete everything after the enacting clause and insert:

**"Section 1. [550.366] [JUDGMENTS ON DEBTS RELATED TO AGRICULTURAL PROPERTY.]**

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

*(a) [AGRICULTURAL PROPERTY.] "Agricultural property" means personal property that is used in a farm operation.*

*(b) [FARM DEBTOR.] "Farm debtor" means a person who has incurred debt while in the operation of a family farm, a family farm corporation, or an authorized farm corporation as defined in section 500.24, subdivision 2.*

*Subd. 2. [LIMITS ON EXECUTION.] A judgment for the unpaid balance of a debt on agricultural property owed by a farm debtor may not be executed upon real or personal property after three years from the date the judgment was entered.*

*Subd. 3. [ATTACHMENT TO NEWLY ACQUIRED PROPERTY.] A judgment for the unpaid balance of a debt on agricultural property owed by a farm debtor does not attach to real or personal property that is acquired by the farm debtor after the judgment is entered.*

Sec. 2. Minnesota Statutes 1986, section 336.9-501, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A ~~CREDIT~~ FINANCIAL ANALYST TO HELP

YOU TO PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

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

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

**Sec. 3. [514.661] [LIEN FOR RENTAL VALUE OF FARM MACHINERY DURING MEDIATION.]**

*Subdivision 1. [DEFINITIONS.] The definitions in this section apply to this section.*

(a) "Reasonable rental value" means an amount not more than the rental value of machinery of like capacity and age as determined by the director of the University of Minnesota extension service and is limited to the tachometer time during which or the acreage for which the machinery is used during the mediation period.

(b) "Seasonal use machinery" means machinery, equipment, or implements used exclusively for planting, for row crop cultivating, or for harvesting. Seasonal use machinery does not include a tractor, tillage equipment, or utility implements used for general farm purposes.

*Subd. 2. [LIEN; ATTACHMENT.] (a) A person or entity with a debt secured by a perfected or unperfected security interest in seasonal use machinery that is subject to mediation who engages in mediation under sections 583.20 to 583.32, as a result of a debtor's default on a purchase money loan or contract, has a lien limited to the lesser of: (1) the total of principal and interest amounts required to bring the debt current until the stay of the creditor's enforcement action is lifted; and (2) the reasonable rental value of seasonal use machinery that is used for field operation during mediation until the stay of the creditor's enforcement action is lifted.*

*(b) The lien attaches to the crops produced by the debtor in the calendar year in which mediation occurs.*

*Subd. 3. [PERFECTION.] To perfect a lien under this section, the lien must attach and a person or entity entitled to the lien must file a lien statement in the appropriate filing office under section 336.9-401 during mediation or within 30 days after the conclusion of mediation.*

*Subd. 4. [DUTIES OF FILING OFFICER.] The filing officer shall enter on the lien statement the time of day and date of filing. The filing officer shall file, amend, terminate, note the filing of a lien statement, and charge the fee for filing under this section in the manner provided by section 336.9-403 for a financing statement. A lien statement is void and may be removed from the filing system 18 months after the date of filing. The lien statement may be physically destroyed after 30 months from the date of filing.*

*Subd. 5. [PRIORITY.] (a) A perfected lien has priority over all other liens and security interests in crops produced by the debtor during the calendar year in which the mediation occurs except for a perfected landlord's lien under section 514.960.*

*(b) An unperfected lien has the priority of an unperfected security interest under section 336.9-312.*

*Subd. 6. [ENFORCEMENT OF LIEN.] (a) The holder of a lien under this section may enforce the lien in the manner provided in sections 336.9-501 to 336.9-508, subject to section 550.17. For enforcement of the lien, the lienholder is the secured party and the person leasing the property is the debtor, and each has the respective rights and duties of a secured party and a debtor under sections 336.9-501 to 336.9-508. If a right or duty under sections 336.9-501 to 336.9-508 is contingent upon the existence of express language in a security agreement or may be waived by express language in a security agreement, the requisite language does not exist.*

*(b) The principal amount of debt secured by seasonal use machinery must be reduced by an amount equal to any amount paid in satisfaction of a lien created under this section, less interest accrued on the debt during mediation.*

*Subd. 7. [ENFORCEMENT ACTIONS; LIEN EXTINGUISHED.] An action to enforce a lien under this section may be brought in district court in a county where the property is located after the lien is perfected. A lien statement may be amended, except the amount demanded, by leave of the court in the furtherance of justice. A lien is extinguished if an action to enforce the lien is not brought within 18 months after the date the lien statement is filed.*

*Subd. 8. [EXEMPTION FROM MEDIATION.] A lien created and perfected under this section is exempt from sections 583.20 to 583.32 and is effective against crops growing or to be grown by the debtor in the calendar year.*

Sec. 4. Minnesota Statutes 1986, section 514.960, subdivision 2, is amended to read:

*Subd. 2. [PERFECTION.] (a) To perfect a landlord lien, the lien must attach and the person or entity entitled to the lien must file a lien statement with the appropriate filing office under section 336.9-401 by 30 days after the crops become growing crops.*

*(b) A landlord lien that is not perfected has the priority of an unperfected security interest under section 336.9-312.*

Sec. 5. Minnesota Statutes 1986, section 514.960, subdivision 4, is amended to read:

*Subd. 4. [PRIORITY.] (a) A perfected landlord lien has priority over all other liens or security interests in crops grown or produced on the property that was leased and the crop products and proceeds.*

*(b) A landlord lien that is not perfected has the priority of an unperfected security interest under section 336.9-312.*

Sec. 6. Minnesota Statutes 1986, section 550.365, is amended to read:

**550.365 [MEDIATION NOTICE AND CONDITIONS REQUIREMENTS FOR AGRICULTURAL PROPERTY.]**

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

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

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

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

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

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

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

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

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

Sec. 7. Minnesota Statutes 1986, section 559.209, is amended to read:

559.209 [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]

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



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

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

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

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

YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION. *IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE CONTRACT FOR DEED VENDOR BEGINS REMEDIES TO ENFORCE THE DEBT.*

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

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

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

Sec. 8. [559.2091] [CONTRACT FOR DEED SUBJECT TO MEDIATION.]

*Subdivision 1. [LIEN FOR RENTAL VALUE; ATTACHMENT.] (a) A contract for deed vendor who is a natural person with a debt subject to mediation under sections 583.20 to 583.32 and who engages in mediation under sections 583.20 to 583.32 as a result of a purchaser's default on the contract, is considered a person who leases a property for agricultural production under section 514.960. The vendor has a lien for the reasonable rental value of the property during the mediation period as mutually determined by the vendor and the vendee not to exceed the rental value of the land as determined by the director of the University of Minnesota extension service, or by district court. The rental period under this section must not exceed the period in which the vendor's remedies are stayed under sections 583.20 to 583.32.*

*(b) The lien attaches to crops grown or to be grown by the vendee on the property subject to the contract regardless of the ownership of the crops.*

*Subd. 2. [PERFECTION.] Notwithstanding the requirement of section 514.960, subdivision 2, that the lien be filed within 30 days after the crops become growing crops, the lien provided under this subdivision is perfected by the vendor only if filed during mediation or within 30 days after the conclusion of mediation.*

*Subd. 3. [CREDITING OF PAYMENTS.] Payments acquired through a lien created under this subdivision must be applied as a payment on the contract according to the terms of the contract.*

*Subd. 4. [MEDIATION EXEMPTION.] A lien created under this section and filed under section 514.960 is exempt from sections 583.20 to 583.32.*

Sec. 9. Minnesota Statutes 1986, section 580.031, is amended to read:

580.031 [MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, eight weeks' published notice must be given prior to the foreclosure sale of a homestead to which ~~the provisions of chapter 583~~ sections 583.01 to 583.12 apply if the notice is published for the first time after May 24, 1983 and prior to May 1, 1985 ~~or~~, after June 8, 1985, and prior to May 1, 1987, or after the effective date of this act and prior to May 1, 1989. The notice must contain the information specified in section 580.04.

At least eight weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied.

Sec. 10. Minnesota Statutes 1986, section 581.015, is amended to read:

581.015 [MEDIATION NOTICE AND CONDITIONS FOR AGRICULTURAL PROPERTY.]

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

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

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

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

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

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

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

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

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

Sec. 11. Minnesota Statutes 1986, section 583.22, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL PROPERTY.] “Agricultural property” means real property that is principally used for farming as defined in section 500.24, subdivision 2, paragraph (a), and raising poultry, and personal property that is used as security to finance a farm operation or used as part of a farm operation including equipment, crops, livestock, and proceeds of the security, and removable agricultural structures under lease with option to purchase. “Agricultural property” does not include: personal property that is subject to a possessory lien under sections 514.18 to 514.22; property that is leased to the debtor other than removable agricultural structures under lease with option to purchase; or farm machinery that is primarily used for custom field work.

Sec. 12. Minnesota Statutes 1986, section 583.22, is amended by adding a subdivision to read:

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

Sec. 13. Minnesota Statutes 1986, section 583.22, subdivision 7b, is amended to read:

Subd. 7b. [NECESSARY LIVING EXPENSES.] As used in section 583.27, “necessary living expenses” means a sum approximately equal to one and one-half times the amount to which the family would be entitled if eligible for payments under section 256.74, unless limited by section 583.27, subdivision 1, paragraph (b).

Sec. 14. Minnesota Statutes 1986, section 583.22, subdivision 8, is amended to read:

Subd. 8. [SERVE.] “Serve” means (1) personal service as in a district court civil action; (2) service by certified mail using return receipt signed

by addressee only; or (3) actual delivery of required documents with signed receipt; or (4) if an unsuccessful attempt is made to serve under clause (1) or (2), service may be made by mail with a certificate of mailing to the last known address of the debtor. For purposes of serving under clause (4), the addressee is considered to have been served the documents five days after the date on the certificate of mailing.

Sec. 15. Minnesota Statutes 1986, section 583.24, subdivision 1, is amended to read:

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

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

(b) The farmer-lender mediation act does not apply to creditors of a debtor described under subdivision 2, paragraph (b).

Sec. 16. Minnesota Statutes 1986, section 583.24, is amended by adding a subdivision to read:

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

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

(2) if the debt was in default when the creditor received a mediation proceeding notice under the farmer-lender mediation act and the creditor filed a claim form, the debt was mediated during the mediation period under section 583.26, subdivision 8, and (i) the mediation was unresolved; or (ii) a mediation agreement with respect to that debt was signed;

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

(4) for which a creditor has received a mediation proceeding notice and the creditor and debtor have restructured the debt and have signed a separate mediation agreement with respect to that debt; or

(5) for which there is a lien for rental value of farm machinery under section 514.661 or a lien for rental value relating to a contract for deed subject to the farmer-lender mediation act under section 559.2091.

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

Sec. 17. Minnesota Statutes 1986, section 583.26, subdivision 1, is amended to read:

Subdivision 1. [MEDIATION NOTICE.] (a) A creditor desiring to start a proceeding to enforce a debt against agricultural property under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property, must serve an applicable mediation notice under sections 336.9-501, 550.365, 559.209, and 581.015 on the debtor and the director. *The creditor must also file with the director proof of the date the mediation notice was served on the debtor.* The creditor may not begin the proceeding until ~~the creditor and debtor have completed mediation~~ *the stay of the creditor's remedies is lifted under subdivision 5, or as allowed under sections 583.20 to 583.32.*

(b) *The director shall combine all mediation notices for the same debtor that are received prior to the initial mediation meeting into one mediation proceeding.*

Sec. 18. Minnesota Statutes 1986, section 583.26, subdivision 2, is amended to read:

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

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

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

Sec. 19. Minnesota Statutes 1986, section 583.26, subdivision 3, is amended to read:

Subd. 3. [CREDIT FINANCIAL ANALYST AND FARM ADVOCATE.] (a) *Within three business days after receiving a mediation notice request, the director shall provide a credit financial analyst knowledgeable in agricultural and financial matters to meet with the debtor and assure that information relative to the finances of the debtor is prepared for the initial mediation meeting. The financial analyst must review and, if necessary,*

*prepare the debtor's financial records before the initial mediation meeting.*

(b) After receiving the mediation notice, the director shall ~~notify~~ provide the debtor ~~that with a list of farm advocate advocates~~ that may be available without charge to assist the debtor and the ~~credit~~ financial analyst.

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

*Subd. 3a. [ORIENTATION SESSION.] The director shall schedule an orientation session to be held at least five days before the first mediation meeting. The debtor, the financial analyst, and a mediator shall participate in the orientation session. The mediator at the session need not be the one assigned to the mediation proceeding under subdivision 4. Creditors participating in the mediation may participate in the orientation session. At the orientation session, the financial analyst shall review the debtor's financial and inventory records to determine if they are adequate for the mediation and inform the debtor of any inadequacies, and the mediator shall inform the debtor of the requirements of the mediation process.*

Sec. 21. Minnesota Statutes 1986, section 583.26, subdivision 4, is amended to read:

*Subd. 4. [INITIAL MEDIATION MEETING PROCEEDING NOTICE.]*

(a) By ten days after receiving a mediation request, the director shall send: (1) a mediation ~~meeting~~ proceeding notice to the debtor; ~~and~~ (2) a mediation ~~meeting~~ proceeding notice to all creditors listed by the debtor in the mediation request; and (3) a claim form to all ~~known~~ secured creditors of stated by the debtor.

(b) The mediation ~~meeting~~ proceeding notice must include a time and place for an initial mediation meeting between the debtor, all known creditors of the debtor, and a list of three mediators: state:

(1) the name and address of the debtor;

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

(3) the time and place for the orientation session;

(4) the time and place for the initial mediation meeting;

(5) a list of the names of three mediators that may be assigned to the proceeding, along with background information on those mediators including biographical information, a summary of previous mediation experience, and the number of agreements signed by parties to previous mediation;

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

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

(8) that the farmer-lender mediation act prohibits the creditor from beginning or continuing a proceeding to enforce the debt against agricultural property for 90 days after the debtor files a mediation request with the director unless otherwise allowed; and

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

(c) An initial mediation meeting must be held within 20 days of the notice.

~~(e) Each~~ (d) The initiating creditor and the debtor may each request the director to exclude one mediator from the list by sending the director a notice to ~~such effect~~ *exclude the mediator* within three days after receiving the mediation meeting proceeding notice. ~~In the event that requests from the creditors to remove mediators from the list would result in the exclusion of all of the remaining mediators the director shall appoint the mediator not excluded by the creditor owed the largest debt. In the event that a debtor and creditor request the same mediator, the director shall appoint that mediator.~~

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

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

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

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

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

(f) After receiving a mediation proceeding notice, a secured creditor must return a claim form if the debt is not subject to the farmer-lender mediation act and specify why the debt is not subject to sections 583.20 to 583.32.

Sec. 22. Minnesota Statutes 1986, section 583.26, subdivision 5, is amended to read:

Subd. 5. [EFFECT OF MEDIATION MEETING PROCEEDING NOTICE.] (a) Except as provided in ~~paragraph~~ paragraphs (b), (c), and (d), if a creditor receives a mediation meeting proceeding notice under subdivision 4 the creditor and the creditor's successors in interest may not begin or continue proceedings to enforce a debt subject to the farmer-lender mediation act against agricultural property of the debtor under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property- ~~Time periods under and affecting those procedures stop running until (1) 90 days after the initiation of mediation, or (2) a mediation agreement is reached date the debtor files a mediation request with the director.~~

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

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

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

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

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

(e) *The provisions of this subdivision are subject to section 583.27, relating to extension or reduction in the period before a creditor may begin to enforce a debt and court-supervised mediation.*

Sec. 23. Minnesota Statutes 1986, section 583.26, subdivision 6, is amended to read:

Subd. 6. [ELIGIBILITY AND DUTIES OF MEDIATOR.] (a) *A person is not eligible to be a mediator if the person has a conflict of interest that does not allow the person to be impartial. A conflict of interest includes being a current officer or board member or officer of the initiating creditor.*

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

- (1) *listen to the debtor and the creditors desiring to be heard;*
- (2) *attempt to mediate between the debtor and the creditors;*
- (3) *advise the debtor and creditors of assistance programs available;*
- (4) *attempt to arrive at an agreement to fairly adjust, refinance, or pay the debts; and*

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

Sec. 24. Minnesota Statutes 1986, section 583.26, subdivision 9, is amended to read:



Subd. 9. [MEDIATION AGREEMENT.] (a) If an agreement is reached among the debtor and creditors the mediator shall ~~draft witness and sign~~ a written mediation agreement, have it signed by the ~~debtor and~~ creditors, and, if applicable, submit the agreement to the Minnesota rural finance administration for approval of debt restructuring.

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

- (1) are bound by the terms of the agreement;
- (2) may enforce the mediation agreement as a legal contract; and
- (3) may use the mediation agreement as a defense against an action contrary to the mediation agreement.

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

Sec. 25. Minnesota Statutes 1986, section 583.26, is amended by adding a subdivision to read:

Subd. 10. [END OF MEDIATION.] (a) *The mediator shall sign and serve to the parties and the director a termination statement by the end of the time period specified in subdivision 5.*

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

- (1) *acknowledges that mediation has ended; and*
- (2) *describes or references agreements reached between a creditor and the debtor, if any, and agreements reached among creditors, if any.*

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

Sec. 26. Minnesota Statutes 1986, section 583.27, subdivision 1, is amended to read:

Subdivision 1. [OBLIGATION OF GOOD FAITH.] (a) The parties must engage in mediation in good faith. Not participating in good faith includes: (1) a failure on a regular or continuing basis to attend and participate in mediation sessions without cause; (2) failure to provide full information regarding the financial obligations of the parties and other creditors *including the obligation of a creditor to provide information under section 583.26, subdivision 5, paragraph (d)*; (3) failure of the creditor to designate a representative to participate in the mediation with authority to make binding commitments within one business day to fully settle, compromise, or otherwise mediate the matter; (4) lack of a written statement of debt restructuring alternatives and a statement of reasons why alternatives are unacceptable to one of the parties; (5) failure of a creditor to release funds from the sale of farm products to the debtor for necessary living and farm operating expenses; or (6) other similar behavior which evidences lack of good faith by the party. A failure to agree to reduce, restructure, refinance, or forgive debt does not, in itself, evidence lack of good faith by the creditor.

(b) *The amount that the creditor is required to release for necessary living expenses under this section is limited to \$1,600 per month less the*

debtor's off-farm income.

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

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

Sec. 27. Minnesota Statutes 1986, section 583.27, subdivision 3, is amended to read:

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

Sec. 28. Minnesota Statutes 1986, section 583.27, subdivision 4, is amended to read:

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

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

Sec. 29. Minnesota Statutes 1986, section 583.27, is amended by adding a subdivision to read:

*Subd. 5. [INSPECTION OF COLLATERAL.] (a) After a debtor requests mediation under section 583.26, subdivision 2, a creditor who is participating in the mediation and who has a security agreement relating to agricultural property under the debtor's control may inspect the secured agricultural property during normal business hours on 24 hours' notice to the debtor. For purposes of this subdivision, "normal business hours" means 8:00 a.m. to 6:00 p.m. Monday through Saturday but excludes legal Minnesota and United States holidays.*

*(b) Failure to permit this inspection by the creditor, or destruction or waste of the property securing the debt, is evidence of the debtor's lack of good faith under subdivision 1, clause (6).*

Sec. 30. Minnesota Statutes 1986, section 583.27, is amended by adding a subdivision to read:

*Subd. 6. [REVIEW OF GOOD FAITH FINDING.] (a) Upon petition by a debtor or creditor, a court may review a mediator's affidavit of lack of good faith or a mediator's failure to file an affidavit of lack of good faith of a creditor under subdivision 3 or a debtor under subdivision 4. The review is limited to whether the mediator committed an abuse of discretion in filing or failing to file an affidavit of lack of good faith. The petition must be reviewed by the court within ten days after the petition is filed.*

*(b) If the court finds that the mediator committed an abuse of discretion in filing, or failing to file, an affidavit of lack of good faith, the court may: (1) reinstate mediation and the stay of creditors' enforcement actions; (2) order court supervised mediation; or (3) allow creditors to proceed immediately with creditors' remedies.*

*(c) A mediator may offer testimony but is not required to testify as part of the court's review.*

Sec. 31. Minnesota Statutes 1986, section 583.27, is amended by adding a subdivision to read:

*Subd. 7. [CONVERSION OF SECURITY.] A debtor who fraudulently conceals, removes, or transfers agricultural property in which the debtor knows there is a security interest is ineligible for mediation under the farmer-lender mediation act if the concealing, removing, or transferring was in violation of a security agreement without remitting the proceeds to the secured party. The secured party must petition the district court in the county of the debtor's residence for an order permitting the secured party to proceed with the secured party's remedies notwithstanding sections 583.20 to 583.32. The petition must be brought within one year after the concealing, removing, or transferring occurred. The district court shall issue a summons within seven days commanding the person against whom the petition is made to appear before the court on a day and place stated in the summons. The appearance must be no less than seven and no more than 14 days from the issuance of the summons. The district court must deliver findings within ten days after the close of the hearing. A petition under this subdivision cannot be brought after the secured party has served a mediation notice on the debtor under section 583.26.*

Sec. 32. [583.284] [RETENTION OF PURCHASE MONEY SECURITY INTEREST.]

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

Sec. 33. Minnesota Statutes 1986, section 583.285, is amended to read:  
583.285 [RULES.]

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

Sec. 34. [583.305] [PROHIBITED WAIVERS.]

*A waiver of mediation rights under the farmer-lender mediation act is void except as expressly allowed under the farmer-lender mediation act.*

Sec. 35. [CONTINUING EFFECT OF RULES.]

*Rules adopted by the state court administrator's office and published in the State Register on August 18, 1986, in volume 11, pages 302 to 307, are effective until June 30, 1989, unless the rules are amended or superseded by rules adopted by the commissioner of agriculture or the rules are inconsistent with this act.*

Sec. 36. Laws 1983, chapter 215, section 16, as amended by Laws 1984, chapter 474, section 7, as amended by Laws 1985, chapter 306, section 26, is amended to read:

Sec. 16. [REPEALER.]

Sections 1 to 15 are repealed effective July 1, 1987/1989, but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court.

Sec. 37. Laws 1986, chapter 398, article 1, section 18, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), are repealed on July 1, 1988/1989.

Sec. 38. [INSTRUCTION TO REVISOR.]

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

Sec. 39. [REPEALER.]

*Minnesota Statutes 1986, section 583.24, subdivision 3, is repealed.*

Sec. 40. [EFFECTIVE DATES.]

*Except as otherwise provided in this section, this act takes effect July 1, 1987.*

*Section 1 is effective the day after final enactment and applies to all judgments entered on or after that date.*

*Sections 2 to 8, 10 to 32, and 34 apply to mediation proceedings related to notices filed after June 30, 1987.*

*Sections 9, 33, 35, and 36 take effect the day after final enactment."*

Delete the title and insert:

"A bill for an act relating to agriculture; clarifying and amending the farmer-lender mediation act; amending Minnesota Statutes 1986, sections 336.9-501; 514.960, subdivisions 2 and 4; 550.365; 559.209; 580.031; 581.015; 583.22, subdivisions 2, 7b, and 8, and by adding a subdivision; 583.24, subdivision 1, and by adding a subdivision; 583.26, subdivisions 1, 2, 3, 4, 5, 6, and 9, and by adding a subdivision; 583.27, subdivisions 1, 3, and 4; and 583.285; proposing coding for new law in Minnesota Statutes, chapters 514, 550, 559, and 583; repealing Minnesota Statutes 1986, section 583.24, subdivision 3."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Charles A. Berg, LeRoy A. Stumpf, John E. Brandl, Dennis R. Frederickson, Charles R. Davis

House Conferees: (Signed) Jerry Schoenfeld, Wally A. Sparby, Andy Steensma, Stephen E. Dille, Edgar L. Olson

Mr. Berg moved that the foregoing recommendations and Conference Committee Report on S.F. No. 89 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 89 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Gustafson	Merriam	Reichgott
Anderson	Davis	Hughes	Moe, R.D.	Renneke
Beckman	DeCramer	Johnson, D.E.	Morse	Schmitz
Belanger	Dicklich	Jude	Novak	Storm
Benson	Diessner	Knaak	Olson	Taylor
Berg	Frank	Laidig	Pehler	Vickerman
Bernhagen	Frederick	Larson	Peterson, D.C.	Willet
Bertram	Frederickson, D.J.	Luther	Peterson, R.W.	
Chmielewski	Frederickson, D.R.	Marty	Piper	
Cohen	Freeman	McQuaid	Ramstad	

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1479 a Special Order to be heard immediately.

## SPECIAL ORDER

S.F. No. 1479: A bill for an act relating to economic development; establishing the Minnesota council on productivity and quality; assigning its

powers and duties; proposing coding for new law in Minnesota Statutes, chapter 116J.

Mr. Storm moved to amend S.F. No. 1479 as follows:

Page 3, after line 35, insert:

"Sec. 4. [REPEALER.]

*Sections 1 to 3 are repealed June 30, 1989."*

The motion prevailed. So the amendment was adopted.

S.F. No. 1479 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 39 and nays 7, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Freeman	Marty	Piper
Beckman	DeCramer	Gustafson	McQuaid	Reichgott
Belanger	Dicklich	Hughes	Moe, R.D.	Renneke
Benson	Diessner	Johnson, D.E.	Morse	Storm
Bernhagen	Frank	Knaak	Novak	Vickerman
Bertram	Frederick	Laidig	Pehler	Wegscheid
Chmielewski	Frederickson, D.J.	Larson	Peterson, D.C.	Willet
Cohen	Frederickson, D.R.	Luther	Peterson, R.W.	

Those who voted in the negative were:

Anderson	Jude	Olson	Ramstad	Taylor
Brataas	Merriam			

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar. The motion prevailed.

## CALENDAR

S.F. No. 1008: A bill for an act relating to occupations and professions; providing for the regulation of the practice of chiropractic; providing for peer review of services and fees; providing grounds for license revocation; prescribing penalties; amending Minnesota Statutes 1986, sections 148.06, subdivision 1; 148.07, subdivision 2; 148.08, subdivision 3; 148.10, subdivisions 1, 3, and by adding a subdivision; and 319A.02, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1986, section 148.101.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	Merriam	Ramstad
Anderson	DeCramer	Hughes	Moe, R.D.	Reichgott
Beckman	Dicklich	Johnson, D.E.	Morse	Renneke
Belanger	Diessner	Jude	Novak	Schmitz
Benson	Frank	Knaak	Olson	Storm
Bernhagen	Frederick	Laidig	Pehler	Taylor
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Vickerman
Brataas	Frederickson, D.R.	Marty	Peterson, R.W.	Wegscheid
Chmielewski	Freeman	McQuaid	Piper	Willet

So the bill passed and its title was agreed to.

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

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	Merriam	Ramstad
Anderson	Dahl	Hughes	Moe, R.D.	Reichgott
Beckman	DeCramer	Johnson, D.E.	Morse	Renneke
Belanger	Dicklich	Jude	Novak	Schmitz
Berg	Frank	Knaak	Olson	Storm
Bernhagen	Frederick	Larson	Pehler	Taylor
Bertram	Frederickson, D.J.	Luther	Peterson, D.C.	Vickerman
Brataas	Frederickson, D.R.	Marty	Peterson, R.W.	Wegscheid
Chmielewski	Freeman	McQuaid	Piper	Willet

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 606 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 606: A bill for an act relating to environment; establishing a petroleum tank release cleanup program; authorizing state action to prevent or correct health and environmental damage resulting from releases from petroleum storage tanks; establishing a petroleum tank release cleanup fund; establishing a petroleum tank release compensation board; authorizing reimbursement from the fund; requiring rulemaking; providing for administration by the pollution control agency and the department of commerce; requiring certification of tank installers; appropriating money; amending Minnesota Statutes 1986, sections 116.46, by adding subdivisions; 116.47; and 116.48, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 116; proposing coding for new law as Minnesota Statutes, chapter 115C.

Mr. Novak moved to amend H.F. No. 606, as amended pursuant to Rule 49, adopted by the Senate May 15, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 536.)

Page 7, line 17, after "tank" insert "release"

Page 7, line 33, after "3" insert "on the use of a tank for a 30-day period"

Page 7, line 36, after "on" insert "the use of tanks that contain"

Page 12, line 32, delete "\_\_\_\_" and insert "eight" and delete "\_\_\_\_" and insert "one"

Page 13, line 8, after the period, insert "*The portion of section 14 that relieves a person who deposits regulated substances in an underground storage tank from the responsibility for informing the owner or operator in writing of the notification requirement of Minnesota Statutes, section 116.48, is effective retroactively to January 1, 1986.*"

The motion prevailed. So the amendment was adopted.

### SUSPENSION OF RULES

Mr. Novak moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 606 and that the rules of the Senate be so far suspended as to give H.F. No. 606, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

H.F. No. 606 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Gustafson	McQuaid	Ramstad
Anderson	Cohen	Hughes	Merriam	Reichgott
Beckman	Dahl	Johnson, D.E.	Moe, R.D.	Renneke
Belanger	Davis	Jude	Morse	Schmitz
Benson	DeCramer	Knaak	Novak	Solon
Berg	Dicklich	Laidig	Olson	Taylor
Berglin	Diessner	Lantry	Pehler	Vickerman
Bernhagen	Frank	Larson	Peterson, D.C.	Willet
Bertram	Frederick	Luther	Peterson, R.W.	
Brataas	Frederickson, D.J.	Marty	Piper	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1112 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 1112: A bill for an act relating to human services; defining directors, officers, and partners as vendors of medical care for the purpose of medical assistance; allowing the commissioner to charge interest on money recovered from certain medical assistance providers; allowing sanction authority; amending Minnesota Statutes 1986, sections 256B.02, subdivision 7; 256B.064, subdivision 1c; and 256B.27, subdivisions 3 and 4.

Mrs. Lantry moved to amend H.F. No. 1112, the unofficial engrossment, as follows:



Page 1, after line 11, insert:

"ARTICLE 1"

Page 3, after line 23, insert:

"ARTICLE 2"

Section 1. Minnesota Statutes 1986, section 62A.046, is amended to read:

62A.046 [COORDINATION OF BENEFITS.]

(1) No group contract providing coverage for hospital and medical treatment or expenses issued or renewed after August 1, 1984, which is responsible for secondary coverage for services provided, may deny coverage or payment of the amount it owes as a secondary payor solely on the basis of the failure of another group contract, which is responsible for primary coverage, to pay for those services.

(2) A group contract which provides coverage of a claimant as a dependent of a parent who has legal responsibility for the dependent's medical care ~~but who does not have custody of the dependent may, upon request of the custodial parent, pursuant to a court order under section 518.171 must~~ make payments directly to the provider of care. In such cases, liability to the insured is satisfied to the extent of benefit payments made to the provider.

(3) This section applies to an insurer, a vendor of risk management services regulated under section 60A.23, a nonprofit health service plan corporation regulated under chapter 62C and a health maintenance organization regulated under chapter 62D. Nothing in this section shall require a secondary payor to pay the obligations of the primary payor nor shall it prevent the secondary payor from recovering from the primary payor the amount of any obligation of the primary payor that the secondary payor elects to pay.

Sec. 2. Minnesota Statutes 1986, section 176.191, subdivision 4, is amended to read:

Subd. 4. If the employee's medical expenses for a personal injury are paid pursuant to any program administered by the commissioner of human services, or if the employee ~~receives~~ or spouse or dependents living with the employee receive subsistence or other payments pursuant to such a program, and it is subsequently determined that the injury is compensable pursuant to this chapter, the workers' compensation insurer shall reimburse the commissioner of human services for the payments made, including interest at a rate of 12 percent a year.

Amounts paid to an injured employee or spouse or dependents living with the employee pursuant to such a program and attributable to the personal injury shall be deducted from any settlement or award of compensation or benefits under this chapter, including, but not limited to, temporary and permanent disability benefits.

*In the case of a settlement of the employee's claim, the total cash benefits that are to be paid to the employee shall be divided as follows:*

*(a) Reasonable costs of collection, including attorney fees in accordance with section 176.081, shall be deducted first.*

*(b) The full amount of subsistence or other public assistance paid to or on behalf of the employee must be deducted and paid to the department*

*of human services. The rest must be paid to the employee or the employee's legal representative; provided, however, that the person shall receive not less than one-third of the net benefits after costs of collection have been deducted. This allocation shall be deemed a reasonable settlement for purposes of section 176.521, subdivision 1a.*

*The insurer shall attempt, with due diligence, to ascertain whether payments have been made to an injured employee pursuant to such a program prior to any settlement or issuance of a binding award and shall notify the ~~commissioner~~ department of human services, benefit recovery section, when such payments have been made. An employee who has received public assistance payments shall notify the department of human services, benefit recovery section, of its potential intervention claim prior to making or settling a claim for benefits under this chapter. Notice served on local human services agencies is not sufficient to meet the notification requirement in this subdivision.*

**Sec. 3. [256.015] [PUBLIC ASSISTANCE LIEN ON RECIPIENT'S CAUSE OF ACTION.]**

*Subdivision 1. [STATE AGENCY HAS LIEN.] When the state agency provides, pays for, or becomes liable for medical care or furnishes subsistence or other payments to a person, the agency has a lien for the cost of the care and payments on all causes of action that accrue to the person to whom the care or payments were furnished, or to the person's legal representatives, as a result of the occurrence that necessitated the medical care, subsistence, or other payments.*

*Subd. 2. [PERFECTION; ENFORCEMENT.] The state agency may perfect and enforce its lien under sections 514.69, 514.70, and 514.71, and must file the verified lien statement with the appropriate court administrator in the county of financial responsibility. The verified lien statement must contain the following: the name and address of the person to whom medical care, subsistence, or other payment was furnished; the date of injury; the name and address of vendors furnishing medical care; the dates of the service or payment; the amount claimed to be due for the care or payment; and to the best of the state agency's knowledge, the names and addresses of all persons, firms, or corporations claimed to be liable for damages arising from the injuries.*

*This section does not affect the priority of any attorney's lien. The state agency is not subject to any limitations period referred to in section 514.69 or 514.71 and has one year from the date notice is received under subdivision 4 to file its verified lien statement. The state agency may commence an action to enforce the lien within one year of (1) the date the notice is received, or (2) the date the person's cause of action is concluded by judgment, award, settlement, or otherwise, whichever is later.*

*Subd. 3. [PROSECUTOR.] The attorney general, or the appropriate county attorney acting at the direction of the attorney general, shall represent the state agency to enforce the lien created under this section or, if no action has been brought, may initiate and prosecute an independent action on behalf of the state agency against a person, firm, or corporation that may be liable to the person to whom the care or payment was furnished.*

*Subd. 4. [NOTICE.] The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages to the injured person when the state agency has paid for or become liable*

*for the cost of medical care or payments related to the injury. Notice must be given as follows:*

*(a) Applicants for public assistance shall notify the state or local agency of any possible claims they may have against a person, firm, or corporation when they submit the application for assistance. Recipients of public assistance shall notify the state or local agency of any possible claims when those claims arise.*

*(b) A person providing medical care services to a recipient of public assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.*

*(c) A person who is a party to a claim upon which the state agency may be entitled to a lien under this section shall notify the state agency of its potential lien claim before filing a claim, commencing an action, or negotiating a settlement.*

*Notice given to the local agency is not sufficient to meet the requirements of paragraphs (b) and (c).*

*Subd. 5. [COSTS DEDUCTED.] Upon any judgment, award, or settlement of a cause of action, or any part of it, upon which the state agency has filed its lien, including compensation for liquidated, unliquidated, or other damages, reasonable costs of collection, including attorney fees, must be deducted first. The full amount of public assistance paid to or on behalf of the person as a result of the injury must be deducted next, and paid to the state agency. The rest must be paid to the public assistance recipient or other plaintiff. The plaintiff, however, must receive at least one-third of the net recovery after attorney fees and other collection costs.*

*Subd. 6. [WHEN EFFECTIVE.] The lien created under this section is effective with respect to any public assistance paid on or after August 1, 1987.*

*Subd. 7. [COOPERATION REQUIRED.] Upon the request of the department of human services, any state agency or third party payer shall cooperate with the department in furnishing information to help establish a third party liability. The department of human services shall limit its use of information gained from agencies and third party payers to purposes directly connected with the administration of its public assistance programs. The provision of information by agencies and third party payers to the department under this subdivision is not a violation of any right of confidentiality or data privacy.*

*Sec. 4. Minnesota Statutes 1986, section 256B.02, is amended by adding a subdivision to read:*

*Subd. 12. "Third party payer" means a person, entity, or agency or government program that has a probable obligation to pay all or part of the costs of a medical assistance recipient's health services.*

*Sec. 5. Minnesota Statutes 1986, section 256B.042, subdivision 2, is amended to read:*

*Subd. 2. The state agency may perfect and enforce its lien by following the procedures set forth in sections 514.69, 514.70 and 514.71, except that it shall have one year from the date when the last item of medical care was furnished in which to file and its verified lien statement, and the*

~~statement~~ shall be filed with the appropriate court administrator in the county of financial responsibility. The verified lien statement shall contain the following: the name and address of the person to whom medical care was furnished, the date of injury, the name and address of the vendor or vendors furnishing medical care, the dates of the service, the amount claimed to be due for the care, and, to the best of the state agency's knowledge, the names and addresses of all persons, firms or corporations claimed to be liable for damages arising from the injuries. This section shall not affect the priority of any attorney's lien. *The state agency is not subject to any limitations period referred to in section 514.69 or 514.71 and has one year from the date notice is received by it under subdivision 4 to file its verified lien statement. The state agency may commence an action to enforce the lien within one year of (1) the date the notice is received or (2) the date the recipient's cause of action is concluded by judgment, award, settlement, or otherwise, whichever is later.*

Sec. 6. Minnesota Statutes 1986, section 256B.042, subdivision 3, is amended to read:

Subd. 3. ~~To recover under this section~~ The attorney general, or the appropriate county attorney acting at the direction of the attorney general, shall represent the state agency ~~to enforce the lien created under this section or, if no action has been brought, may initiate and prosecute an independent action on behalf of the state agency against a person, firm, or corporation that may be liable to the person to whom the care was furnished.~~

Sec. 7. Minnesota Statutes 1986, section 256B.042, is amended by adding a subdivision to read:

Subd. 4. [NOTICE.] *The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable to pay part or all of the cost of medical care when the state agency has paid or become liable for the cost of that care. Notice must be given as follows:*

(a) *Applicants for medical assistance shall notify the state or local agency of any possible claims when they submit the application. Recipients of medical assistance shall notify the state or local agency of any possible claims when those claims arise.*

(b) *A person providing medical care services to a recipient of medical assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.*

(c) *A person who is a party to a claim upon which the state agency may be entitled to a lien under this section shall notify the state agency of its potential lien claim before filing a claim, commencing an action, or negotiating a settlement.*

*Notice given to the local agency is not sufficient to meet the requirements of paragraphs (b) and (c).*

Sec. 8. Minnesota Statutes 1986, section 256B.042, is amended by adding a subdivision to read:

Subd. 5. [COSTS DEDUCTED.] *Upon any judgment, award, or settlement of a cause of action, or any part of it, upon which the state agency has filed its lien, including compensation for liquidated, unliquidated, or other damages, reasonable costs of collection, including attorney fees, must be deducted first. The full amount of medical assistance paid to or*

*on behalf of the person as a result of the injury must be deducted next, and paid to the state agency. The rest must be paid to the medical assistance recipient or other plaintiff. The plaintiff, however, must receive at least one-third of the net recovery after attorney fees and other collection costs.*

Sec. 9. Minnesota Statutes 1986, section 256B.37, subdivision 1, is amended to read:

Subdivision 1. [SUBROGATION.] Upon furnishing medical assistance to any person having private accident or health care coverage, or having a cause of action arising out of an occurrence that necessitated the payment of medical assistance, the state agency shall be subrogated, to the extent of the cost of medical care furnished, to any rights the person may have under the terms of ~~any private health care the coverage or under the cause of action.~~

~~The right of subrogation does not attach to benefits paid or provided under private health care coverage prior to the receipt of written notice of the exercise of subrogation rights by the carrier issuing the health care coverage created in this section includes all portions of the cause of action, notwithstanding any settlement allocation or apportionment that purports to dispose of portions of the cause of action not subject to subrogation.~~

Sec. 10. Minnesota Statutes 1986, section 256B.37, subdivision 2, is amended to read:

Subd. 2. [CIVIL ACTION FOR RECOVERY.] To recover under this section, the attorney general, or the appropriate county attorney, acting upon direction from the attorney general, may institute or join a civil action ~~against the carrier of the private health care coverage to enforce the subrogation rights established under this section.~~

Sec. 11. Minnesota Statutes 1986, section 256B.37, is amended by adding a subdivision to read:

Subd. 3. [NOTICE.] *The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages, or otherwise obligated to pay part or all of the cost of medical care when the state agency has paid or become liable for the cost of care. Notice must be given as follows:*

(a) *Applicants for medical assistance shall notify the state or local agency of any possible claims when they submit the application. Recipients of medical assistance shall notify the state or local agency of any possible claims when those claims arise.*

(b) *A person providing medical care services to a recipient of medical assistance shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.*

(c) *A person who is party to a claim upon which the state agency may be entitled to subrogation under this section shall notify the state agency of its potential subrogation claim before filing a claim, commencing an action, or negotiating a settlement.*

*Notice given to the local agency is not sufficient to meet the requirements of paragraphs (b) and (c).*

Sec. 12. Minnesota Statutes 1986, section 256B.37, is amended by adding a subdivision to read:

*Subd. 4. [RECOVERY.] Upon any judgment, award, or settlement of a cause of action, or any part of it, upon which the state agency has a subrogation right, including compensation for liquidated, unliquidated, or other damages, reasonable costs of collection, including attorney fees, must be deducted first. The full amount of medical assistance paid to or on behalf of the person as a result of the injury must be deducted next and paid to the state agency. The rest must be paid to the medical assistance recipient or other plaintiff. The plaintiff, however, must receive at least one-third of the net recovery after attorney fees and collection costs.*

Sec. 13. Minnesota Statutes 1986, section 256B.37, is amended by adding a subdivision to read:

*Subd. 5. [PRIVATE BENEFITS TO BE USED FIRST.] Private accident and health care coverage for medical services is primary coverage and must be exhausted before medical assistance is paid. When a person who is otherwise eligible for medical assistance has private accident or health care coverage, including a prepaid health plan, the private health care benefits available to the person must be used first and to the fullest extent. Supplemental payment may be made by medical assistance, but the combined total amount paid must not exceed the amount payable under medical assistance in the absence of other coverage. Medical assistance must not make supplemental payment for covered services rendered by a vendor who participates or contracts with a health coverage plan if the plan requires the vendor to accept the plan's payment as payment in full.*

Sec. 14. Minnesota Statutes 1986, section 256B.37, is amended by adding a subdivision to read:

*Subd. 6. [PARENT'S OR OBLIGEE'S HEALTH PLAN.] When a parent or a person with an obligation of support has enrolled in a prepaid health care plan under section 518.171, subdivision 1, the commissioner of human services shall limit the recipient of medical assistance to the benefits payable under that prepaid health care plan to the extent that services available under medical assistance are also available under the prepaid health care plan.*

Sec. 15. Minnesota Statutes 1986, section 256D.03, is amended by adding a subdivision to read:

*Subd. 8. [PRIVATE INSURANCE POLICIES.] (a) Private accident and health care coverage for medical services is primary coverage and must be exhausted before general assistance medical care is paid. When a person who is otherwise eligible for general assistance medical care has private accident or health care coverage, including a prepaid health plan, the private health care benefits available to the person must be used first and to the fullest extent. Supplemental payment may be made by general assistance medical care, but the combined total amount paid must not exceed the amount payable under general assistance medical care in the absence of other coverage. General assistance medical care must not make supplemental payment for covered services rendered by a vendor who participates or contracts with any health coverage plan if the plan requires the vendor to accept the plan's payment as payment in full.*

*(b) When a parent or a person with an obligation of support has enrolled in a prepaid health care plan under section 518.171, subdivision 1, the commissioner of human services shall limit the recipient of general assistance medical care to the benefits payable under that prepaid health*

care plan to the extent that services available under general assistance medical care are also available under the prepaid health care plan.

(c) Upon furnishing general assistance medical care or general assistance to any person having private accident or health care coverage, or having a cause of action arising out of an occurrence that necessitated the payment of assistance, the state agency shall be subrogated, to the extent of the cost of medical care, subsistence, or other payments furnished, to any rights the person may have under the terms of the coverage or under the cause of action.

This right of subrogation includes all portions of the cause of action, notwithstanding any settlement allocation or apportionment that purports to dispose of portions of the cause of action not subject to subrogation.

(d) To recover under this section, the attorney general or the appropriate county attorney, acting upon direction from the attorney general, may institute or join a civil action to enforce the subrogation rights established under this section.

(e) The state agency must be given notice of monetary claims against a person, firm, or corporation that may be liable in damages, or otherwise obligated to pay part or all of the costs related to an injury when the state agency has paid or become liable for the cost of care or payments related to the injury. Notice must be given as follows:

(i) Applicants for general assistance or general assistance medical care shall notify the state or local agency of any possible claims when they submit the application. Recipients of general assistance or general assistance medical care shall notify the state or local agency of any possible claims when those claims arise.

(ii) A person providing medical care services to a recipient of general assistance medical care shall notify the state agency when the person has reason to believe that a third party may be liable for payment of the cost of medical care.

(iii) A person who is party to a claim upon which the state agency may be entitled to subrogation under this section shall notify the state agency of its potential subrogation claim before filing a claim, commencing an action, or negotiating a settlement.

Notice given to the local agency is not sufficient to meet the requirements of paragraphs (b) and (c).

(f) Upon any judgment, award, or settlement of a cause of action, or any part of it, upon which the state agency has a subrogation right, including compensation for liquidated, unliquidated, or other damages, reasonable costs of collection, including attorney fees, must be deducted first. The full amount of general assistance or general assistance medical care paid to or on behalf of the person as a result of the injury must be deducted next and paid to the state agency. The rest must be paid to the public assistance recipient or other plaintiff. The plaintiff, however, must receive at least one-third of the net recovery after attorney fees and collection costs.

Sec. 16. Minnesota Statutes 1986, section 268.121, is amended to read:  
268.121 [WAGE REPORTING.]

Beginning on April 1, 1984, each employer subject to this chapter shall provide the commissioner with a quarterly report of wages, as defined in section 268.04, subdivision 25, paid to each employee of that employer covered by this chapter. ~~The commissioner shall provide the legislature with recommendations for statutory changes to fully implement this section no later than January 1, 1983.~~

Sec. 17. Minnesota Statutes 1986, section 473.405, subdivision 13, is amended to read:

Subd. 13. [INSURANCE.] The commission may provide for self-insurance or otherwise provide for insurance relating to any of its property, rights, or revenue, workers' compensation, public liability, or any other risk or hazard arising from its activities, and may provide for insuring any of its officers or employees against the risk or hazard at the expense of the commission. If the commission provides for self-insurance, against its liability and the liability of its officers, employees, and agents for damages resulting from its torts and those of its officers, employees, and agents, including its obligation to pay basic economic loss benefits under sections 65B.41 to 65B.71, it shall be entitled to deduct from damages and basic economic loss benefits all money paid or payable to the persons seeking damages and benefits from all governmental entities providing medical, hospital, and disability benefits *except for payments made under the aid to families with dependent children or medical assistance programs.*

Sec. 18. Minnesota Statutes 1986, section 514.69, is amended to read:

514.69 [FILE WITH COURT ADMINISTRATOR OF THE DISTRICT COURT.]

*Subdivision 1. [PERFECTION OF HOSPITAL'S LIEN.]* In order to perfect such lien, the operator of such hospital, before, or within ten days after, such person shall have been discharged therefrom, shall file in the office of the court administrator of the district court of the county in which such hospital shall be located a verified statement in writing setting forth the name and address of such patient, as it shall appear on the records of such hospital, the name and location of such hospital and the name and address of the operator thereof, the dates of admission to and discharge of such patient therefrom, the amount claimed to be due for such hospital care, and, to the best of claimant's knowledge, the names and addresses of all persons, firms, or corporations claimed by such injured person, or the legal representatives of such person, to be liable for damages arising from such injuries; such claimant shall also, within one day after the filing of such claim or lien, mail a copy thereof, by certified mail, to each person, firm, or corporation so claimed to be liable for such damages to the address so given in such statement. The filing of such claim or lien shall be notice thereof to all persons, firms, or corporations liable for such damages whether or not they are named in such claim or lien.

*Subd. 2. [PERFECTION OF PUBLIC ASSISTANCE LIEN.]* In the case of public assistance liens filed under section 256.015 or 256B.042, the state agency may perfect its lien by filing its verified statement in the office of the court administrator in the county of financial responsibility for the public assistance paid. The court administrator shall record the lien in the same manner as provided in section 514.70."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.



H.F. No. 1112 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Jude	Moe, R.D.	Schmitz
Anderson	Cohen	Knaak	Morse	Solon
Beckman	Dahl	Knutson	Novak	Stumpf
Belanger	Davis	Laidig	Olson	Taylor
Benson	DeCramer	Lantry	Pehler	Vickerman
Berg	Dicklich	Larson	Peterson, D.C.	Willet
Berglin	Frank	Luther	Peterson, R.W.	
Bernhagen	Frederick	Marty	Piper	
Bertram	Gustafson	McQuaid	Ramstad	
Brataas	Johnson, D.E.	Merriam	Reichgott	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 949 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 949: A bill for an act relating to consumer protection; requiring registration for health, buying, and social referral clubs; providing bonding and alternative security requirements; regulating bond claims; amending Minnesota Statutes 1986, sections 325G.23, subdivisions 4, 8, and by adding a subdivision; and 325G.27.

Mr. Luther moved to amend H.F. No. 949, the unofficial engrossment, as follows:

Page 1, line 20, delete "*or well-being*"

The motion prevailed. So the amendment was adopted.

H.F. No. 949 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	Moe, R.D.	Renneke
Anderson	Davis	Jude	Morse	Schmitz
Beckman	DeCramer	Knaak	Novak	Solon
Belanger	Dicklich	Knutson	Olson	Stumpf
Benson	Diessner	Laidig	Pehler	Taylor
Berg	Frank	Larson	Peterson, D.C.	Vickerman
Bernhagen	Frederick	Luther	Peterson, R.W.	Willet
Bertram	Frederickson, D.J.	Marty	Piper	
Brataas	Gustafson	McQuaid	Ramstad	
Cohen	Hughes	Merriam	Reichgott	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of

Messages From the House and First Reading of House Bills. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 303.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 15, 1987.

### FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 303: A bill for an act relating to agriculture; changing the shade tree disease control program; imposing certain penalties; eliminating certain audit requirements and an insurance limitation; changing the cooperative associations law; amending Minnesota Statutes 1986, sections 18.023, subdivision 1; 28A.08; 31.101, subdivisions 3, 4, 5, 6, 7, and 8; 40.071; 308.58, subdivision 2; 308.62; 308.77; 308.83; and 308.85; repealing Minnesota Statutes 1986, sections 38.02, subdivision 2; and 38.13.

### SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 303 and that the rules of the Senate be so far suspended as to give H.F. No. 303 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 303 was read the second time.

Mr. Stumpf moved to amend H.F. No. 303 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 303, and insert the language after the enacting clause, and the title, of S.F. No. 336, the first engrossment.

The motion prevailed. So the amendment was adopted.

Mr. Stumpf then moved to amend H.F. No. 303, as amended by the Senate May 15, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 336.)

Page 4, after line 33, insert:

"Sec. 3. Minnesota Statutes 1986, section 31.101, subdivision 3, is amended to read:

Subd. 3. Federal pesticide chemical regulations and amendments thereto in effect on April 1, ~~1982~~ 1987, adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 4. Minnesota Statutes 1986, section 31.101, subdivision 4, is amended to read:

Subd. 4. Federal food additive regulations and amendments thereto in effect on April 1, ~~1982~~ 1987, as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 5. Minnesota Statutes 1986, section 31.101, subdivision 5, is amended to read:

Subd. 5. Federal color additive regulations and amendments thereto in effect on April 1, ~~1982~~ 1987, as provided by Code of Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 6. Minnesota Statutes 1986, section 31.101, subdivision 6, is amended to read:

Subd. 6. Federal special dietary use regulations and amendments thereto in effect on April 1, ~~1982~~ 1987, as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 7. Minnesota Statutes 1986, section 31.101, subdivision 7, is amended to read:

Subd. 7. Federal regulations and amendments thereto in effect on April 1, ~~1982~~ 1987, adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act; provided that the commissioner shall not adopt amendments to such rules or adopt other rules which are contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the regulations promulgated thereunder.

Sec. 8. Minnesota Statutes 1986, section 31.101, subdivision 8, is amended to read:

Subd. 8. Applicable federal regulations including recodification contained in Code of Federal Regulations, title 21, parts 0-1299, Food and Drugs, in effect April 1, ~~1982~~ 1987, and not otherwise adopted herein, also are adopted as food rules of this state. Such rules may be amended by the commissioner in accordance with the administrative procedure act."

Page 8, after line 15, insert:

"Sec. 16. [EFFECTIVE DATE.]

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

Renumber the sections in sequence

Amend the title accordingly.

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend H.F. No. 303, as amended by the Senate May 15, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 336.)

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1986, section 17B.15, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION; APPROPRIATION.] The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.23, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months, ~~and including repayment by the department of any amount appropriated from the general fund to establish the grain inspection and weighing account.~~ The commissioner shall review the fee schedule twice each year. Fee adjustments are not subject to chapter 14. Payment shall be required for services rendered. If the grain is in transit, the fees shall be paid by the carrier and treated as advance charges, and, if received for storage, the fees shall be paid by the warehouse operator, and added to the storage charges.

All fees collected and all fines and penalties for violation of any provision of this chapter shall be deposited in the grain inspection and weighing account, which is created in the state treasury for carrying out the purpose of sections 17B.01 to 17B.23. The money in the account is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to 17B.23."

Page 2, after line 32, insert:

"Sec. 3. Minnesota Statutes 1986, section 19.58, subdivision 1, is amended to read:

Subdivision 1. [ENTRY PERMIT.] No person may bring into this state any bees on comb, including nuclei, or used bee equipment without an entry permit issued by the commissioner. A person who wishes to bring any bees on comb or used bee equipment into the state shall apply for an entry permit at least 60 days before the date of entry. The 60-day requirement may be waived for a hobbyist beekeeper who intends to become a resident of Minnesota and who brings ten colonies or less into the state.

Ten days before entry, any person required to obtain an entry permit shall furnish to the commissioner a copy of a valid certificate of inspection signed by a responsible official of the state where the bees or equipment originated. The certificate must be based on ~~either an inspection or an affidavit.~~ *No person may bring into the state any bees on comb including nuclei, combless bees, or used bee equipment from any county or parish where honey bee tracheal mites or Africanized bees have been found unless it is demonstrated to the satisfaction of the commissioner that there will be no risk of introduction either of tracheal mites or Africanized bees into the state. Bees or equipment brought into the state in violation of this subdivision are a public nuisance and may be destroyed without notice by the commissioner.*

This subdivision does not apply to a common carrier transporting bees or used bee equipment from a point of origin outside of the state to a destination outside of the state."

Page 4, after line 33, insert:

"Sec. 11. Minnesota Statutes 1986, section 32.394, subdivision 8, is

amended to read:

Subd. 8. ~~[EXPLORATORY PRELIMINARY INSPECTIONS GRADE A INSPECTION FEES.]~~ Any A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to learn about and acquaint producers with market Grade A requirements may make a request to the commissioner for exploratory inspections and meetings for this purpose. Upon receipt of such request, the commissioner at a convenient time shall cause such exploratory inspections to be made and such meetings to be held as are necessary to acquaint said processor and producers with such requirements. If, after such exploratory inspections are made and such meetings are held and when in the processor's opinion the processor's field service has brought producers into compliance with said requirements, said processor wishes further inspection service, the processor shall so milk or use the Grade A label must apply on a form furnished by for Grade A inspection service from the commissioner, stating the number of farms to be inspected. Such applications shall be accompanied by a fee payable to the state treasurer in an amount of not less than \$50 and not more than \$300, which fee is to be charged for preliminary inspection prior to continuous inspection; and assessments over \$50 are to be determined by charging \$1 for each farm over 50, but shall not exceed \$300 if more than 300 farms are inspected; provided that, if the plant and farms are accepted for continuous inspection, this charge shall be made only once. If the preliminary inspection discloses that the processor is eligible for use of the Grade A label on products and before the processor so labels said products, the processor shall apply for continuous inspection on a form furnished by the commissioner and shall hold a Grade A permit. Such application shall be accompanied by a fee of not less than \$100 nor more than \$500 per plant and of not less than \$15 nor more than \$50 per farm, said fee to be paid annually. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$66 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than \$33 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. If the commissioner deems it necessary to more nearly meet the cost of the service, the commissioner may annually adjust the assessments within the limits set herein in this subdivision.

Sec. 12. Minnesota Statutes 1986, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. ~~[MANUFACTURING GRADE FARM CERTIFICATION.]~~ A processor or marketing organization of milk, milk products, sheep milk, or goat milk, other than Grade A, who wishes to obtain market other than Grade A milk must apply for a manufacturing grade farm certification; shall make a request to inspection from the commissioner for a farm certification inspection. A processor who requests and receives a farm certification inspection shall pay a fee to the commissioner for the certification of the milk supply. A manufacturing plant that pasteurizes milk or milk byproducts must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than \$33 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For

*a farm requiring more than the one annual inspection required for certification, an additional fee of no more than \$33 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee shall must be set by the commissioner in an amount necessary to meet the cost of the service for farm certification, which fee shall but must not exceed 50 percent of the fees charged for Grade A permits the limits in this subdivision.*

Sec. 13. Minnesota Statutes 1986, section 32.394, subdivision 9, is amended to read:

Subd. 9. [PAYMENTS; REFUNDS; DISPOSITION.] ~~The amount of such assessments shall be~~ Fees are payable by the a processor on or before or marketing organization by July 1, of each year for Grade A, and by January 1 of each year for manufacturing grade, and if not paid on or before July 31, following within 30 days of the due date, the service shall must be discontinued, and permission to market manufacturing grade or Grade A milk or milk products or use the Grade A label shall must be withdrawn; ~~provided, that such.~~ A processor may terminate such payment and such service without loss of the Grade A label if written notice of such that intention is given prior to the due date of the payment of said an assessment and if the continuous inspection of said the plant and farms is assumed by a city whose milk control ordinance is substantially equivalent to Minnesota law and rule and is enforced with equal effectiveness. ~~When such written notice is given by the processor on or before December 31 preceding the due date, that portion of the assessment for the period January 1 through June 30, immediately following, shall be refunded to the processor~~ If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by July 1 for manufacturing grade, or by December 31 for Grade A, and on approval by the commissioner refunds must be made to the processor or marketing organization.

The fees for services performed by the activities of this section shall must be deposited in the state treasury and shall constitute a separate account to be known as the milk inspection service account, which is hereby created, set aside, and appropriated as a revolving fund to be used to help to defray the cost of administration, refunds and expenses of the preliminary and continuous milk inspection services and shall be is in addition to and not in substitution for the sums appropriated or otherwise made available for this purpose to the department of agriculture."

Page 5, after line 9, insert:

"Sec. 15. Minnesota Statutes 1986, section 223.17, subdivision 1, is amended to read:

Subdivision 1. [LICENSES.] An application for a grain buyer's license must be filed with the commissioner and the license issued before any grain may be purchased. *The commissioner must provide application forms and licenses that state the restrictions and authority to purchase and store grain under the license being applied for and issued.* The types categories of grain buyers' licenses are:

- (a) private grain warehouse operator's license;
- (b) public grain warehouse operator's license; and

(c) independent grain buyer's license.

The applicant for a grain buyer's license shall identify all grain buying locations owned or controlled by the grain buyer and all vehicles owned or controlled by the grain buyer used to transport purchased grain. Every applicant for a grain buyer's license shall have a permanent established place of business at each licensed location. An "established place of business" means a permanent enclosed building, including a house or a farm, either owned by the applicant or leased by the applicant for a period of at least one year, and where the books, records, and files necessary to conduct the business are kept and maintained. The commissioner may maintain information on grain buyers by categories including, but not limited to, the categories provided in clauses (a) to (c) and grain buyers that are licensed to purchase grain using trucks but that do not have a public or private warehouse license."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Davis moved to amend H.F. No. 303, as amended by the Senate May 15, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 336.)

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### RURAL FINANCE AUTHORITY

Section 1. Minnesota Statutes 1986, section 41.56, subdivision 4, is amended to read:

Subd. 4. [SALE OF DEFAULTED PROPERTY.] In the event that title to any property is acquired by the state, upon conveyance of title to the state and expiration of the period of redemption, the commissioner shall undertake to sell the property by publishing a notice of the impending sale at least once each week for four successive weeks in a legal newspaper and also in a newspaper of general distribution in the county in which the property to be sold is situated. The notice must describe the lots or tracts to be offered and the terms of sale. Except as further provided, the terms and method of sale shall be determined by the commissioner.

The commissioner shall first attempt to sell the property to a person who is eligible for a family farm security loan. If the commissioner is unable to effect a sale to an eligible person, the commissioner shall attempt to sell the property for cash as provided in subdivision 4a. If the commissioner is unable to effect a sale to an eligible person or for cash, or if the commissioner finds that sale to an eligible person or for cash would not best protect the interests of the state, the commissioner may sell the property on terms which the commissioner finds will best protect the interests of the state. The commissioner may lease any real property which the commissioner is unable to sell with reasonable promptness. In any event, any acquired farm property must be sold within three years after the conveyance of title to the state or after the expiration of the period of redemption. The commissioner may contract for the services of a licensed real estate agent or broker to assist in selling any property acquired under this section and

may pay for the services from the proceeds of the sale before proceeds are distributed under subdivision 4b.

*In lieu of selling property under this subdivision, the commissioner may utilize participation under the beginning farmer program under chapter 41B.*

*In selling property acquired under this section, the commissioner may not sell the property to a relative within the second degree of kindred according to common law of a person who has defaulted.*

**Sec. 2. [41.597] [USE AND DISPOSITION OF PROPERTY.]**

**Subdivision 1. [COMMISSIONER MAY SELL OR LEASE PROPERTY.]**  
*The commissioner may sell or lease property acquired by the state in a manner that protects the interests of the state. Persons desiring to purchase or lease property must apply to the commissioner.*

**Subd. 2. [MANAGING AND SELLING PROPERTY.] (a)** *The commissioner must attempt to sell agricultural property to persons entering farming and farmers that need additional property to continue their farming operations.*

*(b) The commissioner must give priority to applicants desiring to purchase or lease property who:*

*(1) are residents of the state of Minnesota;*

*(2) have sufficient education, training, or experience in the type of farming for which the property is desired and agree to continued participation in a farm management program, approved by the commissioner for at least the first ten years;*

*(3) have, including the applicant's dependents and spouse, a total net worth valued at less than \$100,000 and have demonstrated a need for acquiring property from the commissioner;*

*(4) intend to purchase farm land to be used by the applicant for agricultural purposes; and*

*(5) are credit worthy according to standards prescribed by the commissioner.*

*(c) The commissioner must attempt to sell the property by a cash sale. Agricultural property may be leased with an option to purchase to accommodate a sale. The commissioner should avoid long-term leasing of property.*

**Subd. 3. [RESTRICTED AGRICULTURAL USE.] (a)** *Acquired property that has marginal land as defined in section 40.42, subdivision 6, or wetlands must be restricted from agricultural use on the marginal land or wetlands.*

*(b) If the commissioner determines that all or a portion of acquired property should be taken out of agricultural use or particular agricultural uses should be restricted, the commissioner shall have the attorney general prepare an easement restricting the agricultural use and file the easement with the county recorder where the property is located.*

**Subd. 4. [EXCLUSIVE AGRICULTURAL USE.]** *The commissioner may place easements on acquired property restricting development and allowing only agricultural or conservation use.*



Sec. 3. Minnesota Statutes 1986, section 41B.01, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance ~~administration authority~~ and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the ~~program rural finance authority's programs~~ and of the bonds issued to finance or provide security for the ~~program programs~~ is to purchase participation interests in loans to be made available by agricultural lenders to farmers in order to restructure existing debt and to make available additional credit to farmers who own or purchase agricultural properties on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the ~~program programs~~ in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance ~~administration authority~~ and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance ~~administration authority~~, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

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

Subd. 4. [ELIGIBLE AGRICULTURAL LENDER; ELIGIBLE LENDER.] "Eligible agricultural lender" or "eligible lender" means ~~an entity of the kind described in section 41B.04, subdivision 6, which enters into an agreement with the administration providing for the purchase by the administration of participation interests in eligible agricultural loans originated and serviced by the qualified agricultural lender a bank, credit union, or savings and loan association chartered by the state or federal government, a subdivision of the Farm Credit System, the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or any insurance company, fund, or other financial institution doing business as an agricultural lender within the state, if the authority determines that the agricultural lender has sufficient personnel and other resources to efficiently and properly originate and service qualified agricultural loans. An eligible agricultural lender must enter into one or more agree-~~

*ments with the authority providing for the origination and servicing of qualified agricultural loans on the terms and conditions the authority determines to be appropriate.*

Sec. 5. Minnesota Statutes 1986, section 41B.02, subdivision 5, is amended to read:

Subd. 5. [ELIGIBLE BORROWER.] "Eligible borrower" means a borrower who meets the eligibility criteria *for a program* in section 41B.03.

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

Subd. 6. [QUALIFIED AGRICULTURAL LOAN.] "Qualified agricultural loan" means a loan to an eligible borrower made ~~by an eligible agricultural lender which the administration purchases or in which the administration purchases a participation interest under agricultural programs established and implemented by the authority.~~

Sec. 7. Minnesota Statutes 1986, section 41B.02, subdivision 9, is amended to read:

Subd. 9. [PRIMARY PRINCIPAL.] "Primary principal" means that portion of the ~~principal~~ outstanding *balance* on a loan covered by sections 41B.01 to 41B.23 that is equal to the current market value of the property secured by the loan.

Sec. 8. Minnesota Statutes 1986, section 41B.02, subdivision 11, is amended to read:

Subd. 11. [BASIC INTEREST.] "Basic interest" means that part of interest on primary principal that is payable ~~annually~~ *while the loan is in effect.*

Sec. 9. Minnesota Statutes 1986, section 41B.02, subdivision 13, is amended to read:

Subd. 13. [CURRENT MARKET VALUE.] "Current market value" means, *for the purposes of section 41B.04,* the value determined by an appraisal considering comparable sales in the area where the real estate is located and the reasonable productive value of the property based on past production history. The state and the eligible agricultural lender must mutually agree on the current market value.

Sec. 10. Minnesota Statutes 1986, section 41B.02, subdivision 14, is amended to read:

Subd. 14. [BORROWER.] "Borrower" means the person or persons liable on a ~~restructured note~~ *qualified agricultural loan.*

Sec. 11. Minnesota Statutes 1986, section 41B.02, subdivision 15, is amended to read:

Subd. 15. [ORIGINAL LOAN.] "Original loan" means a loan prior to restructuring *as provided in section 41B.04.*

Sec. 12. Minnesota Statutes 1986, section 41B.03, is amended to read:  
41B.03 [BORROWER ELIGIBILITY CRITERIA.]

*Subdivision 1. [ELIGIBILITY GENERALLY.] To be eligible for a program in sections 41B.01 to 41B.23:*

*(a) (1) a borrower must be a resident of Minnesota or a domestic family*

farm corporation, as defined in section 500.24, subdivision 2-;

~~(b) (2) the borrower or one of the borrowers must be the principal operator of the farm- or, for a prospective homestead redemption borrower, must have at one time been the principal operator of a farm; and~~

~~(3) the borrower must not previously have received assistance under sections 41B.01 to 41B.23.~~

*Subd. 2. [ELIGIBILITY FOR RESTRUCTURED LOAN.] In addition to the eligibility requirements of subdivision 1, a prospective borrower for a restructured loan must:*

~~(c) the borrower or one of the borrowers must (1) have received at least 50 percent of average annual gross income from farming for the past three years or, for homesteaded property, received at least 40 percent of average gross income from farming in the past three years, and farming must be the principal occupation of the borrower-;~~

~~(d) The borrower must (2) have a debt-to-asset ratio equal to or greater than 50 percent- and in determining this ratio, the assets must be determined by the valued at their current market value of the assets-;~~

~~(e) The borrower's (3) have projected annual expenses, including operating expenses, family living, and interest expenses after the restructuring, must that do not exceed 95 percent of the borrower's projected annual income considering prior production history and projected prices for farm production-, except that the authority may reduce the 95 percent requirement if it finds that other significant factors in the loan application support the making of the loan; and~~

~~(f) The borrower must be unable to meet (4) demonstrate substantial difficulty in meeting projected annual expenses without restructuring the loan.~~

~~(g) The borrower must not previously have received restructuring assistance pursuant to sections 41B.01 to 41B.23.~~

*Subd. 3. [BEGINNING FARMER LOANS.] In addition to the requirements under subdivision 1 a prospective borrower for a beginning farm loan must:*

*(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;*

*(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000;*

*(3) demonstrate a need for the loan;*

*(4) demonstrate an ability to repay the loan;*

*(5) demonstrate that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and*

*(6) demonstrate that farming will be the principal occupation of the borrower.*

*Subd. 4. [CONTINUING ELIGIBILITY REQUIREMENTS.] After qualifying for a restructured loan, a borrower must continue to meet only the requirements of subdivision 1, clauses (1) and (2).*

Sec. 13. Minnesota Statutes 1986, section 41B.035, subdivision 5, is

amended to read:

Subd. 5. [~~BOARD ACTIONS OF THE AUTHORITY.~~] ~~The powers of the board are with the members in office from time to time.~~ A majority of the members of the ~~board authority~~, excluding vacancies, constitutes a quorum for the purpose of conducting its business and exercising its powers, and for all other purposes. Action may be taken by the ~~board authority~~ upon a vote of a majority of a quorum present.

Sec. 14. Minnesota Statutes 1986, section 41B.035, is amended by adding a subdivision to read:

Subd. 8. [TECHNICAL ASSISTANCE.] *The authority must make technical assistance available to potential lenders and applicants to encourage applications for loans.*

Sec. 15. [41B.037] [HOMESTEAD REDEMPTION PROGRAM.]

*The authority may establish and implement a homestead redemption program under sections 41B.01 to 41B.23. The purpose of the program is to assist persons who have lost their farms due to foreclosure, granting a deed in lieu of foreclosure, or other actions necessary to settle their agricultural debts, and who are otherwise unable to secure the credit necessary to repurchase their farm homestead. The authority may enter into agreements with an eligible lender for the purposes of the program. The authority may, by rule, establish eligibility standards for the program that are different from those established for other programs of the authority. The authority's interest in a homestead redemption loan may not exceed one-half of the loan amount or \$25,000, whichever is less.*

Sec. 16. [41B.038] [PROGRAMS FOR COMMITMENTS TO OTHER ENTITIES.]

*The authority may establish programs to make or purchase and enter into commitments to make or purchase qualified agricultural loans or portions of the loans issued to persons described in section 41B.03, subdivision 1. The agricultural loans must be insured or guaranteed by the United States Department of Agriculture, Farmers Home Administration, Farm Credit System, a subdivision of the Farm Credit System, or any similar federal agency or federally chartered institution whose obligations are directly or indirectly guaranteed or insured by the United States. The commissioner of finance may not issue general obligation bonds pursuant to sections 41B.19 or 41B.195 to finance any programs established under this section.*

Sec. 17. [41B.039] [BEGINNING FARMER PROGRAM.]

*Subdivision 1. [ESTABLISHMENT.] The authority may establish, develop criteria, and implement a beginning farmer program. The program must assist persons entering farming who have not owned a farm before entering the beginning farmer program.*

*Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of one-fourth of the principal of the loan or \$25,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.*

Subd. 3. [SOIL AND WATER CONSERVATION AGREEMENTS.] (a)

*As a condition of receiving a beginning farmer loan the borrower must agree to implement an approved soil and water conservation plan on the land.*

*(b) The borrower must place marginal land as defined in section 40.42, subdivision 6, in a permanent conservation easement as provided in section 40.43. The authority may compensate the borrower for the easement as provided in section 40.43, subdivision 6.*

*Subd. 4. [FARM MANAGEMENT.] A borrower must agree to participate in a farm management program approved by the commissioner of agriculture for at least the first eight years of the loan.*

*Subd. 5. [LOAN REVIEW.] The authority shall refer all applications for the beginning farmer program to the family farm advisory council to review the loan with the beginning farmer and make recommendations to the authority.*

Sec. 18. Minnesota Statutes 1986, section 41B.04, subdivision 7, is amended to read:

Subd. 7. [RESTRUCTURING PROCEDURE.] (a) The eligible agricultural lender or borrower shall propose restructuring a loan to the ~~administration authority~~. Within 30 days of receiving adequate information concerning a proposal, the ~~administration authority~~ and the eligible lender shall notify the borrower of their determination of eligibility. An eligible agricultural lender shall then expeditiously ~~conduct necessary appraisals and~~ draft the loan restructuring agreement which must be consistent with this section and documents previously approved by the ~~administration and eligible lenders authority~~. ~~The loan restructuring agreement must be approved by the eligible lender, the administration, and the borrower.~~

*(b) An eligible borrower may participate in the restructured loan or the homestead redemption loan, but not both loans.*

Sec. 19. Minnesota Statutes 1986, section 41B.04, subdivision 8, is amended to read:

Subd. 8. [STATE'S PARTICIPATION.] With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the ~~administration authority~~, the ~~administration authority~~ shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of one-quarter of the primary principal or \$50,000, whichever is less, ~~except that the administration may participate in restructured loans made for the redemption of homesteads to the extent of one-half of the primary principal or \$25,000, whichever is less. The administration's authority's portion of the loan must thereafter be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.~~

Sec. 20. Minnesota Statutes 1986, section 41B.04, subdivision 9, is amended to read:

Subd. 9. [RESTRUCTURED LOAN AGREEMENT.] (a) All payments on the primary and secondary principal of the restructured loan, all payments of interest on the secondary principal, and an agreed portion of the interest payable to the eligible agricultural lender on the primary principal must be deferred to the end of the term of the loan.

(b) A borrower may prepay the restructured loan, with all primary and secondary principal and interest and deferred interest at any time without prepayment penalty.

(c) Interest on secondary principal must accrue at a below market interest rate.

(d) At the conclusion of the term of the restructured loan, the borrower owes primary principal, secondary principal, and deferred interest on primary and secondary principal. However, part of this balloon payment may be forgiven following an appraisal by the lender and the ~~administration~~ authority to determine the current market value of the real estate subject to the mortgage. If the current market value of the land after appraisal is less than the amount of debt owed by the borrower to the lender and ~~administration~~ authority on this obligation, that portion of the obligation that exceeds the current market value of the real property must be forgiven by the lender and the ~~administration~~ authority in the following order:

- (1) deferred interest on secondary principal;
- (2) secondary principal;
- (3) deferred interest on primary principal;
- (4) primary principal as provided in an agreement between the administration and the lender; and
- (5) accrued but not deferred interest on primary principal.

The debt forgiveness may be combined with a renegotiated loan on the unforgiven balance due if the borrower is able to establish that there are reasonable prospects of repayment on a debt equal to the current market value of real estate at then existing interest rates. If so, the loan must be reamortized on terms and conditions acceptable to the lender, the administration, and the farmer.

(e) The authority may not participate in refinancing a restructured loan at the conclusion of the restructured loan.

Sec. 21. Minnesota Statutes 1986, section 41B.04, subdivision 10, is amended to read:

Subd. 10. [INTEREST RATE.] *Unless the authority determines that it is not in the best interests of the restructured loan program, the interest rate per annum on the portion of the ~~restructuring~~ restructured loan represented by the participation interest purchased by the ~~administration~~ authority must be that rate of interest determined by the ~~administration~~ authority to be necessary to provide for the timely payment of principal and interest when due on bonds or other obligations issued by the ~~administration~~ authority, and to provide for the reasonable and necessary costs of issuing, carrying, administering, and securing the bonds or notes and to pay the costs incurred and to be incurred by the ~~administration~~ authority in the implementation of the program. The interest rate per annum borne by the primary principal portion of the restructuring loan retained by the eligible agricultural lender must be a rate of interest approved by the ~~administration~~ authority. The ~~administration~~ authority may specify the points, fees, and other charges which the eligible agricultural lender may charge to the eligible borrower.*

Sec. 22. Minnesota Statutes 1986, section 41B.04, subdivision 11, is amended to read:

Subd. 11. [ADMINISTRATION.] The eligible lender shall administer the loans and shall bear all costs of the loan administration. Ordinary costs of administration include appraisals, litigation, abstracts of title, and similar costs. ~~The administration agrees to share in any other responsibilities common to a loan participation agreement.~~

Sec. 23. Minnesota Statutes 1986, section 41B.04, subdivision 12, is amended to read:

Subd. 12. [ASSIGNABILITY.] Loans restructured under this section may not be assigned to anyone other than a ~~direct descendant of the original borrower and the assignee must intend to engage in the direct operation and management of the farm which is subject to the mortgage meeting the eligibility requirements of section 41B.03, subdivision 1, and any other requirements imposed or approved by the authority.~~ If such an assignment is contemplated, the borrower must obtain prior written approval of the eligible lender and the administration and the assignee shall thereafter be subject to the same terms and conditions and events of default as the original borrower. If assigned to some other party, the eligible agricultural lender may exercise its foreclosure remedies as provided by its contracts and by law.

Sec. 24. Minnesota Statutes 1986, section 41B.05, is amended to read:

**41B.05 [GENERAL POWERS OF THE ADMINISTRATION AUTHORITY.]**

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the ~~administration authority~~ has the general powers granted in this section.

(a) It may sue and be sued.

(b) It may have a seal and alter the seal.

(c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.

(d) It may acquire, hold, and dispose of personal property for its corporate purposes.

(e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.

(f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.

(g) It may provide general technical services related to rural finance.

(h) It may provide general consultative assistance services related to rural finance; ~~and shall make available technical assistance to potential lenders and applicants to encourage applications for loans.~~

(i) It may promote research and development in matters related to rural finance.

(j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agri-

cultural loans.

(k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the ~~administration authority~~ will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of ~~administration authority~~ resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from ~~administration authority~~ funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of ~~administration authority~~ resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

*(q) It may delegate any of its powers to its officers or staff.*

*(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.*

*(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.*

Sec. 25. Minnesota Statutes 1986, section 41B.08, subdivision 4, is amended to read:

Subd. 4. [REQUIRED RATING.] No bonds may be issued unless a rating of "A" or better has been awarded to the bonds by a national bond rating agency. *The "A" rating is not required if the bonds are initially sold to corporations or financial institutions for investment purposes and not for*



*the purpose of remarketing the bonds to the public.*

Sec. 26. Minnesota Statutes 1986, section 41B.12, is amended to read:

**41B.12 [REVENUE BONDS; NONLIABILITY OF INDIVIDUALS.]**

~~Neither~~ The members of the ~~administration nor~~ *authority and its staff* and any person executing the bonds is ~~liable~~ *are not personally liable* on the bonds or subject to any personal liability or accountability by reason of their issuance.

Sec. 27. Minnesota Statutes 1986, section 41B.19, subdivision 5, is amended to read:

Subd. 5. [RURAL FINANCE ADMINISTRATION AUTHORITY SECURITY ACCOUNT.] The commissioner of finance shall maintain a separate state building fund account designated as the rural finance ~~administration~~ *authority* security account, into which must be deposited the proceeds of the rural renewal general obligation bonds issued as provided in this section. The commissioner of finance shall maintain a separate bookkeeping account to record receipts and disbursements of money transferred to or from the security account and to record income from the investment of money in the account. Upon the written request of the ~~administration~~ *authority*, the commissioner of finance shall transfer from the security account to an account or accounts the ~~administration~~ *authority* shall designate, a sum of money sufficient in amount, if available, when added to the balances then on hand in the designated accounts, to pay bonds issued by the ~~administration~~ *authority* under sections 41B.01 to 41B.23 and the interest on them due and to become due on the next succeeding date for the payment of the principal of and interest on the bonds of the administration or to restore to any debt service reserve fund established in connection with the bonds any amount withdrawn from the debt service reserve account to pay the bonds. *When no revenue bonds secured by the security account are outstanding under the resolution authorizing their issuance, the commissioner of finance shall further transfer from all money and securities on hand in the security account on or before the date on which any installment of the principal of and interest on bonds authorized by this section is due, a sum sufficient in amount, when added to the balance then on hand in the rural renewal bond account, to pay all bonds issued under this section and the interest on them due and to become due on the next succeeding date for payment of the bonds to the state bond fund.*

Sec. 28. Minnesota Statutes 1986, section 41B.19, subdivision 6, is amended to read:

Subd. 6. [INVESTMENT OF SECURITY ACCOUNT.] (a) Money from time to time on deposit in the security account must be invested by the state board of investment at the request of the ~~administration~~ *authority* in any investment authorized by this subdivision. Money on deposit in the security account may be invested in:

(1) certificates of deposit ~~insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation;~~ (2) certificates of deposit issued by eligible agricultural lenders, ~~whether or not fully insured or secured issued by or interest-bearing time deposits with a national banking association or a bank and trust company organized under the laws of any state;~~

(3) (2) deposits secured by obligations of the United States or of the

state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for those deposits;

(4) (3) qualified agricultural loans or in participation interests in qualified agricultural loans; or

(5) (4) qualified restructured loans.

*(b) The principal amount of the investment under paragraph (a), clause (1), must be fully insured by the Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation; or if not fully insured, the institution issuing the certificate of deposit or accepting the time deposit must be rated in the AA or a higher category as defined by a nationally recognized bond rating agency or in an equivalent or higher rating category based on any later redefinition.*

(c) If and to the extent money has been transferred from the security account to provide for the timely payment of the principal of and interest on bonds issued by the ~~administration~~ authority, or to transfer money to a debt service reserve fund established in connection with the bonds, the ~~administration~~ authority shall transfer to the security account on or before December 1 of each succeeding year an amount equal to that previously transferred from the security account, provided that the ~~administration's~~ authority's obligation to transfer money to the security account is limited to money then on hand in funds or accounts of the ~~administration~~ authority in excess of those appropriated to other purposes or required to provide for the payment of the principal of and interest on bonds issued by the ~~administration~~ authority and to pay the costs of issuing, carrying, administering, and securing the bonds of the ~~administration~~ authority and of administering and implementing the programs of the ~~administration~~ authority financed by the bonds.

#### Sec. 29. [41B.195] [ADDITIONAL USE OF GENERAL OBLIGATION BONDS.]

*Notwithstanding the limit set forth in section 41B.19, subdivision 1, the commissioner of finance, upon the request of the rural finance authority, may issue the general obligation bonds authorized by section 41B.19 and use the proceeds of the bonds to purchase participations in qualified agricultural loans if the commissioner determines that it is not practical or efficient to issue revenue bonds under section 41B.08 for the purpose of section 41B.04 and sections 13, 15, and 16 as a result of reduced program size or increased program costs. Subject to the other provisions of this section, the proceeds of the bonds must be deposited, held, and disbursed from a separate state building fund account, the bonds are payable from the bond account established by section 41B.19, subdivision 4, and the participations purchased with the bond proceeds must be held as assets of the bond account. If the rural finance authority later determines to issue revenue bonds under section 41B.08 for the purposes specified in section 41B.04, the commissioner may by order provide for the transfer of all or a portion of the remaining bond proceeds and interest on them, and all or a portion of the participations purchased with the bond proceeds and proceeds of them, to be transferred to the security account established in section 41B.19, subdivision 5, and used for the purposes specified in section 41B.19, subdivisions 1 and 5.*

#### Sec. 30. [41B.211] [DATA PRIVACY.]

*Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding any authority loan and the name of each individual who is the recipient of a loan are private data on individuals, under chapter 13.*

#### Sec. 31. [INSTRUCTIONS TO REVISOR.]

*The revisor of statutes is instructed to change the phrases "rural finance administration" and "administration" when the term is applied to the rural finance administration to "rural finance authority" and "authority" respectively in Minnesota Statutes. The revisor is further instructed to rearrange the subdivisions of Minnesota Statutes 1986, section 41B.02, so that the terms defined therein are in alphabetical order.*

*The revisor of statutes shall renumber each section of Minnesota Statutes specified in column A with the number set forth in column B. The revisor shall also make necessary cross-reference changes consistent with the renumbering.*

#### Column A

41B.035

41B.05

#### Column B

41B.025

41B.036

#### Sec. 32. [REPEALER.]

*Minnesota Statutes 1986, sections 41B.02, subdivision 17; 41B.035, subdivision 4; and 41B.04, subdivisions 6, 13, 14, 15, and 16, are repealed.*

#### Sec. 33. [EFFECTIVE DATE.]

*This article is effective on the day following final enactment.*

### ARTICLE 2

#### RIGHT OF FIRST REFUSAL

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

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

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

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

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

devise or bequest of shares of voting stock.

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

- (1) Its shareholders do not exceed five in number;
- (2) All its shareholders, other than any estate are natural persons;
- (3) It does not have more than one class of shares; and
- (4) Its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and
- (5) Shareholders holding a majority of the shares must be residing on the farm or actively engaging in farming.

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

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

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

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

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

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

(c) ~~For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price~~

*offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one that involves simultaneous transfer of title. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by the current Federal Intermediate Credit Bank of St. Paul interest rate plus 1.5 percent. A time-price offer is an offer that defers payment of a portion of the price and does not involve a transfer of fee title until full payment is made.*

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

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

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

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

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

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

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

*(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price not higher than the highest price offered by a third party that is*

acceptable;

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

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

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

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

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

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

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

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

TO: (\_\_\_\_Immediately preceding former owner\_\_\_\_)

FROM: (\_\_\_\_The state, federal agency, or corporation subject to subdivision 6\_\_\_\_)

DATE: (\_\_\_\_date notice is mailed or personally delivered\_\_\_\_)

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

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

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

(\_\_\_\_The state, federal agency, or corporation\_\_\_\_) OFFERS TO (SELL,

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

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY (\_\_\_\_ the state, federal agency, or corporation\_\_\_\_) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease, 65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON (\_\_\_\_ date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery\_\_\_\_).

#### ACCEPTANCE OF OFFER

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

---

Signature of Former Owner Accepting Offer

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Date"

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

#### Sec. 4. [EFFECTIVE DATE.]

This article is effective July 1, 1987, and applies to offers made under section 500.24, subdivision 6, after July 1, 1987.

#### ARTICLE 3

#### WAIVER OF DEBTOR'S RIGHTS

Section 1. [550.42] [WAIVER OF AGRICULTURAL DEBTOR'S RIGHTS.]

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

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

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

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

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

Sec. 2. [EFFECTIVE DATE.]

*This article is effective July 1, 1987, except: section 1, subdivision 1, is effective the day after final enactment; and section 1, subdivision 2, applies to contracts, loan agreements, and security agreements entered into after July 1, 1987.*

ARTICLE 4

DESIGNATION OF HOMESTEADS AND SEPARATE  
AGRICULTURAL TRACTS

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

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

Sec. 2. Minnesota Statutes 1986, section 582.041, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD DESIGNATION NOTICE.] (a) The following notice must be ~~included in~~ served with the foreclosure notice of property containing a homestead that is served on the ~~mortgagor~~ person in possession of the real property under section ~~580.04~~ 580.03. The notice is not to be published. The notice must be in 10-point capitalized letters.

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

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

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

(b) The following notice must be served with the summons and complaint in an action to foreclose a mortgage of property containing a homestead under chapter 581. The notice must be in 10-point capitalized letters and



*is not to be published with the summons if the summons is published.*

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

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

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

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

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

Sec. 4. Minnesota Statutes 1986, section 582.041, subdivision 5, is amended to read:

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

Sec. 5. [582.042] [FORECLOSURE OF AGRICULTURAL LAND THAT INCLUDES SEPARATE TRACTS.]

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

*Subd. 2. [DESIGNATION NOTICE.] (a) The following notice must be served with the foreclosure notice of the property that is served on the person in possession of the real property under section 580.03. The notice must be in 10-point capitalized letters and the notice is not to be published.*

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

**LOCAL ZONING ORDINANCES, MUST HAVE AN ENTRANCE BY DIRECT ACCESS TO A PUBLIC ROAD OR BY PERMANENT EASEMENT, AND MUST NOT UNREASONABLY AFFECT THE VALUE OF THE REMAINING PROPERTY.**

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

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

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

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

*Subd. 3. [DESIGNATION OF SEPARATE TRACTS.] The person being foreclosed must designate by legal description each of the tracts to be sold separately. The tracts designated must be previously recorded as separate tracts. Each of the separate tracts must conform to local zoning ordinances, must have an entrance by direct access to a public road or by permanent easement, and must not unreasonably affect the value of the remaining property. The person being foreclosed must serve a copy of the legal descriptions of the tracts to be sold separately on the foreclosing mortgagee, the sheriff, and the county recorder or registrar of titles by ten business days before the sale is scheduled, or for a foreclosure by action under chapter 581, a copy of the legal descriptions of the tracts to be sold separately must be provided to the court.*

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

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

**Sec. 6. [EFFECTIVE DATE.]**

*This article is effective July 1, 1987, and applies to foreclosures where the first publication occurs on or after July 1, 1987, and to foreclosures under chapter 581 where the first service or publication occurs on or after July 1, 1987.*

## ARTICLE 5

### AGRICULTURAL DATA COLLECTION TASK FORCE

**Section 1. [REACTIVATION OF THE AGRICULTURAL COLLECTION DATA TASK FORCE.]**

*The agricultural data collection task force created by Laws 1985, chapter 19, as reactivated and amended by Laws 1986, chapter 398, article 11, is reactivated.*

Sec. 2. Laws 1985, chapter 19, section 6, subdivision 6, as amended by Laws 1986, chapter 398, article 11, section 4, is amended to read:

Subd. 6. [EXPIRATION.] The data collection task force expires ~~January April 15, 1987~~ 1989, or 15 days after reporting to the legislature whichever date comes later, but in no circumstance later than ~~March June 1, 1987~~ 1989.

Sec. 3. [EFFECTIVE DATE.]

*This article is effective the day following final enactment.*

## ARTICLE 6

### MINNESOTA GROWN

Section 1. Minnesota Statutes 1986, section 17.102, is amended to read:

17.102 [MINNESOTA PRODUCTS, STATE LOGO OR GROWN LABEL.]

Subdivision 1. [ESTABLISHMENT AND USE OF LABEL.] (a) The commissioner shall establish a "Minnesota grown" logo or labeling statement for use in identifying ~~food~~ agricultural products ~~which that~~ are Minnesota grown, processed, or manufactured in this state. ~~The commissioner shall promulgate rules authorizing and governing the use of the logo or labeling statement. The Minnesota grown logo or labeling statement may be used on raw agricultural products that are not processed into a different physical form or frozen, only if 80 percent of the agricultural product is produced in this state.~~

(b) *The Minnesota grown logo or labeling statement may not be used without a license from the commissioner except that wholesalers and retailers may use the Minnesota grown logo and labeling statement for displaying and advertising products that qualify for use of the Minnesota grown logo or labeling statement.*

Subd. 2. [LABEL DOES NOT REPLACE OTHER REQUIREMENTS.] The logo or labeling statement ~~shall~~ does not supersede or replace any federal label or grade standard ~~which that~~ is required by law ~~and its use shall be discretionary with a grower, processor, or manufacturer.~~

Subd. 3. [LICENSE.] *A person may not use the Minnesota grown logo or labeling without an annual license from the commissioner. The commissioner shall issue licenses for a fee of \$5. The commissioner shall charge a late fee of \$10 for renewal of a license that has expired.*

Subd. 4. [MINNESOTA GROWN ACCOUNT.] *The Minnesota grown account is established as an account in the state treasury. License fee receipts and penalties collected under this section must be deposited in the state treasury and credited to the Minnesota grown account. The money in the account is continuously appropriated to the commissioner to implement and enforce this section and to promote the Minnesota grown logo and labeling.*

Subd. 5. [PENALTY.] *A person who is required to have a license and uses the Minnesota grown logo or labeling without a license after being*

*notified by the commissioner that a license is required is subject to a civil penalty up to \$1,000.*

*Subd. 6. [RULES.] The commissioner shall promulgate rules authorizing and licensing the use of the logo or labeling statement.*

**Sec. 2. [MINNESOTA GROWN MATCHING ACCOUNT.]**

*Subdivision 1. [ESTABLISHMENT.] The Minnesota grown matching account is established as a separate account in the state treasury. The account shall be administered by the commissioner of agriculture as provided in this section.*

*Subd. 2. [FUNDING SOURCES.] The Minnesota grown matching account shall consist of contributions from private sources and appropriations.*

*Subd. 3. [APPROPRIATIONS MUST BE MATCHED BY PRIVATE FUNDS.] (a) Appropriations to the Minnesota grown matching account may be expended only to the extent that they are matched with contributions to the account from private sources as provided in paragraph (b) for fiscal years 1988 and 1989.*

*(b) Private contributions shall be matched on a basis of four dollars of the appropriation to each one dollar of private contributions. Matching funds are not available after the appropriation is encumbered. Private contributions made from January 1, 1987, until the end of fiscal year 1987 shall be matched by the appropriation for fiscal year 1988. Amounts that are not matched in fiscal year 1988 are available to be matched in fiscal year 1989.*

*Subd. 4. [EXPENDITURES.] The amount in the Minnesota grown matching account that is matched by private contributions and the private contributions are appropriated to the commissioner of agriculture for promotion of products using the Minnesota grown logo and labeling.*

**Sec. 3. [EFFECTIVE DATE.]**

*Section 2 is effective the day following final enactment.*

**ARTICLE 7**

**AGRICULTURAL PRESERVES**

**Section 1.** Minnesota Statutes 1986, section 40A.03, subdivision 2, is amended to read:

**Subd. 2. [PLANS AND OFFICIAL CONTROLS.]** By July 4 December 31, 1987, each pilot county selected under subdivision 1 shall submit to the commissioner and to the regional development commission in which it is located, if one exists, a proposed agricultural land preservation plan and proposed official controls implementing the plan. The commissioner, in consultation with the regional development commission, shall review the plan and controls for consistency with the elements in this chapter and shall submit written comments to the county within 90 days of receipt of the proposal. The comments must include a determination of whether the plan and controls are consistent with the elements in this chapter. The commissioner shall notify the county of its determination. If the commissioner determines that the plan and controls are consistent, the county shall adopt the controls within 60 days of completion of the commissioner's review.

**Sec. 2.** Minnesota Statutes 1986, section 40A.152, subdivision 1, is

amended to read:

Subdivision 1. [FEE.] A county that *is a metropolitan county under section 473.121, subdivision 4*, has allowed exclusive agricultural zones to be created under this chapter, ~~that has designated lands eligible for agricultural preserves under section 473H.04, or that has elected to become an agricultural land preservation pilot county~~, shall impose an additional fee of ~~\$3~~ \$5 per transaction on the recording or registration of a mortgage subject to the tax under section 287.05 and an additional ~~\$3~~ \$5 on the recording or registration of a deed subject to the tax under section 287.21. One-half of the fee must be deposited in a special conservation account to be created in the county general revenue fund and one-half must be transferred to the commissioner of revenue for deposit in the state treasury and credited to the Minnesota conservation fund.

Sec. 3. Minnesota Statutes 1986, section 40A.152, subdivision 2, is amended to read:

Subd. 2. [USE OF ACCOUNT.] Money from the county conservation account must be spent by the county to reimburse the county and taxing jurisdictions within the county for revenue lost under the conservation tax credit under section 273.119 or the valuation of agricultural preserves under section 473H.10. *If expenditures from other county funds for the same purposes remain at least equal to the amount spent in the previous county budget year*, money remaining in the account after ~~those payments the reimbursements are made~~ may be spent for the following purposes:

- (1) agricultural land preservation and conservation planning and implementation of official controls under this chapter or chapter 473H;
- (2) soil conservation activities and enforcement of soil loss ordinances;
- (3) incentives for landowners who create exclusive agricultural use zones;
- (4) payments to municipalities within the county for the purposes of clauses (1) to (3).

Sec. 4. Minnesota Statutes 1986, section 473H.10, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF TAX; STATE REIMBURSEMENT.] (a) After having determined the market value of all land valued according to subdivision 2, the assessor shall compute the assessed value of those properties by applying the appropriate classification percentages. When computing the rate of tax pursuant to section 275.08, the county auditor shall include the assessed value of land as provided in this clause.

(b) The county auditor shall compute the tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times the total rate of tax for all purposes as provided in clause (a).

(c) The county auditor shall then compute the maximum ad valorem property tax on lands valued according to subdivision 2 and nonresidential buildings by multiplying the assessed value times 105 percent of the previous year's statewide average mill rate levied on property located within townships for all purposes.

(d) The tax due and payable by the owner of preserve land valued according to subdivision 2 and nonresidential buildings will be the amount determined in clause (b) or (c), whichever is less. If the gross tax in clause (c) is less than the gross tax in clause (b), the state shall reimburse the

taxing jurisdictions for the amount of difference. Residential buildings shall continue to be valued and classified according to the provisions of sections 273.11 and 273.13, as they would be in the absence of this section, and the tax on those buildings shall not be subject to the limitation contained in this clause.

The county may transfer money from the county conservation account created in section 40A.152 to the county revenue fund to reimburse the fund for the tax lost as a result of this subdivision or to pay taxing jurisdictions within the county for the tax lost. The county auditor shall certify to the commissioner of revenue on or before June 1 the total amount of tax lost to the county and taxing jurisdictions located within the county as a result of this subdivision and the extent that the tax lost exceeds funds available in the county conservation account. Payments shall be made by the state as provided in section 273.13, subdivision 15a to each of the affected taxing jurisdictions if the county conservation account is insufficient to make the reimbursement. There is annually appropriated from the Minnesota conservation fund under section 40A.151 to the commissioner of revenue an amount sufficient to make the reimbursement provided in this subdivision. *If the amount available in the Minnesota conservation fund is insufficient, the balance that is needed is appropriated from the general fund.*

Sec. 5. Minnesota Statutes 1986, section 473H.17, subdivision 1, is amended to read:

Subdivision 1. Land within an agricultural preserve shall be maintained for agricultural production. The average maximum density of residential structures within an agricultural preserve shall not exceed one unit per 40 acres. The location of any new structure shall conform to locally applicable zoning regulations. Commercial and industrial uses shall not be permitted except that ~~small on-farm commercial or industrial operations normally associated with and important to farming in the area may be permitted by the as provided in section 7 after the user is issued a permit by the authority.~~ The authority shall be responsible for enforcing this section.

Sec. 6. Minnesota Statutes 1986, section 473H.17, is amended by adding a subdivision to read:

*Subd. 1a. [ALLOWED COMMERCIAL AND INDUSTRIAL OPERATIONS.] (a) Commercial and industrial operations are not allowed on land within an agricultural preserve except:*

*(1) small on-farm commercial or industrial operations normally associated with and important to farming in the agricultural preserve area;*

*(2) storage use of existing farm buildings that does not disrupt the integrity of the agricultural preserve; and*

*(3) small commercial use of existing farm buildings for trades not disruptive to the integrity of the agricultural preserve such as a carpentry shop, small scale mechanics shop, and similar activities that a farm operator might conduct.*

*(b) "Existing" in paragraph (a), clauses (2) and (3), means existing on August 1, 1987.*

Sec. 7. Minnesota Statutes 1986, section 473H.17, subdivision 2, is amended to read:

Subd. 2. [DENSITY RESTRICTION AFTER SUBDIVISION.] When a separate parcel is created for a residential structure, *commercial, or industrial use* permitted under subdivision 1, the parcel shall cease to be an agricultural preserve unless the eligibility requirements of section 473H.03 are met. However, the ~~residential unit separate parcel~~ shall ~~continue to be included in~~ remain under the maximum residential density restrictions in effect for the original preserve at the time it was placed into the preserve until the agricultural preserve status for the original parcel ends.

Sec. 8. [GRANTS FOR OFFICIAL CONTROLS TO OTHER THAN PILOT COUNTIES.]

*Grants to eligible recipients other than the pilot counties under section 40A.15, subdivision 4, are not available until the pilot county program has been completed and a report on the pilot county experiences has been presented to the legislature. The report must be completed by July 1, 1988.*

## ARTICLE 8

### AGRICULTURAL COMMODITIES UTILIZATION

Section 1. Minnesota Statutes 1986, section 17.03, is amended by adding a subdivision to read:

Subd. 6. [AGRICULTURAL DIVERSIFICATION.] *The commissioner shall establish a program of agricultural diversification. The commissioner must assist the horticultural industry, help producers diversify farming operations, and coordinate state agency efforts regarding agricultural diversification, after consulting with farm groups, the University of Minnesota and applicable institutions of higher learning. The commissioner shall report to the governor and legislature annually on activities and actions that should be taken in these matters.*

Sec. 2. [17.50] [POLICY.]

*The state must explore alternative uses for agricultural products to enable the state's agricultural economy to reach its full potential. The state must promote and encourage cooperative efforts between public and private interests in conducting basic research and disseminating the results on agricultural commodity utilization.*

Sec. 3. [AGRICULTURAL COMMODITIES UTILIZATION.]

Subdivision 1. [REVIEW AND STUDY.] *The commissioner must review and study basic research for commodity utilization.*

Subd. 2. [CONTACTS.] *In conducting the review and study, the commissioner must contact knowledgeable people in all areas of basic research for commodity utilization including commodity groups, university and research facilities, private industry, farmers, farm groups, and other interested persons as determined by the commissioner.*

Subd. 3. [REPORT.] *The commissioner must prepare a report on the research findings and submit it to the agriculture committees of the legislature by February 1, 1988.*

Subd. 4. [RESPONSIBILITIES.] *The commissioner's report must include recommendations for:*

- (1) defining the parameters of basic research for commodity utilization;*
- (2) identifying appropriate entities to conduct basic research on com-*

*modity utilization;*

*(3) establishing a procedure for disseminating information received through research efforts; and*

*(4) the size and scope of state efforts including funding and time schedules.*

## ARTICLE 9

### AGRICULTURE AND TRADE

Section 1. Minnesota Statutes 1986, section 17.03, is amended by adding a subdivision to read:

*Subd. 6. [COOPERATION WITH MINNESOTA TRADE OFFICE.] The commissioner of agriculture, the commissioner of trade and economic development, and the director of the Minnesota trade office shall cooperate with each other to promote the beneficial agricultural interests of the state. The commissioner of trade and economic development and the director of the Minnesota trade office have primary responsibility for promoting state agricultural interests to international markets. The commissioner of agriculture has primary responsibility for promoting the agricultural interests of producers, promoting state agricultural markets, and promoting agricultural interests of the state in cooperative production and marketing efforts with other states and the United States Department of Agriculture.*

Sec. 2. Minnesota Statutes 1986, section 17.101, subdivision 1, is amended to read:

Subdivision 1. [DEPARTMENTAL DUTIES.] For the purposes of expanding, improving, and developing the markets for products of Minnesota agriculture, the commissioner shall encourage and promote the marketing of these products by means of:

- (a) advertising Minnesota agricultural products;
- (b) assisting state agricultural commodity organizations;
- (c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;
- (d) investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;
- (e) evaluating livestock marketing opportunities;
- (f) assessing and developing national and international markets for Minnesota agricultural products;
- (g) studying the conversion of raw agricultural products to manufactured products including ethanol;
- (h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;
- (i) assisting Minnesota agricultural businesses desiring to sell their products ~~in national and international markets~~; and
- (j) other activities the commissioner deems appropriate to promote Minnesota agricultural products ~~in national and international markets~~, *provided that the activities do not duplicate programs or services provided by the Minnesota trade office.*



Sec. 3. Minnesota Statutes 1986, section 17.103, is amended to read:

**17.103 [TRADE AND EXPORT DEVELOPMENT.]**

The commissioner of agriculture shall encourage and develop commerce ~~with other states and foreign countries~~ and devise ways and means of removing trade barriers hampering the free flow of commerce between this and other states.

Sec. 4. [116J.966] [COMMISSIONER'S TRADE PROMOTION DUTIES.]

*Subdivision 1. [GENERALLY.] (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:*

*(1) locate, develop, and promote international markets for Minnesota products and services;*

*(2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;*

*(3) promote Minnesota products and services at international trade shows;*

*(4) organize, promote, and present international trade shows featuring Minnesota products and services;*

*(5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;*

*(6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;*

*(7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;*

*(8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;*

*(9) locate, attract, and promote foreign investment and business development in Minnesota to enhance employment opportunities in Minnesota;*

*(10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services;*

*(11) undertake activities to support the world trade center; and*

*(12) enter into contracts or other agreements with private persons and public entities to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to sections 16B.07 and 16B.09.*

*(b) The programs and activities of the commissioner of energy and economic development and the Minnesota trade office may not duplicate programs and activities of the commissioner of agriculture.*

*Subd. 2. [AGRICULTURAL PROMOTION.] The commissioner of trade and economic development and the director of the Minnesota trade office shall cooperate and consult with the commissioner of agriculture in promoting the beneficial agricultural interests of the state. The commissioner of trade and economic development and the director of the Minnesota trade office shall have the primary responsibility for promoting state agricultural interests to international markets. The commissioner of agriculture has primary responsibility for promoting the agricultural interests of producers, promoting state agricultural markets, and promoting the agricultural interests of the state in cooperative production and marketing efforts with other states and the United States Department of Agriculture.*

**Sec. 5. [236A.02] [ADMINISTRATIVE SUPPORT.]**

*The commissioner of agriculture in consultation with the director of the Minnesota trade office shall provide administrative staff and support to the Interstate Agricultural Grain Marketing Commission members from this state.*

**Sec. 6. [REORGANIZATION.]**

*The divisions and offices established within the department of trade and economic development include the Minnesota trade office consisting of the Minnesota trade office in the department of agriculture relating to international trade, but do not include the functions and positions of the office relating to domestic agricultural trade.*

**Sec. 7. [REPEALER.]**

*Minnesota Statutes 1986, section 17.03, subdivision 5, is repealed.*

**Sec. 8. [INSTRUCTION TO REVISOR.]**

*The revisor of statutes shall renumber each section of Minnesota Statutes in column A with the corresponding number in column B. The revisor shall also make necessary cross reference changes consistent with the renumbering and change the words "commissioner of agriculture" or similar words to "commissioner of the department of trade and economic development" or similar words.*

Column A	Column B
17.103	116J.970
17.104	116J.971
17.105	116J.972

**ARTICLE 10**

**TURKEY HATCHERY EXEMPTION**

**Section 1. [TURKEY HATCHERY EXEMPTION.]**

*Notwithstanding Minnesota Statutes, section 500.221, subdivision 2, a United States corporation that is a subsidiary of a Canadian corporation may own and lease up to 1,500 acres of agricultural land in 80-acre tracts in Jackson county for a turkey hatchery or for raising brood turkeys associated with the operation of a turkey hatchery. The acquisition and leasing of each parcel must be approved by resolution of the Jackson county board.*

*The corporation may not pay more than the market value determined by the county assessor or the commissioner of revenue for land in that*

*township. If the corporation leases land, the lease rate may not be more than the fair market rental value for property in the township, as determined by the commissioner of revenue.*

Sec. 2. [REPEALER.]

*Section 1 is repealed July 1, 1991.*

Sec. 3. [EFFECTIVE DATE.]

*This article is effective the day following final enactment.*

ARTICLE 11

AGRICULTURE DEPARTMENT

Section 1. Minnesota Statutes 1986, section 17B.15, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION; APPROPRIATION.] The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.23, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months; ~~and including repayment by the department of any amount appropriated from the general fund to establish the grain inspection and weighing account.~~ The commissioner shall review the fee schedule twice each year. Fee adjustments are not subject to chapter 14. Payment shall be required for services rendered. If the grain is in transit, the fees shall be paid by the carrier and treated as advance charges, and, if received for storage, the fees shall be paid by the warehouse operator, and added to the storage charges.

All fees collected and all fines and penalties for violation of any provision of this chapter shall be deposited in the grain inspection and weighing account, which is created in the state treasury for carrying out the purpose of sections 17B.01 to 17B.23. The money in the account is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to 17B.23.

Sec. 2. Minnesota Statutes 1986, section 18.023, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in subdivisions 1 to 12 the terms defined in this subdivision shall have the meanings given them.

(a) "Metropolitan area" means the area comprising the counties of Hennepin, Ramsey, Anoka, Dakota, Washington, Scott and Carver.

(b) "Commissioner" means the commissioner of agriculture.

(c) "Municipality" means any home rule charter or statutory city or any town exercising municipal powers pursuant to section 368.01, or any general or special law, located in the metropolitan area; or any special park district as organized under chapter 398; or any special purpose park and recreation board organized under the city charter of a city of the first class located in the metropolitan area; or any county in the metropolitan area for the purposes of county owned property or any portion of a county located outside the geographic boundaries of a city or town exercising municipal powers; and any municipality or county located outside the metropolitan area with an approved disease control program.

(d) "Shade tree disease" means Dutch elm disease or oak wilt disease, or any disorder affecting the growth and life of shade trees.

(e) "Wood utilization or disposal system" means facilities, equipment or systems used for the removal and disposal of diseased shade trees which includes the collection, transportation, processing or storage of wood and which aids in the recovery of materials or energy from wood.

(f) "Approved disease control program" means the municipal plan as approved by the commissioner to control shade tree disease.

(g) "Disease control area" means an area approved by the commissioner within which a municipality will conduct an approved disease control program.

(h) "Sanitation" means the identification, inspection, disruption of a common root system, girdling, trimming, removal and disposal of dead or diseased wood of elm or oak shade trees, including subsidies for trees removed pursuant to subdivision 4, on public or private property within a disease control area.

(i) "Reforestation" means the replacement of shade trees removed from public property and the planting of any species of tree as part of a municipal disease control program. For purposes of this clause, "public property" shall include private property within five feet of the boulevard or street terrace in any city which has enacted an ordinance on or before January 1, 1977, that prohibits or requires a permit for the planting of trees in the public right-of-way.

Sec. 3. Minnesota Statutes 1986, section 19.58, subdivision 1, is amended to read:

Subdivision 1. [ENTRY PERMIT.] No person may bring into this state any bees on comb, including nuclei, or used bee equipment without an entry permit issued by the commissioner. A person who wishes to bring any bees on comb or used bee equipment into the state shall apply for an entry permit at least 60 days before the date of entry. The 60-day requirement may be waived for a hobbyist beekeeper who intends to become a resident of Minnesota and who brings ten colonies or less into the state.

Ten days before entry, any person required to obtain an entry permit shall furnish to the commissioner a copy of a valid certificate of inspection signed by a responsible official of the state where the bees or equipment originated. The certificate must be based on either an inspection or an affidavit. *A person may not bring into the state any bees on comb including nuclei, combless bees, or used bee equipment from any county or parish where honey bee tracheal mites or Africanized bees have been found unless it is demonstrated to the satisfaction of the commissioner that there will be no risk of introduction either of tracheal mites or Africanized bees into the state. Bees or equipment brought into the state in violation of this subdivision are a public nuisance and may be destroyed without notice by the commissioner.*

This subdivision does not apply to a common carrier transporting bees or used bee equipment from a point of origin outside of the state to a destination outside of the state.

Sec. 4. Minnesota Statutes 1986, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

~~The fees for licenses and the License fees,~~ penalties for late renewal of

licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. *The late penalty may be waived by the commissioner.*

Type of food handler	License Fee	Penalty Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of less than \$50,000 for the immediately previous license or fiscal year	\$ 25	\$10	\$ 13
(b) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$ 50	\$13	\$ 25
(c) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$100	\$25	\$ 50
(d) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200	\$50	\$100
2. Wholesale food handler			
(a) Having gross sales or service of less than \$250,000 for the immediately previous license or fiscal year	\$100	\$25	\$ 50
(b) Having \$250,000 to \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$150	\$38	\$ 75
(c) Having over \$1,000,000 gross sales or service for the immediately previous license or fiscal year	\$200	\$50	\$100
3. Food broker	\$ 50	\$13	\$ 25
4. Wholesale food processor or manufacturer			
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$150	\$38	\$ 75
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200	\$50	\$100
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$250	\$63	\$125
5. Wholesale food processor of meat or poultry products under supervision of the U. S. Department of Agriculture			
(a) Having gross sales of less than \$250,000 for the immediately previous license of fiscal year	\$ 75	\$19	\$ 38

(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$ 90	\$23	\$ 45
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$105	\$27	\$ 53
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese	\$ 30	\$10	\$ 15

Sec. 5. Minnesota Statutes 1986, section 31.101, subdivision 3, is amended to read:

Subd. 3. Federal pesticide chemical regulations and amendments thereto in effect on April 1, 1982 1987 adopted under authority of the Federal Insecticide, Fungicide and Rodenticide Act, as provided by United States Code, title 7, chapter 6, are the pesticide chemical rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 6. Minnesota Statutes 1986, section 31.101, subdivision 4, is amended to read:

Subd. 4. Federal food additive regulations and amendments thereto in effect on April 1, 1982 1987, as provided by Code of Federal Regulations, title 21, parts 170 to 199, are the food additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 7. Minnesota Statutes 1986, section 31.101, subdivision 5, is amended to read:

Subd. 5. Federal color additive regulations and amendments thereto in effect on April 1, 1982 1987, as provided by Code of Federal Regulations, title 21, parts 70 to 82, are the color additive rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 8. Minnesota Statutes 1986, section 31.101, subdivision 6, is amended to read:

Subd. 6. Federal special dietary use regulations and amendments thereto in effect on April 1, 1982 1987, as provided by Code of Federal Regulations, title 21, parts 104 and 105, are the special dietary use rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act.

Sec. 9. Minnesota Statutes 1986, section 31.101, subdivision 7, is amended to read:

Subd. 7. Federal regulations and amendments thereto in effect on April 1, 1982 1987 adopted under the Fair Packaging and Labeling Act, as provided by United States Code, title 15, sections 1451 to 1461, are the rules in this state. Such rules may be amended by the commissioner proceeding in accordance with the administrative procedure act; provided that the commissioner shall not adopt amendments to such rules or adopt other rules which are contrary to the labeling requirements for the net quantity of contents required pursuant to section 4 of the Fair Packaging and Labeling Act and the regulations promulgated thereunder.

Sec. 10. Minnesota Statutes 1986, section 31.101, subdivision 8, is amended to read:

Subd. 8. Applicable federal regulations including recodification contained in Code of Federal Regulations, title 21, parts 0-1299, Food and Drugs, in effect April 1, 1982 1987, and not otherwise adopted herein, also are adopted as food rules of this state. Such rules may be amended by the commissioner in accordance with the administrative procedure act.

Sec. 11. Minnesota Statutes 1986, section 32.394, subdivision 8, is amended to read:

Subd. 8. ~~[EXPLORATORY PRELIMINARY INSPECTIONS GRADE A INSPECTION FEES.] Any A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to learn about and acquaint producers with market Grade A requirements may make a request to the commissioner for exploratory inspections and meetings for this purpose. Upon receipt of such request, the commissioner at a convenient time shall cause such exploratory inspections to be made and such meetings to be held as are necessary to acquaint said processor and producers with such requirements. If, after such exploratory inspections are made and such meetings are held and when in the processor's opinion the processor's field service has brought producers into compliance with said requirements, said processor wishes further inspection service, the processor shall so milk or use the Grade A label must apply on a form furnished by for Grade A inspection service from the commissioner, stating the number of farms to be inspected. Such applications shall be accompanied by a fee payable to the state treasurer in an amount of not less than \$50 and not more than \$300, which fee is to be charged for preliminary inspection prior to continuous inspection, and assessments over \$50 are to be determined by charging \$1 for each farm over 50, but shall not exceed \$300 if more than 300 farms are inspected; provided that, if the plant and farms are accepted for continuous inspection, this charge shall be made only once. If the preliminary inspection discloses that the processor is eligible for use of the Grade A label on products and before the processor so labels said products, the processor shall apply for continuous inspection on a form furnished by the commissioner and shall hold a Grade A permit. Such application shall be accompanied by a fee of not less than \$100 nor more than \$500 per plant and of not less than \$15 nor more than \$50 per farm, said fee to be paid annually. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$66 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of no more than \$33 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons. If the commissioner deems it necessary to more nearly meet the cost of the service, the commissioner may annually adjust the assessments within the limits set herein in this subdivision.~~

Sec. 12. Minnesota Statutes 1986, section 32.394, subdivision 8b, is amended to read:

Subd. 8b. ~~[MANUFACTURING GRADE FARM CERTIFICATION.] A processor or marketing organization of milk, milk products, sheep milk,~~

or goat milk; other than Grade A; who wishes to obtain market other than Grade A milk must apply for a manufacturing grade farm certification; shall make a request to inspection from the commissioner for a farm certification inspection. A processor who requests and receives a farm certification inspection shall pay a fee to the commissioner for the certification of the milk supply. A manufacturing plant that pasteurizes milk or milk byproducts must pay an annual fee based on the number of pasteurization units. This fee must not exceed \$140 per unit. The fee for farm certification inspection must not be more than \$33 per farm to be paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring more than the one annual inspection required for certification, an additional fee of no more than \$33 must be paid by the processor or by the marketing organization on behalf of its patrons. The fee shall must be set by the commissioner in an amount necessary to meet the cost of the service for farm certification; which fee shall but must not exceed 50 percent of the fees charged for Grade A permits the limits in this subdivision.

Sec. 13. Minnesota Statutes 1986, section 32.394, subdivision 9, is amended to read:

Subd. 9. [PAYMENTS; REFUNDS; DISPOSITION.] The amount of such assessments shall be Fees are payable by the a processor on or before or marketing organization by July 1, of each year for Grade A, and by January 1 of each year for manufacturing grade, and if not paid on or before July 31, following within 30 days of the due date, the service shall must be discontinued, and permission to market manufacturing grade or Grade A milk or milk products or use the Grade A label shall must be withdrawn; provided, that such. A processor may terminate such payment and such service without loss of the Grade A label if written notice of such that intention is given prior to the due date of the payment of said an assessment and if the continuous inspection of said the plant and farms is assumed by a city whose milk control ordinance is substantially equivalent to Minnesota law and rule and is enforced with equal effectiveness. When such written notice is given by the processor on or before December 31 preceding the due date, that portion of the assessment for the period January 1 through June 30, immediately following, shall be refunded to the processor If a farm discontinues the production of milk within six months of the billing date, a request for a refund based on inspection services not received may be made by the processor or by the marketing organization on behalf of its patrons. This request must be made in writing by July 1 for manufacturing grade, or by December 31 for Grade A, and on approval by the commissioner refunds must be made to the processor or marketing organization.

The fees for services performed by the activities of this section shall must be deposited in the state treasury and shall constitute a separate account to be known as the milk inspection service account, which is hereby created, set aside, and appropriated as a revolving fund to be used to help to defray the cost of administration, refunds and expenses of the preliminary and continuous milk inspection services and shall be is in addition to and not in substitution for the sums appropriated or otherwise made available for this purpose to the department of agriculture.

Sec. 14. Minnesota Statutes 1986, section 40.071, is amended to read:

40.071 [ADDITIONAL POWERS OF A DISTRICT.]



In addition to powers and duties otherwise provided by law, a soil and water conservation district may procure liability insurance as provided in section 466.06, automobile insurance on personal cars while used on official business, insurance on the contents of district offices up to a maximum of \$7,500 per office, and workers' compensation insurance, or may require the county or counties in which the district is located to include the district in the county's or counties' insurance coverage for these purposes.

Sec. 15. Minnesota Statutes 1986, section 223.17, subdivision 1, is amended to read:

Subdivision 1. [LICENSES.] An application for a grain buyer's license must be filed with the commissioner and the license issued before any grain may be purchased. *The commissioner must provide application forms and licenses that state the restrictions and authority to purchase and store grain under the license being applied for and issued.* The ~~types~~ categories of grain buyers' licenses are:

- (a) private grain warehouse operator's license;
- (b) public grain warehouse operator's license; and
- (c) independent grain buyer's license.

The applicant for a grain buyer's license shall identify all grain buying locations owned or controlled by the grain buyer and all vehicles owned or controlled by the grain buyer used to transport purchased grain. Every applicant for a grain buyer's license shall have a permanent established place of business at each licensed location. An "established place of business" means a permanent enclosed building, including a house or a farm, either owned by the applicant or leased by the applicant for a period of at least one year, and where the books, records, and files necessary to conduct the business are kept and maintained. The commissioner may maintain information on grain buyers by categories including, but not limited to, the categories provided in clauses (a) to (c) and grain buyers that are licensed to purchase grain using trucks but that do not have a public or private warehouse license.

Sec. 16. Minnesota Statutes 1986, section 308.58, subdivision 2, is amended to read:

Subd. 2. [WHERE FILED; EVIDENCE.] The articles must be subscribed by the several incorporators and acknowledged by one of them before an officer authorized by the law of this state to take and certify acknowledgment of deeds and conveyances; and shall be filed in the office of the secretary of state, and when so filed such incorporation shall be complete and a certified copy of the articles shall be filed with the ~~commissioner of agriculture~~. The articles, or certified copies thereof, shall be received in all the courts of this state, and other places, as prima facie evidence of the facts contained therein and of the due incorporation of such association.

Sec. 17. Minnesota Statutes 1986, section 308.62, is amended to read:

308.62 [DIRECTORS; ELECTION.]

The affairs of the association shall be managed by a board of not less than five directors, elected by the members or stockholders from their own number, except as hereinafter provided. The bylaws may provide that the territory in which the association has members shall be divided into districts

and that the directors shall be elected according to such districts. In such case the bylaws shall specify the number of directors to be elected by each district, the manner and method of apportioning or reapportioning the directors, and of districting or redistricting the territory covered by the association. The bylaws may provide that primary elections should be held in each district to elect the directors apportioned to such districts, and the result of all such primary elections must be ratified by the next regular meeting of the association, or may be considered final by the association.

~~The bylaws shall provide that one or more directors may be appointed by the commissioner or any other public official or commission. The director or directors so appointed need not be members or stockholders of the association, but shall have the same powers and rights as other directors. Such directors shall not number more than one-fifth of the entire number of directors.~~

An association may provide a fair remuneration for the time actually spent by its officials and directors in its service. No director, while serving in office, shall be a party to a contract for profit with the association differing in any way from the business relations accorded regular members or holders of common stock of the association, or to any other kind of contract differing from terms generally current in that district.

The bylaws may provide that no director shall occupy any position in the association, except the president and secretary on regular salary or substantially full-time pay.

The bylaws may provide for an executive committee and may allot to such committee all the functions and powers of the board of directors, subject to the general direction and control of the board.

When a vacancy on the board of directors occurs, other than by expiration of term, the remaining members of the board, by a majority vote, shall fill the vacancy, unless the bylaws provide for an election of directors by district. In such a case the board of directors shall immediately call a special meeting of the members or stockholders in that district to fill the vacancy.

Sec. 18. Minnesota Statutes 1986, section 308.77, is amended to read:

308.77 [ASSOCIATION HERETOFORE ORGANIZED MAY ADOPT PROVISIONS.]

Any corporation or association organized under previously existing statutes may, by a majority vote of its stockholders or members, be brought under the provisions of sections 308.53 to 308.85 by limiting its membership and adopting the other restrictions, as provided therein. It shall make out, in duplicate, a statement signed and sworn to by its directors, ~~upon forms supplied by the commissioner of agriculture,~~ to the effect that the corporation or association has, by a majority vote of its stockholders or members, decided to accept the benefits and be bound by the provisions of sections 308.53 to 308.85. Articles of incorporation shall be filed as required in section 308.58, except that they shall be signed by the members of the board of directors. The filing fee shall be the same as for filing an amendment to the articles of incorporation. Where any association or corporation may be incorporated or brought under sections 308.53 to 308.85, all contracts heretofore made by or on behalf of the same by the promoters thereof in anticipation of such association becoming incorporated under

the laws of this state or otherwise, including such contracts made by or in the name of some corporation organized elsewhere, and when same would have been valid, if entered into subsequent to the passage of Laws 1923, chapter 264, are hereby accepted and validated as if made after that date. Cooperative corporations and associations heretofore or hereafter organized and doing business under the existing law or laws supplementary thereto or amendatory thereof shall continue to be governed thereby unless and until they shall elect to be brought under the provisions of sections 308.53 to 308.85 in the manner provided in this section.

Sec. 19. Minnesota Statutes 1986, section 308.83, is amended to read:

**308.83 [GOVERNOR TO ACT UPON REPORT.]**

The governor shall have the power to remove from office any officer or director of any association, such removal to be upon such notice to the association and to the officers or directors thereof as shall be prescribed by the governor. In case ~~the commissioner has decided that~~ the further operation of any such association is *deemed* hazardous to the public interest, ~~and so reports to the governor,~~ the governor may refer the matter of winding up the affairs of such association to the attorney general and it shall thereupon be the duty of the attorney general to proceed to wind up the affairs of any such association in the manner provided by law for winding up the business of insolvent banking institutions in the state.

Sec. 20. Minnesota Statutes 1986, section 308.85, is amended to read:

**308.85 [FEES.]**

For filing articles of incorporation, or amendments thereto, any association organized under sections 308.29 to ~~308.84~~ 308.85 shall pay \$15.

**Sec. 21. [REPEALER.]**

*Minnesota Statutes 1986, section 18.023, subdivision 1a, is repealed.*

**Sec. 22. [EFFECTIVE DATE.]**

*This article is effective the day after final enactment.*

**ARTICLE 12**

**APPROPRIATIONS**

**Section 1. [AGRICULTURAL DATA COLLECTION TASK FORCE.]**

*\$55,000 is appropriated from the general fund to the legislative advisory commission to fund the activities of the agricultural data collection task force to be available until June 30, 1989.*

**Sec. 2. [MINNESOTA GROWN MATCHING ACCOUNT.]**

*\$400,000 is appropriated from the general fund to the Minnesota grown matching account to be available in the amounts for the fiscal years indicated*

1988	1989
\$200,000	\$200,000

**Sec. 3. [METROPOLITAN AGRICULTURAL PRESERVE DEFICIENCY.]**

*The amount necessary to pay the deficiency in reimbursement under Minnesota Statutes, section 473H.10, subdivision 3, in fiscal year 1987 is appropriated to the commissioner of revenue from the Minnesota conservation fund to reimburse counties. The amount of the deficiency must be*

certified by the county auditor on or before June 1, 1988, with the amount of tax lost in fiscal year 1988.

**Sec. 4. [AGRICULTURAL LAND PRESERVATION PLANNING GUIDE.]**

\$30,000 is appropriated from the general fund to the commissioner of agriculture to provide technical assistance for agricultural land preservation and conservation activities, including preparation and publication of an agricultural land preservation planning handbook for use by local units of government, and for a study and report on the costs of providing public services to agricultural and other land uses.

**Sec. 5. [AGRICULTURAL COMMODITIES UTILIZATION.]**

\$20,000 is appropriated from the general fund to the commissioner of agriculture to conduct the review, study, and report on agricultural commodities utilization. This appropriation is not effective until it is matched by \$20,000 in private contributions.

**Sec. 6. [INTERSTATE COMPACT ON GRAIN MARKETING.]**

\$50,000 is appropriated from the general fund to the commissioner of agriculture for payment of financing the operations of the state's portion of the interstate compact on grain marketing.

**Sec. 7. [SUSTAINABLE AGRICULTURE CHAIR.]**

**Subdivision 1. [APPROPRIATION.]** \$75,000 is appropriated from the general fund to the University of Minnesota to establish an endowment for a chair in sustainable agriculture subject to the conditions of subdivision 2. This appropriation is to be included in the nonstate sources of endowment under section 137.022, subdivision 3. Sustainable agriculture represents the best aspects of traditional and modern agriculture by utilizing a fundamental understanding of nature, as well as the latest scientific advances to create integrated, self-reliant, resource conserving practices that enhance the enrichment of the environment and provide short- and long-term productive agriculture.

**Subd. 2. [PRIVATE CONTRIBUTIONS REQUIRED.]** The appropriation under subdivision 1 is not effective until sufficient private contributions or pledges have been made so that the private contributions and pledges, plus the appropriation under subdivision 1, are sufficient to establish the endowment for a chair in sustainable agriculture. The appropriation cancels on June 30, 1992, if sufficient private contributions and pledges have not been made.

**Sec. 8. [SWEET SORGHUM RESEARCH.]**

\$290,000 is appropriated from the general fund to the state board of vocational technical education for a demonstration project at the Mankato vocational technical institute involving butanol and ethanol production from sweet sorghum, for the biennium ending June 30, 1989.

**Sec. 9. [WILD RICE RESEARCH.]**

\$38,000 is appropriated from the general fund to the University of Minnesota for the agricultural experimental station to conduct wild rice research to be available until June 30, 1989, as follows:

(a) for experiments on use of fertilizers

\$ 8,000

- (b) for experiments on the influence of rotation and residue removal on diseases, weeds, and yield \$ 8,000
- (c) to evaluate cost advantages and effect on yields of leveling and tiling \$ 6,000
- (d) to conduct controlled-site experiments into the advantages of existing and future varieties of wild rice \$16,000

#### Sec. 10. [STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION.]

\$1,623,000 is appropriated from the general fund to the state board of vocational technical education for the biennium ending June 30, 1989, to provide the following services:

- (1) support staff for farm business management instructors \$ 160,000
- (2) additional farm business and small business management programs \$1,175,500
- (3) workshops for farmers for marketing, alternative enterprises, and financial management and staff development workshops \$ 200,000
- (4) beginning farmer programs \$ 87,500

#### Sec. 11. [RURAL FINANCE AUTHORITY.]

Subdivision 1. [RURAL FINANCE AUTHORITY.] \$300,000 is appropriated from the general fund to the rural finance authority for administering the beginning farmer loan program.

The complement of the authority is increased by three positions.

Subd. 2. [DEBT SERVICE.] \$270,000 is appropriated from the general fund to the rural finance authority for debt service on general obligation bonds issued for the beginning farmer program.

#### Sec. 12. [AGRICULTURAL PROMOTION AND MARKETING.]

\$900,000 is appropriated from the general fund to the commissioner of agriculture in the fiscal years indicated for promoting the agricultural interests of producers, promoting state agricultural markets, and promoting the agricultural interests of the state in cooperative production and marketing with other states.

1988	1989
\$450,000	\$450,000

The complement of the department of agriculture is increased by nine positions to reflect the programs and positions remaining in the department of agriculture."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 303 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.J.	Moe, D.M.	Renneke
Anderson	Cohen	Johnson, D.E.	Moe, R.D.	Schmitz
Beckman	Dahl	Jude	Morse	Solon
Belanger	Davis	Knaak	Pehler	Storm
Benson	DeCramer	Larson	Peterson, D.C.	Stumpf
Berg	Dicklich	Luther	Peterson, R.W.	Taylor
Bernhagen	Diessner	Marty	Piper	Vickerman
Bertram	Frank	McQuaid	Ramstad	Willet
Brataas	Frederick	Merriam	Reichgott	

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

Mr. Stumpf moved that S.F. No. 336, No. 45 on General Orders, be stricken and laid on the table. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 727 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 727: A bill for an act relating to public employees; setting salaries and salary ranges for certain employees; amending Minnesota Statutes 1986, sections 15A.081, subdivisions 1, 7, and 7b; 15A.083, subdivision 4; 85A.02, subdivision 5a; 214.04, subdivision 3; and 298.22, subdivision 1; repealing Minnesota Statutes 1986, sections 3.099, subdivision 2; 15A.081, subdivision 6; and 15A.083, subdivision 1.

### SUSPENSION OF RULES

Mr. Moe, D.M. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 727 and that the rules of the Senate be so far suspended as to give H.F. No. 727, now on General Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Luther moved to amend H.F. No. 727, as amended pursuant to Rule 49, adopted by the Senate May 15, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 674.)

Page 3, delete lines 15 and 16 and insert:

"Chair, metropolitan waste control  
commission

\$25,000-\$35,000"

The motion prevailed. So the amendment was adopted.

H.F. No. 727 was read the third time, as amended, and placed on its final passage.

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

Mr. Benson moved that those not voting be excused from voting. The motion did not prevail.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Berglin	Diessner	Lessard	Novak	Reichgott
Brandl	Freeman	Luther	Pehler	Samuelson
Chmielewski	Johnson, D.I.	Marty	Peterson, D.C.	Schmitz
Cohen	Jude	Merriam	Peterson, R.W.	Solon
Dahl	Kroening	Metzen	Piper	Waldorf
DeCramer	Langseth	Moe, D.M.	Pogemiller	Wegscheid
Dicklich	Lantry	Moe, R.D.	Purfeerst	Willet

Those who voted in the negative were:

Adkins	Bernhagen	Frederickson, D.I.	Larson	Renneke
Anderson	Bertram	Gustafson	McQuaid	Storm
Beckman	Brataas	Johnson, D.E.	Mehrkens	Stumpf
Belanger	Davis	Knaak	Morse	Taylor
Benson	Frank	Knutson	Olson	Vickerman
Berg	Frederick	Laidig	Ramstad	

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

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Luther moved that the following members be excused for a Conference Committee on H.F. No. 1304 from 12:15 to 1:15 p.m.:

Messrs. Luther, Metzen and Anderson. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Kroening moved that the following members be excused for a Conference Committee on H.F. No. 1315 at 7:30 p.m.:

Messrs. Kroening; Luther; Merriam; Moe, D.M. and Frederickson, D.R. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 141 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 141: A bill for an act relating to liability; authorizing the elimination or limitation of a director's personal liability to a cooperative association or its members; exempting certain directors, members, and agents of nonprofit corporations from civil liability; exempting certain members of hospital district boards from certain civil liability; amending Minnesota Statutes 1986, sections 317.201; and 447.32, by adding a subdivision; and proposing coding for new law in Minnesota Statutes, chapter 308.

Mr. Solon moved to amend H.F. No. 141, the unofficial engrossment, as follows:

Page 2, after line 23, insert:

- "(1) an action or proceeding brought by a governmental entity;*
- (2) an action brought by or on behalf of the organization of which the person is a director, officer, trustee, member, or agent;*
- (3) a cause of action to the extent it is based on federal law;"*

Renumber the clauses in sequence

Page 3, line 30, after "to" insert a colon

Page 3, after line 30, insert:

- "(1) an action or proceeding brought by a governmental entity;  
(2) an action brought by or on behalf of the hospital district;  
(3) a cause of action to the extent it is based on federal law; or"*

Page 4, line 1, before "a" insert "(4)"

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

H.F. No. 141 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	Moe, R.D.	Schmitz
Anderson	Dahl	Johnson, D.E.	Morse	Solon
Beckman	Davis	Jude	Olson	Storm
Belanger	DeCramer	Knaak	Pehler	Stumpf
Benson	Dicklich	Laidig	Peterson, D.C.	Taylor
Berg	Diessner	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frank	Luther	Piper	Wegscheid
Bertram	Frederick	Marty	Ramstad	Willet
Brandl	Frederickson, D.J.	McQuaid	Reichgott	
Brataas	Freeman	Merriam	Renneke	

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate reverted to the Order of Business of Messages From the House.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 919:

H.F. No. 919: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state and local bonds; authorizing levies; imposing taxes; appropriating money; amending Minnesota Statutes 1986, sections 297.13, subdivision 1; and 297.26; 297A.01, subdivision 3; 297A.44, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16A and 124; proposing coding for new law as Minnesota Statutes, chapter 240A.

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

Anderson, G.; Carlson, L.; Munger; Quinn and Bishop have been appointed as such committee on the part of the House.

House File No. 919 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives



Transmitted May 15, 1987

Mr. Moe, R.D. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 919, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1015: Ms. Peterson, D.C.; Messrs. Merriam and Ramstad.

H.F. No. 1138: Ms. Peterson, D.C.; Mrs. Adkins and Mr. Storm.

H.F. No. 919: Messrs. Merriam; Freeman; Solon; Johnson, D.E. and Moe, R.D.

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

### MEMBERS EXCUSED

Mr. Freeman was excused from the Session of today from 11:20 to 11:50 a.m. Ms. Berglin was excused from the Session of today from 12:00 noon to 12:20 p.m. Mr. Wegscheid was excused from the Session of today from 11:00 a.m. to 12:15 p.m., from 1:30 to 4:00 p.m. and from 5:00 to 7:45 p.m. Mr. Johnson, D.E. was excused from the Session of today from 1:30 to 2:50 p.m. Mr. DeCramer was excused from the Session of today from 1:00 to 3:30 p.m. and from 3:45 to 6:00 p.m. Ms. Reichgott was excused from the Session of today from 2:00 to 3:30 p.m. and from 5:00 to 6:00 p.m. Ms. Olson was excused from the Session of today from 4:00 to 6:15 p.m. Ms. Berglin and Mrs. Lantry were excused from the Session of today at 4:45 p.m. Mr. Pehler was excused from the Session of today from 4:30 to 5:00 p.m. Mr. Kroening was excused from the Session of today at 2:00 p.m. Mr. Frederickson, D.R. was excused from the Session of today at 6:45 p.m.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Saturday, May 16, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate