

**FIFTY-FOURTH DAY**

St. Paul, Minnesota, Saturday, May 16, 1987

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

**CALL OF THE SENATE**

Mr. Purfeerst imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Senator Pat Piper.

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.

**EXECUTIVE AND OFFICIAL COMMUNICATIONS**

The following communications were received.

May 13, 1987

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

The Honorable Jerome M. Hughes  
President of the Senate

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1987	Date Filed 1987
	1009	88	May 12	May 13
183		89	May 12	May 13
225		90	May 12	May 13
409		91	May 12	May 13
482		92	May 12	May 13

Sincerely,  
Joan Anderson Growe  
Secretary of State

May 14, 1987

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 79, 461, 555, 605, 607, 833, 948, 1097, 1183, 1204, 1296 and 1308.

Sincerely,  
Rudy Perpich, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 167: A bill for an act relating to the Minnesota zoological garden; increasing the size of the zoological board; permitting the board to appoint new members to the board; exempting members of the board from filing statements of economic interest; amending Minnesota Statutes 1986, section 85A.01, subdivision 1, and by adding a subdivision.

Senate File No. 167 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1987

### CONCURRENCE AND REPASSAGE

Mr. Lessard moved that the Senate concur in the amendments by the House to S.F. No. 167 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 167: A bill for an act relating to the Minnesota zoological garden; increasing the size of the zoological board; permitting the governor to appoint new members to the board; exempting members of the board from filing statements of economic interest; amending Minnesota Statutes 1986, sections 85A.001; 85A.01, subdivision 1, and by adding subdivisions.

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 44 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	McQuaid	Ramstad
Anderson	Dahl	Hughes	Mehrkens	Renneke
Beckman	Davis	Johnson, D.E.	Moe, R.D.	Schmitz
Belanger	DeCramer	Knaak	Morse	Spear
Benson	Dicklich	Kroening	Novak	Stumpf
Berg	Diessner	Laidig	Olson	Taylor
Bernhagen	Frank	Langseth	Pehler	Vickerman
Bertram	Frederickson, D.J.	Larson	Peterson, D.C.	Willet
Chmielewski	Freeman	Lessard	Peterson, R.W.	

Mr. Merriam voted in the negative.

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 90: A bill for an act relating to public safety; pipelines and underground facilities; requiring a routing permit to construct a new pipeline; creating the office of pipeline safety and providing for its powers and duties; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the operation of certain pipelines; requiring the adoption of pipeline setback ordinances; providing for notification of excavation in the area of underground facilities; providing for a pipeline inspection fee; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 116I.02, subdivisions 2 and 3; 216B.16, by adding a subdivision; 299F.56, by adding a subdivision; 299F.57; 299F.58; 299F.60; 299F.61; 299F.62; 299F.63; and 299F.64; proposing coding for new law in Minnesota Statutes, chapter 116I; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

Senate File No. 90 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1987

### CONCURRENCE AND REPASSAGE

Mr. Novak moved that the Senate concur in the amendments by the House to S.F. No. 90 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 90: A bill for an act relating to public safety; pipelines and underground facilities; requiring a routing permit to construct a new pipeline; creating the office of pipeline safety and providing for its powers and duties; authorizing rulemaking for purposes of delegation of federal authority; creating the pipeline safety advisory commission; regulating the oper-

ation of certain pipelines; requiring the adoption of pipeline setback ordinances; providing for notification of excavation in the area of underground facilities; providing for a pipeline inspection fee; providing penalties; appropriating money; amending Minnesota Statutes 1986, sections 116I.02, subdivisions 2 and 3; 117.48; 117.49; 216B.16, by adding a subdivision; 299F.56, by adding a subdivision; 299F.57; 299F.58; 299F.60; 299F.61; 299F.62; 299F.63; and 299F.64; proposing coding for new law in Minnesota Statutes, chapter 116I; proposing coding for new law as Minnesota Statutes, chapters 216C and 299J.

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

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 that the House refuses to concur in the Senate amendments to House File No. 236:

H.F. No. 236: A bill for an act relating to elections; requiring fair campaign practices; imposing penalties; amending Minnesota Statutes 1986, sections 123.015; 200.015; 201.275; 204C.04; proposing coding for new law as Minnesota Statutes, chapters 211A and 211B; repealing Minnesota Statutes 1986, chapter 210A.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Scheid, Neunschwander and Knickerbocker have been appointed as such committee on the part of the House.

House File No. 236 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. 236, and that a Conference Committee of 3 members be appointed by the Subcommittee on Com-



mittees 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. 532:

H.F. No. 532: A bill for an act relating to public safety; motorized bicycles; establishing standards for the safe operation of motorized bicycles; amending Minnesota Statutes 1986, sections 65B.001, by adding a subdivision; 65B.43, subdivision 13; 168.011, subdivision 27; 169.01, subdivision 4a; 169.223; 171.01, subdivision 20; and 171.02, subdivision 3.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Jensen, Kahn and Carlson, D. have been appointed as such committee on the part of the House.

House File No. 532 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. DeCramer moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 532, 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 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. 478: A bill for an act relating to insurance; requiring notification of group life or health coverage changes; eliminating mandatory temporary insurance agent licenses; requiring those who solicit insurance to act as agent for the insured; regulating surplus lines insurance; regulating rates and forms; regulating insurance plan administrators; regulating trust funds; regulating the renewal, nonrenewal, and cancellation of commercial liability and property insurance policies; authorizing employers to jointly self-insure for property or casualty liability and regulating these plans; providing continued group life coverage upon termination or layoff; providing for the establishment and operation of the insurance guaranty association and the life and health guaranty association; regulating accident and health insurance; regulating joint self-insurance employee health plans; requiring the treatment of pregnancy-related conditions in the same manner as other illnesses; mandating certain coverages; clarifying coverage for handicapped dependents; providing continued group accident and health coverage upon termination or layoff; requiring coverage of current spouse and children; imposing surety bond or securities requirements on certain health benefit plans; regulating Medicare supplement plan premium refunds; authorizing the renewal of certain long-term health policies; providing for the estab-

lishment and operation of the comprehensive health association and the joint underwriting association; providing comprehensive health insurance coverage for certain employees not eligible for Medicare; regulating fraternal benefit associations; regulating automobile insurance; providing for exemption from certain legal process of cash value, proceeds, or benefits under certain life insurance or annuity contracts; limiting the cancellation of fire insurance binders and policies; providing for administration of the FAIR plan; requiring accident prevention course premium reductions; limiting the grounds for cancellation or reduction in limits during the policy period; providing for the priority of security for payment of basic economic loss benefits; extending basic economic loss benefit protection; requiring coverages for former spouses; specifying membership on the assigned claims bureau; extending no-fault benefits to pedestrians who are struck by motorcycles; regulating township mutual insurance companies; providing for mandatory arbitration of certain claims; establishing a demonstration project to provide medical insurance to certain low income persons; requiring the commissioner to set rates for cooperative housing and neighborhood real estate trust insurance; authorizing investments in certain insurers; regulating trade practices; requiring life and health insurers to substantiate the underwriting standards they use; providing assigned risk plan coverage for certain vehicles used by the handicapped; regulating motor vehicle repairs; regulating certain self-insurance by political subdivisions; granting immunity from liability for volunteer coaches, managers, and officials; clarifying the statute of limitations applicable to actions regarding manufacturers or suppliers of material containing asbestos; modifying discounting of future damages; prescribing penalties; amending Minnesota Statutes 1986, sections 16A.133, subdivision 1; 45.024, subdivision 2; 60A.17, subdivisions 1a, 2c, 11, and 13; 60A.1701, subdivisions 7, and 8; 60A.196; 60A.197; 60A.198, subdivision 3; 60A.23, subdivision 8; 60A.29, subdivisions 2, 5, and 16, and by adding subdivisions; 60A.30; 60A.31; 60B.44, subdivisions 1, 4, 5, and 9; 60C.08, subdivision 1; 60C.09; 60C.12; 61A.28, subdivision 12; 61B.05, subdivision 1; 61B.09; 62A.041; 62A.043, by adding a subdivision; 62A.141; 62A.146; 62A.152, subdivision 2; 62A.17; 62A.21; 62A.27; 62A.31, subdivision 1a; 62A.43, subdivision 2, and by adding a subdivision; 62A.46; by adding a subdivision; 62A.48, subdivisions 1, 2, 6, and by adding a subdivision; 62A.50, subdivision 3; 62D.05, by adding a subdivision; 62D.102; 62E.06, subdivision 1; 62E.10, subdivision 2, and by adding subdivisions; 62E.14, by adding a subdivision; 62F.041, subdivision 2; 62F.06, subdivision 1; 62H.01; 62H.02; 62H.04; 62I.02, subdivisions 1, and 3, and by adding a subdivision; 62I.03, subdivision 5; 62I.04; 62I.12, subdivision 1; 62I.13, by adding a subdivision; 62I.16, subdivision 3; 62I.22, subdivision 2, and by adding a subdivision; 64B.11, subdivision 4; 64B.18; 64B.27; 65A.01, subdivision 3a; 65A.03, subdivision 1; 65A.10; 65A.29, by adding a subdivision; 65A.35, subdivision 5; 65A.39; 65B.03, subdivision 1; 65B.12; 65B.1311; 65B.16; 65B.21, subdivision 2; 65B.28; 65B.46; 65B.49, by adding a subdivision; 65B.525, subdivision 1; 65B.63, subdivision 1; 67A.05, subdivision 2; 67A.06; 67A.231; 70A.06, by adding a subdivision; 70A.08, subdivision 3; 72A.20, subdivisions 11, 17, and by adding subdivisions; 72A.31, subdivision 1; 169.045, subdivision 1, and by adding a subdivision; 471.98, subdivision 2; 604.07, subdivisions 2, 3, 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A; 62A; 62E; 65A; 65B; 72A; 256B; 541; and 604; proposing coding for new law as Minnesota Statutes, chapter 60E; repealing Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3; and Minnesota Rules, parts

2700.2400 to 2700.2440.

Senate File No. 478 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 15, 1987

Mr. Luther moved that the Senate do not concur in the amendments by the House to S.F. No. 478, 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 to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 899, 943, 169, 887, 1203, 794, 239, 960, 1326, 1219 and 1499.

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 committees indicated.

H.F. No. 899: A bill for an act relating to education; establishing the Fond du Lac Higher Education Center; continuing the Fond du Lac Higher Education Task Force; requiring reports; appropriating money; amending Laws 1986, First Special Session chapter 1, article 10, section 1, subdivision 9.

Mr. Moe, R.D. moved that H.F. No. 899 be laid on the table. The motion prevailed.

H.F. No. 943: A bill for an act relating to the attorney general; creating a consumer education account; providing for its administration; appropriating money; amending Minnesota Statutes 1986, section 8.31, subdivisions 2b, 3, and by adding subdivisions.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1428, now on General Orders.

H.F. No. 169: A bill for an act relating to lawful gambling; including payment of taxes as a lawful purpose; increasing the percentage of profits that may be used for necessary expenses; changing requirements for distributors; authorizing the board to adopt rules restricting the amount of rent charged by organizations; prohibiting local units of government from requiring organizations to make certain expenditures; making various technical changes; regulating allowable expenses; amending Minnesota Statutes 1986, sections 349.12, subdivisions 11, 12, 13, and 15; 349.14; 349.15; 349.151, subdivision 3; 349.161, subdivisions 3, 5, and 7; 349.162, by adding subdivisions; 349.18, subdivisions 1 and 3; 349.19, subdivision 3; 349.21; and 349.213, subdivision 1.

Mr. Moe, R.D. moved that H.F. No. 169 be laid on the table. The motion prevailed.

H.F. No. 887: A bill for an act relating to environment; creating the clean water partnership program for the control of nonpoint source water pollution and providing for administration by the pollution control agency; requiring a state water quality assessment; authorizing technical and financial assistance to local governments; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 867, now on the Calendar.

H.F. No. 1203: A bill for an act relating to human services; requiring court-ordered group health insurance benefits be paid to providers; requiring all parties to sign workers' compensation settlement agreements; requiring notification to commissioner regarding workers' compensation payments; establishing a public assistance lien; establishing third party payer liability; requiring reporting of group insurance coverage; providing for reimbursement of benefits from programs with federal participation; amending Minnesota Statutes 1986, sections 62A.046; 176.191, subdivision 4; 256B.02, by adding a subdivision; 256B.042, subdivisions 2, 3, and by adding subdivisions; 256B.37, subdivisions 1, 2, and by adding subdivisions; 256D.03, by adding a subdivision; 268.121; 473.405, subdivision 13; and 514.69; proposing coding for new law in Minnesota Statutes, chapter 256.

Referred to the Committee on Finance.

H.F. No. 794: A bill for an act relating to waste management; regulating disposal of wastes; providing for a solid waste management policy; providing for recycling policy and marketing; managing household hazardous wastes; regulating the sale and disposal of motor oil and lead acid batteries; providing for waste pesticide collection; appropriating money; amending Minnesota Statutes 1986, sections 115A.03, subdivisions 9 and 21; 115A.06, subdivision 14; 115A.11, subdivision 2; 115A.15, subdivision 6; 115A.42; 115A.45; 115A.49; 115A.51; 115A.52; 115A.53; 115A.54, subdivision 2a; 115A.81, subdivision 2; 115A.921; 115A.95; 116.07, subdivision 4b; 116.41, subdivision 2; 116M.07, by adding a subdivision; 176.011, subdivision 9; 239.52; 325E.11; 473.149, subdivisions 2d and 6; 473.803, by adding a subdivision; 473.834, subdivision 2; 473.842, subdivision 2; 473.844, subdivisions 1 and 4; and 473.846; proposing coding for new law in Minnesota Statutes, chapters 115A; 239; 325E; and 473; repealing Minnesota Statutes 1986, sections 115A.13; 115A.43; 115A.44; 473.834, subdivision 3; and 473.844, subdivisions 2 and 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 708, now on General Orders.

H.F. No. 239: A bill for an act relating to elections; providing for school district elections to be conducted according to Minnesota election law; appropriating money; amending Minnesota Statutes 1986, sections 6.54; 122.22, subdivisions 2 and 4; 122.23, subdivisions 2, 9, and 10; 122.25, subdivision 1; 123.11, subdivision 7; 123.33, subdivision 4; 123.351, subdivision 1; 123.51; 127.09; 127.11; 200.01; 200.015; 200.02, by adding a subdivision; 201.016, subdivision 2; 201.018, subdivision 2; 201.061, subdivisions 3 and 6; 201.071, subdivisions 1, 3, 5, 6, and by adding a subdivision; 201.221, subdivisions 3 and 4; 201.27, subdivision 2; 203B.01, subdivision 2; 203B.04, subdivisions 1 and 2; 203B.05, subdivisions 1 and

2; 203B.06, subdivision 2; 203B.08, subdivision 4; 203B.10; 203B.11, subdivision 1; 203B.12, subdivision 6; 203B.13; 203B.15; 203B.19; 203B.23; 204B.02; 204B.09, subdivision 2; 204B.16, subdivision 1; 204B.18, subdivision 2; 204B.19, subdivision 1; 204B.21, subdivision 2; 204B.25, subdivision 1; 204B.29; 204B.31; 204B.32; 204B.34, by adding a subdivision; 204B.35, subdivision 1; 204C.02; 204C.06, subdivision 2; 204C.07, subdivision 3; 204C.08, subdivision 4; 204C.10, subdivision 2; 204C.19, subdivision 2; 204C.20, subdivision 4; 204C.24, subdivision 2; 204C.25; 204C.26, subdivisions 2 and 3; 204C.27; 204C.28, subdivision 2, and by adding a subdivision; 204C.29, subdivision 1; 204C.36; 206.56, by adding a subdivision; 206.58, subdivision 2; 209.02; 209.021, subdivision 3; 210A.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 206; proposing coding for new law as Minnesota Statutes, chapter 205A; repealing Minnesota Statutes 1986, sections 123.015; 123.32; and 201.095.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 381, now on General Orders.

H.F. No. 960: A bill for an act relating to human services; requiring director of state planning agency to contract for development of client advisory committees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Finance.

H.F. No. 1326: A bill for an act relating to energy; authorizing loans to municipalities for energy conservation investments and authorizing repayment of those loans; authorizing issuance of bonds; appropriating money; amending Minnesota Statutes 1986, sections 116J.37; 275.50, subdivision 5; 471.65; and 475.51, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1267, now on the Calendar.

H.F. No. 1219: A bill for an act relating to taxation; authorizing Scott county to impose a tax on admissions to major amusement facilities; providing for expenditure of the proceeds of the tax.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1014, now on General Orders.

H.F. No. 1499: A bill for an act relating to health; requiring transfers from the special revenue account to the public health fund; authorizing a feasibility study; appropriating money; amending Minnesota Statutes 1986, sections 62D.05, by adding a subdivision; and 214.06, subdivision 1.

Referred to the Committee on Finance.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. 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. 859 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File

as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
859	675				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 523 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.
523	487				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 523 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 523 and insert the language after the enacting clause of S.F. No. 487, the second engrossment; further, delete the title of H.F. No. 523 and insert the title of S.F. No. 487, the second engrossment.

And when so amended H.F. No. 523 will be identical to S.F. No. 487, and further recommends that H.F. No. 523 be given its second reading and substituted for S.F. No. 487, 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. 859 and 523 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Stumpf moved that the names of Messrs. Morse, Bertram and Davis be added as co-authors to S.F. No. 336. The motion prevailed.

## CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 529 at 11:00 a.m.:

Messrs. Brandl, Stumpf, Pogemiller, Novak and Johnson, D.J. The motion prevailed.

## MOTIONS AND RESOLUTIONS - CONTINUED

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. 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. 735: A bill for an act relating to liquor; removing a restriction on issuance of off-sale licenses in Kanabec county; amending Minnesota Statutes 1986, section 340A.405, subdivision 2.

Mr. Chmielewski moved that H.F. No. 735, No. 1 on the Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

H.F. No. 542: A bill for an act relating to transportation; providing an alternative procedure to record town roads; proposing coding for new law in Minnesota Statutes, chapter 164.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

Mrs. McQuaid voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1419: A bill for an act relating to human rights; changing certain procedures in cases before the department of human rights; providing for access to case files; amending Minnesota Statutes 1986, sections 363.05, subdivision 1; 363.06, subdivisions 1 and 4; 363.061; and 363.071, subdivisions 1, 1a, and 6.

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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 601: A bill for an act relating to natural resources; providing that money recovered by the state for forest fire fighting expenses be restored to the fund of origination; increasing the amount that may be paid for tips related to forest fire crimes; clarifying provisions relating to the burden of proof and evidence of negligence; amending Minnesota Statutes 1986, sections 88.17, subdivision 2; 88.75, subdivision 1; and 88.76.

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

So the bill passed and its title was agreed to.

H.F. No. 894: A bill for an act relating to human services; creating a new chapter establishing a single, unitary process for the determination of residence and financial responsibility for all human service programs; amending Minnesota Statutes 1986, section 253B.23, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 256G; repealing Minnesota Statutes 1986, sections 256.73, subdivision 4; 256.76, subdivision 2; 256.79; 256B.02, subdivisions 1, 2, and 3; 256D.18; 256D.37, subdivision 3; and 256E.08, subdivision 7.

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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 909: A bill for an act relating to natural resources; establishing a state flood hazard mitigation grant program; authorizing grants-in-aid to



local government units; revising qualifications for the office of director of the division of waters; authorizing an additional assistant commissioner of natural resources; appropriating money; amending Minnesota Statutes 1986, sections 84.01, subdivision 3; 84.081, subdivision 1; 104.02; 105.40, subdivision 1; and 105.482, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 104.

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

So the bill passed and its title was agreed to.

S.F. No. 313: A bill for an act relating to veterans; providing for special motor vehicle license plates for Pearl Harbor survivors and former prisoners of war without an additional charge; changing the certification procedure for obtaining former prisoner of war status; amending Minnesota Statutes 1986, section 168.125; proposing coding for new law in Minnesota Statutes, chapter 168.

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

So the bill passed and its title was agreed to.

S.F. No. 1253: A bill for an act relating to human services; providing training of welfare fraud prosecutors and investigators; defining amounts of assistance indirectly paid; providing for joint trials; changing the date of payment of certain periodic support to the assistance unit; regulating certain property transfers; providing for incorrect assistance amounts recovered; amending Minnesota Statutes 1986, sections 256.98; 256D.05, by

adding a subdivision; and 393.07, subdivision 10.

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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 290: 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, 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.

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 37 and nays 23, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Knaak	Novak	Schmitz
Berglin	Dicklich	Knutson	Pehler	Spear
Bertram	Frank	Laidig	Peterson, D.C.	Vickerman
Brandl	Frederickson, D.J.	Lantry	Piper	Waldorf
Chmielewski	Freeman	Marty	Purfeerst	Willet
Cohen	Hughes	Merriam	Ramstad	
Dahl	Johnson, D.E.	Moe, R.D.	Reichgott	
Davis	Jude	Morse	Renneke	

Those who voted in the negative were:

Adkins	Bernhagen	Kroening	Mehrkens	Solon
Anderson	Brataas	Langseth	Metzen	Stumpf
Belanger	Diessner	Larson	Moe, D.M.	Taylor
Benson	Frederick	Lessard	Olson	
Berg	Gustafson	McQuaid	Samuelson	

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 S.F. No. 1200 a Special Order to be heard

immediately.

### SPECIAL ORDER

S.F. No. 1200: A bill for an act relating to family law; encouraging the Center for Urban and Regional Affairs Conflict and Change Project to study mediation in marriage dissolution cases.

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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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 H.F. No. 1351 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 1351: A bill for an act relating to natural resources; authorizing the taking of elk and amending related laws; authorizing compensation for certain crop damage caused by elk; appropriating money; amending Minnesota Statutes 1986, sections 97A.421, subdivision 6; 97A.431; 97A.465, subdivisions 1 and 3; 97A.471, subdivision 3; 97A.475, subdivision 2; 97A.525, subdivision 1; 97A.535; and 97B.201; proposing coding for new law in Minnesota Statutes, chapters 3 and 97B.

Mr. Stumpf moved to amend H.F. No. 1351 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. 1240.)

Page 5, line 4, delete everything before the period

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend H.F. No. 1351, 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. 1240.)

Page 4, after line 29, insert:

"Sec. 3. [97A.043] [POSSESSION OF NON-DOMESTICATED WILD ANIMALS.]

*Subdivision 1. [PERMIT REQUIRED.] Except as provided in subdivision 5, a person may not possess a live, non-domesticated wild animal that*

*endangers humans, other wild animals, or the environment without a permit from the commissioner. The commissioner shall charge an annual permit fee of \$50.*

*Subd. 2. [LIST OF NON-DOMESTICATED WILD ANIMALS.] The commissioner shall, by order, prescribe a list of non-domesticated wild animal species that require a permit under this section. A non-domesticated wild animal includes indigenous and nonindigenous wild animals that the commissioner determines cannot be domesticated to an extent that insures human safety, protects other wild animals, or insures protection of the environment. A non-domesticated wild animal does not include llama or the American bison or other livestock raised for food purposes.*

*Subd. 3. [PERMIT CONDITIONS.] The commissioner shall prescribe conditions in a permit for keeping non-domesticated wild animals to insure human safety, protect other wild animals, or insure protection of the environment. The conditions may provide for inspections of the wild animal and the area where the wild animal is kept. The commissioner shall charge a fee for the inspection. The fee is \$50, or another amount set by the commissioner by rule under section 16A.128. The fee must be deposited in the state treasury and credited to the game and fish fund.*

*Subd. 4. [PERMIT DOES NOT EXEMPT LIABILITY OR STANDARDS OF CARE.] A person that receives a permit to possess a non-domesticated wild animal is not exempt from:*

*(1) liability or damages resulting from the wild animal under chapter 346, section 609.205, or other laws;*

*(2) standards of care required under section 346.42, other provisions of chapter 346, or other provisions of law; or*

*(3) local zoning requirements.*

*Subd. 5. [PERMIT EXEMPTIONS.] This section does not apply to:*

*(1) a publicly owned zoo or wildlife exhibit, privately owned traveling zoo or circus, or a pet shop;*

*(2) wildlife in captivity for public exhibition purposes that are required to have a permit under section 97A.041;*

*(3) wild animals kept in captivity at an educational or research institution; or*

*(4) wild animals that are lawfully possessed by license or permit under the game and fish laws."*

*Page 9, line 12, after the period, insert "\$80,000 is appropriated from the game and fish fund to the commissioner of natural resources for the purposes of section 3, to be available until June 30, 1989. The complement of the department of natural resources is increased by one."*

*Renumber the sections in sequence and correct the internal references*

*Amend the title as follows:*

*Page 1, line 4, after the semicolon, insert "regulating possession of wild animals;"*

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

*H.F. No. 1351 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:

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

Ms. Berglin and Mr. Spear voted in the negative.

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 General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

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

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

S.F. No. 156 and H.F. No. 1210, which the committee recommends to pass.

S.F. No. 1503, which the committee recommends be returned to its author.

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

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Moe, R.D. moved that the following members be excused for a Conference Committee on S.F. No. 1 at 2:00 p.m.:

Messrs. Moe, R.D.; Dicklich and Pogemiller. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Moe, R.D. moved that the following members be excused for a Conference Committee on H.F. No. 919 at 2:00 p.m.:

Messrs. Freeman; Merriam; Solon; Moe, R.D. and Johnson, D.E. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Lessard moved that H.F. No. 169 be taken from the table. The motion prevailed.

H.F. No. 169: A bill for an act relating to lawful gambling; including payment of taxes as a lawful purpose; increasing the percentage of profits that may be used for necessary expenses; changing requirements for distributors; authorizing the board to adopt rules restricting the amount of rent charged by organizations; prohibiting local units of government from requiring organizations to make certain expenditures; making various technical changes; regulating allowable expenses; amending Minnesota Statutes 1986, sections 349.12, subdivisions 11, 12, 13, and 15; 349.14; 349.15; 349.151, subdivision 3; 349.161, subdivisions 3, 5, and 7; 349.162, by adding subdivisions; 349.18, subdivisions 1 and 3; 349.19, subdivision 3; 349.21; and 349.213, subdivision 1.

### SUSPENSION OF RULES

Mr. Lessard 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. 169 and that the rules of the Senate be so far suspended as to give H.F. No. 169 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 169 was read the second time.

Mr. Lessard moved to amend H.F. No. 169 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 349.12, subdivision 11, is amended to read:

Subd. 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; ~~or~~ (d) the improving, expanding, maintaining or repairing real property owned or leased by an organization; *or (e) payment of taxes imposed on receipts from lawful gambling.*

"Lawful purpose" does not include the erection or acquisition of any real property, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in this clause.

Sec. 2. Minnesota Statutes 1986, section 349.12, subdivision 12, is amended to read:

Subd. 12. "Organization" means any fraternal, religious, veterans, or other nonprofit organization *which has been in existence for at least three years and has at least 15 active members.*

Sec. 3. Minnesota Statutes 1986, section 349.12, subdivision 13, is amended to read:

Subd. 13. "Profit" means the gross receipts collected from lawful gambling, less reasonable sums necessarily and actually expended for prizes and taxes imposed by this chapter.

Sec. 4. Minnesota Statutes 1986, section 349.12, subdivision 15, is amended to read:

Subd. 15. "Gambling equipment" means: bingo cards and devices for selecting bingo numbers, pull-tabs, ~~ticket jars~~ jar tickets, paddlewheels, and tipboards.

Sec. 5. Minnesota Statutes 1986, section 349.14, is amended to read:

349.14 [ORGANIZATION MAY CONDUCT LAWFUL GAMBLING; LICENSE.]

An organization may conduct lawful gambling if it ~~has been in existence for at least three years, has at least 15 active members,~~ has a license to conduct lawful gambling from the board and complies with this chapter.

Sec. 6. Minnesota Statutes 1986, section 349.15, is amended to read:

349.15 [USE OF PROFITS.]

Profits from lawful gambling may be expended only for lawful purposes or expenses as authorized at a regular meeting of the conducting organization. Provided that no more than ~~50~~ 55 percent of profits from bingo, and no more than ~~40~~ 45 percent for other forms of lawful gambling, may be expended for necessary expenses related to lawful gambling.

The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules may provide a maximum percentage of gross receipts which may be expended for certain expenses.

Sec. 7. Minnesota Statutes 1986, section 349.151, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] The compensation of board members is ~~\$35 per day spent on commission activities, when authorized by the board, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2 as provided in section 15.0575, subdivision 3.~~

Sec. 8. Minnesota Statutes 1986, section 349.151, is amended by adding a subdivision to read:

Subd. 4b. [ADDITIONAL POWERS.] *The board may summarily suspend a license or impose a civil penalty of not more than \$500 on a licensee prior to a contested case hearing for a violation of this chapter or rule of the board where necessary to ensure the integrity of lawful gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge's report must be issued within 20 days from the close of the hearing record. The board must issue its final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and arguments under section 14.61. The board may authorize the executive secretary to impose a civil penalty of not more than \$500 on a licensee prior to a hearing for a violation of this chapter or board rule. A penalty imposed by the executive secretary may be appealed to the board within 30 days.*

Sec. 9. Minnesota Statutes 1986, section 349.161, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, ~~or~~ other person in a supervisory or management position, *or employee eligible to make sales on behalf of the distributor* a person, who:

(1) has been convicted of a felony in a state or federal court within the past five years or who has a felony charge pending;

(2) has ever been convicted in a state or federal court of a gambling-related offense; or

(3) is or has ever been engaged in an illegal business.

Sec. 10. Minnesota Statutes 1986, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, *or employee eligible to make sales on behalf of a distributor*, may also be a wholesale distributor of liquor or alcoholic beverages.

(b) *No distributor, or employee authorized to make sales on behalf of a distributor, may be involved directly in the operation of lawful gambling conducted by an organization.*

Sec. 11. Minnesota Statutes 1986, section 349.161, subdivision 7, is amended to read:

Subd. 7. [CRIMINAL HISTORY.] The board may request the assistance of the bureau of criminal apprehension in investigating the background of an applicant for a ~~supplier's distributor's~~ license and may reimburse the bureau for the costs thereof. The board has access to all criminal history data compiled by the bureau on licensees and applicants.

Sec. 12. Minnesota Statutes 1986, section 349.162, is amended by adding a subdivision to read:

Subd. 4. [PROHIBITION.] *No person other than a licensed organization or a licensed distributor may possess registration stamps issued by the board.*

Sec. 13. Minnesota Statutes 1986, section 349.162, is amended by adding a subdivision to read:

Subd. 5. [SALES FROM FACILITIES.] *All gambling equipment purchased by a licensed distributor for resale in Minnesota must prior to its resale be unloaded into a facility located in Minnesota which the distributor owns or leases.*

Sec. 14. Minnesota Statutes 1986, section 349.17, subdivision 1, is amended to read:

Subdivision 1. [BINGO OCCASIONS.] Not more than ~~104 bingo occasions each year or two seven~~ bingo occasions each week may be conducted by an organization, ~~except as provided in this subdivision~~. A bingo occasion may not continue for more than four consecutive hours.

The board may permit an organization to conduct more than two bingo occasions in a week and more than ~~104 bingo occasions~~ in a year if the board determines that the additional occasions are consistent with the pur-



pose of sections 349.11 to 349.22 and if the following procedures are followed:

(1) the organization applies for the additional occasions, stating the number of additional occasions applied for;

(2) the board notifies the governing body of the county or home rule or statutory city in which the applicant is located; and

(3) the governing body fails to adopt a resolution disapproving the additional occasions within 30 days of the notification.

Sec. 15. Minnesota Statutes 1986, section 349.17, subdivision 2, is amended to read:

Subd. 2. [BINGO ON LEASED PREMISES.] A person or corporation, other than an organization, which leases any premises that it owns to two or more organizations for purposes including the conduct of bingo occasions, may not allow more than four 2/ bingo occasions to be conducted on the premises in any week. The board may waive this restriction and permit a person or corporation to allow a specified member of bingo occasions on the premises in excess of four per week if it finds that the waiver is consistent with the purpose of sections 349.11 to 349.22 and if the following procedures are followed:

(1) the person or corporation applies for the waiver, stating the number of additional occasions sought per week;

(2) the board notifies the governing body of the county or home rule or statutory city in which the premises are located; and

(3) the governing body fails to adopt a resolution disapproving the waiver within 30 days of the notification.

Sec. 16. Minnesota Statutes 1986, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be in writing. Copies of all leases must be made available to employees of the board on request. A lease may not provide for rental payments based on a percentage of receipts or profits from lawful gambling. *The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling.*

Sec. 17. Minnesota Statutes 1986, section 349.18, subdivision 3, is amended to read:

Subd. 3. [PROCEEDS FROM RENTAL.] A licensed organization which leases Rental proceeds from premises it owns owned by a licensed organization and leased or subleased to one or more other licensed organizations for the purposes including the conduct of conducting lawful gambling may expend the rental proceeds, less reasonable deductions for maintenance, furnishings, and utilities, only for lawful purposes. The rental proceeds must be recorded and reported as proceeds from gambling under section 349.19 shall not be reported as gambling proceeds under this chapter.

Sec. 18. Minnesota Statutes 1986, section 349.19, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES.] All expenditures of bingo profits from

*lawful gambling* must be itemized as to payee, purpose, amount, and date of payment.

Sec. 19. Minnesota Statutes 1986, section 349.21, is amended to read:

349.21 [COMPENSATION.]

Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that nonmanagement assistants who are not active members or spouses may be hired to assist in the conduct of lawful gambling in nonmanagement positions if approved by a majority of the organization's members.

The amounts of compensation which may be paid under this section ~~must~~ may be provided for in a schedule of compensation adopted by the board by rule. In adopting ~~the~~ a schedule the board must consider the nature of the participation and the types of lawful gambling participated in.

A licensed organization may pay a percentage of the gross receipts from raffle ticket sales to a nonprofit organization which sells tickets for the licensed organization.

Sec. 20. Minnesota Statutes 1986, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] A statutory or home rule city or county has the authority to adopt more stringent regulation of any form of lawful gambling within its jurisdiction, including the prohibition of any form of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.214. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. *The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended for allowable expenses.* A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4, or section 349.212.

Sec. 21. [EFFECTIVE DATE.]

*Sections 1 to 12 and 14 to 20 are effective June 1, 1987. Section 13 is effective January 1, 1987."*

Delete the title and insert:

"A bill for an act relating to lawful gambling; including payment of taxes as a lawful purpose; increasing the percentage of profits that may be used for necessary expenses; changing requirements for distributors; allowing the board to summarily suspend licenses under certain conditions; providing for a limit on the number of bingo occasions which an organization may conduct in a week, and the number of occasions which may occur on any site in a week; authorizing the board to adopt rules restricting the amount of rent charged by organizations; prohibiting local units of government from requiring organizations to make certain expenditures; making various

technical changes; amending Minnesota Statutes 1986, sections 349.12, subdivisions 11, 12, 13, and 15; 349.14; 349.15; 349.151, subdivision 3, and by adding a subdivision; 349.161, subdivisions 3, 5, and 7; 349.162, by adding subdivisions; 349.17, subdivisions 1 and 2; 349.18, subdivisions 1 and 3; 349.19, subdivision 3; 349.21; and 349.213, subdivision 1."

### CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on H.F. No. 169. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Schmitz moved to amend the Lessard amendment to H.F. No. 169, as follows:

Page 1, after line 2, insert:

"Section 1. Minnesota Statutes 1986, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] From the amounts deducted from all pari-mutuel pools by a licensee, ~~an amount equal to not less than five percent of all money in all pools must be set aside by the licensee and used shall set aside~~ for purses for ~~aces conducted by the licensee an amount of money as negotiated by the licensee and, with respect to each breed, the horseperson's organization representing the majority of the horsepersons racing at the licensee's facility. For calendar 1987, the amount of money set aside for purses shall be not less than 7.8 percent of all money in all pari-mutuel pools. For calendar 1988, the amount of money set aside for purses shall be not less than 5.7 percent nor more than 9 percent of all money in all pari-mutuel pools. For calendar 1989 and thereafter, the amount of money set aside for purses shall be not less than seven percent nor more than nine percent of all money in all pari-mutuel pools. The amount of money set aside for purses by a licensee operating a racetrack located outside the seven-county metropolitan area, with an average daily handle of \$350,000 or less, shall be not less than five percent of all money in all pari-mutuel pools. The commission may by rule provide for the administration and enforcement of this subdivision.~~

*From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, such amounts as may be determined by agreement by the licensee and the horseperson's organization. The amounts paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.*

Sec. 2. Minnesota Statutes 1986, section 240.15, subdivision 1, is amended to read:

Subdivision 1. [TAXES IMPOSED.] (a) There is imposed on the total amount bet on all pari-mutuel pools on each racing day in calendar 1987 a tax at the following rates:

(1) For each racing day in a calendar year on which the total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year does not exceed \$48,000,000, ~~1-3/4 percent~~ rate of one and three-quarters percent of the total amount bet in all pari-mutuel pools. For calendar 1988, the tax shall be at the rate of one and three-quarters percent for each racing day on which the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year does not exceed \$48,000,000 and five percent for each racing day in the calendar year after the racing day on which the total amount bet in all pari-mutuel pools at the same licensed racetrack exceeds \$48,000,000. For calendar 1989 and thereafter, the tax shall be at the rate of one and three-quarters percent.

(2) For each racing day in a calendar year after the racing day on which the total amount bet in all pari-mutuel pools at the same licensed racetrack in the same calendar year exceeds \$48,000,000, six percent of the total amount bet in all pari-mutuel pools.

In addition to the above tax, the licensee must designate and pay to the commission a tax for deposit in the Minnesota breeders fund, at the following rates:

(1) For racing days on which the ~~state tax under clause (a)(1) is 1-3/4 percent~~ total amount bet, together with the total amount bet at the same licensed racetrack in all previous racing days in the same calendar year does not exceed \$48,000,000, one-half percent of the total amount bet in all pari-mutuel pools.

(2) For racing days after the day on which the ~~state tax under clause (a)(2) is six percent~~ total amount bet in all pari-mutuel pools at the same licensed racetrack in the same calendar year exceeds \$48,000,000, one percent of the total amount bet in all pari-mutuel pools.

(3) Effective January 1, 1988, the rate of tax for deposit in the Minnesota breeders fund shall be one percent of the total amount bet in all pari-mutuel pools.

Additionally, for calendar 1987, \$250,000 shall be deposited in the Minnesota breeders fund from the purse fund.

The taxes imposed by this clause must be paid from the amounts permitted to be withheld by a licensee under section 240.13, subdivision 4.

(b) The commission shall impose on each paid admission to each licensed racetrack on a racing day a tax of 40 cents. It may impose an additional admissions tax of not more than ten cents at any licensed racetrack if:

(1) the additional tax is requested by a local unit of government within whose borders the track is located;

(2) a public hearing is held on the request; and

(3) the commission finds that the local unit of government requesting the additional tax is in need of its revenue to meet extraordinary expenses caused by the racetrack."

Page 7, line 21, before "Sections" insert "Sections 1 and 2 are effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title amendment as follows:

Page 7, line 25, delete "lawful" and after the semicolon, insert "modifying purse structure for pari-mutuel horse racing; changing the tax on pari-mutuel horse racing;"

Page 7, line 35, after "sections" insert "240.13, subdivision 5; 240.15, subdivision 1;"

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

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

The roll was called, and there were yeas 34 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Jude	Mehrkens	Ramstad
Anderson	Diessner	Knutson	Metzen	Schmitz
Beckman	Frederick	Kroening	Moe, D.M.	Solon
Belanger	Frederickson, D.J.	Laidig	Moe, R.D.	Taylor
Bertram	Frederickson, D.R.	Langseth	Olson	Vickerman
Brataas	Hughes	Lantry	Piper	Wegscheid
Chmielewski	Johnson, D.E.	Lessard	Purfeerst	

Those who voted in the negative were:

Berg	Davis	Luther	Pehler	Spear
Berglin	DeCramer	Marty	Peterson, D.C.	Storm
Bernhagen	Frank	McQuaid	Peterson, R.W.	Waldorf
Cohen	Knaak	Merriam	Reichgott	Willet
Dahl	Larson	Morse	Renneke	

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Lessard amendment, as amended.

The roll was called, and there were yeas 29 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Johnson, D.E.	Lessard	Piper
Anderson	Diessner	Jude	Mehrkens	Purfeerst
Belanger	Frederick	Knutson	Merriam	Ramstad
Bertram	Frederickson, D.J.	Laidig	Metzen	Schmitz
Brataas	Frederickson, D.R.	Langseth	Moe, R.D.	Vickerman
Chmielewski	Hughes	Lantry	Olson	

Those who voted in the negative were:

Beckman	Dahl	Larson	Peterson, R.W.	Taylor
Berg	Davis	Luther	Reichgott	Waldorf
Berglin	Frank	Marty	Renneke	Willet
Bernhagen	Gustafson	Morse	Spear	
Cohen	Knaak	Peterson, D.C.	Storm	

The motion prevailed. So the Lessard amendment, as amended, was adopted.

H.F. No. 169 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 37 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Laidig	Moe, R.D.	Solon
Anderson	Frederick	Langseth	Novak	Stumpf
Belanger	Frederickson, D.R.	Lantry	Olson	Taylor
Bertram	Hughes	Lessard	Piper	Vickerman
Brataas	Johnson, D.E.	McQuaid	Pogemiller	Wegscheid
Chmielewski	Johnson, D.J.	Mehrkens	Purfeerst	
Cohen	Jude	Metzen	Ramstad	
Dicklich	Knutson	Moe, D.M.	Schmitz	

Those who voted in the negative were:

Beckman	Dahl	Knaak	Morse	Renneke
Berg	Davis	Larson	Pehler	Spear
Berglin	Frank	Luther	Peterson, D.C.	Storm
Bernhagen	Frederickson, D.J.	Marty	Peterson, R.W.	Waldorf
Brandl	Gustafson	Merriam	Reichgott	Willet

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

Mr. Lessard moved that S.F. No. 192, No. 3 on Special Orders, be stricken and laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 862 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 862: A bill for an act relating to public safety; school buses; requiring training for school bus drivers; providing for transitional requirements; appropriating money; amending Minnesota Statutes 1986, section 171.321, subdivisions 1 and 2, and by adding a subdivision. 171.321, subdivisions 1 and 2, and by adding a subdivision.

Mr. Wegscheid moved to amend S.F. No. 862 as follows:

Pages 1 and 2, delete section 1

Page 2, line 12, delete the second "the"

Page 2, line 13, delete the second "the"

Page 2, line 14, delete ", required by subdivision 3"

Pages 2 and 3, delete sections 3 and 4

Page 3, line 12, delete "sections 1 and 2" and insert "section 1"

Page 3, line 17, delete "Sections 2 and 4 are" and insert "Section 1 is"

Page 3, line 18, delete "Sections 1 and 3 are effective August 1, 1988"

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Wegscheid then moved to amend S.F. No. 862 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1986, section 168.012, subdivision 1, is amended to read:

Subdivision 1. (a) *The following vehicles are exempt from the provisions*

*of this chapter requiring payment of tax and registration fees, except as provided in subdivision 1c:*

(1) vehicles owned and used solely in the transaction of official business by representatives of foreign powers, by the federal government, the state, or any political subdivision thereof; ~~or;~~

(2) vehicles owned and used exclusively by educational institutions and used solely in the transportation of pupils to and from such institutions; ~~or;~~

(3) vehicles owned by nonprofit charities and used exclusively to transport handicapped persons for educational purposes;

(4) vehicles owned and used by honorary consul or consul general of foreign governments ~~shall be exempt from the provision of this chapter requiring payment of tax or registration fees, except as provided in subdivision 1e.~~

(b) Vehicles owned by the federal government, municipal fire apparatus, police patrols and ambulances, the general appearance of which is unmistakable, shall not be required to register or display number plates.

(c) Unmarked vehicles used in general police work, arson investigations, and passenger vehicles, station wagons, and buses owned or operated by the department of corrections shall be registered and shall display passenger vehicle classification license number plates which shall be furnished by the registrar at cost. Original and renewal applications for these passenger vehicle license plates authorized for use in general police work and for use by the department of corrections must be accompanied by a certification signed by the appropriate chief of police if issued to a police vehicle, the appropriate sheriff if issued to a sheriff's vehicle, the commissioner of corrections if issued to a department of corrections vehicle, or the appropriate officer in charge if issued to a vehicle of any other law enforcement agency. The certification must be on a form prescribed by the commissioner and state that the vehicle will be used exclusively for a purpose authorized by this section.

(d) All other motor vehicles shall be registered and display tax exempt number plates which shall be furnished by the registrar at cost, except as provided in subdivision 1c. All vehicles required to display tax exempt number plates shall have the name of the state department or public subdivision on the vehicle plainly printed on both sides thereof in letters not less than 2-1/2 inches high, one inch wide and of a three-eighths inch stroke; except that each state hospital and institution for the mentally ill and mentally retarded may have one vehicle without the required printing on the sides of the vehicle. Such printing shall be in a color giving a marked contrast with that of the part of the vehicle on which it is placed and shall be done with a good quality of paint that will endure throughout the term of the registration. The printing must be on a part of the vehicle itself and not on a removable plate or placard of any kind and shall be kept clean and visible at all times; except that a removable plate or placard may be utilized on vehicles leased or loaned to a political subdivision."

Page 3, line 17, before "Section" insert "Section 1 is effective July 1, 1987."

Renumber the sections in sequence and correct the internal references  
Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "allowing tax-exempt license plates for vehicles owned by nonprofit charities and used for educational purposes;"

Page 1, line 5, delete "section" and insert "sections 168.012, subdivision 1; and"

The motion prevailed. So the amendment was adopted.

S.F. No. 862 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 45 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Hughes	Marty	Peterson, R.W.
Anderson	Chmielewski	Jude	McQuaid	Piper
Beckman	Cohen	Knaak	Mehrkens	Ramstad
Belanger	Dahl	Kroening	Metzen	Reichgott
Benson	Diessner	Laidig	Moe, D.M.	Schmitz
Berg	Frederick	Langseth	Morse	Taylor
Berglin	Frederickson, D.J.	Lantry	Olson	Vickerman
Bernhagen	Frederickson, D.R.	Lessard	Pehler	Wegscheid
Bertram	Gustafson	Luther	Peterson, D.C.	Willet

Those who voted in the negative were:

Davis	Frank	Larson	Purfeerst	Renneke
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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. 534 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 534: A bill for an act relating to the collection and dissemination of data; classifying data; proposing classifications of data as private, non-public, and protected nonpublic; clarifying issues relating to the administration of data; amending Minnesota Statutes 1986, sections 13.03, subdivision 3; 13.04, subdivision 2; 13.05, subdivision 4; 13.38; 13.39, subdivision 3; 13.41, subdivision 4; 13.43, by adding a subdivision; 13.46, subdivision 7, and by adding a subdivision; and 13.76; proposing coding for new law in Minnesota Statutes, chapter 13.

Mr. Jude moved to amend H.F. No. 534, the unofficial engrossment, as follows:

Page 10, line 33, before "The" insert "(a)"

Page 11, line 2, delete everything after the colon

Page 11, delete line 3

Page 11, after line 12, insert:

*"(b) The name, address, and other information that may identify an individual filing a claim are confidential data on individuals while the claim is being investigated and public after the board has made a final decision."*

The motion prevailed. So the amendment was adopted.



H.F. No. 534 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 38 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Hughes	McQuaid	Purfeerst
Anderson	Cohen	Jude	Mehrrens	Ramstad
Beckman	Dahl	Knaak	Moe, D.M.	Renneke
Benson	Dicklich	Lantry	Morse	Storm
Berglin	Diessner	Larson	Olson	Taylor
Bernhagen	Frank	Lessard	Peterson, D.C.	Vickerman
Bertram	Frederickson, D.J.	Luther	Peterson, R.W.	
Brataas	Gustafson	Marty	Piper	

Messrs. Davis and Willet 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 S.F. No. 384 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 384: A bill for an act relating to employment; providing for retraining of dislocated workers; requiring the commissioner of jobs and training to coordinate services to dislocated workers; requiring notification of employment termination; providing for the monitoring of dislocated workers and plant closings; amending Minnesota Statutes 1986, sections 267.02, subdivision 3; 268.0111, subdivision 4; 268.0122, subdivision 3; and 268.89, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Peterson, D.C.	Taylor
Anderson	Dicklich	Laidig	Peterson, R.W.	Vickerman
Beckman	Frank	Lantry	Piper	Waldorf
Belanger	Frederickson, D.J.	Luther	Purfeerst	Willet
Berglin	Frederickson, D.R.	McQuaid	Ramstad	
Bernhagen	Hughes	Mehrrens	Reichgott	
Cohen	Jude	Metzen	Schmitz	
Dahl	Knutson	Morse	Storm	

Those who voted in the negative were:

Benson	Bertram	Chmielewski	Knaak	Renneke
Berg	Brataas	Gustafson	Olson	

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.

**MESSAGES FROM THE HOUSE**

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. 638, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 638 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1987

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 638**

A bill for an act relating to elections; requiring election judges to inform voters of certain laws; providing for selection of a party in certain primary elections; amending Minnesota Statutes 1986, sections 204C.13, subdivision 2; and 206.80.

May 15, 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. 638, report that we have agreed upon the items in dispute and recommend as follows:

That the House accede to the Senate amendment.

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

House Conferees: (Signed) Lona A. Minne, Richard Kostohryz, Gil Gutknecht

Senate Conferees: (Signed) Ronald R. Dicklich, Lawrence J. Pogemiller, William P. Luther

Mr. Dicklich moved that the foregoing recommendations and Conference Committee Report on H.F. No. 638 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. 638 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	Jude	Mehrkens	Reichgott
Anderson	Dahl	Knaak	Metzen	Renneke
Beckman	Davis	Knutson	Moe, D.M.	Schmitz
Belanger	Dicklich	Kroening	Morse	Storm
Benson	Diessner	Laidig	Olson	Taylor
Berg	Frank	Lantry	Peterson, D.C.	Vickerman
Berglin	Frederickson, D.J.	Larson	Peterson, R.W.	Waldorf
Bernhagen	Frederickson, D.R.	Luther	Piper	Wegscheid
Bertram	Gustafson	Marty	Purfeerst	Willet
Brataas	Hughes	McQuaid	Ramstad	

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. 841, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 841 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1987

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 841

A bill for an act relating to utilities; providing for prevention of unlawful meter bypass, tampering, and use; providing remedies; proposing coding for new law in Minnesota Statutes, chapter 325E.

May 14, 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. 841, 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. 841 be further amended as follows:

Page 1, line 21, delete "otherwise interfering with or"

Page 2, line 3, delete "moving."

Page 2, delete lines 10 to 21 and insert:

*"Subd. 2. [CIVIL ACTIONS; REMEDIES.] A utility may bring a civil action for damages against a person who: (1) deliberately commits, authorizes, attempts, solicits, aids, or abets bypassing, tampering, unauthorized connection, or unauthorized metering that results in damages to the utility; or (2) knowingly receives service provided as a result of bypassing, tampering, unauthorized connection, or unauthorized metering. The utility may recover double the costs of the service provided; the costs and expenses for investigation, disconnection, reconnection, service calls, equipment,*

*and employees; and the trial costs and witness fees."*

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

House Conferees: (Signed) Phil Carruthers, Joel Jacobs, Bert McKasy

Senate Conferees: (Signed) Tad Jude, Allan H. Spear, Jim Ramstad

Mr. Jude moved that the foregoing recommendations and Conference Committee Report on H.F. No. 841 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. 841 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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Knaak	Metzen	Schmitz
Anderson	Dicklich	Knutson	Moe, D.M.	Storm
Beckman	Diessner	Kroening	Morse	Stumpf
Belanger	Frank	Laidig	Olson	Taylor
Berg	Frederick	Lantry	Peterson, D.C.	Vickerman
Berglin	Frederickson, D.J.	Larson	Piper	Waldorf
Bernhagen	Frederickson, D.R.	Luther	Purfeerst	Wegscheid
Bertram	Gustafson	Marty	Ramstad	Willet
Brandl	Hughes	McQuaid	Reichgott	
Cohen	Jude	Mehrken	Renneke	

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

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 915 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 915

A bill for an act relating to crime; amending trespass law to prohibit harassment on private property; prohibiting following and stalking with intent to harass, abuse, or threaten; removing requirement that caller not disclose identity for purposes of misdemeanor harassing telephone calls; prohibiting intentional harassment by delivering a letter or object; providing penalties; amending Minnesota Statutes 1986, sections 609.605, subdivision 1; 609.746; 609.79, subdivision 1; and 609.795.

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. 915, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 915 be further amended as follows:

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1986, section 609.02, is amended by adding a subdivision to read:

*Subd. 12. [HARASS.] As used in sections 609.605, subdivision 1, clause (13), 609.746, 609.79, and 609.795, "harass" means to interfere with another person so as to persecute or oppress that person.*

Sec. 2. Minnesota Statutes 1986, section 609.02, is amended by adding a subdivision to read:

*Subd. 13. [THREATEN.] As used in sections 609.605, subdivision 1, clause (13), 609.746, 609.79, and 609.795, "threaten" means to express a purpose or intent to injure the person, property, or rights of another by the commission of an unlawful act."*

Renumber the remaining sections in sequence

Page 3, line 10, delete "stalks" and insert "pursues"

Page 3, line 11, delete "stalked" and insert "pursued"

Page 4, line 9, delete "4" and insert "6"

Amend the title as follows:

Page 1, line 4, delete "stalking" and insert "pursuing"

Page 1, line 9, after "sections" insert "609.02, by adding subdivisions;"

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

Senate Conferees: (Signed) Ember D. Reichgott, Allan H. Spear, Jim Ramstad

House Conferees: (Signed) Sandra L. Pappas, Randy C. Kelly, Phil Carruthers

Ms. Reichgott moved that the foregoing recommendations and Conference Committee Report on S.F. No. 915 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. 915 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	Chmielewski	Jude	Metzen	Storm
Anderson	Cohen	Knaak	Moe, D.M.	Stumpf
Beckman	Dahl	Knutson	Morse	Taylor
Belanger	Davis	Laidig	Olson	Vickerman
Berg	Diessner	Lantry	Pehler	Waldorf
Berglin	Frank	Larson	Peterson, D.C.	Wegscheid
Bernhagen	Frederickson, D.J.	Luther	Piper	Willet
Bertram	Frederickson, D.R.	Marty	Ramstad	
Brandl	Gustafson	McQuaid	Reichgott	
Brataas	Hughes	Mehrkins	Renneke	

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 282 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S.F. NO. 282

A bill for an act relating to metropolitan government; permitting regional railroad authorities to engage in certain activities; amending Minnesota Statutes 1986, section 473.398.

May 15, 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. 282, 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. 282 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 398A.04, subdivision 8, is amended to read:

Subd. 8. [TAXATION.] Before deciding to exercise the power to tax, the authority shall give six weeks published notice in all municipalities in the region. If a number of voters in the region equal to five percent of those who voted for candidates for governor at the last gubernatorial election present a petition within nine weeks of the first published notice to the secretary of state requesting that the matter be submitted to popular vote, it shall be submitted at the next general election. The question prepared shall be:

"Shall the regional rail authority have the power to impose a property tax?

Yes \_\_\_\_\_

No \_\_\_\_\_"

If a majority of those voting on the question approve or if no petition is presented within the prescribed time the authority may thereafter levy a tax at any annual rate not exceeding ~~four~~ two mills on the assessed valuation of all taxable property situated within the municipality or municipalities named in its organization resolution. Its recording officer shall file in the office of the county auditor of each county in which territory under the jurisdiction of the authority is located a certified copy of the board of commissioners' resolution levying the tax, and each county auditor shall assess and extend upon the tax rolls of each municipality named in the organization resolution the portion of the tax that bears the same ratio to the whole amount that the assessed valuation of taxable property in that municipality bears to the assessed value of taxable property in all munic-

ipalities named in the organization resolution. Collections of the tax shall be remitted by each county treasurer to the treasurer of the authority.

**Sec. 2. [473.169] [LIGHT RAIL TRANSIT; DESIGN PLANS.]**

*Subdivision 1. [REQUIREMENT.] Before constructing a light rail transit facility, the political subdivision proposing the facility must hold a public hearing on the preliminary design plans as provided in subdivision 2, and submit the preliminary and final design plans for review as provided in subdivisions 3 to 5. The design plans must include a plan for handicapped accessibility.*

*Subd. 2. [PRELIMINARY DESIGN PLANS; PUBLIC HEARING.] Before preparing final design plans for a light rail transit facility, the political subdivision proposing the facility must hold a public hearing on the preliminary design plans. The proposer must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.*

*Subd. 3. [PRELIMINARY DESIGN PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the proposer must submit the preliminary design plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town must hold a public hearing. Within 45 days after the hearing under subdivision 2, the city, county, or town must review and approve or disapprove the plans for the route to be located in the city, county, or town. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town and the proposer. If the preliminary design plans are approved by each city, county, and town in which the route is proposed to be located, the proposer may proceed with final design plans under subdivision 5.*

*Subd. 4. [PRELIMINARY DESIGN PLANS; METROPOLITAN COUNCIL REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design plans within the period allowed under subdivision 3, the proposer may refer the plans to the metropolitan council. The council must hold a hearing, giving the proposer and the disapproving local governmental units an opportunity to present the case for or against approval of the plans. The council may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 90 days after the referral, the council must either approve the plans as submitted by the proposer or recommend amended plans to accommodate the objections presented by the disapproving local governmental units. Failure to respond within the time period is deemed to be approval, unless an extension of time is agreed to by the council and the proposer. Following approval or recommendation of preliminary design plans by the council, the proposer may proceed with final design plans under subdivision 5.*

*Subd. 5. [FINAL DESIGN PLANS.] (a) After the approval of preliminary design plans under subdivision 3 or review by the council following referral to the council under subdivision 4, the proposer may prepare final design plans.*

*(b) Before proceeding with construction, the proposer must submit the final design plans to the governing body of each statutory and home rule*

city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town must review and approve or disapprove the plans for the route located in the city, county, or town. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the proposer. If the final design plans are approved by each city, county, and town in which the route is proposed to be located, the proposer may proceed with construction on that route.

(c) If the governing body of one or more cities, counties, or towns disapproves the final design plans within the period allowed under paragraph (b), the proposer may refer the plans to the metropolitan council. The council must review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans. Following approval or recommendation of final design plans by the council, the proposer may proceed with construction.

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area must submit the preliminary and final design plans for the facility to the governing board of the county in which the route is proposed to be located for approval or disapproval. The proposer of the facility may not proceed with construction of the facility without the approval of the county.

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, a regional rail authority established under chapter 398A must submit preliminary and final design plans to the metropolitan council. The council must review the plans for consistency with the council's development guide and comment on the plans.

Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does not diminish or replace the authority of the council under section 473.173.

### Sec. 3. [473.17] [COOPERATION IN LIGHT RAIL TRANSIT.]

Notwithstanding section 473.398, the metropolitan council may cooperate with regional rail authorities in the study, planning, and design of regional rail authority light rail transit systems, and the metropolitan transit commission may cooperate with regional rail authorities in the operational planning and operation of regional rail authority light rail transit systems.

Sec. 4. Minnesota Statutes 1986, section 473.398, is amended to read:

### 473.398 [TRANSIT NEEDS ASSESSMENT.]

(a) The metropolitan council, the regional transit board, and the metropolitan transit commission, ~~and any regional rail authority or political subdivision in the metropolitan area~~ may not either separately or in combination expend or obligate any money from public sources for study, planning, design, preliminary engineering, engineering, acquisition, construction, or any other purpose related to facilities for transporting passengers by cars operating on fixed rails, without express legislative authorization.

(b) Before performing any further detailed work on light rail transit, the regional transit board shall complete the total assessment of transit service needs and markets for the metropolitan area and the implementation plan required by section 473.377, subdivisions 1 and 2. It may consider any mode of travel to serve identified needs and markets.



(c) Following approval of the implementation plan by the metropolitan council, as required by section 473.377, subdivision 1, the regional transit board may commence corridor planning, consisting of preliminary engineering for general route configuration and alignments, station locations, modal interconnectors, and access of any modes including light rail transit, for the corridor between the downtowns of Minneapolis and St. Paul if the needs assessment and implementation plan so provide. It may utilize private or public funds to do this work.

(d) The board shall report to the legislature by December 1, 1986, on the needs, alternative transit systems, and services considered and recommendations for implementation, costs, alternative sources of financing, and preferred financing sources.

#### Sec. 5. [METROPOLITAN TRANSIT PLANNING PROCESS.]

*By January 15, 1988, the metropolitan council shall report to the legislature a recommended process to coordinate transit planning and development by regional railroad authorities and other political subdivisions.*

#### Sec. 6. [COMPREHENSIVE PLAN.]

*By July 1, 1988, the Hennepin county regional rail authority must develop a comprehensive plan for the development of a light rail transit system in Hennepin county. In developing the comprehensive plan, the authority must consider at least three primary corridors, including the southwest corridor, a northern corridor, and a southern corridor. In evaluating the corridors, the authority must consider the ridership potential of each corridor, the cost of developing each corridor, and the public benefit to be derived from each corridor. During this evaluation, the authority may acquire right-of-way so that all corridors have, to the extent practicable, an equal opportunity for development based on the guidelines contained in the comprehensive plan. This section does not prohibit the authority from proceeding with the preparation of engineering plans for any corridor before July 1, 1988.*

#### Sec. 7. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment. A regional rail authority that has acquired the power to impose a property tax under section 398A.04, subdivision 8, before the effective date of section 1, may levy an annual tax up to but not exceeding two mills on the assessed valuation of all taxable property situated within the municipality or municipalities named in its organization resolution for study, planning, design, preliminary engineering, engineering, acquisition, construction, or any purpose related to facilities for transporting passengers on a light rail transit system.*

#### Sec. 8. [APPLICATION.]

*Sections 2 to 6 are effective the day following final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."*

Delete the title and insert:

*"A bill for an act relating to transportation; reducing maximum tax levy authorized for regional railroad authorities; permitting regional railroad authorities to engage in activities related to light rail transit; providing for review of light rail transit plans by local governmental units and the met-*

ropolitan council; amending Minnesota Statutes 1986, sections 398A.04, subdivision 8; and 473.398; proposing coding for new law in Minnesota Statutes, chapter 473."

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

Senate Conferees: (Signed) William P. Luther, Clarence M. Purfeerst, Phyllis W. McQuaid, Marilyn M. Lantry, Carl W. Kroening

House Conferees: (Signed) Ken Nelson, Peter McLaughlin, Henry J. Kalis, Gloria M. Segal, Sally Olsen

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on S.F. No. 282 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. 282 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 42 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Laidig	Novak	Storm
Anderson	Diessner	Lantry	Olson	Stumpf
Beckman	Frank	Larson	Pehler	Taylor
Berg	Frederickson, D.J.	Luther	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Marty	Piper	Wegscheid
Bertram	Gustafson	McQuaid	Purfeerst	Willit
Brataas	Hughes	Mehrken	Ramstad	
Dahl	Knaak	Metzen	Reichgott	
Davis	Knutson	Morse	Renneke	

Those who voted in the negative were:

Belanger	Berglin	Brandl	Jude	Waldorf
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 243 at 3:00 p.m.:

Mrs. Lantry, Messrs. Spear, Samuelson, Knutson and Ms. Berglin. The motion prevailed.

### 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 recommendation and report of the Conference Committee on House File No.

1304, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1304 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1987

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 1304

A bill for an act relating to insurance; regulating cancellations of insurance agency contracts; proposing coding for new law in Minnesota Statutes, chapter 60A.

May 15, 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. 1304, 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. 1304 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [60A.172] [INSURANCE AGENCY CONTRACTS; CANCELLATION.]

*(a) An insurer may not cancel a written agreement with an agent or, without the agent's written approval at the time of a reduction or restriction, reduce or restrict an agent's underwriting authority with respect to property or casualty insurance, based solely on the loss ratio experience on that agent's book of business, if: the insurer required the agent to submit the application for underwriting approval, all material information on the application was fully completed, and the agent has not omitted or altered any information provided by the applicant.*

*(b) For purposes of this section, "loss ratio experience" means the ratio of premiums paid divided by the claims paid during the previous two-year period.*

*(c) This section applies only to agents who write insurance business exclusively for one company and are not in the direct employ of the company.*

Sec. 2. [60A.173] [EFFECTIVE DATE.]

*Section 1 is effective January 1, 1987, and applies to cancellations begun as of that date. As a condition of doing business in the state of Minnesota, an insurer shall promptly reinstate any agreements cancelled under section 1 and shall restore any authority reduced or restricted under section 1 from January 1, 1987, until the day following final enactment of this act.*

Sec. 3. [60A.174] [SEVERABILITY.]

*If section 2 is determined by a final, nonappealable order of any Min-*

*nesota or federal court of competent jurisdiction to be invalid or unconstitutional, section 1 is effective the day following final enactment."*

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

House Conferees: (Signed) Bob Milbert, Joseph Quinn, David T. Bishop

Senate Conferees: (Signed) William P. Luther, James Metzen, Don Anderson

Mr. Luther moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1304 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. 1304 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 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Gustafson	Metzen	Renneke
Anderson	Chmielewski	Hughes	Morse	Storm
Beckman	Dahl	Jude	Pehler	Stumpf
Belanger	Davis	Knaak	Peterson, D.C.	Taylor
Benson	DeCramer	Laidig	Peterson, R.W.	Vickerman
Berg	Diessner	Larson	Piper	Waldorf
Bernhagen	Frank	Luther	Purfeerst	Wegscheid
Bertram	Frederickson, D.J.	Marty	Ramstad	Willet
Brandl	Frederickson, D.R.	McQuaid	Reichgott	

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. 1209, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1209 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1987

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 1209

A bill for an act relating to public nuisances; defining a nuisance; providing for the enjoinder of nuisances; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, sections 617.33; 617.34; 617.35; 617.36; 617.37; 617.38; 617.39; 617.40; and 617.41.

May 14, 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. 1209, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: (Signed) Jean D. Wagenius, Howard R. Orenstein, David T. Bishop

Senate Conferees: (Signed) Donna C. Peterson, Richard J. Cohen, Jim Ramstad

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1209 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. 1209 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 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Jude	Pehler	Storm
Anderson	Dahl	Knaak	Peterson, D.C.	Stumpf
Beckman	Davis	Laidig	Peterson, R.W.	Taylor
Belanger	DeCramer	Larson	Piper	Vickerman
Berg	Frank	Luther	Purfeerst	Waldorf
Bernhagen	Frederickson, D.J.	Marty	Ramstad	Wegscheid
Bertram	Frederickson, D.R.	McQuaid	Reichgott	Willet
Brandl	Gustafson	Metzen	Renneke	
Brataas	Hughes	Morse	Schmitz	

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 refuses to concur in the Senate amendments to House File No. 391:

H.F. No. 391: A bill for an act relating to crimes; increasing penalties for distributing controlled substances to a minor or employing a minor to distribute controlled substances; defining measurement and purity requirements of controlled substances for criminal and tax law purposes; amending Minnesota Statutes 1986, sections 152.15, subdivisions 1 and 4; 297D.01, subdivision 3; and 297D.07.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Marsh, Kelly and Blatz have been appointed as such committee on the part of the House.

House File No. 391 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. Jude moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 391, 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 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. 1524: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Senate File No. 1524 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

### CONCURRENCE AND REPASSAGE

Mr. Dahl moved that the Senate concur in the amendments by the House to S.F. No. 1524 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1524 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 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Morse	Schmitz
Anderson	Davis	Jude	Peterson, D.C.	Storm
Beckman	DeCramer	Knaak	Peterson, R.W.	Stumpf
Belanger	Diessner	Laidig	Piper	Taylor
Bernhagen	Frank	Larson	Pogemiller	Vickerman
Bertram	Frederick	Luther	Purfeerst	Waldorf
Brataas	Frederickson, D.J.	Marty	Ramstad	Wegscheid
Chmielewski	Frederickson, D.R.	McQuaid	Reichgott	Willet
Cohen	Gustafson	Metzen	Renneke	

So the bill, as amended, 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 proceeded to the Order of Business of the Calendar.

## CALENDAR

H.F. No. 916: A bill for an act relating to state government; amending, creating, and deleting various duties of the commissioner of administration; creating the productivity loan fund; providing definitions; requiring interest earned on the revolving fund for vocational rehabilitation of the blind to be credited to the fund; amending Minnesota Statutes 1986, sections 4.31, subdivisions 1, 5, and by adding a subdivision; 14.04; 16B.06, subdivision 4; 16B.08, subdivisions 3 and 7; 16B.09, subdivision 1; 16B.17, subdivision 2; 16B.24, subdivision 6; 16B.29; 16B.39, by adding a subdivision; 16B.51, subdivision 3; 138.17, subdivision 7; 139.19; 248.07, subdivision 8; and Laws 1979, chapter 333, section 18; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, sections 16B.39, subdivision 1; and 138.22.

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 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Moe, D.M.	Renneke
Anderson	Dahl	Jude	Morse	Schmitz
Beckman	Davis	Knaak	Peterson, D.C.	Storm
Belanger	DeCramer	Laidig	Peterson, R.W.	Stumpf
Benson	Frank	Larson	Piper	Taylor
Bernhagen	Frederick	Luther	Pogemiller	Vickerman
Bertram	Frederickson, D.J.	Marty	Purfeerst	Waldorf
Brataas	Frederickson, D.R.	McQuaid	Ramstad	Wegscheid
Chmielewski	Gustafson	Metzen	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 1468: A bill for an act relating to state government; creating an international music and communications arts center task force.

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 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Metzen	Schmitz
Anderson	Dahl	Jude	Moe, D.M.	Storm
Beckman	Davis	Knaak	Morse	Stumpf
Belanger	DeCramer	Laidig	Peterson, D.C.	Taylor
Benson	Frank	Larson	Peterson, R.W.	Vickerman
Bernhagen	Frederick	Lessard	Piper	Wegscheid
Bertram	Frederickson, D.J.	Luther	Pogemiller	
Brataas	Frederickson, D.R.	Marty	Purfeerst	
Chmielewski	Gustafson	McQuaid	Ramstad	

So the bill passed and its title was agreed to.

H.F. No. 1621: A bill for an act relating to unemployment compensation; appropriating federal money received for unemployment compensation administration.

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	Dahl	Hughes	Metzen	Reichgott
Anderson	Davis	Jude	Moe, D.M.	Renneke
Beckman	DeCramer	Knaak	Morse	Schmitz
Belanger	Diessner	Laidig	Peterson, D.C.	Stumpf
Benson	Frank	Larson	Peterson, R.W.	Taylor
Bernhagen	Frederick	Lessard	Piper	Vickerman
Brataas	Frederickson, D.J.	Luther	Pogemiller	Waldorf
Chmielewski	Frederickson, D.R.	Marty	Purfeerst	Wegscheid
Cohen	Gustafson	McQuaid	Ramstad	Willet

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 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. Wegscheid; Bertram; Davis; Frederickson, D.J. and Larson introduced—

S.F. No. 1542: A bill for an act relating to agriculture; requiring agricultural contracts to comply with the plain language contract act; amending Minnesota Statutes 1986, sections 325G.30, by adding subdivisions; 325G.31; 325G.32; 325G.33, subdivision 2; 325G.34, subdivisions 3, 4, and 5; 325G.35, subdivisions 1, 3, and 5; and 325G.36.

Referred to the Committee on Agriculture.

Mr. DeCramer introduced—

S.F. No. 1543: A bill for an act relating to natural resources; recodifying and amending watershed district law; proposing coding for new law as Minnesota Statutes, chapter 112A; repealing Minnesota Statutes 1986, sections 112.34 to 112.89.

Referred to the Committee on Environment and Natural Resources.

Mr. Willet introduced—

S.F. No. 1544: A bill for an act relating to Beltrami county; providing for control of dogs and cats.

Referred to the Committee on Local and Urban Government.

Mr. Brandl introduced—

S.F. No. 1545: 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 Commerce.



**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 General Orders Calendar. 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. No. 459, which the committee recommends be returned to its author.

H.F. No. 735, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 2, line 19, after the stricken "Kanabec" insert "*Carver, or Red Lake*"

Page 2, line 29, before "Section" insert "*With respect to Kanabec county,*" and after the period, insert "*With respect to Carver and Red Lake counties, section 1 is effective the day after compliance by the Carver or Red Lake county board, respectively, with Minnesota Statutes, section 645.021.*"

Amend the title accordingly:

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**

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 recommendation and report of the Conference Committee on House File No. 283, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 283 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1987

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 283**

A bill for an act relating to elections; requiring confidentiality of certain matters before the ethical practices board; raising certain campaign contribution disclosure limits; changing the method of calculating certain campaign expenditure limits; amending Minnesota Statutes 1986, sections 10A.02,

subdivision 11; 10A.12, subdivision 5; 10A.20, subdivisions 3 and 5; 10A.25, subdivisions 2 and 7; 10A.255; and Laws 1980, chapter 362, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 210A.

May 12, 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. 283, 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. 283 be further amended as follows:

Page 7, after line 23, insert:

"Sec. 8. Minnesota Statutes 1986, section 10A.32, subdivision 3, is amended to read:

Subd. 3. As a condition of receiving any money from the state elections campaign fund, a candidate shall agree by stating in writing to the board that (a) the candidate's expenditures and approved expenditures shall not exceed the expenditure limits as set forth in section 10A.25 and that (b) the candidate shall not accept contributions or allow approved expenditures to be made on the candidate's behalf for the period beginning with January 1 of the election year or with the registration of the candidate's principal campaign committee, whichever occurs later, and ending December 31 of the election year, which aggregate contributions and approved expenditures exceed the difference between the amount *in excess of 25 percent of the expenditure limits set forth in section 10A.25, but not exceeding \$15,000*, which may legally be expended by or for the candidate, and the amount which the candidate receives from the state elections campaign fund. The agreement, insofar as it relates to the expenditure limits set forth in section 10A.25, remains effective until the dissolution of the principal campaign committee of the candidate or the opening of filings for the next succeeding election to the office held or sought at the time of agreement, whichever occurs first. Money in the account of the principal campaign committee of a candidate on January 1 of the election year for the office held or sought shall be considered contributions accepted by that candidate in that year for the purposes of this subdivision. That amount of all contributions accepted by a candidate in an election year which equals the amount of noncampaign disbursements and contributions and expenditures to promote or defeat a ballot question which are made by that candidate in that year shall not count toward the aggregate contributions and approved expenditure limit imposed by this subdivision. Any amount by which the aggregate contributions and approved expenditures agreed to under clause (b) exceed the difference shall be returned to the state treasurer in the manner provided in subdivision 2. In no case shall the amount returned exceed the amount received from the state elections campaign fund.

The candidate may submit the signed agreement to the filing officer on the day of filing the affidavit of candidacy or petition to appear on the ballot, or to the board no later than September 1.

The board prior to the first day of filing for office shall forward forms

for the agreement to all filing officers. The filing officer shall without delay forward signed agreements to the board. An agreement may not be rescinded after September 1.

For the purposes of this subdivision only, the total amount to be distributed to each candidate is calculated to be the candidate's share of the total estimated funds in the candidate's party account as provided in subdivision 3a, plus the total amount estimated as provided in subdivision 3a to be in the general account of the state elections campaign fund and set aside for that office divided by the number of candidates whose names are to appear on the general election ballot for that office. If for any reason the amount actually received by the candidate is greater than the candidate's share of the estimate, and the contributions thereby exceed the difference, the agreement shall not be considered violated."

Pages 7 and 8, delete section 9, and insert:

"Sec. 10. Minnesota Statutes 1986, section 383B.048, subdivision 2, is amended to read:

Subd. 2. [CONTENT OF REPORTS.] Each campaign report required under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, committee or political fund that made transfers or donations in kind to the political committee in an aggregate amount or value in excess of \$50 \$100, together with the amount and date;

(c) The sum of all contributions made to the political committee or political fund;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. A loan made to a political committee or political fund which is forgiven or is repaid by an entity other than that political committee or fund shall be reported as a contribution;

(e) The sum of all receipts, including all contributions and loans, during the reporting period;

(f) The name and address of each person to whom aggregate expenditures have been made by or on behalf of the political committee or fund within the year in excess of \$100, the amount, date and purpose of each expenditure and the ballot question or the name and address of the candidate supported or opposed by the expenditure;

(g) The sum of all expenditures made by the political committee or fund;

(h) The amount and nature of any advance of credit incurred by the political committee or fund continuously reported until paid or forgiven. An advance of credit incurred by a political committee or fund which is forgiven or is paid by an entity other than that political committee or fund shall be reported as a donation in kind;

(i) The name and address of each political committee or fund to which aggregate transfers in excess of \$100 have been made within the year,

together with the amount and date of each transfer;

(j) The sum of all transfers made to political committees or funds; and

(k) The sum of all disbursements not made to influence the outcome of an election."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, delete "and Laws 1980,"

Page 1, line 10, delete everything before the semicolon and insert "10A.32, subdivision 3; and 383B.048, subdivision 2"

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

House Conferees: (Signed) Alice Johnson, Jerry Knickerbocker, Linda Scheid

Senate Conferees: (Signed) Don Frank, William P. Luther, Gregory L. Dahl

Mr. Frank moved that the foregoing recommendations and Conference Committee report on H.F. No. 283 be now adopted, and that the bill be repassed as amended by the Conference Committee.

### CALL OF THE SENATE

Mr. Laidig imposed a call of the Senate for the balance of the proceedings on H.F. No. 283. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Frank.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 37 and nays 28, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Lantry	Pehler	Spear
Berglin	Frank	Lessard	Peterson, D.C.	Stumpf
Bertram	Frederickson, D.J.	Luther	Piper	Vickerman
Brandl	Freeman	Marty	Purfeerst	Wegscheid
Chmielewski	Hughes	Metzen	Reichgott	Willet
Cohen	Jude	Moe, R.D.	Samuelson	
Dahl	Kroening	Morse	Schmitz	
Dicklich	Langseth	Novak	Solon	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Mehrkens	Renneke
Beckman	Davis	Knaak	Merriam	Storm
Belanger	DeCramer	Knutson	Olson	Taylor
Benson	Frederick	Laidig	Peterson, R.W.	Waldorf
Berg	Frederickson, D.R.	Larson	Pogemiller	
Bernhagen	Gustafson	McQuaid	Ramstad	

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 283: A bill for an act relating to elections; requiring confidentiality of certain matters before the ethical practices board; raising certain campaign contribution disclosure limits; changing the method of calculat-

ing certain campaign expenditure limits; amending Minnesota Statutes 1986, sections 10A.02, subdivision 11; 10A.12, subdivision 5; 10A.20, subdivisions 3 and 5; 10A.25, subdivisions 2 and 7; 10A.255; 10A.32, subdivision 3; and 383B.048, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 210A.

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.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 34 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Morse	Schmitz
Berglin	Frank	Lantry	Pehler	Solon
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Spear
Chmielewski	Freeman	Luther	Piper	Vickerman
Cohen	Hughes	Marty	Purfeerst	Wegscheid
Dahl	Jude	Metzen	Reichgott	Willet
Dicklich	Kroening	Moe, R.D.	Samuelson	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Mehrkens	Storm
Beckman	Davis	Knaak	Merriam	Taylor
Belanger	DeCramer	Knutson	Olson	Waldorf
Benson	Frederick	Laidig	Peterson, R.W.	
Berg	Frederickson, D.R.	Larson	Ramstad	
Bernhagen	Gustafson	McQuaid	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, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees and Second Reading of House Bills. The motion prevailed.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. 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. 794 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.
794	708				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 794 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 794 and insert the language after the enacting clause of S.F. No. 708, the second engrossment; further, delete the title of H.F. No. 794 and insert the title of S.F. No. 708, the second engrossment.

And when so amended H.F. No. 794 will be identical to S.F. No. 708, and further recommends that H.F. No. 794 be given its second reading and substituted for S.F. No. 708, 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. 239 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.
239	381				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 239 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 239 and insert the language after the enacting clause of S.F. No. 381, the second engrossment; further, delete the title of H.F. No. 239 and insert the title of S.F. No. 381, the second engrossment.

And when so amended H.F. No. 239 will be identical to S.F. No. 381, and further recommends that H.F. No. 239 be given its second reading and substituted for S.F. No. 381, 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. 1219 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.
1219	1014				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1219 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1219 and insert the language after the enacting clause of S.F. No. 1014, the first engrossment; further, delete the title of H.F. No. 1219 and insert the title of S.F. No. 1014, the first engrossment.

And when so amended H.F. No. 1219 will be identical to S.F. No. 1014,

and further recommends that H.F. No. 1219 be given its second reading and substituted for S.F. No. 1014, 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. 887 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.
				887	867

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 887 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 887 and insert the language after the enacting clause of S.F. No. 867, the second engrossment; further, delete the title of H.F. No. 887 and insert the title of S.F. No. 867, the second engrossment.

And when so amended H.F. No. 887 will be identical to S.F. No. 867, and further recommends that H.F. No. 887 be given its second reading and substituted for S.F. No. 867, 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. 943 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.
943	1428				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 943 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 943 and insert the language after the enacting clause of S.F. No. 1428, the second engrossment; further, delete the title of H.F. No. 943 and insert the title of S.F. No. 1428, the second engrossment.

And when so amended H.F. No. 943 will be identical to S.F. No. 1428, and further recommends that H.F. No. 943 be given its second reading and substituted for S.F. No. 1428, 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 Admin-

istration. Amendments adopted. Report adopted.

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

H.F. No. 1326 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.
				1326	1267

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1326 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1326 and insert the language after the enacting clause of S.F. No. 1267, the first engrossment; further, delete the title of H.F. No. 1326 and insert the title of S.F. No. 1267, the first engrossment.

And when so amended H.F. No. 1326 will be identical to S.F. No. 1267, and further recommends that H.F. No. 1326 be given its second reading and substituted for S.F. No. 1267, 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.

### **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. Nos. 794, 239, 1219, 887, 943 and 1326, and that the rules of the Senate be so far suspended as to give these House Files their second and third reading and place them on their final passage. The motion prevailed.

### **SECOND READING OF HOUSE BILLS**

H.F. Nos. 794, 239, 1219, 887, 943 and 1326 were read the second time.

### **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 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. 1472: A bill for an act relating to traffic regulations; requiring certain persons convicted of DWI or a DWI-related offense and certain juveniles adjudicated for a DWI offense to undergo chemical use assess-



ment; imposing a chemical dependency assessment charge on persons convicted of DWI or a DWI-related offense, and juveniles adjudicated for a DWI offense for the purpose of financing these chemical use assessments; appropriating money; amending Minnesota Statutes 1986, sections 169.121, subdivision 5, and by adding a subdivision; 169.124; 169.125; 169.126, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; and 260.193, subdivision 8; repealing Minnesota Statutes 1986, section 169.126, subdivision 5.

Senate File No. 1472 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987.

### CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 1472 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1472: A bill for an act relating to traffic regulations; requiring certain persons convicted of DWI or a DWI-related offense and certain juveniles adjudicated for a DWI offense to undergo chemical use assessment; requiring courts to order chemical use treatment for habitual DWI offenders with the assessment recommendation; imposing a chemical dependency assessment charge on persons convicted of DWI or a DWI-related offense, and juveniles adjudicated for a DWI offense for the purpose of financing these chemical use assessments; appropriating money; amending Minnesota Statutes 1986, sections 169.121, subdivision 5, and by adding subdivisions; 169.124; 169.125; 169.126, subdivisions 1, 2, 3, 4, 6, and by adding subdivisions; and 260.193, subdivision 8; repealing Minnesota Statutes 1986, section 169.126, subdivision 5.

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 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.R.	Mehrkens	Spear
Anderson	Cohen	Gustafson	Moe, R.D.	Storm
Beckman	Dahl	Hughes	Morse	Taylor
Belanger	Davis	Jude	Peterson, D.C.	Vickerman
Benson	DeCramer	Knaak	Peterson, R.W.	Waldorf
Berg	Dicklich	Kroening	Piper	Wegscheid
Bernhagen	Diessner	Larson	Ramstad	Willet
Bertram	Frank	Marty	Reichgott	
Brataas	Frederickson, D.J.	McQuaid	Renneke	

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

### 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:

S.F. No. 478: Mr. Luther, Ms. Peterson, D.C.; Messrs. Solon, Anderson and Metzen.

H.F. No. 236: Ms. Peterson, D.C.; Messrs. Luther and Johnson, D.E.

H.F. No. 532: Messrs. DeCramer, Knaak and Mrs. Lantry.

H.F. No. 391: Messrs. Jude, Spear and Ms. Peterson, D.C.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### 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 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. 1029: A bill for an act relating to utilities; establishing program to provide communication-impaired people with devices enabling their use of telephones; creating advisory committee and requiring report; providing for payment of costs of program; proposing coding for new law in Minnesota Statutes, chapter 237.

Senate File No. 1029 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

### CONCURRENCE AND REPASSAGE

Mr. Marty moved that the Senate concur in the amendments by the House to S.F. No. 1029 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1029 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 45 and nays 1; as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Frederickson, D.R.	Marty	Ramstad
Anderson	Cohen	Gustafson	McQuaid	Renneke
Beckman	Dahl	Hughes	Mehrkens	Schmitz
Belanger	Davis	Jude	Moe, R.D.	Storm
Benson	DeCramer	Knaak	Morse	Taylor
Berg	Dicklich	Laidig	Pehler	Vickerman
Bernhagen	Diessner	Larson	Peterson, D.C.	Waldorf
Bertram	Frank	Lessard	Peterson, R.W.	Wegscheid
Brataas	Frederickson, D.J.	Luther	Piper	Willet

Mr. Kroening voted in the negative.

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 89, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 89 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 184, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 184 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 397, and repassed said bill in accordance with the report of the Committee,

so adopted.

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

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 785, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 785 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 911, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 911 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 1261, and repassed said bill in accordance with the report of the Committee, so adopted.

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.

Senate File No. 1261 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 865 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON 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.

May 15, 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. 865, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S.F. No. 865 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 116C.69, subdivision 3, is amended to read:

Subd. 3. [FUNDING; ASSESSMENT.] The board shall finance its base line studies, general environmental studies, development of criteria, inventory preparation, monitoring of conditions placed on site certificates and construction permits, and all other work, other than specific site and route designation, from an assessment made quarterly, at least 30 days before the start of each quarter, by the board against all utilities with annual retail kilowatt-hour sales greater than 4,000,000 kilowatt-hours in the previous calendar year.

Until June 30, 1992, the assessment shall also include an amount sufficient to cover 60 percent of the costs to the pollution control agency of ~~developing~~ achieving, maintaining, and monitoring compliance with the acid deposition control plan required by standard adopted under sections 116.42 to 116.45; reprinting informational booklets on acid rain, and costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. This amount shall be certified to the board by the executive director of the pollution control agency. The director of the pollution control agency must prepare a work

*plan and budget and submit them annually by June 30 to the pollution control agency board. The agency board must take public testimony on the budget and work plan. After the agency board approves the work plan and budget they must be submitted annually to the legislative commission on Minnesota resources for review and recommendation before an assessment is levied. Each share shall be determined as follows: (1) the ratio that the annual retail kilowatt-hour sales in the state of each utility bears to the annual total retail kilowatt-hour sales in the state of all such these utilities, multiplied by 0.667, plus (2) the ratio that the annual gross revenue from retail kilowatt-hour sales in the state of each utility bears to the annual total gross revenues from retail kilowatt-hour sales in the state of all such these utilities, multiplied by 0.333, as determined by the board. The assessment shall be credited to the special revenue fund and shall be paid to the state treasury within 30 days after receipt of the bill, which shall constitute notice of said assessment and demand of payment thereof. The total amount which may be assessed to the several utilities under authority of this subdivision shall not exceed the sum of the annual budget of the board for carrying out the purposes of this subdivision plus 60 percent of the annual budget of the pollution control agency for developing the plan required by achieving, maintaining, and monitoring compliance with the acid deposition control standard adopted under sections 116.42 to 116.45, for reprinting informational booklets on acid rain, and for costs for additional research on the impacts of acid deposition on sensitive areas published under section 116.44, subdivision 1. The assessment for the second quarter of each fiscal year shall be adjusted to compensate for the amount by which actual expenditures by the board and the pollution control agency for the preceding fiscal year were more or less than the estimated expenditures previously assessed.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment."*

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

Senate Conferees: (Signed) Gregory L. Dahl, Gerald L. Willet, John J. Marty

House Conferees: (Signed) Steve Trimble, Willard Munger, John T. Rose

Mr. Dahl moved that the foregoing recommendations and Conference Committee Report on S.F. No. 865 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. 865 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 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Jude	Moe, R.D.	Schmitz
Anderson	Dahl	Knaak	Morse	Storm
Beckman	Davis	Kroening	Pehler	Taylor
Belanger	DeCramer	Laidig	Peterson, D.C.	Vickerman
Benson	Dicklich	Larson	Peterson, R.W.	Waldorf
Bernhagen	Frank	Luther	Piper	Wegscheid
Bertram	Frederickson, D.R.	Marty	Purfeerst	Willet
Brataas	Gustafson	McQuaid	Ramstad	
Chmielewski	Hughes	Mehrkens	Renneke	

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 the General Orders Calendar a Special Orders Calendar to be heard immediately.

Mr. Bertram moved that S.F. No. 832, No. 37 on Special Orders, be stricken and re-referred to the Committee on Agriculture. The motion prevailed.

Ms. Peterson, D.C. moved that H.F. No. 31, No. 15 on Special Orders, be stricken and re-referred to the Committee on Employment. The motion prevailed.

Ms. Peterson, D.C. moved that H.F. No. 533, No. 32 on Special Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Davis moved that S.F. No. 169, No. 4 on Special Orders, be stricken and returned to its author. The motion prevailed.

### SPECIAL ORDER

H.F. No. 1043: A bill for an act relating to metropolitan government; providing for qualifications, terms, compensation, and duties of members of various metropolitan agencies; requiring various publications, plans, and reports; regulating routes and service bidding; amending Minnesota Statutes 1986, sections 473.141, subdivision 2, and by adding a subdivision; 473.161, subdivision 1c; 473.1623, subdivisions 2, 4, and 5; 473.303, by adding a subdivision; 473.373, by adding a subdivision; 473.377, subdivision 1, and by adding subdivisions; 473.38, subdivision 2; and 473.604, subdivision 1, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 473.

Mr. Wegscheid moved to amend H.F. No. 1043, as amended pursuant to Rule 49, adopted by the Senate May 6, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 1241.)

Page 5, line 19, after "*planning*" insert "*and development*"

Page 5, line 20, delete "*development*"

Page 6, line 9, after "*arrange*" insert "*with others*"

Page 6, after line 24, insert:

"Sec. 12. Minnesota Statutes 1986, section 473.377, is amended by adding a subdivision to read:

*Subd. 4. [FARE POLICY.] The plan must contain a statement of the policies that will govern the imposition of user charges for various types of transit service and the policies that will govern decisions by the board to change fare policy.*

Sec. 13. Minnesota Statutes 1986, section 473.377, is amended by adding a subdivision to read:

*Subd. 5. [LOCAL REVIEW AND COMMENT.] At least 30 days before holding the hearing required on the implementation plan or revision, the board shall submit copies of the plan or a summary of the plan to the chief administrative officer of each statutory and home rule charter city, town, and county in the metropolitan area, along with notice of the hearing and an invitation to testify and submit comments.*

Sec. 14. Minnesota Statutes 1986, section 473.38, subdivision 2, is amended to read:

*Subd. 2. [FINANCIAL PLAN; COUNCIL APPROVAL.] Along with its annual budget, each even-numbered year the board shall prepare a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must be consistent with the board's implementation plan and must contain the elements specified in section 473.1623, subdivision 3. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the board during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium. The board shall submit the financial plan to the council for review and approval or disapproval. The council may approve or disapprove in whole or in part. The council may disapprove only for inconsistency with the policy plan of the council."*

Page 7, line 14, delete "may have" and insert "has"

Page 7, delete lines 19 to 21 and insert:

"Sec. 16. Minnesota Statutes 1986, section 473.39, subdivision 1, is amended to read:"

Page 8, after line 23, insert:

"Sec. 17. Minnesota Statutes 1986, section 473.39, subdivision 1a, is amended to read:"

Page 9, delete lines 10 to 36

Page 10, delete lines 1 to 17

Page 10, line 31, delete the new language

Page 13, line 34, delete ", clause (b),"

Page 14, line 11, before the period, insert "; and

*(3) the activities undertaken by each commission member and council member to regularly communicate with local officials and local legislators about issues before the agency or council"*

Page 14, line 12, delete "18." and insert "22. [473.391]"

Page 14, line 25, delete "19." and insert "23. [473.392]"

Page 15, after line 8, insert:

"Sec. 24. [473.393] [FEDERAL GRANTS.]



*The regional transit board may not be a recipient of federal capital or operating assistance for transit. The board shall study and report to the legislature by January 1, 1988, on the effects, advantages, and disadvantages of transferring the authority to receive these funds from the commission to the board and on how and for what purpose the board would use the funds differently than the commission could use the funds."*

Page 15, delete section 23

Page 15, line 31, delete everything after "1"

Page 15, line 32, delete everything before "are" and insert "to 26"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 11, after the first semicolon, insert "providing conditions for the use of federal funds;"

Page 1, line 16, after "1" insert ", and by adding subdivisions; 473.38, subdivision 2"

Page 1, line 17, before the second semicolon, insert ", subdivisions 1 and 1a"

Page 1, line 20, delete everything after "repealing"

Page 1, delete line 21

The motion prevailed. So the amendment was adopted.

Mr. Brandl moved to amend H.F. No. 1043, as amended pursuant to Rule 49, adopted by the Senate May 6, 1987, as follows:

(The text of the amended House File is identical to S.F. No. 1241.)

Page 13, after line 30, insert:

"Sec. 20. Minnesota Statutes 1986, section 473.604, is amended by adding a subdivision to read:

*Subd. 3a. Precinct boundaries existing on March 1, 1987, for appointments under subdivision 1 may not be changed and remain fixed until the effective date of the next redistricting of metropolitan council districts under section 473.123, subdivision 3a."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

H.F. No. 1043 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	Dahl	Jude	Metzen	Renneke
Anderson	Davis	Knaak	Morse	Schmitz
Beckman	Diessner	Laidig	Olson	Storm
Belanger	Frank	Larson	Peterson, D.C.	Taylor
Berg	Frederick	Lessard	Peterson, R.W.	Vickerman
Bernhagen	Frederickson, D.J.	Luther	Piper	Waldorf
Bertram	Frederickson, D.R.	Marty	Purfeerst	Wegscheid
Chmielewski	Gustafson	McQuaid	Ramstad	Willet
Cohen	Hughes	Mehrkins	Reichgott	

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

### SPECIAL ORDER

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

Mr. Chmielewski moved to amend H.F. No. 42 as follows:

Delete everything after the enacting clause and insert:

#### "DRUG AND ALCOHOL TESTING IN THE WORKPLACE

##### Section 1. [181.93] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] For the purposes of sections 1 to 8, the terms and phrases defined in this section have the meanings given them.*

*Subd. 2. [CONFIRMATORY TEST; CONFIRMATORY RETEST.] "Confirmatory test" and "confirmatory retest" mean a drug or alcohol test that uses a method of analysis approved by the commissioner under section 4, subdivision 1, as being reliable for providing specific data as to the drugs, alcohol, or their metabolites detected in an initial screening test.*

*Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of the department of health.*

*Subd. 4. [DRUG.] "Drug" means a controlled substance as defined in section 152.01, subdivision 4.*

*Subd. 5. [DRUG AND ALCOHOL TESTING.] "Drug and alcohol testing," "drug or alcohol testing," and "drug or alcohol test" mean analysis of a body component sample approved by the commissioner under section 4, subdivision 1, for the purpose of measuring the presence or absence of drugs, alcohol, or their metabolites in the sample tested.*

*Subd. 6. [EMPLOYEE.] "Employee" means a person, independent contractor, or person working for an independent contractor who performs services for compensation, in whatever form, for an employer.*

*Subd. 7. [EMPLOYER.] "Employer" means a person or entity located or doing business in this state and having one or more employees, and includes the state and all political or other governmental subdivisions of the state.*

*Subd. 8. [INITIAL SCREENING TEST.] "Initial screening test" means a drug or alcohol test which uses a method of analysis approved by the commissioner under section 4, subdivision 1, as being capable of providing data as to general classes of drugs, alcohol, or their metabolites.*

*Subd. 9. [JOB APPLICANT.] "Job applicant" means a person, independent contractor, or person working for an independent contractor who*

*applies to become an employee of an employer, and includes a person who has received a job offer made contingent on the person passing drug or alcohol testing.*

**Subd. 10. [POSITIVE TEST RESULT.]** *"Positive test result" means a finding of the presence of drugs, alcohol, or their metabolites in the sample tested in levels at or above the threshold detection levels set by the commissioner under section 4, subdivision 1.*

**Subd. 11. [RANDOM SELECTION BASIS.]** *"Random selection basis" means a mechanism for selection of employees that (1) results in an equal probability that any employee from a group of employees subject to the selection mechanism will be selected and (2) does not give an employer discretion to waive the selection of any employee selected under the mechanism.*

**Subd. 12. [REASONABLE SUSPICION.]** *"Reasonable suspicion" means a basis for forming a belief based on specific facts and rational inferences drawn from those facts.*

**Subd. 13. [SAFETY-SENSITIVE POSITION.]** *"Safety-sensitive position" means a job, including any supervisory or management position, in which an impairment caused by drug or alcohol usage would threaten the health or safety of any person.*

**Sec. 2. [181.94] [AUTHORIZED DRUG AND ALCOHOL TESTING.]**

**Subdivision 1. [LIMITATIONS ON TESTING.]** *(a) An employer may not request or require an employee or job applicant to undergo drug and alcohol testing except as authorized in this section.*

*(b) An employer may not request or require an employee or job applicant to undergo drug or alcohol testing unless the testing is done pursuant to a written drug and alcohol testing policy that contains the minimum information required in section 3; and, is conducted by a testing laboratory licensed under section 4, subdivision 1, or by a nonlicensed laboratory as transitionally allowed under section 4, subdivision 2.*

*(c) An employer may not request or require an employee or job applicant to undergo drug and alcohol testing on an arbitrary and capricious basis.*

**Subd. 2. [JOB APPLICANT TESTING.]** *An employer may request or require a job applicant to undergo drug and alcohol testing provided a job offer has been made to the applicant and the same test is requested or required of all job applicants conditionally offered employment for that position. If the job offer is withdrawn, as provided in section 4, subdivision 11, the employer shall inform the job applicant of the reason for its action.*

**Subd. 3. [ROUTINE PHYSICAL EXAMINATION TESTING.]** *An employer may request or require an employee to undergo drug and alcohol testing as part of a routine physical examination provided the drug or alcohol test is requested or required no more than once annually and the employee has been given at least two weeks' written notice that a drug or alcohol test may be requested or required as part of the physical examination.*

**Subd. 4. [RANDOM TESTING.]** *An employer may only request or require employees in safety-sensitive positions to undergo drug and alcohol testing on a random selection basis.*

**Subd. 5. [REASONABLE SUSPICION TESTING.]** *An employer may request or require an employee to undergo drug and alcohol testing if the*

employer has a reasonable suspicion that the employee:

- (1) is under the influence of drugs or alcohol;
- (2) has violated the employer's written work rules prohibiting the use, possession, sale, or transfer of drugs or alcohol while the employee is working or while the employee is on the employer's premises or operating the employer's vehicle, machinery, or equipment, provided the work rules are in writing and contained in the employer's written drug and alcohol testing policy;
- (3) has sustained a personal injury, as that term is defined in section 176.011, subdivision 16, or has caused another employee to sustain a personal injury; or

(4) has caused a work-related accident or was operating or helping to operate machinery, equipment, or vehicles involved in a work-related accident.

**Subd. 6. [TREATMENT PROGRAM TESTING.]** An employer may request or require an employee to undergo drug and alcohol testing if the employee has been referred by the employer for chemical dependency treatment or evaluation or is participating in a chemical dependency treatment program under an employee benefit plan, in which case the employee may be requested or required to undergo drug or alcohol testing without prior notice during the evaluation or treatment period and for a period of up to two years following completion of any prescribed chemical dependency treatment program.

**Subd. 7. [NO LEGAL DUTY TO TEST.]** Employers do not have a legal duty to request or require an employee or job applicant to undergo drug or alcohol testing as authorized in this section.

**Sec. 3. [181.95] [POLICY CONTENTS; PRIOR WRITTEN NOTICE.]**

**Subdivision 1. [CONTENTS OF THE POLICY.]** An employer's drug and alcohol testing policy must, at a minimum, set forth the following information:

- (1) the employees or job applicants subject to testing under the policy;
- (2) the circumstances under which drug or alcohol testing may be requested or required;
- (3) the right of an employee or job applicant to refuse to undergo drug and alcohol testing and the consequences of refusal;
- (4) any disciplinary or other adverse personnel action that may be taken based on a confirmatory test verifying a positive test result on an initial screening test;
- (5) the right of an employee or job applicant to explain a positive test result on a confirmatory test or request and pay for a confirmatory retest; and
- (6) any other appeal procedures available.

**Subd. 2. [NOTICE.]** An employer shall provide written notice of its drug and alcohol testing policy to all affected employees upon adoption of the policy, to a previously nonaffected employee upon transfer to an affected position under the policy, and to a job applicant upon hire and before any testing of the applicant if the job offer is made contingent on the applicant passing drug and alcohol testing. An employer shall also post notice in an appropriate and conspicuous location on the employer's premises that

*the employer has adopted a drug and alcohol testing policy and that copies of the policy are available for inspection during regular business hours by its employees or job applicants in the employer's personnel office or other suitable locations.*

**Sec. 4. [181.96] [RELIABILITY AND FAIRNESS SAFEGUARDS.]**

**Subdivision 1. [USE OF LICENSED LABORATORY REQUIRED.]** (a) *An employer who requests or requires an employee or job applicant to undergo drug or alcohol testing shall use the services of a testing laboratory licensed by the commissioner under this subdivision.*

(b) *The commissioner shall adopt rules by January 1, 1988, governing:*

(1) *standards for licensing, suspension, and revocation of a license;*

(2) *body component samples that are appropriate for drug and alcohol testing;*

(3) *procedures for taking a sample that ensure privacy to employees and job applicants to the extent practicable, consistent with preventing tampering with the sample;*

(4) *methods of analysis and procedures to ensure reliable drug and alcohol testing results, including standards for initial screening tests and confirmatory tests;*

(5) *threshold detection levels for drugs, alcohol, or their metabolites for purposes of determining a positive test result;*

(6) *chain-of-custody procedures to ensure proper identification, labeling, and handling of the samples being tested; and*

(7) *retention and storage procedures to ensure reliable results on confirmatory tests or confirmatory retests of original samples.*

(c) *The commissioner shall also grant licenses to laboratories conducting drug and alcohol testing that are located in another state, provided that either: (1) the laboratory is licensed by the other state or by a federal agency to conduct drug and alcohol testing and the other state's or federal agency's rules governing standards, methods, and procedures meet or exceed those adopted under this subdivision; or (2) the laboratory has agreed in writing with the commissioner to comply with the rules adopted under this subdivision. A laboratory licensed under this paragraph must also, as a condition of obtaining and retaining a license, agree in writing with the commissioner to comply with the other requirements for laboratories set forth in sections 1 to 5 and to be subject to the remedies set forth in section 7.*

(d) *The commissioner shall charge laboratories an annual license fee. The fee may vary depending on the number of Minnesota employee samples tested annually at a laboratory. Fee receipts must be deposited in the state treasury and credited to a special account and are appropriated to the commissioner to administer this subdivision, and to purchase or lease laboratory equipment as accumulated fee receipts make equipment purchases or leases possible. Notwithstanding section 144.122, the commissioner shall set the license fee at an amount so that the total fees collected will recover the costs of administering this subdivision and allow an additional amount to be credited to the special account each year sufficient to allow the commissioner to obtain appropriate laboratory equipment for use in administering this subdivision by July 1, 1994.*

**Subd. 2. [TRANSITIONAL LABORATORY REQUIREMENTS.]** *Before rules are adopted and licenses issued under subdivision 1, an employer may use the services of a nonlicensed testing laboratory that agrees in writing with the commissioner to comply with the following requirements:*

*(1) The director of the laboratory must be a full-time employee of the laboratory and must possess a doctoral or master's degree in biological or medical science and have at least three years experience in an analytical toxicology laboratory.*

*(2) The laboratory must be participating in and continuing to demonstrate satisfactory performance in the drug proficiency testing program of the college of American pathology or American association for clinical chemists.*

*(3) The drug and alcohol testing must be limited to analysis of a sample of blood or urine from the employee or job applicant subject to testing.*

*(4) The methods of analysis for drug and alcohol testing are limited to any enzyme multiplied immunoassay method for initial screening tests and any chromatography mass spectrometry method for confirmatory tests and confirmatory retests.*

*(5) The laboratory must have in writing and use laboratory chain-of-custody procedures that ensure reliable and properly handled and identified testing results.*

*(6) All initial screening test, confirmatory test, and confirmatory retest results must be reviewed and certified as accurate by a qualified scientist.*

*(7) A test report must indicate the drugs, alcohol, or their metabolites tested for and whether the test produced negative or positive test results.*

*(8) The laboratory must provide the commissioner with information requested by the commissioner regarding the laboratory's current operations and activities relating to drug and alcohol testing.*

*(9) The laboratory must agree to comply with the requirements for laboratories set forth in sections 1 to 5 and to be subject to the remedies set forth in section 7.*

**Subd. 3. [LABORATORY TESTING, REPORTING, AND SAMPLE RETENTION REQUIREMENTS.]** *A testing laboratory shall conduct a confirmatory test on all samples that produced a positive test result on an initial screening test. A laboratory shall disclose to the employer a written test result report for each sample tested within three working days after a negative test result on an initial screening test or, when the initial screening test produced a positive test result, within three working days after a confirmatory test. A laboratory shall retain and properly store for at least six months all samples that produced a positive test result.*

**Subd. 4. [PROHIBITIONS ON EMPLOYERS.]** *An employer may not conduct drug or alcohol testing of its own employees and job applicants using a testing laboratory owned and operated by the employer; except that, one agency of the state may test the employees of another agency of the state. Except as provided in subdivision 9, an employer may not request or require an employee or job applicant to contribute to, or pay the cost of, drug or alcohol testing under sections 1 to 5.*

**Subd. 5. [EMPLOYER CHAIN-OF-CUSTODY PROCEDURES.]** *An employer shall comply with the rules adopted by the commissioner under*

*subdivision 1 pertaining to chain-of-custody procedures. Before those rules are adopted, an employer shall establish its own reliable chain-of-custody procedures to ensure proper record keeping, handling, labeling, and identification of the samples to be tested.*

**Subd. 6. [RIGHTS OF EMPLOYEES AND JOB APPLICANTS.]** (a) *Before requesting an employee or job applicant to undergo drug or alcohol testing, an employer shall provide the employee or job applicant with a form, developed by the employer, on which to (1) acknowledge that the employee or job applicant has seen the employer's drug and alcohol testing policy, and (2) indicate any over-the-counter or prescription medications that the individual is currently taking or has recently taken and any other information relevant to the reliability of, or explanation for, a positive test result.*

(b) *Within three working days after notice of a positive test result on a confirmatory test, the employee or job applicant may submit information to the employer, in addition to any information already submitted under paragraph (a), to explain that result, or may request a confirmatory retest of the original sample at the employee's or job applicant's own expense as provided under subdivision 9.*

**Subd. 7. [NOTICE OF TEST RESULTS.]** *Within three working days after receipt of a test result report from the testing laboratory, an employer shall inform in writing an employee or job applicant who has undergone drug or alcohol testing of (1) a negative test result on an initial screening test or of a negative or positive test result on a confirmatory test and (2) the right provided in subdivision 8. In the case of a positive test result on a confirmatory test, the employer shall also, at the time of this notice, inform the employee or job applicant in writing of the rights provided in subdivision 6, paragraph (b), subdivision 9, and either subdivision 10 or 11, whichever applies.*

**Subd. 8. [RIGHT TO TEST RESULT REPORT.]** *An employee or job applicant has the right to request and receive from the employer a copy of the test result report on any drug or alcohol test.*

**Subd. 9. [CONFIRMATORY RETESTS.]** *An employee or job applicant may request a confirmatory retest of the original sample at the employee's or job applicant's own expense after notice of a positive test result on a confirmatory test. Within five working days after notice of the confirmatory test result, the employee or job applicant shall notify the employer in writing of the employee's or job applicant's intention to obtain a confirmatory retest. Within three working days after receipt of the notice, the employer shall notify the original testing laboratory that the employee or job applicant has requested the laboratory to conduct the confirmatory retest or transfer the sample to another laboratory licensed under subdivision 1 to conduct the confirmatory retest. The original testing laboratory shall ensure that the chain-of-custody procedures adopted by the commissioner under subdivision 1 are followed during transfer of the sample to the other laboratory. The confirmatory retest must use the same drug or alcohol threshold detection levels as used in the original confirmatory test. If the confirmatory retest does not confirm the original positive test result, no adverse personnel action based on the original confirmatory test may be taken against the employee or job applicant.*

**Subd. 10. [LIMITATIONS ON EMPLOYEE DISCHARGE, DISCIPLINE, OR DISCRIMINATION.]** (a) *An employer may not discharge,*

discipline, discriminate against, or request or require rehabilitation of an employee on the basis of a positive test result from an initial screening test that has not been verified by a confirmatory test.

(b) In addition to the limitation under paragraph (a), an employer may not discharge an employee for whom a positive test result on a confirmatory test was the first such result for the employee on a drug or alcohol test requested by the employer unless the following conditions have been met:

(1) the employer has first given the employee an opportunity to participate in, at the employee's own expense or pursuant to coverage under an employee benefit plan, either a drug or alcohol counseling or rehabilitation program, whichever is more appropriate, as determined by the employer after consultation with a certified chemical use counselor or a physician trained in the diagnosis and treatment of chemical dependency; and

(2) the employee has either refused to participate in the counseling or rehabilitation program or has failed to successfully complete the program, as evidenced by withdrawal from the program before its completion or by a positive test result on a confirmatory test after completion of the program.

(c) Notwithstanding paragraph (a), an employer may temporarily suspend the tested employee or transfer that employee to another position at the same rate of pay pending the outcome of the confirmatory test and, if requested, the confirmatory retest, provided the employer believes that it is reasonably necessary to protect the health or safety of the employee, co-employees, or the public. An employee who has been suspended without pay must be reinstated with back pay if the outcome of the confirmatory test or requested confirmatory retest is negative.

(d) An employer may not discharge, discipline, discriminate against, or request or require rehabilitation of an employee on the basis of medical history information revealed to the employer pursuant to subdivision 6 unless the employee was under an affirmative duty to provide the information before, upon, or after hire.

(e) An employee must be given access to information in the employee's personnel file relating to positive test result reports and other information acquired in the drug and alcohol testing process, and conclusions drawn from and actions taken based on the reports or other acquired information.

**Subd. 11. [LIMITATION ON WITHDRAWAL OF JOB OFFER.]** If a job applicant has received a job offer made contingent on the applicant passing drug and alcohol testing, the employer may not withdraw the offer based on a positive test result from an initial screening test that has not been verified by a confirmatory test.

## **Sec. 5. [181.97] [PRIVACY, CONFIDENTIALITY, AND PRIVILEGE SAFEGUARDS.]**

**Subdivision 1. [PRIVACY LIMITATIONS.]** A laboratory may only disclose to the employer test result data regarding the presence or absence of drugs, alcohol, or their metabolites in a sample tested.

**Subd. 2. [CONFIDENTIALITY LIMITATIONS.]** Test result reports and other information acquired in the drug or alcohol testing process are, with respect to private sector employees and job applicants, private and confidential information, and, with respect to public sector employees and job applicants, private data on individuals as that phrase is defined in chapter 13, and may not be disclosed by an employer or laboratory to another



employer or to a third-party individual, governmental agency, or private organization without the written consent of the employee or job applicant tested.

**Subd. 3. [EXCEPTIONS TO PRIVACY AND CONFIDENTIALITY DISCLOSURE LIMITATIONS.]** Notwithstanding subdivisions 1 and 2, evidence of a positive test result on a confirmatory test may be: (1) used in an arbitration proceeding pursuant to a collective bargaining agreement, an administrative hearing under chapter 43A or other applicable state or local law, or a judicial proceeding, provided that information is relevant to the hearing or proceeding; (2) disclosed to any federal agency or other unit of the United States government as required under federal law, regulation, or order, or in accordance with compliance requirements of a federal government contract; and (3) disclosed to a substance abuse treatment facility for the purpose of evaluation or treatment of the employee.

**Subd. 4. [PRIVILEGE.]** Positive test results from an employer drug or alcohol testing program may not be used as evidence in a criminal action against the employee or job applicant tested.

**Sec. 6. [181.98] [CONSTRUCTION.]**

**Subdivision 1. [FREEDOM TO COLLECTIVELY BARGAIN.]** Sections 1 to 5 shall not be construed to limit the parties to a collective bargaining agreement from bargaining and agreeing with respect to a drug and alcohol testing policy that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements for employee protection provided in those sections.

**Subd. 2. [EMPLOYEE PROTECTIONS UNDER EXISTING COLLECTIVE BARGAINING AGREEMENTS.]** Sections 1 to 5 shall not be construed to interfere with or diminish any employee protections relating to drug and alcohol testing already provided under collective bargaining agreements in effect on the effective date of those sections that exceed the minimum standards and requirements for employee protection provided in those sections.

**Sec. 7. [181.99] [REMEDIES.]**

**Subdivision 1. [EXHAUSTION.]** An employee or collective bargaining agent may bring an action under this section only after first exhausting all applicable grievance procedures and arbitration proceeding requirements under a collective bargaining agreement; provided that, an employee's right to bring an action under this section is not affected by a decision of a collective bargaining agent not to pursue a grievance.

**Subd. 2. [DAMAGES.]** In addition to any other remedies provided by law, an employer or laboratory that violates sections 1 to 5 is liable to an employee or job applicant injured by the violation in a civil action for any damages allowable at law. If a violation is found and damages awarded, the court may also award reasonable attorney fees for a cause of action based on a violation of sections 1 to 5 if the court finds that the employer knowingly or recklessly violated sections 1 to 5.

**Subd. 3. [INJUNCTIVE RELIEF]** An employee or job applicant, a state, county, or city attorney, or a collective bargaining agent who fairly and adequately represents the interests of the protected class has standing to

*bring an action for injunctive relief requesting the district court to enjoin an employer or laboratory that commits or proposes to commit an act in violation of sections 1 to 5.*

**Subd. 4. [OTHER EQUITABLE RELIEF]** *Upon finding a violation of sections 1 to 5, or as part of injunctive relief granted under subdivision 3, a court may, in its discretion, grant any other equitable relief it considers appropriate, including ordering the injured employee or job applicant reinstated with back pay.*

**Subd. 5. [RETALIATION PROHIBITED.]** *An employer may not retaliate against an employee for asserting rights and remedies provided in sections 1 to 5.*

**Sec. 8. [181.995] [FEDERAL PREEMPTION.]**

**Subdivision 1. [EXCLUDED EMPLOYEES AND JOB APPLICANTS.]** *Except as provided under subdivision 2, the employee and job applicant protections provided under sections 1 to 7 do not apply to employees and job applicants where the specific work performed requires those employees and job applicants to be subject to drug and alcohol testing pursuant to:*

*(1) federal regulations that specifically preempt state regulation of drug and alcohol testing with respect to those employees and job applicants;*

*(2) federal regulations or requirements necessary to operate federally regulated facilities;*

*(3) federal contracts where the drug and alcohol testing is conducted for security, safety, or protection of sensitive or proprietary data; or*

*(4) state agency rules that adopt federal regulations applicable to the interstate component of a federally regulated industry, and the adoption of those rules is for the purpose of conforming the nonfederally regulated intrastate component of the industry to identical regulation.*

**Subd. 2. [EXCLUSION LIMITED.]** *Employers and testing laboratories must comply with the employee and job applicant protections provided under sections 1 to 7, with respect to employees or job applicants otherwise excluded under subdivision 1 from those protections, to the extent that the provisions of sections 1 to 7 are not inconsistent with or specifically preempted by the federal regulations, contract, or requirements applicable to drug and alcohol testing.*

**Sec. 9. [APPROPRIATION.]**

*(a) \$47,000 is appropriated from the general fund to the commissioner of health for the purpose of administering sections 1 to 8 to be available until June 30, 1988.*

*(b) Notwithstanding section 4, subdivision 1, paragraph (d), during the biennium ending June 30, 1989, the commissioner shall set the license fee at an amount so that the total fee receipts collected will recover only the costs of administering section 4, subdivision 1, plus the general fund appropriation under this section.*

*(c) \$47,000 must be transferred from the special account established under section 4, subdivision 1, paragraph (d), to the general fund on June 30, 1989.*

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

*Sections 1 to 9 are effective September 1, 1987."*

Delete the title and insert:

"A bill for an act relating to employment; regulating drug and alcohol testing of employees and job applicants; proposing coding for new law in Minnesota Statutes, chapter 181."

The motion prevailed. So the amendment was adopted.

Mrs. Brataas moved to amend the Chmielewski amendment to H.F. No. 42 as follows:

Page 3, line 30, delete "only"

Page 3, line 31, after "require" insert "only"

The motion prevailed. So the amendment to the amendment was adopted.

H.F. No. 42 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	Cohen	Jude	Metzen	Schmitz
Anderson	Dahl	Knaak	Moe, D.M.	Storm
Beckman	Davis	Kroening	Morse	Taylor
Belanger	DeCramer	Laidig	Olson	Vickerman
Benson	Diessner	Langseth	Pehler	Wegscheid
Berg	Frederick	Larson	Peterson, R.W.	Willet
Bernhagen	Frederickson, D.J.	Lessard	Purfeerst	
Bertram	Frederickson, D.R.	Luther	Ramstad	
Brataas	Gustafson	Marty	Reichgott	
Chmielewski	Hughes	Mehrkens	Renneke	

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

### SPECIAL ORDER

S.F. No. 995: A bill for an act relating to commerce; industrial loan and thrift companies; removing a restriction on the sale and issuance of certificates of indebtedness; increasing lending limits; prescribing the qualifications of the directors of certain companies; regulated loans; specifying the loan fees and charges that may be imposed by regulated lenders; amending Minnesota Statutes 1986, sections 53.04, subdivisions 3a and 5; 53.05; 53.06; 56.12; 56.125, subdivisions 2 and 3; 56.131, subdivision 2; and 56.14.

Mr. Kroening moved that S.F. No. 995, No. 7 on Special Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

### SPECIAL ORDER

H.F. No. 1219: A bill for an act relating to taxation; authorizing Scott county to impose a tax on admissions to major amusement facilities; providing for expenditure of the proceeds of the tax.

Mr. Schmitz moved that the amendment made to H.F. No. 1219 by the Committee on Rules and Administration in the report adopted May 16, 1987, pursuant to Rule 49, be stricken. The motion prevailed. So the

amendment was stricken.

Mr. Benson moved to amend H.F. No. 1219 as follows:

Page 1, line 11, delete "major amusement facilities" and insert "a racetrack licensed under Minnesota Statutes, chapter 240"

Page 1, line 12, delete "In this"

Page 1, delete lines 13 to 17

Amend the title as follows:

Page 1, line 3, delete "major amusement"

Page 1, line 4, delete "facilities" and insert "licensed racetracks"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Knaak	Merriam	Reichgott
Benson	Frank	Laidig	Olson	Storm
Berg	Frederick	Larson	Peterson, R.W.	Taylor
Bernhagen	Frederickson, D.R.	McQuaid	Ramstad	

Those who voted in the negative were:

Adkins	DeCramer	Lessard	Piper	Vickerman
Beckman	Diessner	Luther	Purfeerst	Wegscheid
Belanger	Frederickson, D.J.	Marty	Renneke	Willet
Bertram	Hughes	Metzen	Schmitz	
Chmielewski	Jude	Morse	Solon	
Dahl	Kroening	Pehler	Spear	
Davis	Lantry	Peterson, D.C.	Stumpf	

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

Mr. Frederick moved to amend H.F. No. 1219 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 297B.09, is amended by adding a subdivision to read:

**Subd. 3. [HIGHWAY USER TAX DISTRIBUTION FUND AND TRANSIT ASSISTANCE FUND ALLOCATIONS.]** *The proceeds collected under this chapter must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment in the following manner:*

*(a) Except as provided in paragraph (d), 37.5 percent of the proceeds collected after June 30, 1987, and before July 1, 1989, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 12.5 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.*

*(b) Except as provided in paragraph (d), 56.25 percent of the proceeds collected after June 30, 1989, and before July 1, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 18.75 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.*

(c) Except as provided in paragraph (d), 75 percent of the proceeds collected after June 30, 1991, must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the proceeds must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state.

(d) The distributions under paragraphs (a), (b), and (c) to the highway user tax distribution fund shall be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1.

## Sec. 2. [APPROPRIATIONS.]

Subdivision 1. The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this section, to be available for the fiscal years indicated for each purpose. The figures "1988" and "1989," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1988, or June 30, 1989, respectively.

		APPROPRIATIONS Available for the Year Ending June 30	
		1988	1989
Subd. 2. Transportation		\$116,730,000	\$115,430,000
	Summary by Fund		
General	\$ 330,000	\$ 330,000	
MSAS	\$ 7,900,000	\$ 7,800,000	
CSAH	\$25,300,000	\$25,000,000	
Trunk Highway	\$54,100,000	\$53,500,000	
Transit Assistance	\$29,100,000	\$28,800,000	

The amounts that may be spent from this appropriation for each program are specified in the following paragraphs.

### (a) Highway Development

	1988	1989
	\$87,300,000	\$86,300,000
	Summary by Fund	
MSAS	\$ 7,900,000	\$ 7,800,000
CSAH	\$25,300,000	\$25,000,000
TRUNK HIGHWAY	\$54,100,000	\$53,500,000

These appropriations are added to the appropriations in section 2, subdivision 2, of S.F. No. 1516.

### (b) Highway Programs

\$80,000

This appropriation is from the general fund and is added to the appropriation in section 2, subdivision 5, of S.F. No. 1516, for transit administration. The authorized complement for the department is increased by two positions in the second year of the biennium.

*(c) Non-Metropolitan Transit*

<i>Assistance</i>	\$6,130,000	\$6,050,000
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*Summary by Fund*

<i>General</i>	\$ 330,000	\$ 250,000
<i>Transit Assistance</i>	\$5,800,000	\$5,800,000

*Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.*

<i>Subd. 3. Regional Transit Board</i>	\$23,300,000	\$23,000,000
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*Summary by Fund*

<i>Transit Assistance</i>	\$23,300,000	\$23,000,000
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*Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.*

*At least \$13,260,000 must be spent for metro mobility service during the biennium ending June 30, 1989."*

Delete the title and insert:

"A bill for an act relating to transportation; providing for the distribution of the motor vehicle excise tax; appropriating money; amending Minnesota Statutes 1986, section 297B.09, by adding a subdivision."

Mr. Merriam questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Frederick then moved to amend H.F. No. 1219 as follows:

Page 1, line 10, after "county" insert "and the board of commissioners of Hennepin county" and after "may" insert "each"

Page 1, line 19, delete "board" and insert "boards"

Page 1, line 25, delete "county" and insert "counties"

Page 2, lines 1 and 2, delete "county" and insert "counties"

Page 2, line 8, delete "county" and insert "and Hennepin counties"

Page 2, line 14, after "Scott" insert "and Hennepin" and delete "treasurer" and insert "treasurers"

Amend the title accordingly

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

H.F. No. 1219 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 35 and nays 21, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kroening	Morse	Solon
Beckman	DeCramer	Langseth	Novak	Spear
Belanger	Diessner	Lessard	Pehler	Storm
Bertram	Frederickson, D.J.	Luther	Peterson, D.C.	Stumpf
Brandl	Hughes	Marty	Piper	Vickerman
Chmielewski	Johnson, D.J.	Metzen	Purfeerst	Wegscheid
Cohen	Knutson	Moe, D.M.	Schmitz	Willet

Those who voted in the negative were:

Anderson	Davis	Knaak	Olson	Taylor
Benson	Frank	Laidig	Peterson, R.W.	
Berg	Frederick	Larson	Ramstad	
Bernhagen	Frederickson, D.R.	McQuaid	Reichgott	
Brataas	Jude	Merriam	Renneke	

So the bill passed and its title was agreed to.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Piper moved that the following members be excused for a Conference Committee on H.F. No. 234 from 5:00 to 6:30 p.m.:

Ms. Piper, Mr. Frank and Ms. Peterson, D.C. The motion prevailed.

### 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 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. 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.

Senate File No. 1203 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

Mr. Luther moved that the Senate do not concur in the amendments by the House to S.F. No. 1203, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 141:

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.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Ogren, Orenstein and Marsh have been appointed as such committee on the part of the House.

House File No. 141 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 16, 1987

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 141, 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. 291:

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.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

Winter, Skoglund and Knickerbocker have been appointed as such committee on the part of the House.

House File No. 291 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 16, 1987

Ms. Peterson, D.C. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 291, 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. 303:

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.

The House respectfully requests that a Conference Committee of five members be appointed thereon.

Nelson, C.; Wenzel; Kalis; Schoenfeld and Dille have been appointed as such committee on the part of the House.

House File No. 303 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 16, 1987

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 303, 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.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1542:

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.

The House respectfully requests that a Conference Committee of three members be appointed thereon.

O'Connor, Begich and Sarna have been appointed as such committee on the part of the House.

House File No. 1542 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 16, 1987

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1542, 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 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. 456: A bill for an act relating to controlled substances; prescribing "small amount" of marijuana; clarifying certain Schedule II controlled substances; prescribing amount of marijuana for possession in a

motor vehicle; amending Minnesota Statutes 1986, sections 152.01, subdivision 16; 152.02, subdivision 3; and 152.15, subdivision 2.

Senate File No. 456 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

### CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 456 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 456: A bill for an act relating to controlled substances; defining "small amount" of marijuana when measured under the metric system; clarifying certain Schedule II controlled substances; defining amount of marijuana for possession in a motor vehicle when measured under the metric system; amending Minnesota Statutes 1986, sections 152.01, subdivision 16; 152.02, subdivision 3; and 152.15, subdivision 2.

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 52 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 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.

Senate File No. 1008 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

### CONCURRENCE AND REPASSAGE

Mr. Wegscheid moved that the Senate concur in the amendments by the House to S.F. No. 1008 and that the bill be placed on its repassage as amended. The motion prevailed.

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; appropriating money; 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, 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Jude	Metzen	Solon
Anderson	Dahl	Knaak	Morse	Storm
Beckman	Davis	Kroening	Novak	Stumpf
Belanger	DeCramer	Laidig	Olson	Taylor
Benson	Diessner	Langseth	Pehler	Vickerman
Berg	Frank	Larson	Peterson, D.C.	Wegscheid
Bernhagen	Frederick	Lessard	Peterson, R.W.	Willet
Bertram	Frederickson, D.J.	Luther	Piper	
Brandl	Frederickson, D.R.	Marty	Purfeerst	
Brataas	Gustafson	McQuaid	Ramstad	
Chmielewski	Hughes	Merriam	Renneke	

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. 1280: A bill for an act relating to public safety; increasing taxable gross weight of vehicles at which proof of payment of use tax is required; providing for permits for new vehicles used in events for promotion purposes; changing trip permit conditions; increasing fine for unlawful use of registration plates or certificates; allowing police to give age of parties in traffic accident to media; providing for the disclosure of certain information from accident reports; providing for service of notice of driver's license revocation by court; prescribing contents of petition for judicial review of driver's license revocation; subjecting alcohol problem assessment rules to

administrative procedure act; prescribing actions by drivers on one-way road when emergency vehicle approaching; requiring school buses on one-way, separated roads with shoulders to load and unload without flashing lights; removing obsolete deadlines; prohibiting alteration of vehicle stop lamps; providing for \$10 fee for class A classified provisional driver's license; allowing inspection of school buses for approved wheelchair devices; amending Minnesota Statutes 1986, sections 168.013, subdivision 20; 168.187, subdivision 17; 168.27, subdivision 16; 168.36, subdivision 2; 169.09, subdivision 13; 169.121, subdivision 7; 169.123, subdivision 5c; 169.124, subdivision 2; 169.20, subdivision 5; 169.44, subdivisions 2, 16, and 17; 169.57, by adding a subdivision; 171.06, subdivision 2; and 299A.11.

Senate File No. 1280 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

### CONCURRENCE AND REPASSAGE

Mr. Vickerman moved that the Senate concur in the amendments by the House to S.F. No. 1280 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1280: A bill for an act relating to public safety; increasing taxable gross weight of vehicles at which proof of payment of use tax is required; providing for permits for new vehicles used in events for promotion purposes; changing trip permit conditions; increasing fine for unlawful use of registration plates or certificates; allowing police to give age of parties in traffic accident to media; providing for the disclosure of certain information from accident reports; providing for service of notice of driver's license revocation by court; prescribing contents of petition for judicial review of driver's license revocation; subjecting alcohol problem assessment rules to administrative procedure act; prescribing actions by drivers on one-way road when emergency vehicle approaching; restricting rulemaking authority of the commissioner; requiring school buses on one-way, separated roads with shoulders to load and unload without flashing lights; removing obsolete deadlines; prohibiting alteration of vehicle stop lamps; providing for \$10 fee for class A classified provisional driver's license; allowing inspection of school buses for approved wheelchair devices; amending Minnesota Statutes 1986, sections 168.013, subdivision 20; 168.187, subdivision 17; 168.27, subdivision 16; 168.36, subdivision 2; 169.09, subdivision 13; 169.121, subdivision 7; 169.123, subdivision 5c; 169.124, subdivision 2; 169.20, subdivision 5; 169.44, subdivisions 2, 16, and 17; 169.57, by adding a subdivision; 171.06, subdivision 2; 299A.02, subdivision 3; and 299A.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 46 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Jude	Morse	Storm
Anderson	Dahl	Knaak	Olson	Stumpf
Beckman	Davis	Laidig	Pehler	Taylor
Belanger	DeCramer	Langseth	Peterson, D.C.	Vickerman
Benson	Frank	Lessard	Peterson, R.W.	Wegscheid
Berg	Frederick	Luther	Piper	Willet
Bernhagen	Frederickson, D.J.	Marty	Purfeerst	
Bertram	Frederickson, D.R.	McQuaid	Ramstad	
Brandl	Gustafson	Merriam	Renneke	
Chmielewski	Hughes	Metzen	Solon	

Messrs. Kroening and Larson voted in the negative.

So the bill, as amended, 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 proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Waldorf and Wegscheid introduced—

S.F. No. 1546: A bill for an act relating to commerce; regulating filings of security interests under the uniform commercial code; amending Minnesota Statutes 1986, section 336.9-401.

Referred to the Committee on Commerce.

### **RECESS**

Mr. Luther moved that the Senate do now recess until 8:45 p.m. The motion prevailed.

The hour of 8:45 p.m. having arrived, the President called the Senate to order.

### **CALL OF THE SENATE**

Mr. Ramstad imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

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

Messrs. Davis, Berg, Mrs. Adkins, Messrs. Langseth and Moe, D.M. introduced—

S.F. No. 1547: A bill for an act relating to agriculture; requiring commodity promotion councils to submit budgets before check-off fees are spent; requiring reports to the legislature on collection of check-off fees and expenses; amending Minnesota Statutes 1986, section 17.59, by adding subdivisions.

Referred to the Committee on Agriculture.

### **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 the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 834, 858, 1202, 652, 1232, 1272, 317, 927 and 1230.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Remaining on the Order of Business of Motions and Resolutions, without objection, the Senate proceeded to the Order of Business of the Calendar.

### **CALENDAR**

H.F. No. 887: A bill for an act relating to environment; creating the clean water partnership for the control of nonpoint source water pollution and providing for administration by the pollution control agency; requiring a state water quality assessment; authorizing technical and financial assistance to local governments; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

With the unanimous consent of the Senate, Mr. Willet moved that the amendment made to H.F. No. 887 by the Committee on Rules and Administration in the report adopted May 16, 1987, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 887 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 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Brandl	Frederick	Lessard	Pehler
Anderson	Brataas	Frederickson, D.J.	Luther	Peterson, R.W.
Beckman	Dahl	Gustafson	Marty	Piper
Belanger	Davis	Johnson, D.E.	McQuaid	Ramstad
Benson	DeCramer	Jude	Mehrkens	Schmitz
Berg	Dicklich	Knaak	Metzen	Storm
Bernhagen	Diessner	Laidig	Morse	Vickerman
Bertram	Frank	Larson	Olson	Willet

So the bill passed and its title was agreed to.

H.F. No. 1326: A bill for an act relating to energy; authorizing loans to cities, towns, and counties for energy conservation investments and authorizing repayment of those loans; amending Minnesota Statutes 1986, sections 116J.37; 275.50, subdivision 5; 471.65; and 475.51, subdivision 4.

With the unanimous consent of the Senate, Mr. Marty moved that the amendment made to H.F. No. 1326 by the Committee on Rules and Administration in the report adopted May 16, 1987, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1326 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	Mehrkens	Ramstad
Anderson	Dahl	Jude	Metzen	Reichgott
Beckman	Davis	Knaak	Morse	Renneke
Belanger	DeCramer	Laidig	Olson	Schmitz
Benson	Dicklich	Larson	Pehler	Storm
Berg	Diessner	Lessard	Peterson, D.C.	Vickerman
Bernhagen	Frank	Luther	Peterson, R.W.	Waldorf
Bertram	Frederick	Marty	Piper	Wegscheid
Brataas	Frederickson, D.J.	McQuaid	Purfeerst	Willet

So the bill passed and its title was agreed to.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on H.F. No. 753 at 7:30 p.m.:

Messrs. Peterson, R.W.; DeCramer; Pehler, Ms. Peterson, D.C. and Reichgott. 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.

### 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:

S.F. No. 1203: Messrs. Luther; Moe, D.M. and Kroening.



H.F. No. 1542: Messrs. Chmielewski, Gustafson and Mrs. Adkins.

H.F. No. 291: Ms. Peterson, D.C.; Messrs. Metzen and Belanger.

H.F. No. 303: Messrs. Stumpf, Davis, Morse, Langseth and Renneke.

H.F. No. 141: Messrs. Luther, Merriam and Taylor.

Mr. Luther moved that the foregoing appointments be approved. The motion prevailed.

### SPECIAL ORDER

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; 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.

### SUSPENSION OF RULES

Mr. Luther 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. 523 and that the rules of the Senate be so far suspended as to give H.F. No. 523, now on the Special Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Luther moved that the amendment made to H.F. No. 523 by the Committee on Rules and Administration in the report adopted May 16, 1987, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 523 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 23 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Marty	Piper	Waldorf
Anderson	Frank	Morse	Purfeerst	Wegscheid
Beckman	Jude	Pehler	Reichgott	Willet
Bertram	Lessard	Peterson, D.C.	Taylor	
Dahl	Luther	Peterson, R.W.	Vickerman	

Those who voted in the negative were:

Belanger	Dicklich	Laidig	McQuaid	Olson
Benson	Frederick	Larson	Mehrkins	Storm
Bernhagen	Gustafson			

So the bill failed to pass.

### CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the balance of the proceedings on H.F. No. 523. The Sergeant at Arms was instructed to bring in the absent members.

### RECONSIDERATION

Mr. Dicklich moved that the vote whereby H.F. No. 523 failed to pass the Senate on May 16, 1987, be now reconsidered.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Lessard	Pehler	Spear
Anderson	DeCramer	Luther	Peterson, D.C.	Storm
Beckman	Dicklich	Marty	Peterson, R.W.	Stumpf
Belanger	Diessner	McQuaid	Piper	Vickerman
Benson	Frank	Mehrkens	Pogemiller	Waldorf
Berg	Frederick	Merriam	Purfeerst	Wegscheid
Bernhagen	Jude	Metzen	Ramstad	Willet
Bertram	Knaak	Moe, D.M.	Reichgott	
Brandl	Laidig	Morse	Renneke	
Brataas	Langseth	Novak	Samuelson	
Cohen	Larson	Olson	Schmitz	

The motion prevailed. So the vote was reconsidered.

Mr. Laidig moved to amend H.F. No. 523 as follows:

Page 7, delete section 11

Renumber the sections in sequence

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Laidig	Olson	Taylor
Belanger	Frederick	Larson	Ramstad	
Benson	Gustafson	McQuaid	Renneke	
Berg	Knaak	Mehrkens	Storm	

Those who voted in the negative were:

Adkins	Davis	Jude	Morse	Reichgott
Beckman	DeCramer	Langseth	Pehler	Vickerman
Bertram	Dicklich	Lessard	Peterson, D.C.	Waldorf
Brataas	Diessner	Luther	Peterson, R.W.	Wegscheid
Cohen	Frank	Marty	Piper	Willet
Dahl	Frederickson, D.J.	Metzen	Purfeerst	

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

Mr. Frederick moved to amend H.F. No. 523 as follows:

Page 3, line 4, delete "(2)" and strike "on the day of an election as provided in section"

Page 3, line 5, strike "201.061, subdivision 3;"

Page 3, line 6, delete "(3)" and insert "(2)"

Page 3, line 9, delete "(4)" and insert "(3)"

Page 3, line 12, delete "(5)" and insert "(4)"

Page 9, after line 8, insert:

"Sec. 16. [REPEALER.]

*Minnesota Statutes 1986, section 201.061, subdivision 3, is repealed."*

Amend the title as follows:

Page 1, line 14, before the period, insert "; repealing Minnesota Statutes 1986, section 201.061, subdivision 3"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Bernhagen	Laidig	Olson	Taylor
Belanger	Frederick	Larson	Ramstad	
Benson	Gustafson	Lessard	Renneke	
Berg	Knaak	McQuaid	Storm	

Those who voted in the negative were:

Adkins	Diessner	Marty	Piper	Waldorf
Bertram	Frank	Metzen	Purfeerst	Wegscheid
Dahl	Frederickson, D.J.	Morse	Reichgott	Willet
Davis	Jude	Pehler	Samuelson	
DeCramer	Lantry	Peterson, D.C.	Schmitz	
Dicklich	Luther	Peterson, R.W.	Vickerman	

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

Mr. Benson moved to amend H.F. No. 523 as follows:

Page 1, line 26, delete "*and emergency*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	Olson	Wegscheid
Belanger	Frederick	Laidig	Peterson, R.W.	
Benson	Gustafson	Larson	Ramstad	
Berg	Johnson, D.E.	McQuaid	Storm	
Bernhagen	Jude	Mehrkens	Taylor	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Peterson, D.C.	Vickerman
Beckman	Diessner	Luther	Piper	Waldorf
Bertram	Frank	Marty	Purfeerst	Willet
Cohen	Frederickson, D.J.	Metzen	Reichgott	
Dahl	Freeman	Moe, R.D.	Samuelson	
Davis	Hughes	Morse	Schmitz	
DeCramer	Langseth	Pehler	Solon	

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

H.F. No. 523 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 40 and nays 17, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Langseth	Novak	Schmitz
Beckman	Dicklich	Lessard	Pehler	Solon
Berglin	Diessner	Luther	Peterson, R.W.	Spear
Bertram	Frank	Marty	Piper	Stumpf
Brandl	Frederickson, D.J.	Metzen	Pogemiller	Vickerman
Cohen	Freeman	Moe, D.M.	Purfeerst	Waldorf
Dahl	Hughes	Moe, R.D.	Reichgott	Wegscheid
Davis	Jude	Morse	Samuelson	Willet

Those who voted in the negative were:

Anderson	Bernhagen	Knaak	McQuaid	Taylor
Belanger	Brataas	Knutson	Mehrkens	
Benson	Frederick	Laidig	Olson	
Berg	Johnson, D.E.	Larson	Ramstad	

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1515 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 1515

A bill for an act relating to higher education; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, the Mayo medical foundation, and the Minnesota job skills partnership board, with certain conditions; amending Minnesota Statutes 1986, sections 135A.03, subdivision 1; 136A.101, by adding a subdivision; 136A.111, by adding a subdivision; 136A.121, subdivisions 4 and 5; 136A.132, subdivisions 3, 6, and 7; 136A.233, subdivisions 1 and 2; 136A.85; 136A.86, subdivisions 1 and 2; 136A.87; 137.31, subdivision 3; and 645.445, subdivision 5; Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, section 136.09, subdivision 3.

May 16, 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. 1515, 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. 1515 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [HIGHER EDUCATION; APPROPRIATIONS.]

The sums in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal year indicated for each purpose. The listing of an amount under the figure "1987," "1988," or "1989" in this act indicates that the amount is appropriated to be available for the year ending June 30, 1987, June 30, 1988, or June 30, 1989, respectively.

In this act, "first year" and "second year" mean the first fiscal year and second fiscal year, respectively, of the 1987-1989 biennium beginning July 1, 1987, and ending 24 months later.

In this act, "biennium" and "1987-1989 biennium" mean the two consecutive fiscal years beginning July 1, 1987, and ending 24 months later.

## SUMMARY BY FUND

	1987	1988	1989	TOTAL
General	\$2,910,500	\$810,380,600	\$843,643,500	\$1,656,934,600

## SUMMARY BY AGENCY - ALL FUNDS

	1987	1988	1989	TOTAL
Higher Education Coordinating Board		\$73,094,200	\$75,284,300	\$148,378,500
State Board of Vocational Technical Education	\$1,895,000	151,749,400	156,777,800	310,422,200
State Board for Community Colleges		65,922,900	69,774,400	135,697,300
State University Board	500,000	130,897,600	139,554,800	270,952,400
Board of Regents of the University of Minnesota	\$515,500	387,865,200	401,343,300	789,724,000
Mayo Medical Foundation		851,300	908,900	1,760,200

APPROPRIATIONS  
Available for the Year  
Ending June 30  
1987      1988      1989

## Sec. 2. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. Total Appropriation	\$73,094,200	\$75,284,300
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Agency Administration  
\$3,321,300      \$2,638,300

This appropriation includes \$150,000 in 1988 for staff to administer the job skills partnership program. The higher education coordinating board may employ staff to administer the job skills partnership program. The job skills partnership program staff positions and their incumbents are transferred to and become employees subject to the direction of the higher education coordinating board.

This appropriation includes \$294,000 in 1988 and \$214,000 in 1989 for the optometry and osteopathy contract program to continue seats for students who were in the program in the 1986-1987 academic year. No new students may be admitted to the program during the biennium.

This appropriation includes \$15,000 in 1988 for scholarships and grants for eligible students of optometry. Eligible students are those who were enrolled in the 1984-1985 academic year in schools of optometry with which Minnesota had an agreement for each academic year in the 1985-1987 biennium for optometry seats. Students are obligated to practice in Minnesota as provided in Minnesota Statutes, section 136A.225.

\$118,000 in 1988 and \$180,000 in 1989 are to continue the post-high school planning program. The additional funding in 1989 is to include more students and offer increased services.

A task force of equal numbers of representatives of the student advisory committee, financial aid administrators association, each public system, and the higher education coordinating board shall be convened by the HECB. It shall develop guidelines to interpret unusual circumstances for the purpose of being an independent student. The HECB shall distribute the guidelines to financial aid directors and representative student organizations at each campus.

Subd. 3. State Scholarships and Grants

\$60,500,000	\$62,750,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available to meet scholarship and grant obligations.

This appropriation contains money for increasing living allowances for state scholarships and grants to \$2,985 for 1988 and \$2,995 for 1989.

Notwithstanding section 136A.121, subdivision 10, the implementation of eligibility for four full years of scholarships and grants is delayed until July 1, 1989.

\$100,000 the first year is for short-term living and transportation expenses of AVTI students.

Subd. 4. Interstate Tuition

Reciprocity

\$3,700,000	\$4,300,000
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If the appropriation for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 5. State Work Study

\$4,503,600      \$4,678,600

Of this appropriation \$325,000 is to cover increases in minimum wage for the biennium.

Subd. 6. Income Contingent Loans

\$ 110,000      \$ 158,100

This appropriation is for an income contingent loan repayment program to assist graduates of Minnesota schools in medical, dental, pharmacy, chiropractic medicine, public health, and veterinary medicine in repaying their student debt by providing a repayment plan based on their annual income. The HECB shall study the possible inclusion of students in other academic programs including optometry and osteopathy and report its recommendations to the appropriations and finance committees by December 1, 1987. During the biennium, applicant data collected by the HECB for this program may be disclosed to a consumer credit reporting agency under the same conditions as apply to the supplemental loan program according to section 136A.162.

Subd. 7. Minitex Library Program

\$ 759,300      \$ 759,300

Subd. 8. Enterprise Development

Partnerships

\$ 200,000

Subd. 9. An unexpended balance in the first year under a subdivision in this section does not cancel but is available for the second year.

Sec. 3. STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Subdivision 1. Total

Appropriation	1,895,000	151,749,400	156,777,800
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Instructional Expenditures

The legislature estimates that the amount for instructional expenditures will be \$196,837,300 for the first year and \$204,908,600 for the second year.

\$2,730,000 each year is for repair and replacement. Revenue for this purpose must be recorded in a separate account in the board's internal accounting system. Money may be transferred into and out of the account. A transfer, together with the amount and nature of the transfer, must be reported with the sys-

tem's 1989-1991 biennial budget request. The report must include an analysis of the adequacy of the above appropriation in meeting the system's repairs and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government which is less than five percent of the appropriation for repairs and replacements may be paid when due by the board.

\$500,000 in 1988 and \$1,000,000 in 1989 are to provide customized training services to Minnesota employers. Expenses incurred in training under this section must be matched in the form of tuition. The state director shall be responsible for ensuring this requirement is met.

The appropriation for fiscal year 1987 is added to the appropriation in Laws 1985, First Special Session chapter 11, section 4, subdivision 2, and must be used for retirement and social security employer's costs.

#### Subd. 3. Noninstructional Expenditures

The legislature estimates that the amount for noninstructional expenditures will be \$6,227,300 for the first year and \$5,570,300 for the second year.

\$5,371,700 the first year and \$4,704,700 the second year are for debt service payments to school districts for AVTI buildings financed with district bonds issued before January 1, 1979.

\$56,100 the first year and \$49,200 the second year are for veteran farmer cooperative training programs.

\$125,000 each year is for providing services for handicapped students.

#### Subd. 4. State Council on Vocational Technical Education

\$38,400 the first year and \$39,400 the second year must be allocated by the state board to the state council on vocational education.

### Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

#### Subdivision 1. Total

Appropriation	65,922,900	69,774,400
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.



### Subd. 2. Instructional Expenditures

The legislature estimates that the amount for instructional expenditures will be \$83,787,100 for the first year and \$89,619,300 for the second year.

\$220,000 each year is for special needs students.

\$1,085,000 each year is for repair and replacement. Revenue for this purpose must be recorded in a separate account in the board's internal accounting system. Money may be transferred into and out of the account. A transfer, together with the amount and nature of the transfer, must be reported with the system's 1989-1991 biennial budget request. The report must include an analysis of the adequacy of the above appropriation in meeting the system's repairs and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government which is less than five percent of the appropriation for repairs and replacements may be paid when due by the board.

### Subd. 3. Noninstructional Expenditures

The legislature estimates that the amount for noninstructional expenditures will be \$10,962,300 for the first year and \$10,906,300 for the second year.

## Sec. 5. STATE UNIVERSITY BOARD

### Subdivision 1. Total

Appropriation	500,000	130,897,600	139,554,800
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

### Subd. 2. Instructional Expenditures

The legislature estimates that the amount for instructional expenditures will be \$182,126,300 for the first year and \$194,951,000 for the second year.

\$2,245,000 each year is for repair and replacement. Revenue for this purpose must be recorded in a separate account in the board's internal accounting system. Money may be transferred into and out of the account. The transfer, together with the amount and nature of the transfer, must be reported with the system's 1989-1991 biennial budget request. The report must include an analysis of the adequacy of the above appropriation in meeting the system's repairs and replacement needs.

During the biennium, each outstanding and any future assessment by a local unit of government which is less than five percent of the appropriation for repairs and replacements may be paid when due by the board.

During the biennium, the state university board shall continue to ensure that classroom teaching assistants for whom English is a second language are proficient in speaking, reading, and writing English.

\$250,000 in 1988 and \$400,000 in 1989 is for the expansion of upper division programs at Metropolitan State University.

Notwithstanding Minnesota Statutes, section 136.09, subdivision 3, or other law to the contrary, during the biennium neither the state university board nor the state university campuses shall engage in planning or development of doctoral level programs or degrees without prior approval of the house and senate higher education policy and money committees.

\$50,000 in 1988 is for the planning of the materials science engineering program at Winona State University. The state university board shall develop short and long range plans that specify the directions and intentions of the system in program development, particularly in the science, technology, and engineering areas. The plans shall provide an overview of the entire system as well as specifically examining the status of current programs and future plans at each campus. In its planning during the biennium, the board shall study at least immediate and long range: (1) needs for and opportunities available to students graduating in these program areas; (2) possibilities of cooperative arrangements with other educational institutions; (3) incorporation of new technology developments into existing programs rather than creating new programs; (4) potential for private sector participation and investment; (5) effects of emphasizing technological programs on other academic areas; and (6) consequences for the state's economy. The board shall report its findings to the appropriations and finance committees of the legislature by January 15, 1988.

The study must be submitted to the HECB for review and comment before its submission to the legislature. \$500,000 in fiscal year 1989 is for implementation of the program, contingent upon formal recommendation by the edu-

cation divisions of the house appropriations committee and the senate finance committee.

During the biennium, revenue generated from royalties, patents, licenses, or interests kept by the state university board from the science and technology project at Southwest State University is appropriated to the state university board and must be allocated by the board to Southwest State University for the continued operation of the science and technology resource center.

### Subd. 3. Noninstructional Expenditures

The legislature estimates that the amount for noninstructional expenditures will be \$9,211,700 for the first year and \$9,276,300 for the second year.

This appropriation includes interest costs for outstanding bonds and in no way constitutes a commitment or obligation by the state of Minnesota to make any payments on the principal or the interest on the bonds or any associated fees or costs, nor does the appropriation constitute an admission or position by the state of Minnesota on the merits of any litigation arising out of an alleged default on the bonds or an alleged breach of any contract or loan agreement.

During the biennium, prior to resolving any litigation arising out of an alleged default on the bonds or an alleged breach of any contract or loan agreement, the attorney general is requested to determine whether any third parties may be liable for part or all of any alleged damages and to pursue appropriate litigation against or settlement with the third parties.

During the biennium, the city of Mankato may assess the state university board for costs of reconstruction and improvement of Val Imm Drive. The assessment must not be made until completion of the work and must not exceed \$500,000 or 40 percent of the project, whichever is less.

During the biennium, notwithstanding any law to the contrary, the state university board may retain money received from successful litigation by or against the board. Awards made to the state or the board resulting from litigation against or by the board shall be retained by the board to the credit of the account from which the litigation was originally funded.

The appropriation for fiscal year 1987 is for

the bridge assessment specified in Laws 1983, chapter 344, section 8, subdivision 5(b).

#### Subd. 4. Construction

During the biennium, the state university board may accept money from nonstate sources to construct a building on the Mankato, St. Cloud, and Moorhead state university campuses. No state appropriated funds shall be expended for this purpose. The board shall supervise and control the preparation of plans and specifications for the construction of each building. The board shall advertise for bids and award contracts, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

### Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

#### Subdivision 1. Total Appropriation

515,500	387,865,200	401,343,300
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The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

#### Subd. 2. Operations and Maintenance

313,688,200	324,702,900
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On December 1, 1988, and December 1, 1989, the president of the University of Minnesota shall furnish the senate finance and house appropriations committees and the commissioner of finance the following information: the total amount of receipts during fiscal year 1988 from all sources in excess of \$124,040,700 and during the fiscal year 1989 from all sources in excess of \$128,638,300; the sources of these receipts; and the purposes for which any excess receipts were spent and the accounts to which the receipts transferred.

#### (a) Instructional Expenditures

The legislature estimates that the amount for instructional expenditures in subdivision 2 and subdivision 3, paragraph (a) will be \$344,009,900 for the first year and \$360,972,100 for the second year.

\$6,732,000 each year is for repair and replacement. Revenue for this purpose must be recorded in a separate account in the board's internal accounting system. Money may be transferred into and out of the account. A transfer, together with the amount and nature

of the transfer, must be reported with the system's 1989-1991 biennial budget request. The report must include an analysis of the adequacy of the above appropriation in meeting the system's repairs and replacement needs. Of this amount, \$200,000 in the first year is for the Falcon Heights assessment for the Roselawn Avenue project; \$82,000 in the first year is for city assessments for utilities and services for the Waseca campus; and \$3,000 in the first year is for city assessments for utilities and services for the Morris campus.

During the biennium, each outstanding and any future assessment by a local unit of government which is less than five percent of the appropriation for repairs and replacements may be paid when due by the board.

The president of the University of Minnesota is requested to review, during the biennium, the University of Minnesota's institutional support costs and redirect any savings into academic programs.

During the biennium, the university is requested to continue to ensure that classroom teaching assistants for whom English is a second language are proficient in speaking, reading, and writing English.

The university is requested to develop a new plan by which the funding necessary to implement comparable worth in a timely manner is provided through internal reallocation. The university shall report on its actions by January 15, 1988, to the appropriations and finance committees.

#### (b) Noninstructional Expenditures

The legislature estimates that the amount for noninstructional expenditures will be \$95,461,000 for the first year and \$94,747,600 for the second year.

\$2,900,000 in fiscal year 1988, and 3,100,000 in fiscal year 1989, are for the graduate fellowship program. By January 15, 1989, the University of Minnesota shall report on the distribution of graduate fellowships and their use in furthering the University of Minnesota's efforts to focus its mission and improve its programs, particularly in the liberal arts.

#### Subd. 3. Special Appropriations

515,500	74,177,000	76,640,400
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The university shall submit a report to the 1988

Legislature on all of its special appropriations. The report must include which special appropriations could be continued as is, consolidated, transferred to the operations and maintenance account, reduced, or eliminated; all sources of funding for each special appropriation; a detailed itemization of projects included in each special appropriation; the outcome of the activity; the reasons for each special appropriation; specific plans for each special appropriation; and any other pertinent information.

(a) Rank Funding Adjustment

\$1,742,000      \$2,378,500

The legislature estimates that \$2,600,000 in fiscal year 1988 and \$3,550,000 in fiscal year 1989 is for the university's commitment to focus its efforts on academic excellence. This estimate is counted as instructional cost. This appropriation must not be allocated to the Board of Regents by the commissioner of finance until the Board of Regents adopts the plan and directs the president of the University of Minnesota to proceed with the plan.

Of this amount, up to \$400,000 is to ensure adequate counseling of students applying for admission.

It is the intention of the legislature that the university's commitment to focus plan and enrollment targets provide the basis for funding in subsequent biennia.

The university shall report on its uses of these funds by January 15 of each year of the biennium. Beginning in the 1989-1991 biennium, the request for rank adjustment must be incorporated into the operations and maintenance budget request.

The regular session enrollment projected for this appropriation is 37,312 full-year equivalent undergraduate students for fiscal year 1988, and 36,236 for fiscal year 1989. For developing the 1989-1991 biennial budget request, the regular session undergraduate enrollment used for the average cost funding formula must not exceed these numbers. For the biennium ending June 30, 1989, tuition income resulting from students in excess of the projections reduces the general fund appropriation by a like dollar amount. The legislature further anticipates that the regular session full-year equivalent undergraduate students must not exceed 33,750 for fiscal year 1991, and 31,600

by fiscal year 1993. The university shall submit progress reports on the attainment of the anticipated enrollments.

**(b) Minnesota Extension Service**

\$515,500      \$14,359,200      \$14,637,100

The appropriation in fiscal year 1987 is added to the appropriation in Laws 1986, chapter 398, article 29, section 1, subdivision 8, and must be used for farmer-lender mediation services.

Any salary increases granted by the university to personnel paid from this appropriation must not result in a reduction of the county portion of the salary payments.

**(c) Agricultural Research**

\$24,248,300      \$24,863,400

During the biennium, the university shall maintain an advisory council system for each experiment station. The advisory councils must be broadly representative of range of size and income distribution of farms and agribusinesses and must not disproportionately represent those from the upper half of the size and income distributions.

**(d) Veterinary Diagnostic Laboratory**

\$1,322,400      \$1,355,900

**(e) Coleman Leukemia Research Center**

\$242,300      \$248,500

**(f) Indigent Patients (County Papers)**

\$400,000      \$300,000

**(g) Rural Physicians Associates Program**

\$568,800      \$583,200

**(h) Medical Research**

\$2,344,700      \$2,404,200

**(i) Special Hospitals, Service and Educational Offset**

\$9,678,900      \$9,924,400

During the biennium, fees for service furnished to counties and individuals under this program must be sought to increase the money appropriated. The fees are appropriated to the university hospitals, to be available until June 30, 1989.

**(j) Fellowships for Minority and Disadvantaged Students**

\$54,900      \$56,300

**(k) General Research**

\$2,125,900      \$2,179,800

This appropriation is, as the board of regents may direct, for general research, and business and economic research including business and economic research at Duluth, center for urban and regional affairs, museum of natural history, and juvenile justice seminar.

(l) Intercollegiate Athletics

\$2,993,700      \$3,069,700

This appropriation includes money to improve the programs and resources available to women and to ensure that campuses are in compliance with Title IX of the Educational Amendment Act of 1972 and Minnesota Statutes, section 126.21.

Of this appropriation, no less than the following amounts must be allocated to each campus:

Duluth	517,113	530,230
Morris	62,013	63,586
Crookston	42,128	43,196
Waseca	41,923	42,986

(m) Student Loans Matching Money

\$51,900      \$54,500

(n) Talented Youth Mathematics Program

\$256,500      \$262,900

Of this appropriation, \$45,000 is to match grant funds for teacher education.

This appropriation includes money to continue the outreach sites program to ensure an opportunity for the participation of youth outside the metropolitan area.

(o) Geological Survey

\$951,900      \$976,100

(p) Mineral Resources Research Center

\$762,500      \$781,800

(q) Natural Resources Research Institute

\$2,400,000      \$2,500,000

\$100,000 each year is included in this appropriation for a cooperative state working group to study Minnesota's aspen resource.

(r) Sea Grant College Program

\$314,700      \$322,700

(s) Underground Space Center

\$222,000      \$227,600

(t) Institute for Advanced Studies  
in Biological Process Technology

\$770,500      \$936,300



- (u) Industrial Relations Education  
 \$724,600      \$742,300
- (v) Institute for Human Genetics  
 \$497,100      \$509,700
- (w) Microelectronics and Information  
 Science Center  
 \$661,200      \$678,000
- (x) Productivity Center  
 \$333,000      \$341,500
- (y) Supercomputer Institute  
 \$6,150,000      \$6,306,000

This appropriation includes money for the leasing of two supercomputer architectures.

#### Sec. 7. MAYO MEDICAL FOUNDATION

Subdivision 1. Total		
Appropriation	851,300	908,900

The amounts that may be spent from this appropriation for each purpose are specified in the following subdivisions.

Subd. 2. Medical School  
 \$674,900      \$728,000

The state of Minnesota shall pay a capitation of \$8,653 in fiscal year 1988 and \$8,878 in fiscal year 1989 for each student who is a resident of Minnesota.

This appropriation provides capitation for 20 Minnesota residents in each of the four classes at Mayo Medical School. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

The legislature intends that during the biennium the Mayo foundation use the capitation money to increase the number of doctors practicing in rural areas in need of doctors as identified by the higher education coordinating board.

Subd. 3. Family Practice and  
 Graduate Residency Program  
 \$176,400      \$180,900

The state of Minnesota shall pay a capitation of \$14,700 in fiscal year 1988 and \$15,075 in fiscal year 1989 for a maximum of 12 students each year.

Sec. 8. Minnesota Statutes 1986, section 135A.03, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF APPROPRIATION.] The direct appropriation to each board for instructional services shall equal 67 percent

of the estimated total cost of instruction for the University of Minnesota, the state university system, and the community college system, and, for area vocational technical institutes, ~~75~~ *at least 67* percent of the estimated total cost of instruction.

Sec. 9. Minnesota Statutes 1986, section 135A.04, is amended to read:

**135A.04 [VARIABLE TUITION.]**

The board of regents of the University of Minnesota, state university board, state board for community colleges, and state board for vocational education shall establish tuition. Tuition may vary by program, level of instruction, cost of instruction, or other classifications determined by each board. *In all systems that have a credit hour basis, tuition rates must be established on that basis and must not apply across a variable number of credits.* Tuition may be set at any percentage of instructional cost established by the respective boards.

Sec. 10. Minnesota Statutes 1986, section 135A.06, is amended to read:

**135A.06 [SYSTEM PLANS AND MISSIONS.]**

Subdivision 1. **[SUBMISSION OF PLANS PLANNING REPORTS.]** It is the ~~intent~~ *intention* of the legislature that the planning efforts of the public post-secondary education systems be summarized and reported to the legislature. It is the further ~~intent~~ *intention* that the system missions be differentiated from one another to best serve the needs of the citizens of Minnesota. ~~In order~~ To accomplish these goals, the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board of vocational technical education shall each submit to the governor and the legislature on December 1 of each even-numbered year a planning report for its system. The ~~planning~~ report shall contain the mission of the system and short- and long-range plans for programs, staff, and facilities. ~~The report~~ *It* shall specify the mission and plans for two, five, and ten years. The assumptions used in developing the plans shall be included. The report shall also include plans for and progress toward achieving mission differentiation while maintaining the state's overall post-secondary objectives.

Subd. 2. **[MISSION MISSIONS; INTERSYSTEM PLAN.]** Each system shall review its mission as it relates to instruction, research, and public service. The systems, in cooperation with the higher education coordinating board, shall jointly review their missions ~~and~~, develop strategies to achieve ~~clearer~~ mission differentiation, and *create* an overall intersystem plan that ensures achieving the state's ~~overall~~ post-secondary objectives. *The higher education coordinating board shall establish an agenda, determine schedules for accomplishing that agenda, and develop criteria for the intersystem plan.*

Subd. 3. **[SYSTEM PLANS.]** Each system shall develop a program plan for instruction, research, and public service. Each system shall consult with the higher education coordinating board and with the other systems throughout the planning process. The higher education coordinating board shall coordinate intersystem efforts in the development of the program plans to achieve intersystem cooperation and differentiation.

Each planning report shall consider at least the following elements:

(a) (1) a statement of program priorities for undergraduate, graduate, and professional education- ~~Program plans shall also include, including data~~

about program cost and average class size within each institution-;

(b) (2) a review of plans for adjusting the number of facilities, staff, and programs to projected level of demand- ~~Plans for adjustments shall consider, including consideration of~~ campus and program mergers, campus and program closings, new governance structures, the relationship between fixed costs and projected enrollment changes, and ~~other methods including~~ consolidation of institutions, services, and programs that serve the same geographic area under different governing boards-;

(c) (3) enrollment projections for two, five, and ten years- ~~If a system uses projections which are different from the most based on~~ recent available projections produced by the higher education coordinating board ~~or, the system shall compare its projections with enrollment projections if different projections are used, they shall be compared to those prepared by the~~ higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections-;

(d) (4) estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to declining enrollments and fiscal resources-;

(e) (5) opportunities for providing services cooperatively with other public and private institutions in the same geographic area-; and

(f) (6) differentiating and coordinating missions to reduce or eliminate duplication of services and offerings, ~~to improve delivery of services, and to establish clear and distinct roles and priorities.~~

Subd. 4. [CAPITAL REQUESTS.] A capital budget request submitted by a system must specifically relate a proposed capital project to the plans required under this section.

Subd. 5. [HECB REVIEW AND COMMENT.] The higher education coordinating board shall review and comment on the reports prepared by the systems. ~~In order to provide sufficient time for this review, The board shall submit the review and comment and the intersystem plan to the governor and legislature by December 1.~~

Systems shall submit the reports to the coordinating board on September 1 prior to the December 1 submission to the governor and legislature. Before the higher education coordinating board forwards submits its review and comment to the legislature, each system shall be given the opportunity by the higher education coordinating board to respond to the higher education coordinating board review. ~~In order to provide sufficient time for the systems to respond, The HECB board shall provide copies of its review and comment to the systems by October 15 and the systems shall submit any responses to the higher education coordinating board by November 15; prior to the December 1 submission to the governor and the legislature.~~ The system responses shall accompany the higher education coordinating board review and comment when it is submitted to the governor and the legislature.

As part of its review and comment, the higher education coordinating board shall present information on the costs, enrollment, and participation in public post-secondary institutions and on the progress the systems and the board are making toward an integrated intersystem planning effort.

Sec. 11. [136.27] [CAPITAL PROJECTS BIDDING PROCEDURES.]

*In awarding contracts for capital projects under section 16B.09, the board must consider the documentation provided by the bidders regarding their qualifications including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall formulate procedures to administer this section which include practices that will assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons.*

Sec. 12. Minnesota Statutes 1986, section 136A.02, subdivision 6, is amended to read:

Subd. 6. ~~There is hereby created~~ A higher education advisory council, ~~the membership of which shall include is established.~~ The council is composed of the president of the University of Minnesota, the chancellor of the state ~~university board universities~~, the chancellor of the state board for community colleges, the state director of vocational technical education, the commissioner of education, the ~~executive director~~ president of the Minnesota private college council, and a representative from the Minnesota association of private post-secondary schools. The advisory council shall (1) bring to the attention of the board any matters ~~which that the council deems as needing attention of the board necessary~~, (2) make appropriate recommendations to the board ~~as the council deems appropriate~~, (3) review and comment upon proposals and other matters before the board, and (4) provide any reasonable other assistance to the board in its effort to fulfill responsibilities of the board. The board shall periodically inform the council of all matters under consideration by the board ~~and~~. The board shall refer all proposals to the council prior to transmitting such proposals as before submitting recommendations to the governor and the legislature. The board shall provide time for a report from the advisory council at each meeting of the board.

The higher education advisory council shall report to the board at least quarterly and at such other times as the council may deem desirable. The council shall determine its meeting times, but the council it shall also meet within 30 days following after a request for a council meeting by the executive director of the board.

Sec. 13. Minnesota Statutes 1986, section 136A.04, subdivision 1, is amended to read:

Subdivision 1. The higher education coordinating board shall:

(a) Continuously study and analyze all phases and aspects of higher education, both public and private, and develop necessary plans and programs to meet present and future needs of the people of the state in respect thereto;

(b) Continuously engage in long range planning ~~of for~~ the needs of higher education and, if necessary, cooperatively engage in such planning with neighboring states and agencies of the federal government;

(c) Act as successor to any committee or commission ~~heretofore~~ previously authorized to engage in exercising any of the powers and duties prescribed by sections 136A.01 to 136A.07;

(d) Review, approve or disapprove, make recommendations, and identify priorities with respect to all plans and proposals for new or additional programs of instruction or substantial changes in existing programs to be

established in or offered by, the University of Minnesota, the state universities, the community colleges, and public area vocational technical institutes, and private collegiate and noncollegiate post-secondary institutions offering post-secondary education, and. *The board shall also periodically review existing programs offered in or by the above institutions and recommend discontinuing or modifying any existing program; the continuation of which is judged by the board as being. When reviewing new or existing programs, the board shall consider whether the program is unnecessary or, a needless duplication of existing programs, beyond the capability of the system or institution considering its resources, or beyond the scope of the system or institutional mission;*

(e) Develop in cooperation with the post-secondary systems, ~~committee on appropriations of the house of representatives appropriations committee, committee on senate finance of the senate committee,~~ and the departments of administration and finance, a compatible budgetary reporting format designed to provide data of a nature to facilitate systematic review of the budget submissions of the University of Minnesota, the state university system, the state community college system and the public area vocational technical schools; and, which includes the relating of dollars to program output;

(f) Review budget requests, including plans for construction or acquisition of facilities, of the University of Minnesota, the state universities, the state community colleges, and public area vocational technical schools for the purpose of relating present resources and higher educational programs to the state's present and long range needs; and conduct a continuous analysis of the financing of post-secondary institutions and systems, including the assessments as to the extent to which the expenditures and accomplishments are consistent with legislative intent;

(g) Obtain from private post-secondary institutions receiving state funds a report on their use of those funds;

(h) Continuously monitor and study the transferability between Minnesota post-secondary and higher education institutions of credits earned for equal and relevant work at those institutions, the degree to which credits earned at one institution are accepted at full value by the other institutions, and the policies of these institutions concerning the placement of these transferred credits on transcripts.

Sec. 14. Minnesota Statutes 1986, section 136A.05, is amended to read:

136A.05 [COOPERATION OF INSTITUTIONS OF HIGHER EDUCATION.]

All public institutions of higher education, ~~public and private,~~ and all state departments and agencies ~~are requested to shall~~ cooperate with and supply ~~written~~ information requested by the higher education coordinating board in order to enable it to carry out and perform its duties. *Private post-secondary institutions are requested to cooperate and provide information.*

Sec. 15. Minnesota Statutes 1986, section 136A.101, is amended by adding a subdivision to read:

*Subd. 9. [INDEPENDENT STUDENT.] "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.*

Sec. 16. Minnesota Statutes 1986, section 136A.111, is amended by

adding a subdivision to read:

*Subd. 6. The board shall inform students, in writing, as part of the application process for financial aid, about the definition of and appeals to the financial aid administrator relating to the independent student status declaration.*

Sec. 17. Minnesota Statutes 1986, section 136A.121, subdivision 4, is amended to read:

Subd. 4. [SCHOLARSHIP STIPENDS.] An eligible scholarship applicant shall be considered for a financial stipend if the applicant demonstrates financial need. The amount of a financial stipend must not exceed a scholarship applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the scholarship applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) *for an applicant who is not an independent student*, a contribution by the scholarship applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the scholarship applicant is eligible.

The minimum financial stipend is \$100.

Sec. 18. Minnesota Statutes 1986, section 136A.121, subdivision 5, is amended to read:

Subd. 5. [GRANTS-IN-AID STIPENDS.] A financial stipend based on financial need must accompany grants-in-aid. The amount of a financial stipend must not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:

(a) a contribution by the grant applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) *for an applicant who is not an independent student*, a contribution by the grant applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100.

Sec. 19. Minnesota Statutes 1986, section 136A.132, subdivision 3, is amended to read:

Subd. 3. An applicant is eligible to be considered for a part-time student grant if the applicant:

(a) is a resident of the state of Minnesota;

(b) is an undergraduate student who has not earned a baccalaureate degree; ~~except that a post-baccalaureate student enrolled in an undergraduate or graduate program who had been enrolled in the same program and had received a part-time grant during the 1984-1985 school year shall be eligible to be considered for a part-time student grant in the 1985-1986 school year;~~

(c) is pursuing a program or course of study that applies to a degree,

diploma, or certificate; and

(d) is attending an eligible institution (1) ~~in the 1985-1986 academic year less than full time as defined by the board, or (2) after July 1, 1986,~~ either less than half time as defined by the board, or as a new or returning student enrolled at least half time but less than full time as defined by the board.

Sec. 20. Minnesota Statutes 1986, section 136A.132, subdivision 6, is amended to read:

Subd. 6. Part-time student grants-in-aid shall be awarded for a single term as defined by the institution in accordance with guidelines and policies of the higher education coordinating board. Awards shall not be renewable but the recipient of an award may apply for additional awards for subsequent terms as follows:

(a) ~~In the 1985-1986 academic year a recipient of an award who is enrolled less than full time as defined by the board may apply for additional awards.~~

(b) ~~After July 1, 1986, a recipient of an award who is enrolled less than half time as defined by the board may apply for additional awards.~~

A new or returning student enrolled at least half time but less than full time, as defined by the board, and pursuing a program or course of study that applies to a degree, diploma, or certificate shall be eligible for an award for only one term.

Sec. 21. Minnesota Statutes 1986, section 136A.132, subdivision 7, is amended to read:

Subd. 7. Funds appropriated for part-time student grants-in-aid shall be allocated among eligible institutions by the higher education coordinating board according to a formula which takes into account the number of *resident* part-time students enrolled in each institution and other relevant factors determined by the board. *However, an institution must not receive less than it would have received under the allocation formula used before fiscal year 1988.*

Sec. 22. Minnesota Statutes 1986, section 136A.233, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding the provisions of sections 136A.09 to 136A.131, the higher education coordinating board may offer work-study grants to eligible post-secondary institutions according to the *resident* full time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program. *The board shall seek to equalize work-study job opportunities by also taking into account student employment needs at eligible institutions.* Each institution wishing to receive a work-study grant shall submit to the board in accordance with policies and procedures established by the board an estimate of the amount of funds needed by the institution and the amount allocated to any institution shall not exceed the estimate of need submitted by the institution. Any funds which would be allocated to an institution according to full-time equivalent enrollment but which exceed the estimate of need by the institution or the actual need of the institution may be reallocated by the board to other institutions for which the estimate of need exceeds the amount of allocation according to enrollment. *The institution must not receive less than it would have received under the allocation formula used before fiscal year 1988.*

*No more than one-half of any increase in appropriations, attributable to this section, above the level before fiscal year 1988 may be allocated on the basis of identified student employment needs at eligible institutions.*

Sec. 23. Minnesota Statutes 1986, section 136A.233, subdivision 2, is amended to read:

Subd. 2. For purposes of sections 136A.231 to 136A.235, the following words have the meanings ascribed to them:

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll full time in a Minnesota post-secondary institution. A Minnesota resident includes a student who graduated from a Minnesota high school and has not since established residence in another state.

(b) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(c) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(d) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state scholarship and grant program as specified in section 136A.101, subdivision 4.

(e) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

Sec. 24. Minnesota Statutes 1986, section 136A.85, is amended to read:

136A.85 [~~CAREER GUIDANCE POST-HIGH SCHOOL PLANNING PROGRAM; ESTABLISHMENT.~~]

The ~~Minnesota~~ higher education coordinating board shall establish a voluntary post-high school planning program for all ~~eleventh grade students in the state who desire to participate, secondary students in grades 8 through 12, and adults.~~ The program must be a statewide education and career guidance, testing, information and planning program designed to:

(a) ~~Assist students to make career plans and decisions regarding post-secondary education, training and goals (1) enable students and adults to consider the full range of available post-secondary opportunities;~~

(2) *encourage early and systematic planning for education and careers by students and adults;*

(3) *encourage students and adults to acquire the academic skills to prepare them for a wide range of post-secondary programs;*

(4) *increase completion of post-secondary education by helping students and adults enroll in appropriate institutions and programs;*

(5) *consolidate and make more efficient the testing procedures used to advise, admit, and place students and adults in post-secondary programs;*



(b) (6) assist high school, college and vocational institute counselors in their work with students *and adults*;

(c) (7) assist Minnesota colleges and vocational institutes to identify students *and adults* for whose talents, interests and needs they have appropriate programs;

(d) (8) assist colleges and scholarship agencies to select from applicants those who show the most promise of benefiting from particular programs;

(e) (9) provide educators, state planners and policy makers in the state a continuous inventory of the talents, plans, needs and other characteristics of students *and adults* in individual educational institutions, in educational systems, and in the state as a whole; and

(f) (10) assist educators, state planners and policy makers to develop improved educational measures and counseling tools.

Sec. 25. Minnesota Statutes 1986, section 136A.86, subdivision 1, is amended to read:

Subdivision 1. The board shall establish an advisory task force to ~~define the objectives of the program and make recommendations to the board on program goals, policies and, selection of tests, and coordination of tests administered by the program and post-secondary institutes. The task force shall study and make recommendations about a variety of methods that could be used throughout the community to provide assistance to adults considering post-secondary education.~~ Membership on the advisory task force shall include, but not be limited to, representatives of: the state university system, the university of Minnesota, the state community college system, *the area vocational technical institute system, the Minnesota private college council, the Minnesota association of private post-secondary schools, the Minnesota school boards association, the Minnesota association of secondary school principals, the Minnesota school counselors association, Minnesota area vocational technical institutes, the Minnesota department of education, the Minnesota association of private vocational schools, and a minimum of one secondary and one post-secondary education student, and other representatives who have knowledge of and interest in post-secondary education for adults.* The expiration of this advisory task force and the terms, compensation and removal of its members shall be as provided in section 15.059, subdivision 6.

Sec. 26. Minnesota Statutes 1986, section 136A.86, subdivision 2, is amended to read:

Subd. 2. The board shall ~~periodically at least biennially~~ review and evaluate the ~~statewide career guidance, testing, information and planning~~ program and report to the governor and legislature the program status and the board's recommendations for legislation to improve the program.

Sec. 27. Minnesota Statutes 1986, section 136A.87, is amended to read:

136A.87 [ASPECTS OF THE PROGRAM.]

Subdivision 1. [ASSESSMENT INSTRUMENTS AND QUESTIONNAIRES.] The program shall:

(a) ~~Administer to eleventh grade Minnesota high school students, who desire to participate in the program, educational measurement instruments and questionnaires as determined by the board to be appropriate to serve the purposes of sections 136A.85 to 136A.88;~~

(b) provide for administration of education and career assessment instruments and questionnaires to residents in grades 8 through 12, and to adults. The board shall determine the instruments and questionnaires that are appropriate to serve the purposes of sections 136A.85 to 136A.88.

Subd. 2. [HIGH SCHOOL ASSESSMENTS.] The program shall provide for administration of educational measurement instruments and questionnaires to high school students before their senior year. At least the following may be included:

(1) an aptitude assessment for students anticipating entry to collegiate programs;

(2) an inventory of interests, career directions, background information, and education plans; and

(3) a preliminary mathematics placement test to aid in future course selections, and, as determined appropriate by the board, preliminary placement tests in other subjects.

Subd. 3. [PROVIDING INFORMATION.] The board shall make available to all residents from 8th grade through adulthood information about planning and preparing for post-secondary opportunities. Information must be provided to all 8th grade students and their parents by January 1 of each year about the need to plan for their post-secondary education. The board may also provide information to high school students and their parents, to adults, and to out-of-school youth. The information provided may include the following:

(1) the need to start planning early;

(2) the availability of assistance in educational planning from educational institutions and other organizations;

(3) suggestions for studying effectively during high school;

(4) high school courses necessary to be adequately prepared for post-secondary education;

(5) encouragement to involve parents actively in planning for all phases of education;

(6) information about post-high school education and training opportunities existing in the state, their respective missions and expectations for students, their preparation requirements, admission requirements, and student placement;

(7) ways to evaluate and select post-secondary institutions;

(8) the process of transferring credits among Minnesota post-secondary institutions and systems;

(9) the costs of post-secondary education and the availability of financial assistance in meeting these costs;

(10) the interrelationship of assistance from student financial aid, public assistance, and job training programs; and

(11) financial planning for education beyond high school.

Subd. 4. [DATA BASE.] A data base of information from the program's assessments and services shall be maintained to:

(1) provide individual reports of results to the students, to the high schools

in which students are enrolled, and, if authorized by the students, to post-secondary educational institutions; and

(e) (2) provide annual statewide summary reports of results on a statewide basis to all Minnesota high schools and, post-secondary educational institutions and to, the department of education, the chairs of the education, higher education, appropriations and finance committees of the legislature, and the governor.

*Subd. 5. [COORDINATION.] The board shall coordinate efforts and develop additional methods of providing information, guidance, and testing services to out-of-school youth and adults.*

**Sec. 28. [136C.043] [COLLECTING FEES FOR SEMINARS AND MATERIALS.]**

*The state board may charge fees for seminars, conferences, workshops, and instructional materials. The money is annually appropriated to the state board.*

**Sec. 29. Minnesota Statutes 1986, section 137.025, subdivision 1, is amended to read:**

**Subdivision 1.** The commissioner of finance shall pay no money to the University of Minnesota pursuant to a direct appropriation, other than an appropriation for the university of Minnesota hospitals or for buildings, until the university first certifies to the commissioner of finance that its aggregate balances in the temporary investment pool, cash, or separate investments, resulting from all state maintenance and special appropriations do not exceed \$7,000,000, or any other amount specified in the act making the appropriation, plus one-third of all tuition and fee payments from the previous fiscal year. Upon this certification, 1/12 of the annual appropriation to the university shall be paid at the beginning of each month. Additional payments shall be made by the commissioner of finance whenever the state appropriations and tuition aggregate balances in the temporary investment pool, cash, or separate investments are reduced below the indicated levels.

**Sec. 30. Minnesota Statutes 1986, section 137.31, subdivision 3, is amended to read:**

**Subd. 3. [SET ASIDE FOR DISADVANTAGED.]** At least 15 percent of the value of the procurement contracts designated for the set-aside program shall be awarded, if possible, to small businesses owned and operated by socially or economically disadvantaged persons, as defined by state law section 645.445. If small businesses owned and operated by socially or economically disadvantaged persons are unable to perform at least 15 percent of the value of the set-aside contracts, the university may award the balance of the designated set-aside procurement contracts to other small businesses.

**Sec. 31. Minnesota Statutes 1986, section 645.445, subdivision 5, is amended to read:**

**Subd. 5.** "Socially or economically disadvantaged person" means a person who has been deprived of the opportunity to develop and maintain a competitive position in the economy because of social or economic conditions. This disadvantage may arise from cultural, social or economic circumstances, or background, physical location if the person resides or is employed in an area designated a labor surplus area by the United States

Department of Labor, or other similar cause. It includes racial minorities, women, or persons who have suffered a substantial physical disability. For purposes of sections 16B.19 to 16B.22 and 137.31, the definition of "socially or economically disadvantaged person" includes sheltered workshops and work activity programs.

**Sec. 32. [UNIVERSITY OF MINNESOTA ADMISSIONS COUNSELING.]**

*To protect access while encouraging a reduction in enrollment during the biennium, the University of Minnesota shall develop counseling mechanisms to advise applicants regarding their post-secondary plans. The mechanisms must provide at least counseling for students whose high school rank and standardized test scores do not meet the minimum university admission standards or whose high school course preparation appears insufficient for academic success at the university. The counseling must occur before admission and must include a presentation of post-secondary options available to the student and an assessment of the student's opportunities for academic success within each option. The counseling is not intended to preclude applicants from being admitted to the university, but instead to improve their understanding of their enrollment options and potential for success in higher education. For applicants enrolled in high schools that have counselors, the high school counselor may provide the required advising. For applicants not enrolled in high schools or in schools without counseling staff, the advising must be provided by the university. The mechanisms may include, but are not limited to: workshops with high school counselors, campus based counseling, toll free hotlines, and reassigning or adding necessary university counseling staff. The public post-secondary systems should cooperate in these efforts to provide more thorough counseling for prospective students.*

**Sec. 33. [TASK FORCE ON QUALITY ASSESSMENT.]**

*Subdivision 1. [PURPOSE AND DUTIES.] A task force on post-secondary quality assessment is established for the biennium. The task force shall determine the goals of quality assessment, study and select strategies and mechanisms for the state to use in achieving those goals, and consider ways to use assessment in improving post-secondary education.*

*Subd. 2. [MEMBERSHIP.] The members of the task force must be determined by the executive director of the HECB and the members of the higher education advisory council. One system representative and one faculty representative must be chosen for each post-secondary system from a list of nominees prepared by that system's council member. One department representative and one secondary teacher must be chosen from a list of nominees submitted by the commissioner of education. The executive director shall submit a list of nominees from the HECB staff or board members from which one task force member must be selected. The student advisory council to the HECB shall submit nominations to the executive director and the council from which two student representatives shall be selected. The executive director and the council must consider geographical balance in their selection of members. The executive director shall appoint a representative of the HECB to convene the meetings.*

*Subd. 3. [STAFF] The HECB shall provide staff assistance and support services necessary for the task force to undertake and complete its work.*

*Subd. 4. [PILOT PROJECTS.] During the 1988 calendar year, the task*

force shall establish a pilot assessment project within each of the public post-secondary systems. The pilot projects must be used to help determine appropriate assessment mechanisms and to evaluate the uses and effectiveness of quality assessment.

Subd. 5. [REPORTS.] The task force shall submit a preliminary report to the higher education policy and funding divisions and committees of the legislature by February 1, 1988, concerning progress and plans of the task force. It shall submit a full report of its activities, findings, and recommendations by February 1, 1989, to these divisions and committees. Before submitting each report to the legislature, the task force shall submit the report to the higher education coordinating board for review and comment.

Subd. 6. [FUNDING.] The HECB and the task force may seek funding from nonstate sources to provide for the costs necessary to accomplish subdivisions 1 to 5.

#### Sec. 34. [TASK FORCE ON COMMON COURSE NUMBERING.]

Subdivision 1. [ESTABLISHED.] A task force on common course numbering in post-secondary education is established. The purpose of the task force is to study and report on the benefits to students, the cost, and the feasibility of implementing a common course numbering system.

Subd. 2. [MEMBERSHIP.] The task force consists of 25 members as follows: one system level administrator experienced in transfer of credit issues, one campus level administrator experienced in curriculum development issues, two faculty members appointed by each of the public post-secondary systems and the private college council, and one student representative from each post-secondary system appointed by the student advisory council. Task force members shall serve without compensation, except that the post-secondary systems must provide for the expenses incurred by their student representatives.

Subd. 3. [DUTIES.] The task force shall study and make recommendations on the expected outcomes and benefits of expanded course equivalency, a common course numbering system for higher education, more accessible transfer information, and students' opportunities for completion of their undergraduate educations. The legislature expects that the AVTIs will be included in these recommendations when they convert to a course credit hour basis.

Subd. 4. [HECB ROLE.] The task force study and report must be coordinated by the higher education coordinating board. The board shall provide necessary staff assistance and information to the task force.

Subd. 5. [REPORT.] By December 15, 1987, the task force shall submit its report to the higher education coordinating board for review and comment. By February 1, 1988, the task force shall submit its report and recommendations to the higher education policy, appropriations, and finance divisions or committees of the legislature. The task force terminates on June 30, 1988.

#### Sec. 35. [TASK FORCE ON INSTRUCTIONAL TECHNOLOGY.]

During the biennium, the higher education coordinating board shall convene a task force to coordinate the development of state-level policy for using new instructional technology. Membership shall include one representative selected by each public system and private post-secondary education sector; six representatives selected by the department of edu-

cation, including representation from school districts and other educational organizations involved in telecommunications; a representative selected by the department of administration; a representative from the student advisory council; three representatives selected by the higher education coordinating board, including two from the private sector, and a representative from the Minnesota public television association.

*The task force shall:*

(1) conduct an inventory and evaluation of current and emerging systems of instructional technology and telecommunications in elementary, secondary, and post-secondary education;

(2) assess the costs and benefits statewide networks of local and regional telecommunications systems, including opportunities for collaboration among post-secondary institutions, elementary and secondary schools, public agencies, communities and the private sector;

(3) examine the potential effect of telecommunications instruction transmitted from outside the state;

(4) determine objectives for the delivery of K-12 and post-secondary instruction through technological and telecommunications systems; and

(5) establish minimum state standards and procedures for the support of instructional technology and telecommunications systems.

*The task force shall submit its recommendations to the higher education coordinating board for review and comment. The report and the review shall be submitted to the legislature by January 15, 1989.*

Sec. 36. Laws 1983, chapter 334, section 7, is amended to read:

Sec. 7. [REPEALER.]

*Minnesota Statutes, sections 1 to 6 116L.01; 116L.02; 116L.03, subdivisions 1, 2, 3, 4, 5, and 7; 116L.04; and 116L.05, are repealed June 30, 1987 1989.*

Sec. 37. [INFORMATION FOR ADULTS CONSIDERING POST-SECONDARY EDUCATION.]

*The advisory task force, established according to Minnesota Statutes, section 136A.86, subdivision 1, shall study and make recommendations about methods to provide assistance to adults who are considering beginning or returning to post-secondary studies. The methods shall be available throughout the entire community and may include the use of education brokers. The higher education coordinating board shall review and comment on the recommendations. By January 1, 1988, the task force recommendations and board comments shall be reported to the legislature.*

Sec. 38. [INSTRUCTION TO THE REVISOR.]

*The revisor shall change the heading before section 136A.85 from Career Guidance Program to Post-high School Planning Program.*

Sec. 39. [REPEALER.]

*Minnesota Statutes 1986, section 116L.03, subdivision 6, is repealed.*

Sec. 40. [EFFECTIVE DATE.]

*Section 3, subdivision 1, section 5, subdivision 1, and section 6, subdivision 1, are effective the day following final enactment. Sections 15,*

17, 18, and 23 are effective the day following final enactment for financial aid for the 1987-1988 academic year. Section 29 is effective July 1, 1988."

Delete the title and insert:

"A bill for an act relating to public administration; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, and the Mayo medical foundation, with certain conditions; amending Minnesota Statutes 1986, sections 135A.03, subdivision 1; 135A.04; 135A.06; 136A.02, subdivision 6; 136A.04, subdivision 1; 136A.05; 136A.101, by adding a subdivision; 136A.111, by adding a subdivision; 136A.121, subdivisions 4 and 5; 136A.132, subdivisions 3, 6, and 7; 136A.233, subdivisions 1 and 2; 136A.85; 136A.86, subdivisions 1 and 2; 136A.87; 137.025, subdivision 1; 137.31, subdivision 3; and 645.445, subdivision 5; Laws 1983, chapter 334, section 7; proposing coding for new law in Minnesota Statutes, chapters 136 and 136C; repealing Minnesota Statutes 1986, section 116L.03, subdivision 6."

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

Senate Conferees: (Signed) Gene Waldorf, Jerome M. Hughes, Ronald R. Dicklich, Dean E. Johnson, Glen Taylor

House Conferees: (Signed) Lyndon R. Carlson, Leonard "Len" Price, Howard R. Orenstein, John T. Rose, John W. Dorn

Mr. Waldorf moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1515 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. 1515 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

## MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1516 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S.F. NO. 1516**

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 28A.08; 32.075; 32.59; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 138.65; 138.91, by adding a subdivision; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; amending Laws 1975, chapter 235, section 2, as amended.

May 16, 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. 1516, 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. 1516 be further amended as follows:

Delete everything after the enacting clause and insert:

**"Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.]**

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures "1987," "1988," and "1989," where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1987, June 30, 1988, or June 30, 1989, respectively.

**SUMMARY BY FUND**

	1987	1988	1989	TOTAL
General	\$1,089,200	\$89,791,000	\$89,138,200	\$180,018,400
Special Revenue		4,310,400	4,660,400	8,970,800
Airports		10,910,800	11,707,000	22,617,800
M.S.A.S.		58,750,000	59,250,000	118,000,000
C.S.A.H.		183,550,000	184,915,000	368,465,000
Tr. Hwy.		648,724,900	646,769,000	1,295,493,900
Hwy. User		9,690,500	9,770,700	19,461,200
Transit Assistance		7,100,000	7,425,000	14,525,000
Motor Vehicle Transfer		868,800	868,800	1,737,600
Transfers to Other				
Direct		(1,600,400)	(1,638,800)	(3,239,200)
<b>TOTAL</b>	<b>\$1,089,200</b>	<b>\$1,012,096,000</b>	<b>\$1,012,865,300</b>	<b>\$2,026,050,500</b>

**APPROPRIATIONS**  
Available for the Year  
Ending June 30  
1988                      1989



## Sec. 2. TRANSPORTATION

## Subdivision 1. Total

Appropriation	1988	1989	
Approved Complement -	4,651	4,648	
General -	15	14	
State Airports -	40	40	
Trunk Highway -	4,580	4,580	
Federal -	16	16	

The appropriations in this section are from the trunk highway fund, except where another fund is named.

## Summary by Fund

General	\$5,107,200	\$4,912,200
Airports	\$10,910,800	\$11,707,000
M.S.A.S.	\$58,750,000	\$59,250,000
C.S.A.H.	\$183,550,000	\$184,915,000
Trunk Highway	\$594,825,500	\$592,930,400
Transit Assistance Fund	\$1,420,000	\$1,500,000
Motor Vehicle Transfer	\$868,800	\$868,800

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Highway Development	596,998,500	597,409,700
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## Summary by Fund

M.S.A.S.	\$58,750,000	\$59,250,000
C.S.A.H.	\$183,550,000	\$184,915,000
Trunk Highway	\$353,829,700	\$352,375,900
Motor Vehicle Transfer	\$868,800	\$868,800

## (a) Trunk Highway Development

1988	1989
\$343,609,100	\$343,569,100

## Summary by Fund

Trunk Highway	\$342,740,300	\$342,700,300
Motor Vehicle Transfer	\$868,800	\$868,800

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid	\$222,000,000	\$207,000,000
Highway User Taxes	\$120,740,300	\$135,700,300

The commissioner of transportation shall notify the chair of the senate finance committee and chair of the house appropriations committee promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

(b) County State Aids  
\$183,550,000      \$184,915,000

This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal State Aids  
\$58,750,000      \$59,250,000

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(d) Highway Debt Service  
\$11,089,400      \$9,675,600

For transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

Subd. 3. Highway Operations	169,520,600	169,138,700
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The amounts that may be spent from this appropriation for each activity are as follows:

(a) Maintenance  
\$119,367,300      \$119,119,100

The commissioner of transportation shall assume the responsibility of operating the

Anchor Lake travel information center effective July 1, 1987.

(b) Construction Support

\$50,153,300      \$50,019,600

Subd. 4. Technical Services

38,444,200

38,343,400

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Program Delivery

\$35,057,200      \$34,965,800

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. Expenditures from this account are subject to the approval of the commissioner of finance. Reimbursements must be deposited in the trunk highway fund. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(b) State Aid Technical Assistance

\$911,900      \$909,900

(c) Electronic Communications

\$2,475,100      \$2,467,700

Subd. 5. Non-Metropolitan Transit Assistance

5,800,000

5,720,000

Summary by Fund

General      \$4,380,000      \$4,220,000

Transit Assistance      \$1,420,000      \$1,500,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 6. Program Management

7,330,300

7,297,000

Summary by Fund

General      \$683,600      \$645,900

Trunk Highway      \$6,646,700      \$6,651,100

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Highway Programs

\$1,789,100      \$1,784,600

Summary by Fund

General      \$70,900      \$70,900

Trunk Highway      \$1,718,200      \$1,713,700

\$225,000 the first year and \$225,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems,

and issues.

(b) Motor Carrier Safety and Compliance

\$1,062,200      \$1,059,600

(c) Railroads and Waterways

\$908,200      \$905,900

Summary by Fund

General      \$233,600      \$233,300

Trunk Highway      \$674,600      \$672,600

(d) Transit Administration

\$594,000      \$556,500

Summary by Fund

General      \$379,100      \$341,700

Trunk Highway      \$214,900      \$214,800

(e) Transportation Data, Research, and Analysis

\$2,976,800      \$2,990,400

Subd. 7. General Support Services      26,572,400      26,607,600

Summary by Fund

General      \$43,600      \$46,300

Airports      \$144,500      \$140,000

Trunk Highway      \$26,384,300      \$26,421,300

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Finance and Administration

\$8,556,600      \$8,530,500

(b) General Services

\$7,355,100      \$7,425,100

Summary by Fund

General      \$38,900      \$41,600

Airports      \$78,800      \$83,100

Trunk Highway      \$7,237,400      \$7,300,400

(c) Equipment

\$9,672,500      \$9,663,800

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

General      \$4,700      \$4,700

Airports      \$65,700      \$56,900

Trunk Highway      \$9,602,100      \$9,602,200

(d) Legal Services

\$988,200      \$988,200

This appropriation is for the purchase of legal services from or through the attorney general.

Subd. 8. Aeronautics      10,766,300      11,567,000

This appropriation is from the state airports fund.

- (a) Aeronautics Operations  
\$1,089,500                      \$1,156,800
- (b) Airport Development and Assistance  
\$9,572,700                      \$10,306,100

\$1,563,700 the first year and \$1,546,600 the second year are for navigational aids.

\$4,828,800 the first year and \$5,689,100 the second year are for airport construction grants.

\$1,713,000 the first year and \$1,713,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

- (c) Air Transportation Services  
\$39,100                      \$39,100
- (d) Civil Air Patrol  
\$65,000                      \$65,000

#### Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Subd. 10. Contingent Appropriations

- (a) The commissioner of transportation, with

the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the state airports fund to an appropriation for state airports purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the state airports fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

(b) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the trunk highway fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. REGIONAL TRANSIT BOARD 20,450,000 20,450,000

Summary by Fund

General	\$14,770,000	\$14,525,000
Transit Assistance	\$5,680,000	\$5,925,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Notwithstanding Minnesota Statutes, section 473.398, the regional transit board may expend the funds appropriated by this section for the purposes stated herein.

Subdivision 1. Regular		
Route Service	11,721,500	11,721,500
Subd. 2. Metro		
Mobility	6,250,000	6,250,000
Subd. 3. Small Urban, Rural, and Replacement Services		
	730,000	730,000
Subd. 4. Test Marketing of New Services		
	448,500	448,500
Subd. 5. Light Rail Transit Studies		
	200,000	200,000
Subd. 6. Planning and Programs		
	750,000	750,000
Subd. 7. Administration		
	350,000	350,000

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

No more than \$1,300,000 the first year and \$1,300,000 the second year may be used for regional transit board administration, planning, programs, and light rail transit studies.

The board may supplement any of the appropriations made in this section from its fund balance reserve.

The board shall not spend any funds on light rail transit planning or preliminary engineering or test marketing of new services if the expenditure of the funds reduces the level of regular route transit service provided by the metropolitan transit commission or other operators.

The board may not allow the metropolitan transit commission to alter fare schedules existing on January 1, 1987, until the board has adopted a plan and policies on fares as required by Laws 1985, First Special Session chapter 10, section 30, and has submitted its plan to the senate transportation and finance committees and the house of representatives metropolitan affairs and appropriations committees for their review and comment.

The regional transit board may not be a recipient of federal capital or operating assistance for transit. The board shall study and report to the legislature by January 1, 1988, on the effects, advantages, and disadvantages of transferring the authority to receive these funds from the commission to the board and on how and for what purpose the board would use the funds differently than the commission would use the funds.

#### Sec. 4. TRANSPORTATION REGULATION BOARD

531,500

531,500

Approved Complement - 8

This appropriation is from the trunk highway fund.

#### Sec. 5. PUBLIC SAFETY

Subdivision 1. Total  
Appropriation

81,888,100

81,990,800

Approved Complement - 1,676.4

General - 393.7

Special Revenue - 3

Trunk Highway - 1,060.8

Highway User - 173.6

## Federal - 48.3

The above approved complement includes 511 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

## Summary by Fund

General	\$20,905,800	\$20,977,500
For 1987 - \$900,000		
Trunk Highway	\$52,517,200	\$52,456,400
Highway User	\$ 9,565,500	\$ 9,645,700
Special Revenue	\$ 500,000	\$ 550,000
Transfers to Other		
Direct	(\$ 1,600,400)	(\$ 1,638,800)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The amounts shown in the program totals are reduced by \$87,500 the first year and \$87,500 the second year from the general fund. Reductions must be made from appropriations that will not reduce revenue to the general fund.

## Subd. 2. Administration and Related Services

\$4,048,200      \$4,046,900

## Summary by Fund

General	\$ 52,500	\$ 52,500
Trunk Highway	\$ 3,905,700	\$ 3,904,400
Highway User	\$ 90,000	\$ 90,000

## Subd. 3. Emergency Services

\$886,300      \$887,000

\$341,700 the first year and \$342,000 the second year are for nuclear plant preparedness. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

## Subd. 4. Criminal Apprehension

\$11,145,900      \$11,239,400

## Summary by Fund

General	\$10,221,300	\$10,313,200
Trunk Highway	\$ 924,600	\$ 926,200

\$223,300 the first year and \$223,300 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first



year does not cancel but is available for the second year of the biennium.

\$171,000 the first year and \$171,000 the second year are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of public safety may charge tuition to cover the cost of continuing education courses provided by the bureau of criminal apprehension when money available to the commissioner for this purpose is not adequate to pay these costs. The tuition fees collected by the commissioner are annually appropriated to the commissioner.

Subd. 5. Fire Safety

\$1,801,800      \$1,798,800

Subd. 6. State Patrol

\$34,456,000      \$34,375,600

This appropriation is from the trunk highway fund.

No more than five positions in the state patrol support activity may be filled by state troopers.

The commissioner may not require the use of gasohol in the operation of state patrol vehicles.

During the biennium ending June 30, 1989, and notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 to the employee's union representative for the purpose of carrying out the duties of office.

Subd. 7. Capitol Security

\$1,285,500      \$1,271,000

Subd. 8. Driver and Vehicle Licensing

\$26,163,100      \$26,231,600

Summary by Fund

General	\$ 4,303,600	\$ 4,309,300
Trunk Highway	\$13,230,900	\$13,250,200
Highway User	\$ 8,628,600	\$ 8,672,100

\$471,400 the first year and \$471,400 the second year are for alcohol assessment reimbursements to counties.

## Subd. 9. Liquor Control

\$694,800	\$684,400
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## Subd. 10. Ancillary Services

\$1,494,000	\$1,543,600
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For 1987 - \$900,000

## Summary by Fund

General	\$994,000	\$993,600
For 1987 - \$900,000		
Special Revenue	\$500,000	\$550,000

\$900,000 for fiscal year 1987 is for the crime victims reparation board and is added to the appropriation in Laws 1985, First Special Session chapter 10, section 4, subdivision 10.

\$1,797,200 the first year and \$1,846,900 the second year are for the crime victims reparations board, of which \$1,297,200 the first year and \$1,296,900 the second year are from the general fund and \$500,000 the first year and \$550,000 the second year are from the crime victim and witness account in the special revenue fund. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

Notwithstanding any other law to the contrary, the crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments for fiscal year 1988 and fiscal year 1989. In no case shall the total awards exceed the appropriation made in this subdivision.

\$115,000 the first year and \$115,000 the second year is for hazardous substance notification and response. One of the two positions in this activity is in the unclassified service.

\$51,800 the first year and \$51,700 the second year are for the expenses of the private detective and protective agency licensing board.

## Subd. 11. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

## Subd. 12. Reimbursements

(a) \$753,500 for the first year and \$755,200 for the second year are appropriated from the

general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1988, and January 1, 1989, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$326,000 for the first year and \$327,300 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1988, and January 1, 1989, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$520,900 for the first year and \$556,300 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1988, and January 1, 1989, respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

#### Sec. 6. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

General Operations and Management	3,300,000	3,600,000
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Approved Complement - 9

These appropriations are from the peace officers training account in the special revenue fund.

Notwithstanding any other law to the contrary, any presently duly elected sheriff must be licensed by the board as a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), provided that the sheriff must complete all current board requirements by June 30, 1989. Failure to complete board requirements by June 30, 1989, shall result in revocation of any license granted, with the office of sheriff being declared vacant. An election must be held to fill the vacancy in the office of sheriff as provided by law.

#### Sec. 7. AGRICULTURE

Subdivision 1. Total			
Appropriation		9,735,900	9,768,500
	1988	1989	
Approved Complement -	451.8	455.8	
General -	177.8	177.8	
Special/Revolving -	255.7	259.7	
Federal -	18.3	18.3	
Summary by Fund			
General	\$9,548,100	\$9,580,700	
Special Revenue	\$ 187,800	\$ 187,800	

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The amounts shown in the program totals are reduced by \$190,000 the first year and \$190,000 the second year from the general fund. Reductions must be made from appropriations that will not reduce revenue to the general fund.

Subd. 2. Protection Service  
\$3,580,000      \$3,563,600

Of this amount \$40,000 the first year and \$40,000 the second year are to increase the detection and management of oak wilt in the state's shade trees. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 3. Family Farm Security  
\$2,384,000      \$2,383,400

\$1,800,000 the first year and \$1,800,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1988 or 1989. The participant's interest in a family farm loan guarantee executed before the effective date of this act may be assigned to a new participant.

\$288,900 the first year and \$288,900 the second year are for farm crisis assistance.

Subd. 4. Administrative Support and Grants  
\$3,961,900      \$4,011,500

Summary by Fund			
General	\$3,774,100	\$3,823,700	
Special Revenue	\$ 187,800	\$ 187,800	

\$30,900 the first year and \$30,900 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insuffi-

cient, the appropriation for the other year is available for it.

\$187,800 the first year and \$187,800 the second year are from the commodities research and promotion account in the special revenue fund.

\$102,500 the first year and \$102,500 the second year are for the seaway port authority of Duluth.

#### Subd. 5. Transfers

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Sec. 8. BOARD OF WATER AND SOIL RESOURCES

3,789,500

3,787,300

##### Approved Complement - 19

\$10,000 the first year and \$10,000 the second year is for the International Water Coalition.

\$814,200 the first year and \$814,200 the second year are for general purpose grants-in-aid to soil and water conservation districts.

\$152,300 the first year and \$152,300 the second year are for grants to districts for technical assistance, education, and demonstrations of conservation tillage.

\$198,500 the first year and \$198,500 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,501,000 the first year and \$1,501,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

The appropriations in this section for the southern Minnesota river basin study area 2 and for grants to soil and water districts for cost-sharing contracts for erosion control and water quality management are available until expended.

\$158,700 the first year and \$158,700 the second year are for grants-in-aid to soil and water

conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$12,400 the first year and \$12,400 the second year are for grants to soil and water conservation districts for review and comment on water permits.

Sec. 9. BOARD OF ANIMAL HEALTH      1,595,100      1,585,300

Approved Complement - 36

This appropriation includes \$24,900 the first year and \$24,900 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.

#### Sec. 10. COMMERCE

Subdivision 1. Total  
Appropriation      9,833,600      9,571,000

Approved Complement - 239

General - 236

Special Revenue - 3

	Summary by Fund	
General	\$9,572,400	\$9,309,700
For 1987 - \$189,200		
Special Revenue	\$ 261,200	\$ 261,300

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Financial Examinations  
\$3,990,100      \$3,969,300

For 1987 - \$189,200

This appropriation is for bank examinations and is added to the appropriation in Laws 1985, First Special Session chapter 10, section 7, subdivision 2.

Subd. 3. Registration and Analysis  
\$1,716,500      \$1,696,700

Subd. 4. Administrative Services  
\$1,627,100      \$1,627,800

Subd. 5. Enforcement and Licensing

\$2,434,100

\$2,277,200

## Summary by Fund

General	\$2,172,900	\$2,015,900
Special Revenue	\$ 261,200	\$ 261,300

\$261,200 the first year and \$261,300 the second year are from the real estate education, research and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

Subd. 6. Farm Loan Interest Buy-Down  
\$62,000

Subd. 7. Legislative Coordinating Commission  
\$3,800

This appropriation is transferred to the legislative coordinating commission for the legislative study commission on government and business competition.

## Subd. 8. Transfers

The commissioner with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

## Sec. 11. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	890,900	891,200
Subd. 2. Board of Abstractors	3,900	3,900
Subd. 3. Board of Accountancy	344,600	340,800

Approved Complement - 5

Subd. 4. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	351,500	357,700
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Approved Complement - 6

Subd. 5. Board of Barber Examiners	137,000	134,900
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Approved Complement - 3

Subd. 6. Board of Boxing	53,900	53,900
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Approved Complement - 1.5

Subd. 7. Board of Electricity

Approved Complement - 18

## Sec. 12. PUBLIC UTILITIES COMMISSION

	1,878,100	1,760,400
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Approved Complement - 35

\$139,000 the first year and \$33,000 the second year are for office automation. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.

### Sec. 13. PUBLIC SERVICE

#### Subdivision 1. Total

Appropriation		6,272,700	6,260,100
	1988	1989	
Approved Complement -	149.1	132.3	
General -	125.3	125.3	
Special Revenue -	6.8	5.5	
Federal -	17.0	1.5	

#### Summary by Fund

General	\$6,211,300	\$6,198,800
Special Revenue	\$ 61,400	\$ 61,300

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

#### Subd. 2. Utility Regulation

\$1,777,200      \$1,773,000

#### Subd. 3. Weights and Measures

\$1,881,100      \$1,876,400

#### Subd. 4. Administrative Services

\$608,300      \$608,600

#### Subd. 5. Energy

\$2,026,100      \$2,022,100

#### Summary by Fund

General	\$1,944,700	\$1,940,800
Special Revenue	\$ 61,400	\$ 61,300

#### Subd. 6. Transfers

The department of public service, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations in the



house of representatives.

Sec. 14. RACING COMMISSION	883,900	888,800
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Approved Complement - 10

General - 8

Special Revenue - 2

Sec. 15. CHARITABLE GAMBLING CONTROL BOARD	661,500	641,600
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Approved Complement - 15

One auditor position included in the complement must be reviewed for its continuation beyond the biennium ending June 30, 1989.

Sec. 16. ETHICAL PRACTICES BOARD	219,700	219,900
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Approved Complement - 5

Sec. 17. MINNESOTA MUNICIPAL BOARD	235,700	235,400
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Approved Complement - 4

Sec. 18. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	99,500	99,200
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\$17,000 the first year and \$17,000 the second year is available only if matched by funds from the state of Wisconsin. The additional position is available only for the biennium ending June 30, 1989.

Sec. 19. UNIFORM LAWS COMMISSION	13,600	13,600
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Sec. 20. VOYAGEURS NATIONAL PARK CITIZENS COMMITTEE	70,000	70,000
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Notwithstanding any law to the contrary, the citizens council on Voyageurs National Park is extended until June 30, 1989.

Sec. 21. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. Total Appropriation	9,682,300	9,751,100
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Minnesota Historical Society Operations	8,682,200	8,694,200
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Any unencumbered balance remaining at the end of the first year must be returned to the state treasury and credited to the general fund.

The appropriation in this subdivision includes no money for compensation increases. The Minnesota historical society is eligible for a salary supplement in the same manner as state

agencies. The commissioner of finance will determine the amount of the salary supplement based on available funds. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 3. Repair and Replacement	349,000	299,000
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\$100,000 the first year is for the restoration and preservation of murals, stencils, sculptures, statues, paintings, built-in exhibit areas, and objects of art or historical artifacts in the public areas of the state capitol, including the governor's anteroom, reception room, and private office.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. Historic Grant-In-Aid	286,100	286,100
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(a) Historic Preservation  
\$259,600      \$259,600

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

(b) Archaeology  
\$26,500      \$26,500

Subd. 5. Fiscal Agent	262,100	212,100
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(a) Sibley House Association  
\$58,000      \$58,000

This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any other law, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

(b) Minnesota Humanities Commission  
\$47,100      \$47,100

(c) Minnesota International Center  
\$38,000      \$38,000

(d) Minnesota Military Museum  
\$30,000

(e) Minnesota Air National Guard Museum  
\$20,000

(f) Government Learning Center  
\$69,000      \$69,000

This appropriation is for Project 120.

(g) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Subd. 6. State History Center	102,900	259,700
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This appropriation is available only if legislation is enacted providing funding for construction of a new state history center.

Sec. 22. BOARD OF THE ARTS

Subdivision 1. Total  
Appropriation

3,016,200	3,044,000
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	1988	1989
Approved Complement -	14	15
General -	11	12
Federal -	3	3

\$953,100 the first year and \$955,800 the second year are for the support of regional arts councils throughout the state.

Subd. 5. Balances Forward

Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Sec. 23. MINNESOTA

HORTICULTURAL SOCIETY	67,200	67,200
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Sec. 24. MINNESOTA ACADEMY OF  
SCIENCE

28,100	28,100
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Sec. 25. SCIENCE MUSEUM OF  
MINNESOTA

514,900	521,200
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Sec. 26. MINNESOTA SAFETY COUNCIL

50,700	50,700
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This appropriation is from the trunk highway fund.

Sec. 27. VETERANS OF FOREIGN WARS

30,000	30,000
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For carrying out the provisions of Laws 1945.

chapter 455.

Sec. 28. GENERAL CONTINGENT ACCOUNTS

325,000 325,000

The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Summary by Fund

Trunk Highway Fund

\$200,000 \$200,000

Highway User Tax Distribution Fund

\$125,000 \$125,000

Sec. 29. TORT CLAIMS

600,000 600,000

To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 30. [MASTER LEASE.]

*During the biennium ending June 30, 1989, for agencies to whom appropriations are made in this act, the master lease, as authorized in Minnesota Statutes, section 16A.85, may only be used to finance large equipment with a capital value of more than \$100,000 and a useful life of more than ten years, and for equipment already purchased under an existing lease-purchase agreement. The commissioner of finance must consult with the chairs of the senate finance committee and house appropriations committee before entering into a lease-purchase of equipment by a state agency in this act. This requirement does not apply to purchases by the commissioner of administration made with money from an internal services fund.*

Sec. 31. [EXPORT FINANCE AUTHORITY WORKING CAPITAL ACCOUNT.]

*The balance in the export finance authority working capital account shall be maintained at \$1,000,000.*

Sec. 32. [EMERGENCY RESPONSE COMMISSION.]

*The governor may designate the hazardous substance notification advisory committee to serve as and perform the functions of the state emergency response commission provided for under title III of the Superfund Amendments and Reauthorization Act of 1986. The governor may also appoint representatives of state agencies to serve on the state emergency response commission.*

Sec. 33. [MEMBERSHIP; COMPLEMENT OF BOARD OF WATER

**AND SOIL RESOURCES.]**

*Subdivision 1. [TRANSITION MEMBERSHIP.] In addition to the members specified in section 105, the initial board of water and soil resources shall have, through December 31, 1989, four temporary members who are soil and water conservation district supervisors appointed by the governor.*

*Subd. 2. [TRANSFER OF EMPLOYEES.] All classified and unclassified state positions and employees of the state soil and water conservation board and the water resources board are transferred to the board of water and soil resources in accordance with section 15.039, subdivision 7. The commissioner of employee relations shall place the unclassified position of the executive director of the water resources board and the classified position of the executive director of the soil and water conservation board in the proper job classification in the classified service without examination.*

**Sec. 34. [INSTRUCTION TO REVISOR.]**

*The revisor of statutes shall change the words "state soil and water conservation board," "water resources board," "water policy board" or other language intended to refer to those boards, wherever they appear in Minnesota Statutes to "board of water and soil resources" or other appropriate language to refer to the board of water and soil resources created in section 105.*

**Sec. 35. [TRANSPORTATION FINANCE STUDY COMMISSION.]**

*Subdivision 1. [MEMBERSHIP.] A transportation finance study commission is created consisting of five members of the house of representatives appointed by the speaker of the house and five members of the senate appointed by the senate subcommittee on committees. The commission shall select from its membership a chair or co-chairs and other officers it deems necessary.*

*Subd. 2. [STUDIES.] The commission shall study:*

*(1) present and future highway and transit needs, including state highways, county highways, city streets, town roads, and metropolitan and nonmetropolitan transit service;*

*(2) the adequacy of existing revenue sources to meet these needs;*

*(3) methods of raising additional revenue to meet these needs;*

*(4) alternatives to raising revenue as a method of dealing with highway and transit needs; and*

*(5) alternative methods of distributing present and future revenues among various levels of government.*

*Subd. 3. [REPORT.] The commission shall report to the legislature on its findings and recommendations not later than February 15, 1988, and shall cease to function after that date.*

*Subd. 4. [COMPENSATION.] Members of the commission must be compensated in the same manner as for other legislative meetings.*

**Sec. 36. [LEGISLATIVE STUDY COMMISSION ON GOVERNMENT AND BUSINESS COMPETITION.]**

*Subdivision 1. [ESTABLISHMENT.] A legislative study commission on government and business competition is established to review and report on the effect state and local laws and regulation have on the competitive*

environment of small businesses in the state. The commission shall also assess the cost to small business of nonprofit tax-exempt organization competition with small business, and the benefits derived from nonprofit tax-exempt organization services that might not be provided otherwise. The commission shall review and report on the competitive effect state-regulated industries and institutions have on small business. The commission may also recommend legislation it considers necessary to reduce unfair competition that results in societal costs between small business, state-regulated industries and institutions, and nonprofit tax-exempt organizations.

For purposes of this section, "small business" is as defined in Minnesota Statutes, section 645.445.

Subd. 2. [MEMBERSHIP] The commission shall consist of 11 members. Three members from the house of representatives shall be appointed by the speaker and three members from the senate shall be appointed by the subcommittee on committees of the committee on rules and administration. The governor shall appoint the remaining five members, two of whom must be representative of small business, two of whom must be representative of nonprofit tax-exempt organizations, and one from a state-regulated industry or institution.

Subd. 3. [STAFFING.] State agencies and legislative staff shall, upon request, assist the commission in discharging its duties.

Subd. 4. [COMPENSATION.] Compensation for nonlegislator members must be as provided in Minnesota Statutes, section 15.059.

Subd. 5. [REPORT.] The commission shall report its findings and recommendations to the legislature by March 1, 1988, on which date the commission shall cease to exist. The report must be distributed as required by Minnesota Statutes, section 3.195.

#### Sec. 37. [SURCHARGE AMOUNT ALLOCATED.]

Twenty-five cents of the amount collected on the surcharge for a certified copy of a birth certificate under Minnesota Statutes, section 144.226, subdivision 3, is appropriated from the children's trust fund established under Minnesota Statutes, section 299A.22 to the commissioner of public safety to be administered by the children's trust fund for the biennium ending June 30, 1989, for the purpose of implementing and administering the professional consultation telephone line and service, notwithstanding Minnesota Statutes, section 299A.25, subdivision 1, to the contrary.

#### Sec. 38. [MONEY CREDITED TO HIGHWAY FUND, TRANSIT FUND, AND GENERAL FUND.]

All money received under the provisions of Minnesota Statutes, chapter 171 after June 30, 1987, and before July 1, 1989, shall be paid into the state treasury with 60-2/3 percent credited to the trunk highway fund, 33-1/3 percent credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board, and six percent credited to the general fund, except as provided in Minnesota Statutes, section 171.29, subdivision 2.

Sec. 39. Minnesota Statutes 1986, section 12.14, is amended to read:

#### 12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS

ACT.]

Any person, firm, corporation or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment to cover the cost of nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. An assessment of ~~\$75,000~~ \$137,500 per plant shall be paid to the commissioner of public safety on July 1 of each year.

Sec. 40. Minnesota Statutes 1986, section 17A.04, subdivision 5, is amended to read:

Subd. 5. [LICENSE FEE.] The applicant shall submit to the commissioner the following applicable fees and penalties for late renewal:

- (a) ~~\$150~~ \$300 for each livestock market agency and public stockyard license, penalty ~~\$38~~ \$75;
- (b) ~~\$50~~ \$100 for each livestock dealer license, penalty ~~\$13~~ \$25;
- (c) ~~\$30~~ \$50 for each agent of a livestock dealer license, penalty ~~\$10~~ \$15;
- (d) ~~\$50~~ \$100 for each meat packing company license, penalty ~~\$13~~ \$25;
- (e) ~~\$30~~ \$50 for each agent of a meat packing company license, penalty ~~\$10~~ \$15.

Sec. 41. Minnesota Statutes 1986, section 18.51, subdivision 2, is amended to read:

Subd. 2. [FEES; PENALTY.] A nursery operator shall pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of the operator's nurseries as follows:

Nurseries:

- |   |                                  |
|---|----------------------------------|
| (1) 1/2 acre or less                        | \$30 \$40 per nursery operator   |
| (2) Over 1/2 acre to and including 2 acres  | \$50 \$60 per nursery operator   |
| (3) Over 2 acres to and including 10 acres  | \$100 \$125 per nursery operator |
| (4) Over 10 acres to and including 50 acres | \$300 \$360 per nursery operator |
| (5) Over 50 acres                           | \$600 \$725 per nursery operator |

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 42. Minnesota Statutes 1986, section 18.52, subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] A dealer shall pay an annual fee based on the dealer's gross sales during the preceding certificate year. A dealer operating for the first year will pay the minimum fee.

Dealers:

- |     |  |  |
|-----|--|--|
| (1) | Gross sales up to \$1,000                  | at a location<br><del>\$30</del> \$40 per location   |
| (2) | Gross sales over \$1,000 and up to \$5,000 | at a location<br><del>\$40</del> \$50 per location   |
| (3) | Gross sales over \$5,000 up to \$10,000    | at a location<br><del>\$70</del> \$85 per location   |
| (4) | Gross sales over \$10,000 up to \$25,000   | at a location<br><del>\$100</del> \$125 per location |
| (5) | Gross sales over \$25,000 up to \$75,000   | at a location<br><del>\$150</del> \$175 per location |
| (6) | Gross sales over \$75,000 up to \$100,000  | at a location<br><del>\$220</del> \$260 per location |
| (7) | Gross sales over \$100,000                 | at a location<br><del>\$330</del> \$400 per location |

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 43. Minnesota Statutes 1986, section 18.53, is amended to read:

18.53 [GREENHOUSE CERTIFICATION.]

The commissioner may inspect and certify greenhouses and greenhouse plants as being free from plant pests upon request of the greenhouse operator and issue a greenhouse certificate. The fee is ~~\$30~~ \$50 for each greenhouse operator. The certificate expires on November 15 next following the date of issue.

Sec. 44. [18B.01] [DEFINITIONS.]

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

*Subd. 2. [APPROVED AGENCY.] "Approved agency" means a state agency, other than the department of agriculture, or an agency of a county, municipality, or other political subdivision that has signed a joint powers agreement under section 471.59 with the commissioner.*

*Subd. 3. [BENEFICIAL INSECTS.] "Beneficial insects" means insects that are: (1) effective pollinators of plants; (2) parasites or predators of pests; or (3) otherwise beneficial.*

*Subd. 4. [BULK PESTICIDE.] "Bulk pesticide" means a pesticide that is held in an individual container, with a pesticide content of 56 United States gallons or more, or 100 pounds or greater net dry weight.*

*Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has a commercial applicator license.*

*Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or an agent authorized by the commissioner.*

*Subd. 7. [DEVICE.] "Device" means an instrument or contrivance, other than a firearm, that is intended or used to destroy, repel, or mitigate a pest, a form of plant or animal life other than humans, or a bacterium, virus, or other microorganism on or in living animals, including humans.*



*A device does not include equipment used for the application of pesticides if the equipment is sold separately from the instrument or contrivance.*

**Subd. 8. [DISTRIBUTE.]** *"Distribute" means offer for sale, sell, barter, ship, deliver for shipment, receive and deliver, and offer to deliver pesticides in this state.*

**Subd. 9. [ENVIRONMENT.]** *"Environment" means surface water, ground water, air, land, plants, humans, and animals and their interrelationships.*

**Subd. 10. [FIFRA.]** *"FIFRA" means the Federal Insecticide, Fungicide, Rodenticide Act, United States Code, title 7, sections 136 to 136y, and regulations under Code of Federal Regulations, title 40, subchapter E, parts 150 to 180.*

**Subd. 11. [HAZARDOUS WASTE.]** *"Hazardous waste" means any substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.*

**Subd. 12. [INCIDENT.]** *"Incident" means a flood, fire, tornado, transportation accident, storage container rupture, portable container rupture, leak, spill, or other event that releases or threatens to release a pesticide accidentally or otherwise, and may cause unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a pesticide in accordance with its approved labeling.*

**Subd. 13. [LABEL.]** *"Label" means the written, printed, or graphic matter on, or attached to, the pesticide or device or their containers or wrappers.*

**Subd. 14. [LABELING.]** *"Labeling" means all labels and other written, printed, or graphic matter:*

- (1) accompanying the pesticide or device;*
- (2) referred to by the label or literature accompanying the pesticide or device; or*
- (3) that relates or refers to the pesticide or to induce the sale of the pesticide or device.*

*"Labeling" does not include current official publications of the United States Environmental Protection Agency, United States Department of Agriculture, United States Department of Interior, United States Department of Health, Education and Welfare, state agricultural experiment stations, state agricultural colleges, and other similar federal or state institutions or agencies authorized by law to conduct research in the field of pesticides.*

**Subd. 15. [NONCOMMERCIAL APPLICATOR.]** *"Noncommercial applicator" means a person with a noncommercial applicator license.*

**Subd. 16. [PERSON.]** *"Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, unincorporated organization, the state, a state agency, or political subdivision.*

**Subd. 17. [PEST.]** *"Pest" means an insect, rodent, nematode, fungus, weed, terrestrial or aquatic plant, animal life, virus, bacteria, or other organism designated by rule as a pest, except a virus, bacteria, or other microorganism on or in living humans or other living animals.*

**Subd. 18. [PESTICIDE.]** *"Pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a*

*substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.*

**Subd. 19. [PESTICIDE DEALER.]** *"Pesticide dealer" means a person with a pesticide dealer license.*

**Subd. 20. [PLANT REGULATOR.]** *"Plant regulator" means a substance or mixture of substances intended through physiological action to accelerate or retard the rate of growth or rate of maturation of a plant, or to otherwise alter the behavior of ornamental or crop plants or the produce of the plants. Plant regulator does not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, or soil amendments.*

**Subd. 21. [PRIVATE APPLICATOR.]** *"Private applicator" means a person certified to use or supervise use of restricted use pesticides.*

**Subd. 22. [REGISTRANT.]** *"Registrant" means a person that has registered a pesticide under this chapter.*

**Subd. 23. [RESPONSIBLE PARTY.]** *"Responsible party" means a person who at the time of an incident has custody of, control of, or responsibility for a pesticide, pesticide container, or pesticide rinsate.*

**Subd. 24. [RESTRICTED USE PESTICIDE.]** *"Restricted use pesticide" means a pesticide formulation designated as a restricted use pesticide under FIFRA or by the commissioner under this chapter.*

**Subd. 25. [RINSATE.]** *"Rinsate" means a dilute mixture of a pesticide or pesticides with water, solvents, oils, commercial rinsing agents, or other substances, that is produced by or results from the cleaning of pesticide application equipment or pesticide containers.*

**Subd. 26. [SAFEGUARD.]** *"Safeguard" means a facility, device, or system, or a combination of these, designed to prevent the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment.*

**Subd. 27. [SITE.]** *"Site" means all land and water areas, including air space, and all plants, animals, structures, buildings, contrivances, and machinery whether fixed or mobile, including anything used for transportation.*

**Subd. 28. [STRUCTURAL PEST.]** *"Structural pest" means a pest, other than a plant, in, on, under, or near a structure.*

**Subd. 29. [STRUCTURAL PEST CONTROL.]** *"Structural pest control" means the control of any structural pest through the use of a device, a procedure, or application of pesticides in or around a building or other structures, including trucks, boxcars, ships, aircraft, docks, and fumigation vaults, and the business activity related to use of a device, a procedure, or application of a pesticide.*

**Subd. 30. [STRUCTURAL PEST CONTROL APPLICATOR.]** *"Structural pest control applicator" means a person with a structural pest control license.*

**Subd. 31. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.]** *"Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of*

any pesticide.

Subd. 32. [WILDLIFE.] "*Wildlife*" means all living things that are not human, domesticated, or pests.

Sec. 45. [18B.02] [PREEMPTION OF OTHER LAW.]

*Except as specifically provided in this chapter, the provisions of this chapter preempt ordinances by local governments that prohibit or regulate any matter relating to the registration, labeling, distribution, sale, handling, use, application, or disposal of pesticides. It is not the intent of this section to preempt local responsibilities for zoning, fire codes, or hazardous waste disposal.*

Sec. 46. [18B.03] [POWERS AND DUTIES OF COMMISSIONER.]

Subdivision 1. [ADMINISTRATION BY COMMISSIONER.] *The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of pesticides.*

Subd. 2. [DELEGATION OF DUTIES.] *The functions vested in the commissioner by this chapter may be delegated to designated employees or agents of the department of agriculture.*

Subd. 3. [DELEGATION TO APPROVED AGENCIES.] *The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of approved agencies.*

Sec. 47. [18B.04] [PESTICIDE IMPACT ON WATER QUALITY.]

*The commissioner shall:*

(1) *determine the impact of pesticides on surface and ground water in this state;*

(2) *develop best management practices involving pesticide distribution, storage, handling, use, and disposal; and*

(3) *cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.*

Sec. 48. [18B.05] [PESTICIDE REGULATORY ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] *A pesticide regulatory account is established in the state treasury. Fees and penalties except penalties collected under section 66, subdivision 4, collected under this chapter must be deposited in the state treasury and credited to the pesticide regulatory account.*

Subd. 2. [ANNUAL APPROPRIATION.] *Money in the account, including amount of interest attributable to money in the account and any money appropriated for the purposes of this chapter, is annually appropriated to the commissioner for the administration and enforcement of this chapter.*

Sec. 49. [18B.06] [RULES.]

Subdivision 1. [AUTHORITY.] *The commissioner shall adopt rules to implement and enforce this chapter including procedures addressing local control of pesticide regulation. Rules adopted under this chapter are part of this chapter and a violation of the rules is a violation of a provision of*

this chapter.

*Subd. 2. [CONFORMITY WITH FIFRA.] Rules adopted under this chapter:*

*(1) may not allow pesticide use that is prohibited by FIFRA; or*

*(2) relating to private applicators of restricted use pesticides and special local needs registrations, may not be inconsistent with the requirements of FIFRA.*

*Subd. 3. [PESTICIDE USE, HANDLING, AND DISPOSAL.] The commissioner shall adopt rules, including emergency rules, to govern the distribution, use, storage, handling, and disposal of pesticides, rinsates, and pesticide containers.*

**Sec. 50. [18B.07] [PESTICIDE USE, APPLICATION, AND EQUIPMENT CLEANING.]**

*Subdivision 1. [PESTICIDE USE.] Pesticides must be applied in accordance with the product label or labeling and in a manner that will not cause unreasonable adverse effects on the environment within limits prescribed by this chapter and FIFRA.*

*Subd. 2. [PROHIBITED PESTICIDE USE.] (a) A person may not use, store, handle, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:*

*(1) inconsistent with labeling;*

*(2) that endangers humans, damages agricultural products, food, livestock, fish, wildlife, or beneficial insects; or*

*(3) that will cause unreasonable adverse effects on the environment.*

*(b) A person may not direct a pesticide on property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.*

*(c) A person may not directly apply a pesticide on a human by overspray or target site spray.*

*(d) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.*

*Subd. 3. [POSTING.] (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application, the person applying the pesticide must post fields, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.*

*(b) Fields being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment.*

*Subd. 4. [PESTICIDE SAFEGUARDS AT APPLICATION SITES.] A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent the escape or movement of the pesticides from the site.*

*Subd. 5. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.] A person may not fill pesticide application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device*

that complies with the Minnesota Plumbing Code under Minnesota Rules, parts 4715.2000 to 4715.2280.

**Subd. 6. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.]** (a) A person may not fill pesticide application equipment directly from public waters of the state, as defined in section 105.37, subdivision 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

**Subd. 7. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.]** (a) A person may not:

(1) clean pesticide application equipment in surface waters of the state; or

(2) fill or clean pesticide application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, pesticides or materials contaminated with pesticides could enter or contaminate the surface waters, ground water, or wells, as a result of overflow, leakage, or other causes.

(b) This subdivision does not apply to permitted application of aquatic pesticides to public waters.

**Subd. 8. [PESTICIDE, RINSATE, AND CONTAINER DISPOSAL.]** A person may only dispose of pesticide, rinsate, and pesticide containers in accordance with this chapter and FIFRA. The manner of disposal must not cause unreasonable adverse effects on the environment.

**Sec. 51. [18B.08] [CHEMIGATION.]**

**Subdivision 1. [PERMIT REQUIRED.]** (a) A person may not apply pesticides through an irrigation system without a chemigation permit from the commissioner. Only one chemigation permit is required for two or more wells that are protected from contamination by the same devices. The commissioner may allow irrigation to be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

**Subd. 2. [PESTICIDE.]** A pesticide used under a chemigation permit must be suitable and labeled for application through an irrigation system.

**Subd. 3. [EQUIPMENT.]** A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

**Subd. 4. [APPLICATION FEE.]** A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50 for each

well that is to be used in applying the pesticides by irrigation.

**Subd. 5. [RULES.]** *The commissioner shall, by rule, develop specific requirements for implementation of a program to regulate application of pesticides by irrigation.*

**Sec. 52. [18B.09] [PESTICIDE APPLICATION IN CITIES.]**

**Subdivision 1. [APPLICABILITY.]** *This section applies only to statutory and home rule charter cities that enact ordinances as provided in this section.*

**Subd. 2. [AUTHORITY.]** *Statutory and home rule charter cities may enact an ordinance containing the pesticide application warning information contained in subdivision 3, including their own licensing, penalty, and enforcement provisions. Statutory and home rule charter cities may not enact an ordinance that contains more restrictive pesticide application warning information than is contained in subdivision 3.*

**Subd. 3. [WARNING SIGNS FOR PESTICIDE APPLICATION.]** *(a) All commercial or noncommercial applicators who apply pesticides to turf areas must post or affix warning signs on the property where the pesticides are applied.*

*(b) Warning signs must project at least 18 inches above the top of the grass line. The warning signs must be of a material that is rain-resistant for at least a 48-hour period and must remain in place up to 48 hours from the time of initial application.*

*(c) The following information must be printed on the warning sign in contrasting colors and capitalized letters measuring at least one-half inch, or in another format approved by the commissioner. The sign must provide the following information:*

*(1) the name of the business organization, entity, or person applying the pesticide; and*

*(2) the following language: "This area chemically treated. Keep children and pets off until .....(date of safe entry)....." or a universally accepted symbol and text approved by the commissioner that is recognized as having the same meaning or intent as specified in this paragraph. The warning sign may include the name of the pesticide used.*

*(d) The warning sign must be posted on a lawn or yard between two feet and five feet from the sidewalk or street. For parks, golf courses, athletic fields, playgrounds, or other similar recreational property, the warning signs must be posted immediately adjacent to areas within the property where pesticides have been applied and at or near the entrances to the property.*

**Sec. 53. [18B.10] [ACTION TO PREVENT GROUND WATER CONTAMINATION.]**

*The commissioner may, by rule, special order, or delegation through written regulatory agreement with officials of other approved agencies, take action necessary to prevent the contamination of ground water resulting from leaching of pesticides through the soil, from the backsiphoning or back-flowing of pesticides through water wells, or from the direct flowage of pesticides to ground water.*

**Sec. 54. [18B.11] [SALE AND USE OF TCDD.]**

*A person may not sell, offer for sale, or use a pesticide containing in excess of 0.1 parts per million of 2,3,7, 8-tetrachlorodibenzo-para-dioxin (TCDD).*

**Sec. 55. [18B.12] [SALE AND DISTRIBUTION OF ADULTERATED PESTICIDES.]**

*A person may not offer for sale or distribute a pesticide that is determined by the commissioner to be adulterated, including a pesticide that has:*

- (1) a strength or purity that does not meet the standard of quality expressed on its label;*
- (2) a constituent entirely or partially substituted; or*
- (3) an important or necessary constituent entirely or partially removed.*

**Sec. 56. [18B.13] [SALE AND DISTRIBUTION OF MISBRANDED PESTICIDES AND DEVICES.]**

*A person may not offer for sale or distribute a pesticide or device determined by the commissioner to be misbranded, including a pesticide or device that:*

- (1) is an imitation of or is offered for sale under the name of another pesticide or device; or*
- (2) does not comply with the labeling requirements under this chapter or FIFRA.*

**Sec. 57. [18B.14] [PESTICIDE STORAGE.]**

*Subdivision 1. [DISPLAY AND STORAGE.] (a) A person may store or display pesticides and their containers only in the original container and separated from food, feed, seed, livestock remedies, drugs, plants, and other products or materials stored, displayed, or offered for sale in a manner that prevents contamination which would cause injury or damage to the other products or materials.*

*(b) A person may not allow open pesticide containers to be displayed for sale under any circumstances.*

*Subd. 2. [BULK PESTICIDE STORAGE.] (a) A person storing pesticides in containers of a rated capacity of 500 gallons or more must obtain a pesticide storage permit from the commissioner.*

*(b) Applications must be on forms provided by the commissioner containing information established by rule. The initial application for a permit must be accompanied by a nonrefundable application fee of \$100 for each location where the pesticides are stored.*

*(c) The commissioner shall by rule develop and implement a program to regulate bulk pesticides. The rules must include installation of secondary containment devices, storage site security, safeguards, notification of storage site locations, criteria for permit approval, a schedule for compliance, and other appropriate requirements necessary to minimize potential adverse effects on the environment. The rules must conform with existing rules of the pollution control agency.*

**Sec. 58. [18B.15] [PESTICIDE RELEASE INCIDENTS.]**

*Subdivision 1. [DUTIES OF RESPONSIBLE PARTY.] (a) A responsible party involved in an incident must immediately report the incident to the*

department of agriculture and provide information as requested by the commissioner. The responsible party must pay for the costs and immediately take all action necessary to minimize or abate the release and to recover pesticides involved in the incident.

(b) The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner.

**Subd. 2. [COMMISSIONER'S ACTION.]** (a) If in the judgment of the commissioner the responsible party does not take immediate and sufficient action to abate the release of and to recover the pesticide, the commissioner may take action necessary to mitigate or correct the conditions resulting from an incident. The responsible party must reimburse the commissioner for the costs incurred by the commissioner in the enforcement of this subdivision.

(b) The department of agriculture is the lead state agency for responding to and taking action with regard to pesticide incidents.

#### **Sec. 59. [18B.16] [EMPLOYER LIABILITY FOR EMPLOYEES.]**

Structural pest control applicators, commercial applicators, noncommercial applicants and pesticides dealers are criminally liable for violations of this chapter by their employees and agents.

#### **Sec. 60. [18B.17] [COOPERATIVE INSPECTION AND ENFORCEMENT AGREEMENTS.]**

**Subdivision 1. [COOPERATIVE AGREEMENTS.]** The commissioner may enter into cooperative agreements with federal and state agencies for training, certification, inspection, and enforcement programs and may make reports to the United States Environmental Protection Agency and other federal agencies as required or requested. The commissioner may adopt and enforce federal standards, regulations, or orders relating to pesticide regulation when determined to be in the best interest of citizens of the state.

**Subd. 2. [TRAINING AGREEMENTS.]** For purposes of training only, the commissioner may enter into agreements with qualified public or private organizations that wish to offer training programs.

#### **Sec. 61. [18B.18] [INSPECTION.]**

**Subdivision 1. [ACCESS AND ENTRY.]** (a) The commissioner, and the commissioner's agents, upon issuance of a notice of inspection, must be granted access at reasonable times to (1) sites where a restricted use pesticide is used; (2) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a pesticide in violation of provisions of this chapter; and (3) to all sites affected, or possibly affected, by the use of a pesticide, rinsate, pesticide container, or device in violation of a provision of this chapter.

(b) The commissioner and commissioner's agents may enter sites for:

(1) inspection of equipment for the manufacture, formulation, distribution, disposal, or application of pesticides and the premises on which the equipment is stored;

(2) sampling of sites actually or reportedly exposed to pesticides;

(3) inspection of storage, handling, distribution, use, or disposal areas



*of pesticides or pesticide containers;*

*(4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;*

*(5) sampling of pesticides;*

*(6) observation of the use and application of a pesticide;*

*(7) inspection of records related to the manufacture, distribution, use, or disposal of pesticides; and*

*(8) other purposes necessary to implement this chapter.*

**Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.]** *Before leaving the premises inspected, the commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.*

**Sec. 62. [18B.19] [PRIVATE REQUEST FOR INSPECTION OF VIOLATION.]**

**Subdivision 1. [STATEMENT OF VIOLATION.]** *A person that suspects a provision of this chapter has been violated may file a written inspection request with the commissioner. The written request must contain:*

*(1) the person's name and address;*

*(2) the name of the person for whom the application was done;*

*(3) the name of the applicator;*

*(4) the date of the application;*

*(5) a description of the suspected violation; and*

*(6) other information the commissioner may require.*

**Subd. 2. [INSPECTION FOR SUSPECTED VIOLATION.]** *If the request for inspection is filed within 60 days after the pesticide was applied or damage has occurred, the commissioner shall investigate to determine if provisions of this chapter have been violated. The commissioner may discontinue the investigation after determining provisions of this chapter have not been violated.*

**Subd. 3. [INSPECTION FILE DISCLOSURE.]** *Copies of completed inspection files are available to the person making the inspection request, the applicator, or their agents, upon written request.*

**Sec. 63. [18B.20] [ENFORCEMENT.]**

**Subdivision 1. [ENFORCEMENT REQUIRED.]** *(a) The commissioner shall enforce this chapter.*

*(b) Upon the request of the commissioner or an agent authorized by the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter, or special orders, standards, stipulations, and agreements of the commissioner.*

**Subd. 2. [CRIMINAL ACTIONS.]** *For a criminal action, the county attorney where a violation occurred is responsible for prosecuting a violation of a provision of this chapter. If the county attorney refuses to*

*prosecute, the attorney general may prosecute.*

*Subd. 3. [CIVIL ACTIONS.] Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and the attorney general.*

*Subd. 4. [INJUNCTION.] The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of provisions of this chapter.*

*Subd. 5. [AGENT FOR SERVICE OF PROCESS.] All nonresident commercial and structural pest control applicator licensees licensed as individuals must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee.*

*Subd. 6. [SUBPOENAS.] The commissioner may issue subpoenas to compel the attendance of witnesses or submission of books, documents, and records affecting the authority or privilege granted by a license, registration, certification, or permit issued under this chapter.*

#### **Sec. 64. [18B.21] [ADMINISTRATIVE ACTION.]**

*Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale, or other special order, seizure, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.*

*Subd. 2. [REVOCATION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to renew a registration, permit, license, or certification if a person violates a provision of this chapter.*

*Subd. 3. [REMEDIAL ACTION ORDERS.] (a) If the commissioner has probable cause that a pesticide, pesticide container, rinsate, pesticide equipment, or device is being used, manufactured, distributed, stored, or disposed of in violation of a provision of this chapter, the commissioner may investigate and issue a written cease and desist, stop-sale, stop-use, or removal order or other remedial action to the owner, custodian, or other responsible party. If the owner, custodian, or other responsible party is not available for service of the order, the commissioner may attach the order to the pesticide, pesticide container, rinsate, pesticide equipment, or device or facility and notify the owner, custodian, other responsible party, or the registrant. The pesticide, pesticide container, rinsate, pesticide equipment, or device may not be sold, used, or removed until the violation has been corrected and the pesticide, pesticide container, rinsate, pesticide equipment, or device has been released in writing under conditions specified by the commissioner, or until the violation has been otherwise disposed of by a court.*

*(b) If a violation of a provision of this chapter results in conditions that may have an unreasonable adverse effect on humans, domestic animals, wildlife, or the environment, the commissioner may, by order, require remedial action, including removal and proper disposal.*

#### **Sec. 65. [18B.22] [DAMAGES AGAINST STATE FOR ADMINISTRATIVE ACTION WITHOUT CAUSE.]**

*If the commissioner did not have probable cause for an administrative action, including the issuance of a stop-sale, use, or removal order, a court may allow recovery for damages caused by the administrative action.*

**Sec. 66. [18B.23] [CIVIL PENALTIES.]**

*Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivisions 2 and 5, a person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner is subject to a civil penalty of up to \$10,000 per day of violation as determined by the court.*

*Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner that relates to disposal of pesticides so that they become hazardous waste, is subject to a civil penalty of up to \$25,000 per day of violation as determined by the court.*

*Subd. 3. [CLEANUP COSTS.] A person who violates a provision of this chapter is liable for and must pay to the state a sum that will compensate the state for the reasonable value of cleanup and other expenses directly resulting from the illegal use, storage, handling, or disposal of pesticides, whether accidental or otherwise.*

*Subd. 4. [WILDLIFE AND OTHER DAMAGES.] (a) A person who violates a provision of this chapter is liable for and must pay to the state a sum to constitute just compensation for the loss or destruction of wildlife, fish, or other aquatic life, and for actual damages to the state caused by the illegal use, storage, handling, or disposal of pesticides.*

*(b) The amounts paid as compensation for loss of or destruction to wildlife, fish, or other aquatic life must be deposited into the state treasury and credited to the game and fish fund.*

*Subd. 5. [DIRECTLY SPRAYING HUMANS.] A person who directly applies pesticides on a human by target site spraying in an open field is subject to a civil penalty up to \$5,000 as determined by the court.*

*Subd. 6. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 to 4, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.*

*Subd. 7. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.*

*Subd. 8. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.*

*Subd. 9. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] In an action brought by the attorney general or a county attorney in the name of the state under this chapter for civil penalties, injunctive relief, or in an action to compel compliance, if the state finally prevails, the state,*

*in addition to other penalties provided in this chapter, must be allowed an amount determined by the court to be the reasonable value of all or a part of the litigation expenses including attorney fees incurred by the state or county attorney. In determining the amount of these litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.*

**Sec. 67. [18B.24] [UNSATISFIED JUDGMENTS.]**

*(a) An applicant for a commercial, noncommercial, or structural pest control license and a commercial, noncommercial, or structural pest control applicator may not allow a final judgment against the applicant or applicator for damages arising from a violation of a provision of this chapter to remain unsatisfied for a period of more than 30 days.*

*(b) Failure to satisfy within 30 days a final judgment resulting from these pest control activities will result in automatic suspension of the applicator license.*

**Sec. 68. [18B.25] [CRIMINAL PENALTIES.]**

*Subdivision 1. [GENERAL VIOLATION.] Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor, if the person violates a provision of this chapter, or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner.*

*Subd. 2. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor if the person violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.*

*Subd. 3. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor if the person knowingly violates a provision of this chapter or standard, a special order, stipulation, agreement, or schedule of compliance of the commissioner.*

*Subd. 4. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of a pesticide so that the product becomes hazardous waste is subject to the penalties in section 115.071.*

**Sec. 69. [18B.26] [PESTICIDE REGISTRATION.]**

*Subdivision 1. [REQUIREMENT.] A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year. Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.*

*Subd. 2. [APPLICATION.] (a) A person must file an application for registration with the commissioner. The application must include:*

*(1) the name and address of the applicant and the name and address of the person whose name will appear on the label, if other than the applicant;*

*(2) the brand name of the pesticide;*

*(3) other necessary information required by the registration application form;*

(4) a true and complete copy of the labeling accompanying the pesticide as provided for in FIFRA; and

(5) current material safety data sheets for each pesticide.

(b) As part of the application, the commissioner may require the submission of any relevant information including the complete formula of a pesticide, including the active and inert ingredients.

**Subd. 3. [APPLICATION FEE.]** (a) An application for initial registration and renewal must be accompanied by a nonrefundable application fee of \$125 for each pesticide to be registered.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before initial state registration.

**Subd. 4. [EFFECT OF REGISTRATION AFTER RENEWAL APPLICATION.]** If a registration is in effect on December 31 and a renewal application has been made and the application fee paid, the registration continues in full force and effect until the commissioner notifies the applicant that the registration is denied or canceled, or the renewed registration expires.

**Subd. 5. [APPLICATION REVIEW AND REGISTRATION.]** (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial, cancellation, or state use restrictions within 30 days after the application and fee are received.

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified by the commissioner.

**Sec. 70. [18B.27] [PESTICIDE REGISTRATION FOR SPECIAL LOCAL NEEDS.]**

**Subdivision 1. [APPLICATION.]** (a) A person must file an application for a special local need application with the commissioner. The application must meet the requirements of section 69, subdivision 2, and the commissioner may require other relevant information.

(b) The commissioner may require a full description of tests and test results upon which claims are based for:

(1) a pesticide use that is not registered under section 69 or FIFRA; or

(2) a pesticide on which restrictions are being considered.

(c) The applicant may request in writing privacy of information submitted as provided in section 81.

**Subd. 2. [APPLICATION REVIEW.]** (a) After reviewing the application accompanied by the application fee, the commissioner shall, subject to the

*terms and conditions of the authorization by the administrator of the United States Environmental Protection Agency to register pesticides to meet special local needs, register pesticides if the commissioner determines that:*

- (1) the pesticide's composition warrants the proposed claims for the pesticide;*
- (2) the pesticide's label and other material required to be submitted comply with this chapter;*
- (3) the pesticide will perform its intended function without unreasonable adverse effect on the environment;*
- (4) the pesticide will not generally cause unreasonable adverse effects on the environment when used in accordance with label directions; and*
- (5) a special local need for the pesticide exists.*

*(b) The commissioner may revoke or modify a special local need registration if the commissioner determines that the terms or conditions of the registration do not comply with paragraph (a).*

*Subd. 3. [APPLICATION FEE.] An application fee for a special local need registration must be accompanied by a nonrefundable fee of \$125.*

**Sec. 71. [18B.28] [EXPERIMENTAL USE PESTICIDE PRODUCT REGISTRATION.]**

*Subdivision 1. [REQUIREMENT.] A person may not use or distribute an experimental use pesticide product in the state until it is registered with the commissioner. Experimental use pesticide product registrations expire on December 31 of each year and may be renewed on or before that date.*

*Subd. 2. [APPLICATION REVIEW AND REGISTRATION.] (a) After reviewing the application accompanied by the application fee, the commissioner may issue an experimental use pesticide product registration if the commissioner determines that the applicant needs the registration to accumulate information necessary to register a pesticide under section 69. The commissioner may prescribe terms, conditions, and a limited period of time for the experimental use product registration. After an experimental use pesticide product registration is issued, the commissioner may revoke or modify the registration at any time if the commissioner finds that its terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.*

*(b) The commissioner may deny issuance of an experimental use pesticide product registration permit if the commissioner determines that issuance of a registration is not warranted or that the use to be made of the pesticide under the proposed terms and conditions may cause unreasonable adverse effects on the environment.*

*Subd. 3. [APPLICATION.] A person must file an application for experimental use pesticide product registration with the commissioner. An application to register an experimental use pesticide product must include:*

- (1) the name and address of the applicant;*
- (2) a federal environmental protection agency approval document;*
- (3) the purpose or objectives of the experimental use product;*
- (4) an accepted experimental use pesticide product label;*

(5) the name, address, and telephone number of cooperators or participants in this state;

(6) the amount of material to be shipped or used in this state; and

(7) other information requested by the commissioner.

Subd. 4. [APPLICATION FEE.] (a) An application for registration of an experimental use pesticide product must be accompanied by a nonrefundable application fee of \$125.

(b) An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before an initial experimental use pesticide product registration was issued for the pesticide.

#### Sec. 72. [18B.29] [RECIPROCAL LICENSING AND CERTIFICATION AGREEMENTS.]

The commissioner may waive all or part of the examination requirements provided for in sections 72 to 78 on a reciprocal basis with any other jurisdiction which has substantially the same requirements. Licenses or certificates issued under sections 72 to 78 may be suspended or revoked upon suspension or revocation of the license or certificate of another jurisdiction supporting the issuance of a Minnesota license or certificate and in the same manner as other licenses and certificates.

#### Sec. 73. [18B.30] [PESTICIDE USE LICENSE REQUIREMENT.]

A person may not use or supervise the use of a restricted use pesticide without a license or certification required under sections 72 to 78 and the use may only be done under conditions prescribed by the commissioner.

#### Sec. 74. [18B.31] [PESTICIDE DEALER LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (b), a person may not distribute or possess restricted use pesticides or bulk pesticides with an intent to distribute them to an ultimate user without a pesticide dealer license.

(b) The pesticide dealer license requirement does not apply to:

(1) a licensed commercial applicator, noncommercial applicator, or structural pest control applicator who uses restricted use pesticides only as an integral part of a pesticide application service;

(2) a federal, state, county, or municipal agency using restricted use pesticides for its own programs;

(3) a licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in the pharmacist's, physician's, dentist's, or veterinarian's practice; or

(4) a distributor or wholesaler shipping restricted use pesticides to commercial applicators who are the ultimate users.

(c) A licensed pesticide dealer may sell restricted use pesticides only to an applicator licensed or certified by the commissioner, unless a sale is allowed by rule.

Subd. 2. [RESPONSIBILITY.] A pesticide dealer is responsible for the acts of a person who assists the dealer in the solicitation and sale of restricted use pesticides.

Subd. 3. [LICENSE.] A pesticide dealer license:

(1) expires on December 31 of each year unless it is suspended or revoked before that date; and

(2) is not transferable to another person.

**Subd. 4. [APPLICATION.]** (a) A person must apply to the commissioner for a pesticide dealer license on the forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to sell bulk pesticides or restricted use pesticides.

(b) The commissioner may require an additional demonstration of dealer qualification if the dealer has had a license suspended or revoked, or has otherwise had a history of violations of this chapter.

**Subd. 5. [APPLICATION FEE.]** (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$50.

(b) If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of \$20 must be paid by the applicant before the license is issued.

## **Sec. 75. [18B.32] [STRUCTURAL PEST CONTROL LICENSE.]**

**Subdivision 1. [REQUIREMENT.]** (a) A person may not engage in structural pest control applications:

(1) for hire without a structural pest control license; and

(2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations.

(b) A structural pest control licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

**Subd. 2. [LICENSES.]** (a) A structural pest control license:

(1) expires on December 31 of the year for which the license is issued; and

(2) is not transferable.

(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.

**Subd. 3. [APPLICATION.]** (a) A person must apply to the commissioner for a structural pest control license to be licensed as a master, journeyman, or fumigator on forms and in the manner required by the commissioner. The commissioner shall require the applicant to pass a written, closed-book, monitored examination or oral examination, or both, and may also require a practical demonstration regarding structural pest control. The commissioner shall establish the examination procedure, including the phases and contents of the examination.

(b) The commissioner may license a person as a master under a structural pest control license if the person has the necessary qualifications through knowledge and experience to properly plan, determine, and supervise the



selection and application of pesticides in structural pest control. To demonstrate the qualifications and become licensed as a master, a person must:

(1) pass closed-book testing administered by the commissioner; and

(2) by direct experience as a licensed journeyman under a structural pest control license for at least two years by this state or a state with equivalent certification requirements or as a full-time licensed master in another state with equivalent certification requirements, show practical knowledge and field experience in the actual selection and application of pesticides under varying conditions.

(c) The commissioner may license a person as a journeyman under a structural pest control license if the person:

(1) has the necessary qualifications in the practical selection and application of pesticides;

(2) has passed a closed-book examination given by the commissioner; and

(3) is engaged as an employee of or is working under the direction of a person licensed as a master under a structural pest control license.

(d) The commissioner may license a person as a fumigator under a structural pest control license if the person:

(1) has knowledge of the practical selection and application of fumigants;

(2) has passed a closed-book examination given by the commissioner; and

(3) is licensed by the commissioner as a master or journeyman under a structural pest control license.

**Subd. 4. [RENEWAL.]** (a) A structural pest control applicator license may be renewed on or before the expiration of an existing license subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competency and ability to use pesticides safely and properly. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) If a person fails to renew a structural pest control license within three months of its expiration, the person must obtain a structural pest control license subject to the requirements, procedures, and fees required for an initial license.

**Subd. 5. [FINANCIAL RESPONSIBILITY.]** (a) A structural pest control license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by:

(1) proof of net assets equal to or greater than \$50,000; or

(2) a performance bond or insurance of a kind and in an amount determined by the commissioner.

(b) The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner must immediately suspend the license of a person who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a

provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured to maintain financial responsibility equal to the original amount required.

(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.

Subd. 6. [FEES.] (a) An applicant for a structural pest control license for a business must pay a nonrefundable application fee of \$100. An employee of a licensed business must pay a nonrefundable application fee of \$50 for an individual structural pest control license.

(b) An application received after expiration of the structural pest control license is subject to a penalty fee of 50 percent of the application fee.

(c) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

#### Sec. 76. [18B.33] [COMMERCIAL APPLICATOR LICENSE.]

Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories except a structural pest control applicator.

(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic category endorsement on a commercial applicator license.

(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.

Subd. 2. [RESPONSIBILITY.] A person required to be licensed under this section who performs pesticide applications for hire or who employs a licensed applicator to perform pesticide application for pro rata compensation is responsible for proper application of the pesticide or device.

Subd. 3. [LICENSE.] A commercial applicator license:

(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; and

(2) is not transferable to another person.

Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a commercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible for the commercial applicator license.

(b) Aerial applicators must also fulfill applicable requirements in chapter 360.

(c) *An applicant that desires an aquatic category endorsement must pass an examination prepared by the commissioner of natural resources and administered by the department of agriculture.*

**Subd. 5. [RENEWAL APPLICATION.]** (a) *A person must apply to the commissioner to renew a commercial applicator license. The commissioner may renew a commercial applicator license accompanied by the application fee, subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. The applicant may renew a commercial applicator license within 12 months after expiration of the license without having to meet initial testing requirements. The commissioner may require additional demonstration of applicator qualification if a person has had a license suspended or revoked or has had a history of violations of this chapter.*

(b) *An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.*

**Subd. 6. [FINANCIAL RESPONSIBILITY.]** (a) *A commercial applicator license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by: (1) proof of net assets equal to or greater than \$50,000; or (2) by a performance bond or insurance of the kind and in an amount determined by the commissioner.*

(b) *The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner must immediately suspend the license of a person who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured to maintain financial responsibility equal to the original amount required.*

(c) *An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.*

(d) *Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.*

**Subd. 7. [APPLICATION FEES.]** (a) *A person initially applying for or renewing a commercial applicator license as a business entity must pay a nonrefundable application fee of \$50, except a person who is an employee of a business entity that has a commercial applicator license and is applying for or renewing a commercial applicator license as an individual the non-refundable application fee is \$25.*

(b) *If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the commercial applicator license may be issued.*

**Sec. 77. [18B.34] [NONCOMMERCIAL APPLICATOR LICENSE.]**

**Subdivision 1. [REQUIREMENT.]** (a) *Except for a commercial appli-*

cator, private applicator, or structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.

(b) A person with a noncommercial applicator license may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.

(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

Subd. 2. [LICENSE.] A noncommercial applicator license:

(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; and

(2) is not transferable.

Subd. 3. [APPLICATION.] A person must apply to the commissioner for a noncommercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to acquire a noncommercial applicator license. An applicant desiring to apply pesticides into or on surface waters must pass an examination prepared by the department of natural resources and administered by the commissioner.

Subd. 4. [RENEWAL.] (a) A person must apply to the commissioner to renew a noncommercial applicator license. The commissioner may renew a license subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

(c) An applicant has 12 months to renew the license after expiration without having to meet initial testing requirements.

Subd. 5. [FEES.] (a) A person initially applying for or renewing a noncommercial applicator license as a business entity must pay a non-refundable application fee of \$50. A person who is an employee of a business entity that has a noncommercial applicator license and is applying for or renewing a noncommercial applicator license as an individual must pay a nonrefundable application fee of \$25, except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the renewal license may be

issued.

**Sec. 78. [18B.35] [APPLICATION CATEGORIES WITHIN APPLICATOR LICENSES.]**

*Subdivision 1. [ESTABLISHMENT.] (a) The commissioner may establish categories of structural pest control, commercial applicator, and non-commercial applicator licenses for administering and enforcing this chapter. The categories may include pest control operators and ornamental, agricultural, aquatic, forest, and right-of-way pesticide applicators. Separate subclassifications of categories may be specified as to ground, aerial, or manual methods to apply pesticides or to the use of pesticides to control insects, plant diseases, rodents, or weeds.*

*(b) Each category is subject to separate testing procedures and requirements.*

*Subd. 2. [NO ADDITIONAL FEE.] A person may not be required to pay an additional fee for a category or subclassification of a category of a license.*

**Sec. 79. [18B.36] [PRIVATE APPLICATOR CERTIFICATION.]**

*Subdivision 1. [REQUIREMENT.] (a) Except for a commercial or non-commercial applicator, only a person certified as a private applicator may use or supervise the use of a restricted use pesticide to produce an agricultural commodity:*

*(1) as a traditional exchange of services without financial compensation; or*

*(2) on a site owned, rented, or managed by the person or the person's employees.*

*(b) A private applicator may not purchase a restricted use pesticide without presenting a private applicator card or the card number.*

*Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training to certify persons as private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies.*

*(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of five years from the applicant's nearest birthday.*

*(c) The commissioner shall issue a private applicator card to a private applicator.*

*Subd. 3. [FEES.] (a) A person applying to be certified as a private applicator must pay a nonrefundable \$10 application fee for the certification period.*

*(b) A \$5 fee must be paid for the issuance of a duplicate private applicator card.*

**Sec. 80. [18B.37] [RECORDS, REPORTS, PLANS, AND INSPECTIONS.]**

*Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must*

*maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.*

*(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.*

*(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.*

**Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.]**

*(a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. The record must include the:*

- (1) date of the pesticide use;*
- (2) time the pesticide application was completed;*
- (3) pesticide and dosage used;*
- (4) number of units treated;*
- (5) temperature, wind speed, and wind direction;*
- (6) location of the site where the pesticide was applied;*
- (7) name and address of the customer;*
- (8) name, license number, address, and signature of applicator; and*
- (9) any other information required by the commissioner.*

*(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.*

*(c) All information for this record requirement must be contained in a single document for each pesticide application. Invoices containing the required information may constitute the required record.*

*(d) A commercial applicator must give a copy of the record to the customer when the application is completed.*

*(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.*

**Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.]** *(a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:*

- (1) date of structural pest control application;*
- (2) target pest;*
- (3) name of the pesticide used;*
- (4) for fumigation, the temperature and exposure time;*
- (5) name and address of the customer;*
- (6) structural pest control applicator's company name and address, applicator's signature, and license number; and*
- (7) any other information required by the commissioner.*

(b) Invoices containing the required information may constitute the record.

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site.

**Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.]** A commercial, noncommercial, or structural pest control applicator or the licensed business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

**Subd. 5. [INSPECTION OF RECORDS.]** The commissioner may enter a commercial, noncommercial, or structural pest control applicator's business and inspect the records required in this section at any reasonable time and may make copies of the records. Unless required for enforcement of this chapter, the information in the records in this section is private or nonpublic.

#### **Sec. 81. [18B.38] [PROTECTION OF TRADE SECRETS.]**

**Subdivision 1. [REQUIREMENTS.]** In submitting data required by this chapter, the applicant may:

(1) clearly mark any portions that in the applicant's opinion are trade secrets, commercial, or financial information; and

(2) submit the marked material separately from other material.

**Subd. 2. [INFORMATION REVEALED.]** After consideration of the applicant's request submitted under subdivision 1, the commissioner shall not make any information public that in the commissioner's judgment contains or relates to trade secrets or to commercial or financial information obtained from an applicant. When necessary, information relating to formulas of products may be revealed to any state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.

**Subd. 3. [NOTIFICATION.]** If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under subdivision 2, the commissioner shall notify the applicant or registrant by certified mail. The commissioner shall not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period the applicant or registrant may institute an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.

#### **Sec. 82. [EXISTING RULES.]**

Rules of the commissioner of agriculture in effect on the effective date of this act relating to the distribution, use, storage, handling, and disposal of pesticides, rinsates, and pesticide containers remain in effect until they are superseded by new rules. The commissioner may adopt emergency

rules to implement this act until December 31, 1987.

**Sec. 83. [PESTICIDE CONTAINER DEPOSIT REPORT.]**

*The commissioner of agriculture in consultation with the director of the pollution control agency shall develop a program for pesticide container deposit and return of triple rinsed pesticide containers. The commissioner shall prepare a report on a proposed program and legislative recommendations and submit the report to the house of representatives and senate committees on agriculture by January 15, 1988.*

**Sec. 84.** Minnesota Statutes 1986, section 27.041, subdivision 2, is amended to read:

**Subd. 2. [LICENSES.]** The license, or a certified copy of the license, must be kept posted in the office of the licensee at each place within the state where the licensee transacts business. Every license shall expire June 30 following its issuance and thereafter be renewed July 1 each year. Any license issued under this subdivision is automatically void upon the termination of the surety bond covering the licensed operation. The fee for each license shall be based on the following schedule:

License Fee	Penalty for Late Renewal	Dollar Volume of Business
\$30	\$10	\$10,000 or less per month
\$60	\$15	Over \$10,000 to \$50,000 per month
<del>\$180</del> \$300	<del>\$45</del> \$75	Over \$50,000 to \$100,000 per month
<del>\$240</del> \$400	<del>\$60</del> \$100	Over \$100,000 per month

A fee of ~~\$10~~ \$20 shall be charged for each certified copy of a license, ~~\$2~~ \$5 for each license identification card, and ~~\$2~~ \$5 for each license identification truck decal. The commissioner shall make appropriate license fee adjustments for up to one year from July 1, 1975 for persons required to be licensed hereunder, who hold validly issued licenses as of the effective date of Laws 1975, chapter 227 under the provisions of law amended or repealed herein. A licensee who sells, disposes of, or discontinues the licensee's business during the lifetime of a license shall at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

Money collected from license fees shall be deposited in the state treasury.

**Sec. 85.** Minnesota Statutes 1986, section 27.07, is amended by adding a subdivision to read:

**Subd. 6. [COOPERATIVE AGREEMENTS; FEES; ACCOUNT.]** *The commissioner may collect fees as provided for in cooperative agreements between the commissioner and the United States Department of Agriculture for the inspection of fresh fruits, vegetables, and other products. The fees must be deposited in the state treasury and credited to a fruit and vegetables inspection account. The money in the account, including interest earned, is appropriated to the commissioner to carry out the cooperative agreements.*

**Sec. 86.** Minnesota Statutes 1986, section 28A.08, is amended to read:

**28A.08 [LICENSE FEES; PENALTIES.]**

The fees for licenses and the penalties for late renewal of licenses 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 num-



ber 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.

Type of food handler	License Fee	Penalty
1. Retail food handler		
(a) Having gross sales of less than \$50,000 for the immediately previous license or fiscal year	\$ 25 \$ 40	\$10
(b) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$50 \$75	\$13 \$ 25
(c) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$100 \$125	\$25 \$ 50
(d) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200 \$250	\$50 \$ 75
2. Wholesale food handler	\$100	\$25
(a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year	\$100	\$25
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$150	\$38
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200	\$50
3. Food broker	\$ 50 \$ 75	\$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 \$200	\$38 \$ 50
(b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$200 \$275	\$50 \$ 75
(c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year	\$250 \$350	\$63 \$100
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 or fiscal year	\$75 \$100	\$19 \$25

- |   |             |            |
|---|-------------|------------|
| (b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year | \$ 90 \$150 | \$23 \$ 50 |
| (c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year         | \$105 \$175 | \$27 \$ 50 |
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese
- |  |      |      |
|--|------|------|
|  | \$30 | \$10 |
|--|------|------|

Sec. 87. Minnesota Statutes 1986, section 32.075, is amended to read:

**32.075 [TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.]**

Every license issued by the commissioner shall be for a period ending on the thirty-first day of December next following, and shall not be transferable. The fee for each such initial license shall be ~~\$25~~ \$50 and each renewal thereof shall be ~~\$10~~ \$25 and shall be paid to the commissioner before any license or renewal thereof is issued. If a license renewal is not applied for on or before January 1 of each year, a penalty of \$10 shall be imposed. A person who does not renew a license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to prove competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews a license to prove competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be paid into the state treasury.

Sec. 88. Minnesota Statutes 1986, section 32.59, is amended to read:

**32.59 [NONRESIDENT MANUFACTURER LICENSE.]**

Any person who manufactures frozen foods, mix, ice cream mix, mix base, or ice cream mix base outside of the state, for sale within the state, shall apply for registration with the department of agriculture in the form and with the information the commissioner requires. Samples of all frozen foods, mix, ice cream mix, mix base, or ice cream mix base, so manufactured for sale and sold within this state, must be submitted to the department. Each application for registration must be accompanied by a fee of ~~\$150~~ \$200, which is the registration fee if a certificate of registration is granted. If the department of agriculture finds that the samples submitted are up to the accepted standards and otherwise comply with the laws of this state, it shall issue to the applicant a certificate of registration. The penalty for a late registration application is ~~\$38~~ \$50 if the registration is not renewed by January 1 of any year.

Sec. 89. Minnesota Statutes 1986, section 40.01, subdivision 4, is amended to read:

Subd. 4. [~~STATE BOARD OR STATE SOIL AND WATER CONSERVATION BOARD OF WATER AND SOIL RESOURCES.~~] "State board" or "~~state soil and water conservation board of water and soil resources~~" means the agency created in section ~~40.03~~ 105.

Sec. 90. Minnesota Statutes 1986, section 40.03, subdivision 4, is amended

to read:

Subd. 4. [POWERS AND DUTIES.] In addition to the powers and duties hereinafter conferred upon the state soil and water conservation board by section 105, it shall have the following powers and duties:

(1) Prepare and present to the commissioner of agriculture a budget to finance the activities of the state board and the districts and to administer any law appropriating funds to districts. The board shall Receive and disburse any grants made available to the state by the United States Department of Agriculture under the preferred program developed under United States Code, title 16, sections 2001 to 2009;

(2) Offer any appropriate assistance to the supervisors of the districts in implementing any of their powers and programs. Any funds made available to a district for expenditures necessary for the operations of the district shall be a grant to the district to be used only for purposes authorized by the state board pursuant to law. The soil and water conservation district may designate the board of county commissioners to act as the agent of the district to receive and expend these funds at the direction and with the approval of the board of supervisors of the district. At least annually the state board shall audit, in a manner it prescribes, the expenditure of funds so granted;

(3) Keep the supervisors of each district informed of the activities and experience of all other districts and facilitate cooperation and an interchange of advice and experience among the districts;

(4) Coordinate the programs and activities of the districts with appropriate agencies by advice and consultation;

(5) Approve or disapprove the plans or programs of districts relating to the use of state funds administered by the state board;

(6) Secure the cooperation and assistance of the appropriate agencies in the work of the districts and to develop a program to advise and assist appropriate agencies in obtaining state and federal funds for erosion, sedimentation, flooding and agriculturally related pollution control programs;

(7) Develop and implement a comprehensive public information program concerning the districts' activities and programs, the problems and preventive practices of erosion, sedimentation, agriculturally related pollution, flood prevention, and the advantages of formation of districts in areas where their organization is desirable;

(8) Subdivide and consolidate districts without a hearing or a referendum so as to confine districts within county limits, provided that no district, when feasible and practicable, shall contain less than four full or fractional congressional townships;

(9) Assist in the implementation of a statewide program for inventorying and classification of the types of soils throughout the state as determined by the Minnesota cooperative soil survey;

(10) Identify research needs and cooperate with other public agencies in research concerning the nature and extent of erosion, sedimentation, flooding and agriculturally related pollution, the amounts and sources of sediment and pollutants delivered to the waters of the state, and long-term soil productivity;

(11) Develop programs to reduce or prevent soil erosion, sedimentation,

flooding and agriculturally related pollution, including but not limited to structural and land-use management practices;

(12) Develop a system of priorities within the state to identify the erosion, flooding, sediment and agriculturally related pollution problem areas that are most severely in need of control systems; and

(13) Ensure compliance with statewide programs and policies established by the state board pursuant to this section and section 40.02 by advice, consultation, and approval of grant agreements with the districts.

Sec. 91. Minnesota Statutes 1986, section 40.035, subdivision 2, is amended to read:

Subd. 2. For the purpose of developing the program plan, the state board may request any existing pertinent information from any state agency pursuant to section 40.03, subdivision 2, and may conduct any hearing it deems necessary.

Sec. 92. Minnesota Statutes 1986, section 40.21, subdivision 1, is amended to read:

Subdivision 1. [RULES AND MODEL ORDINANCE AS GUIDE.] The ~~commissioner~~ board of agriculture water and soil resources, in consultation with counties, soil and water conservation districts, and other appropriate agencies, shall adopt a model ordinance and rules that serve as a guide for local governments to carry out the provisions of Laws 1985, chapter 256, sections 12 to 22 and sections 40.20 to 40.26, and provide administrative procedures for the state soil and water conservation board for Laws 1985, chapter 256, sections 12 to 21 and sections 40.20 to 40.26.

Sec. 93. Minnesota Statutes 1986, section 40.21, subdivision 3, is amended to read:

Subd. 3. [PERIODIC REVIEW.] At least once every five years the ~~commissioner of agriculture~~ board shall review the rules and model ordinance in cooperation with counties, soil and water conservation districts, and appropriate agencies to ensure their continued applicability and relevance.

Sec. 94. Minnesota Statutes 1986, section 40.43, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of agriculture, in consultation with the commissioner of natural resources, shall establish and administer a conservation reserve program. *The commissioner of agriculture shall contract with the board of water and soil resources to implement sections 40.40 to 40.44.* Selection of land for the conservation reserve program must be based on its potential for fish and wildlife production, reducing erosion, and protecting water quality.

Sec. 95. Minnesota Statutes 1986, section 43A.17, is amended by adding a subdivision to read:

Subd. 10. [EXCEPTIONS.] *The salary of the principal executive officer of a municipal power agency organized under chapter 453 is not subject to subdivision 9.*

Sec. 96. Minnesota Statutes 1986, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees

must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, ~~\$50~~ \$100;

(2) for filing annual statement, ~~\$30~~ \$225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, ~~\$50~~ \$100;

(4) for filing bylaws, ~~\$25~~ \$75 or amendments thereto, ~~\$40~~ \$75;

(5) for each company's certificate of authority, ~~\$40~~ \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, ~~\$5~~ \$15;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, ~~\$40~~ \$575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, \$20 per license, for issuing an initial agent's license to a partnership or corporation, \$50, and for issuing an amendment (variable annuity) to a license, \$20, and for renewal of amendment, \$20;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, \$20 per year per license, and for renewing a license issued to a corporation or partnership, \$50 per year;

(10) for issuing and renewing a surplus lines agent's license, \$150;

(11) for issuing duplicate licenses, \$5;

(12) for issuing licensing histories, \$10;

(13) ~~for processing checks returned due to insufficient funds, \$15;~~

(14) ~~for filing forms and rates, \$10 \$50 per filing;~~

(14) *for annual renewal of surplus lines insurer license, \$300.*

*The commissioner shall adopt rules to define filings that are subject to a fee.*

Sec. 97. Minnesota Statutes 1986, section 60A.206, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR RECOGNITION.] An insurer not otherwise licensed to engage in the business of insurance in Minnesota may apply for recognition as an eligible surplus lines insurer by filing an application in the form and with the information as reasonably required by the commissioner regarding the insurer's financial stability, reputation, integrity and operating plans, *accompanied by a license fee of \$500.* The commissioner may delegate to an association the power to process and make recommendations on applications for recognition as an eligible surplus lines insurer. Notwithstanding delegation by the commissioner, an applicant may file an application directly with the commissioner.

Sec. 98. Minnesota Statutes 1986, section 60A.23, subdivision 7, is amended to read:

Subd. 7. [LICENSES REQUIRED FOR EMPLOYERS MAKING DEDUCTIONS FROM WAGES FOR CERTAIN PURPOSES.] (1) [REQUIREMENTS.] No employer shall make deductions from the wages of employees for the purpose of furnishing them with life insurance, funeral benefits, medical or hospital care, accident, sickness or old age insurance or benefits, unless the employer first receives from the commissioner of commerce a license for the benefit plan the employer operates or proposes to operate. The license shall be granted only when the commissioner is satisfied that the benefits given are commensurate with the charges made and that the charges will keep the fund solvent. All licenses shall be for the period of one year. The commissioner may require a statement of the operation of the fund, on a form to be prescribed by the commissioner, before granting a renewal. The fee for a license is ~~\$25~~ \$250 and for filing the annual statement ~~\$10~~ \$40. Any fees received by the commissioner pursuant to this subdivision shall be paid into the general fund. Before granting a license the commissioner of commerce shall submit the proposed plan to the chair of the workers' compensation court of appeals in order that the chair may determine whether the benefits are in conjunction with the benefits under the workers' compensation act.

(2) [EXCEPTIONS.] The requirements of clause (1) shall not apply to deductions made from the employees' wages for group insurance issued by insurers authorized to transact business in this state nor to railroad companies engaged in interstate commerce.

(3) [PENALTY.] Any person, firm, corporation, or association that makes deductions from the wages of an employee in violation of clause (1) shall be guilty of a misdemeanor.

Sec. 99. Minnesota Statutes 1986, section 70A.14, subdivision 4, is amended to read:

Subd. 4. [DURATION.] Licenses issued pursuant to this section shall remain in effect until the licensee withdraws from the state or until the license is suspended or revoked. The fee for each license shall be \$100 \$1,000, payable every three years.

Sec. 100. Minnesota Statutes 1986, section 83.23, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION.] Unless the method of offer or sale is adopted for the purpose of evasion of sections 83.20 to 83.42, 83.43 and 83.44, subdivided lands may be registered by notification provided that all of the following requirements have been met:

(a) the subdivision consists of not more than 100 separate lots, units, parcels, or interests;

(b) at least 20 days prior to any offer pursuant to this subdivision, the subdivider must supply the commissioner, on forms which the commissioner may by rule prescribe, at least the following information:

(1) the name and address of the subdivider and the form and date of its organization if other than an individual;

(2) the location and legal description of the subdivision and the total number of lots, parcels, units, or interests;

(3) either a title opinion prepared and signed by an attorney licensed to practice law in the state wherein the subdivided land is situated; or a certificate of title insurance or its equivalent acceptable to the commissioner;

(4) a copy of each instrument which will be delivered to a purchaser to evidence the purchaser's interest in the subdivided lands and a copy of each contract or other agreement which a purchaser will be required to agree to or sign, together with the range of selling prices, rates, or rentals at which it is proposed to offer the lots, units, parcels, or interests in the subdivision, a list of fees the purchaser may be required to pay for amenities or membership in groups including, but not limited to, homeowners' associations, country clubs, golf courses, and other community organizations; and

(5) a copy of a signed and approved plat map or its equivalent;

(c) a filing fee of \$100 \$150 has been paid;

(d) the subdivider is in compliance with the service of process provisions of section 83.39.

The commissioner may by rule or order withdraw or further condition registration by notification or increase or decrease the number of lots, units, parcels, or interests in subdivided lands permitted for registration by notification. If no stop order is in effect, no proceeding is pending, and no order has been issued under subdivision 4, a registration statement under this section automatically becomes effective at 5:00 in the afternoon on the 20th full business day after the filing of the registration statement or the last amendment, or at such earlier time as the commissioner by order determines.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 101. Minnesota Statutes 1986, section 83.23, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATION.] Subdivided lands may be registered by qualification provided all of the following requirements have been met:

(a) an application for registration has been filed with the commissioner in a format which the commissioner may by rule prescribe;

(b) the commissioner has been furnished a proposed public offering statement complying with section 83.24;

(c) a filing fee of ~~\$250~~ \$400 plus an additional registration fee of \$1 for each lot, unit, parcel, or interest included in the offering accompanies the application. The maximum combined filing and registration fees shall in no event be more than ~~\$2,500~~ \$3,500;

(d) the subdivider is in compliance with service of process provisions of section 83.39;

(e) the commissioner has been furnished a financial statement of the subdivider's most recent fiscal year, audited by an independent certified public accountant; and, if the fiscal year of the subdivider is more than 90 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 90 days of the date of application.

Subdivisions in which all the improvements are complete and paid for by the developer, and for which clear title can be given the purchaser at the closing, are exempt from providing independently certified financial statements.

An application for registration under this section becomes effective when the commissioner so orders.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 102. Minnesota Statutes 1986, section 83.30, subdivision 2, is amended to read:

Subd. 2. [FEE.] Every annual report filed pursuant to section 83.23, subdivision 2, shall be accompanied by a fee of ~~\$50~~ \$75. Every annual report filed pursuant to section 83.23, subdivision 3, shall be accompanied by a fee of ~~\$100~~ \$150.

Sec. 103. Minnesota Statutes 1986, section 105.73, is amended to read:

#### 105.73 [DEFINITIONS.]

Unless the context clearly indicates a different meaning is intended, the following terms for the purposes of this chapter shall be given the meanings ascribed to them in this section.

Board — ~~Minnesota water resources~~ Board of water and soil resources.

Proceeding — Any procedure under any of the laws enumerated in section 105.74 however administrative discretion or duty thereunder may be invoked in any instance.

Agency — Any state officer, board, commission, bureau, division, or agency, other than a court, exercising duty or authority under any of the



laws enumerated in section 105.74.

**Court** — The court means the district court or a judge thereof before whom the proceedings are pending.

**Question of water policy** — Where use, disposal, pollution, or conservation of water is a purpose, incident, or factor in a proceeding, the question or questions of state water law and policy involved, including either (a) determination of the governing policy of state law in the proceeding, resolving apparent inconsistencies between different statutes, (b) the proper application of that policy to facts in the proceeding when application is a matter of administrative discretion, or both (a) and (b).

Sec. 104. Minnesota Statutes 1986, section 110B.02, subdivision 2, is amended to read:

Subd. 2. [BOARD.] "Board" means the *board of water and soil resources board*.

Sec. 105. [110B.35] [BOARD OF WATER AND SOIL RESOURCES.]

*Subdivision 1. [MEMBERSHIP] The board of water and soil resources is composed of 12 voting members knowledgeable of water and soil problems and conditions within the state, and four ex officio nonvoting members.*

*Subd. 2. [VOTING MEMBERS.] (a) The voting members are:*

- (1) three county commissioners;*
- (2) three soil and water conservation district supervisors;*
- (3) three watershed district or watershed management organization representatives; and*
- (4) three citizens who are not employed by, or the appointed or elected official of, any governmental office, board, or agency.*

*(b) Voting members must be distributed across the state with at least three members but not more than five members from the metropolitan area, as defined by section 473.121, subdivision 2; and one from each of the current soil and water conservation administrative regions.*

*(c) Voting members are appointed by the governor. In making the appointments, the governor may consider persons recommended by the association of Minnesota counties, the Minnesota association of soil and water conservation districts, and the Minnesota association of watershed districts. The list submitted by an association must contain at least three nominees for each position to be filled.*

*(d) The membership terms, compensation, removal of members and filling of vacancies on the board for voting members are as provided in section 15.0575.*

Subd. 3. [EX OFFICIO NONVOTING MEMBERS.] *The following agencies shall each provide one nonvoting member to the board:*

- (1) department of agriculture;*
- (2) department of health;*
- (3) department of natural resources; and*
- (4) pollution control agency.*

Subd. 4. [EMPLOYEES.] *The board may employ an executive director*

*in the unclassified service and other permanent and temporary employees in accordance with chapter 43A. The board may prescribe the powers and duties of its officers and employees and may authorize its employees and members of the board to act on behalf of the board.*

*Subd. 5. [OFFICERS; QUORUM; RECORDS; AUDIT.] The governor shall appoint a chair from among the voting members of the board with the advice and consent of the senate. The board shall elect a vice-chair and any other officers that it considers necessary from its membership. A majority of the board is a quorum. The board may hold public hearings and adopt rules necessary to execute its duties.*

*Subd. 6. [ADMINISTRATIVE SERVICES.] The commissioner of administration shall provide and make available within the department of agriculture suitable and adequate office facilities and space for the board. The commissioner of agriculture shall provide and make available administrative services required by the board in the administration of its functions.*

*Subd. 7. [POWERS AND DUTIES.] In addition to the powers and duties prescribed elsewhere, the board has the following powers and duties:*

*(a) It shall coordinate the water and soil resources planning activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, and by other means as may be appropriate.*

*(b) It shall facilitate communication and coordination among state agencies in cooperation with the environmental quality board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible.*

*(c) It shall coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009.*

*(d) It shall develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them.*

*(e) It shall provide a forum for the discussion of local issues and opportunities relating to water and soil resources management.*

*(f) It shall adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law.*

*(g) It shall report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.*

*Subd. 8. [COMMITTEE FOR DISPUTE RESOLUTION.] A committee of the board is established to hear and resolve disputes, appeals, and interventions under sections 105.72 to 105.79, 110B.25, 112.801, and 473.878, subdivision 7. The committee consists of the three citizen members specified in subdivision 1, paragraph (a), clause (4), and two addi-*

*tional members appointed by the board chair.*

Sec. 106. Minnesota Statutes 1986, section 112.35, subdivision 4, is amended to read:

Subd. 4. "Board" means the ~~Minnesota water resources~~ board of water and soil resources established by section ~~105.71~~ 105.

Sec. 107. Minnesota Statutes 1986, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The board shall include as members the director of the state planning agency, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, *the chair of the board of water and soil resources*, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members shall have knowledge of and be conversant in water management issues in the state.

Sec. 108. Minnesota Statutes 1986, section 138.65, is amended to read:  
138.65 [ADMISSION FEES.]

The Minnesota historical society may establish and collect fees it deems reasonable for admission to the state owned historic sites under its control. These fees shall be deposited in the ~~general fund~~ *state treasury and are appropriated to the Minnesota historical society for historic site operations.*

Sec. 109. Minnesota Statutes 1986, section 138.91, is amended by adding a subdivision to read:

Subd. 3. [HUMANITIES RESOURCE CENTER.] *The Minnesota humanities commission may establish a humanities resource center to ensure balance in public education and in the cultural life of the state. The humanities resource center may transport people and resources to small towns, rural communities, and urban settings to provide high quality educational and cultural programs to schools and community organizations throughout Minnesota.*

Sec. 110. Minnesota Statutes 1986, section 144.226, subdivision 3, is amended to read:

Subd. 3. [BIRTH CERTIFICATE COPY SURCHARGE.] In addition to any fee prescribed under subdivision 1, there shall be a surcharge of \$2 \$3 for each certified copy of a birth certificate. The local or state registrar shall forward this amount to the commissioner of finance for deposit into the account for the children's trust fund for the prevention of child abuse established under section 299A.22. This surcharge shall not be charged under those circumstances in which no fee for a certified copy of a birth certificate is permitted under subdivision 1, paragraph (a). Upon certification by the commissioner of finance that the assets in that fund exceed \$20,000,000, this surcharge shall be discontinued.

Sec. 111. Minnesota Statutes 1986, section 296.17, subdivision 9a, is amended to read:

Subd. 9a. [MINNESOTA BASED INTERSTATE CARRIERS.] Notwithstanding the exemption contained in subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts which require base

state licensing and filing and which eliminate filing in the nonresident compact states, the Minnesota based motor vehicles registered pursuant to section 168.187 will be required to license under the fuel tax compact in Minnesota.

The commissioner of public safety will have all the powers granted to the commissioner of revenue under this section, including the authority to collect and issue licenses, to collect the tax due, and issue any refunds. All license fees paid to the commissioner of public safety pursuant to subdivision 10 will be deposited in the general fund. *The commissioner shall charge an annual fee of \$13 for applications for quarterly reporting of fuel tax under this subdivision.*

Sec. 112. Minnesota Statutes 1986, section 169.872, is amended by adding a subdivision to read:

*Subd. 1a. [SCALES REQUIRED.] (a) Facilities that receive more than 75,000 cubic yards of solid waste per year must be equipped with scales for weighing loaded vehicles if the facility is a:*

- (1) waste facility that is used for the disposal of solid waste;*
- (2) resource recovery facility, as defined in section 115A.03, subdivision 28; or*
- (3) transfer station, as defined in section 115A.03, subdivision 33.*

*(b) A person loading or unloading a vehicle at one of these facilities shall weigh the loaded vehicle and record the weight as provided in subdivision 1.*

*(c) This subdivision applies to facilities located in Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, and Wright counties.*

Sec. 113. Minnesota Statutes 1986, section 171.02, subdivision 3, is amended to read:

**Subd. 3. [MOTORIZED BICYCLES.]** No motorized bicycle shall be operated on any public roadway by any person who does not possess a valid drivers license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The instruction permit may be issued to any person who has attained the age of 15 years and who has passed the written portion of the examination prescribed by the commissioner. The commissioner may promulgate rules prescribing the content of the examination and the information to be contained on the permits.

The fees for motorized bicycle operator's permits are as follows:

- |   |            |
|---|------------|
| (a) Examination and operator's permit,<br>valid for one year            | \$4 \$6    |
| (b) Duplicate   | \$2 \$3    |
| (c) Renewal permit before age 19<br>and valid until age 19              | \$6 \$9    |
| (d) Renewal permit after age 19<br>and valid for four years             | \$10 \$15  |
| (e) Duplicate of any renewal permit                                     | \$3 \$4.50 |
| (f) Written examination and<br>instruction permit, valid for<br>30 days | \$4 \$6    |

Sec. 114. Minnesota Statutes 1986, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License	<del>C-\$10 B-\$15</del>	C-\$15 B-\$22.50
	A-\$20 A-\$30	
Classified Provisional D.L.	<del>C-\$6 B-\$10</del>	C-\$9 B-\$15
Instruction Permit	\$4	\$6
Duplicate Driver or Provisional License		\$3 \$4.50

Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a

\$6 \$9

Sec. 115. Minnesota Statutes 1986, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. ~~The amounts collected and received shall be credited to the highway user tax distribution fund and the transit assistance fund as provided in subdivision 2, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit fund. Five percent of the money must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as provided in this section. Of the money deposited under this section, 75 percent must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the money must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.~~

(b) *The distributions under this subdivision to the highway user tax distribution fund must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund*

*the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.*

Sec. 116. Minnesota Statutes 1986, section 299A.23, subdivision 3, is amended to read:

Subd. 3. [PLAN FOR DISBURSEMENT OF FUNDS.] By June 1, 1987, ~~and biennially thereafter~~, the commissioner, assisted by the advisory council, shall develop a plan to disburse money from the trust fund. In developing the plan, the commissioner shall review prevention programs. The plan must ensure that all geographic areas of the state have an equal opportunity to establish prevention programs and receive trust fund money. *Biennially thereafter* the commissioner shall send the plan to the legislature and the governor by ~~June~~ January 1 of each odd-numbered year.

Sec. 117. Minnesota Statutes 1986, section 299A.26, is amended to read:

**299A.26 [ACCEPTANCE OF FEDERAL FUNDS AND OTHER DONATIONS.]**

The commissioner may accept federal money and gifts, donations, and bequests for the purposes of Laws 1986, chapter 423. Money so received *and proceeds from the sale of promotional items, minus sales promotional costs*, must be deposited in the trust fund and must be made available annually to the commissioner ~~for disbursement~~.

Sec. 118. Minnesota Statutes 1986, section 309.531, subdivision 1, is amended to read:

Subdivision 1. No person shall act as a professional fund raiser unless ~~licensed by registered with the department attorney general~~. ~~Applications for a license shall~~ *The registration statement must be in writing, under oath, in the form prescribed by the department attorney general and shall* must be accompanied by an application fee of ~~\$25 \$200~~. Each ~~license shall~~ *be registration is effective for a period of not more than 12 months from the date of issuance, and in any event shall expire expires on July 30 next following the date of issuance. The registration may be renewed for additional one-year periods on application and payment of the fee.*

Sec. 119. Minnesota Statutes 1986, section 326.241, subdivision 3, is amended to read:

Subd. 3. [FEES AND FINANCES; DISPOSITION.] All ~~license fees collected under the provisions of sections 326.241 to 326.248 are to be credited to the general fund. The expenses of administering sections 326.241 to 326.248 shall be paid from appropriations made to the board of electricity~~ *a special account in the state treasury. Money in the account is appropriated to the board of electricity to administer and enforce sections 326.241 to 326.248, to pay indirect costs, to compensate contract electrical inspectors for inspections performed, and to make refunds.*

Sec. 120. Minnesota Statutes 1986, section 326.244, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] (a) At or before commencement of any instal-

lation required to be inspected by the board, the electrical contractor, installer, special electrician, or owner making the installation shall submit to the board a request for inspection, in a form prescribed by the board, together with the fees required for the installation.

(b) The fees required are a handling fee and an inspection fee. The handling fee shall be set by the board in an amount sufficient to pay the cost of printing and handling the form requesting an inspection. The inspection fee shall be set by the board in an amount sufficient to pay the actual costs of the inspection and the board's costs in administering the inspection. All fees shall be set pursuant to the procedure of sections 14.01 to 14.70.

**(c) All handling fees shall be deposited in the general fund. All inspection fees collected pursuant to this section shall be deposited by the board in a special revenue bookkeeping account of the treasury and are appropriated to the board for the purpose of compensating contract inspectors for inspections performed; for transfer to the general fund of the portion of the fee representing inspection administration costs; and for making refunds.**

(d) If the inspector finds that the installation is not in compliance with accepted standards of construction for safety to life and property as required by section 326.243, the inspector shall by written order condemn the installation or noncomplying portion thereof, or order service to the installation disconnected, and shall send a copy of the order to the board. If the installation or the noncomplying part will seriously and proximately endanger human life and property, the order of the inspector, when approved by the inspector's superior, shall require immediate condemnation or disconnection. In all other cases, the order of the inspector shall permit a reasonable opportunity for the installation to be brought into compliance with accepted standards of construction for safety to life and property prior to the effective time established for condemnation or disconnection.

(e) (d) Copies of each condemnation or disconnection order shall be served personally or by mail upon the property owner, and the electrical contractor, installer, or special electrician making the installation, and other persons as the board by rule may direct. An aggrieved party may appeal any condemnation or disconnection order by filing with the board a notice of appeal within ten days after (1) service upon the aggrieved party of the condemnation or disconnection order, if this service is required, or (2) filing of the order with the board, whichever is later. The appeal shall proceed and the order of the inspector shall have the effect the order, by its terms, and the rules of the board provides. The board shall adopt rules providing procedures for the conduct of appeals, including provisions for the stay of enforcement of the order of the inspector pending such appeal when justified by the circumstances.

Sec. 121. Minnesota Statutes 1986, section 332.33, subdivision 3, is amended to read:

Subd. 3. Licenses granted by the commissioner of commerce under sections 332.31 to 332.45 shall expire on June 30. All renewals of licenses shall likewise expire on June 30. Each license shall plainly state the name and business address of the licensee, and shall be posted in a conspicuous place in the office where the business is transacted. The fee for each license is \$500 and renewal shall be \$100 is \$400. A licensee who desires to carry on business in more than one place within the state shall procure a license for each place where the business is to be conducted.

Sec. 122. Minnesota Statutes 1986, section 332.33, subdivision 4, is amended to read:

Subd. 4. The commissioner may require such financial statements and references of all applicants for a license as the commissioner deems necessary; and may make or cause to be made an independent investigation concerning the applicant's reputation, integrity, competence, and net worth, at the expense of the applicant for such initial investigation, not to exceed \$100 \$500, and for that purpose may require such deposit against the cost thereof as the commissioner deems adequate. Such investigation may cover all managerial personnel employed by or associated with the applicant.

Sec. 123. Minnesota Statutes 1986, section 473.39, subdivision 1a, is amended to read:

Subd. 1a. [~~AMOUNT; I-394 FACILITIES AMOUNTS.~~] (a) The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding ~~\$8,500,000~~ \$17,000,000 for ~~expenditure~~ financial assistance to the commission, as prescribed in the implementation plan of the board and the capital program of the commission. ~~Of this~~

(b) *The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount, no more than not exceeding \$1,500,000 may be spent* for land acquisition and capital improvements for park and ride lots and transit transfer stations planned for the interstate highway described in section 161.123, clause (2), commonly known as I-394. These facilities may be constructed and maintained by the metropolitan transit commission. The board shall require, as a condition of financial assistance to the commission, that the commission make facilities it constructs, acquires, or improves for I-394 with funds provided under this provision available to all transit providers on a nondiscriminatory basis, as the board defines these terms.

Sec. 124. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

*Subd. 1a. [BOARD.] "Board," unless the context indicates otherwise, means the board of water and soil resources created in section 105.*

Sec. 125. Minnesota Statutes 1986, section 473.877, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF WATERSHED BOUNDARIES.] Before commencing planning under section 473.878, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the ~~water resources~~ board of water and soil resources for review and comment on the conformance of the boundaries with the requirements of sections 473.875 to 473.883. The board shall have 60 days to comment.

Sec. 126. Minnesota Statutes 1986, section 473.8771, subdivision 1, is amended to read:

Subdivision 1. [BOUNDARY CHANGE.] The boundaries of a watershed district wholly within the metropolitan area may be changed pursuant to this subdivision or chapter 112. The governing board of a watershed management organization may petition the ~~water resources~~ board of water and soil resources for an order changing the boundaries of a watershed district wholly within the metropolitan area, either by adding new territory to the



district or by transferring territory that is within the district to the jurisdiction of another watershed management organization. The petition must:

(a) describe with particularity the change in boundary requested, the territory affected, and the reasons for the change;

(b) show that the change is consistent with the purposes and requirements of sections 473.875 to 473.883; and

(c) identify any property subject to subdivision 3.

The petition must be accompanied by a written statement of concurrence in the petition from the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred. Upon the filing of a sufficient petition, the ~~water resources~~ board shall give notice of the filing of the petition by publication once each week for two successive weeks in a legal newspaper in each county affected and by mail to the county auditor of each county affected and to the chief official of each statutory or home rule charter city and township affected. The notice must describe the action proposed by the petition and invite written comments on the petition for consideration by the board. The notice must announce that any person who objects to the action proposed in the petition may submit a written request for hearing to the board within 20 days of the last publication of the notice of the filing of the petition and that if no timely request for hearing is received the board will make a decision on the petition pursuant to this subdivision without conducting the public hearing required under chapter 112. If no timely request for hearing is received the board shall make a decision on the petition without a hearing within 30 days after the last publication of the notice. If one or more timely requests for hearing are received the board shall hold a hearing on the petition and shall follow the procedures in chapter 112 regarding notice and conduct of hearings. After completing the procedures required by this subdivision, the board shall, by its findings and order, make the boundary change requested if the board determines that:

(a) (i) the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred concurs in the petition,

(b) (ii) the change is consistent with the purposes and requirements of sections 473.875 to 473.883, and

(c) (iii) the change can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order making the change must conform to subdivision 3. The order making the change may amend the order prescribing the distribution of managers of the district.

Sec. 127. Minnesota Statutes 1986, section 473.8771, subdivision 2, is amended to read:

Subd. 2. [TERMINATION.] A watershed district wholly within the metropolitan area may be terminated pursuant to this subdivision or chapter 112. Proceedings for termination under this subdivision must be initiated by a petition to the ~~water resources~~ board of water and soil resources filed

jointly by the governing bodies of all statutory and home rule charter cities and towns having jurisdiction over territory within the watershed. Upon the filing of a sufficient petition, the board shall hold a hearing in accordance with the procedures prescribed in chapter 112, to take testimony on the determinations required to be made by the board. Following the hearing, the board shall, by its findings and order, terminate the district as requested if the board determines:

(a) that the local units of government having jurisdiction over territory within the watershed have formed a joint powers organization for the watershed pursuant to section 473.877,

(b) that upon termination of the district the members of the joint powers organization, jointly or severally, are willing and able to assume ownership of the district's assets and the responsibility for managing and maintaining the district's projects as necessary to accomplish the purposes of sections 473.875 to 473.883 and to implement the watershed plan of the joint powers organization to be developed pursuant to section 473.878, and

(c) that the termination can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order terminating the district must transfer the assets of the district to the joint powers organization or its members. The order must conform to subdivision 3.

Sec. 128. Minnesota Statutes 1986, section 473.878, subdivision 7, is amended to read:

Subd. 7. [REVIEW BY STATE AGENCIES.] After completion of the review under subdivision 6, the plan shall be submitted to the commissioner of natural resources and the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the ~~water resources~~ board of *water and soil resources* for review under section 112.46. Except as otherwise provided in this subdivision, the ~~water resources~~ board of *water and soil resources* shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 473.875 to 473.883. If the capital improvement program is the subject of a dispute between counties, the ~~water resources~~ board of *water and soil resources* shall make a final decision on the issue. The decision shall be binding on the organization and the counties involved.

Sec. 129. Minnesota Statutes 1986, section 473.878, subdivision 8, is amended to read:

Subd. 8. [ADOPTION; IMPLEMENTATION.] The organization shall adopt and implement its plan within 120 days after compliance with the provisions of subdivision 7 and approval of the plan by the ~~water resources~~ board of *water and soil resources*. A watershed district may implement its approved plan and approved capital improvement program by resolution of the majority of the board of managers and without respect to the provisions of chapter 112 requiring the managers to wait upon petitions for projects, to submit projects for review by the ~~water resources~~ board of *water and*

soil resources, and to limit the cost and purposes of projects.

Sec. 130. Minnesota Statutes 1986, section 611A.61, is amended by adding a subdivision to read:

*Subd. 3. [DEPOSIT OF REVENUE TO FUND.] The first \$18,000 collected under this section in each year of the biennium must be deposited into the general fund. Amounts in excess of \$18,000 must be deposited into the crime victim and witness account in the state treasury for the purposes established in section 609.101.*

Sec. 131. [626.562] [CHILD ABUSE PROFESSIONAL CONSULTATION TELEPHONE LINE.]

*Subdivision 1. [ESTABLISHMENT OF TELEPHONE LINE.] The commissioner of public safety shall contract for at least one statewide toll-free 24-hour telephone line for the purpose of providing consultative and training services for physicians, therapists, child protection workers, and other professionals involved in child protection. Services provided must include emergency and longer term consultation on individual child protection cases.*

*Subd. 2. [CONTRACT AUTHORITY.] The commissioner shall contract to establish the telephone service described in subdivision 1. The commissioner shall contract only with agencies that agree to match through cash or in-kind donations 30 percent of the contract amount. The commissioner shall require that these agencies submit periodic reports describing the manner in which they have performed services specified in this section.*

*Subd. 3. [CHILD ABUSE REPORTING.] A communication by telephone line established under this section by a person mandated to report abuse or neglect under section 626.556 does not satisfy the obligation to report under that section.*

Sec. 132. Minnesota Statutes 1986, section 626.841, is amended to read:

626.841 [BOARD; MEMBERS.]

The board of peace officer standards and training shall be composed of the following ~~43~~ 15 members:

(a) Two members to be appointed by the governor from among the county sheriffs in Minnesota;

(b) Four members to be appointed by the governor from among peace officers in Minnesota municipalities, at least two of whom shall be chiefs of police;

(c) Two members to be appointed by the governor from among peace officers, at least one of whom shall be a member of the Minnesota state patrol association;

~~(e)~~ (d) The superintendent of the Minnesota bureau of criminal apprehension or a designee;

~~(d)~~ (e) Two members appointed by the governor experienced in law enforcement at a local, state or federal level who are not currently employed as peace officers;

~~(e)~~ (f) Two members to be appointed by the governor from among the elected city officials in statutory or home rule charter cities of under 5,000

population outside the metropolitan area, as defined in section 473.121, subdivision 2;

(f) (g) Two members appointed by the governor from among the general public.

A chair shall be appointed by the governor from among the members. In making appointments the governor shall strive to achieve representation from among the geographic areas of the state.

Sec. 133. Minnesota Statutes 1986, section 626.846, is amended by adding a subdivision to read:

*Subd. 6. A person seeking election or appointment to the office of sheriff after June 30, 1987, must be licensed or eligible to be licensed as a peace officer. The person shall submit proof of peace officer licensure or eligibility as part of the application for office.*

Sec. 134. Minnesota Statutes 1986, section 626.852, is amended to read:

626.852 [TUITION; SALARY AND EXPENSES.]

~~No tuition shall be charged any peace officer or part-time peace officer for attending any training school herein provided for;~~ and Each officer when assigned to the bureau of criminal apprehension continuing education courses pursuant to rules of the board shall receive the officer's regular salary and shall be reimbursed by the governing body of the governmental unit or combination of governmental units from which elected or by which employed for the cost of meals, travel, and lodgings while in attendance at the bureau of criminal apprehension courses, not to exceed similar allowance for state employees.

Sec. 135. [REPEALER.]

*Subdivision 1. Minnesota Statutes 1986, sections 18A.21; 18A.22; 18A.23; 18A.24; 18A.25; 18A.26; 18A.27; 18A.28; 18A.29; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36; 18A.37; 18A.38; 18A.39; 18A.40; 18A.41; 18A.42; 18A.43; 18A.44; 18A.45; 18A.48; 297B.09, subdivision 2; and 626.849, are repealed.*

*Subd. 2. Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2, are repealed effective October 1, 1987.*

Sec. 136. [EFFECTIVE DATES.]

*Subdivision 1. Section 108 is effective the day following final enactment.*

*Subd. 2. Sections 33, 34, 89 to 94, 103 to 107, and 124 to 129 are effective October 1, 1987. Until the effective date of these sections, appropriations made to the board of water and soil resources must be allocated by the commissioner of finance to the separate agencies."*

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 27.07, by adding a subdivision; 28A.08; 32.075; 32.59; 40.01,

subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 43A.17, by adding a subdivision; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 138.65; 138.91, by adding a subdivision; 144.226, subdivision 3; 169.872, by adding a subdivision; 171.02, subdivision 3; 171.06, subdivision 2; 296.17, subdivision 9a; 297B.09, subdivision 1; 299A.23, subdivision 3; 299A.26; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; 473.39, subdivision 1a; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; 473.878, subdivisions 7 and 8; 611A.61, by adding a subdivision; 626.841; 626.846, by adding a subdivision; and 626.852; proposing coding for new law in Minnesota Statutes, chapters 110B and 626; proposing coding for new law as Minnesota Statutes, chapter 18B; repealing Minnesota Statutes 1986, sections 18A.21 to 18A.48; 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; 116C.41, subdivision 2; 297B.09, subdivision 2; and 626.849."

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

Senate Conferees: (Signed) Keith Langseth, Clarence M. Purfeerst, Bob Lessard, James P. Metzen, Lyle G. Mehrkens

House Conferees: (Signed) James I. Rice, Bernard L. Lieder, John Sarna, Henry J. Kalis

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1516 be now adopted, and that the bill be repassed as amended by the Conference Committee.

### CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on S.F. No. 1516. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Waldorf moved that the recommendations and Conference Committee Report on S.F. No. 1516 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 31 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Jude	Morse	Storm
Beckman	DeCramer	Knutson	Pehler	Vickerman
Belanger	Diessner	Larson	Peterson, R. W.	Waldorf
Benson	Frank	Marty	Piper	
Berg	Freeman	McQuaid	Ramstad	
Brandl	Gustafson	Mehrkens	Renneke	
Cohen	Johnson, D.E.	Merriam	Spear	

Those who voted in the negative were:

Bertram	Dicklich	Lantry	Purfeerst	Willet
Brataas	Knaak	Lessard	Reichgott	
Davis	Laidig	Novak	Schmitz	

The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Moe, R.D. moved that the conferees on S.F. No. 1516 be discharged and that the Subcommittee on Committees appoint new conferees. 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:

S.F. No. 1516: Messrs. Langseth, Ramstad, Mehrkens, Purfeerst and Lessard.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 1114 and the Conference Committee Report thereon were reported to the Senate.

**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 15, 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 House recede from its amendments and that S.F. No. 1114 be further amended as follows:

Delete everything after the enacting clause and insert:

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

Subd. 3. [REPORTS; RULES.] The commissioner shall have power to require periodic factual reports from all licensed importers, manufacturers, wholesalers and retailers of intoxicating liquors and to make all reasonable rules to effect the object of Laws 1985, chapter 305, articles 2 to 11. The rules shall include provisions for assuring the purity of intoxicating liquors

and the true statement of its contents and proper labeling thereof with regard to all forms of sale. *No rule may require the use of new containers in aging whiskey. No rule may require cordials or liqueurs to contain in excess of 2-1/2 percent by weight of sugar or dextrose or both.*

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

Subd. 10. [EXCLUSIVE LIQUOR STORE.] "Exclusive liquor store" is an establishment used exclusively for the sale of intoxicating liquor except for the incidental sale of ice, tobacco, nonintoxicating malt liquor, beverages for mixing with intoxicating liquor, and soft drinks ~~may also be sold, cork extraction devices, and books and videos on the use of alcoholic beverages in the preparation of food,~~ and the establishment may offer recorded or live entertainment and ~~make available coin-operated amusement devices.~~ "Exclusive liquor store" also includes an on-sale or combination on-sale and off-sale intoxicating liquor establishment which sells food for on-premise consumption when authorized by the municipality issuing the license.

Sec 3. Minnesota Statutes 1986, section 340A.405, subdivision 2, is amended to read:

Subd. 2. [COUNTIES.] (a) A county may issue an off-sale intoxicating license with the approval of the commissioner to exclusive liquor stores located within unorganized territory of the county.

(b) A county board of any county except Ramsey county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(c) A county board of any county except Ramsey county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue a combination off-sale and on-sale license to restaurants within that town with the approval of the commissioner pursuant to section 340A.404, subdivision 6. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph is not subject to chapter 14.

(e) A county board may not issue a license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of any statutory or home rule city except cities of the first class or within Pine, Carver, or Kanabec counties within three miles of a statutory or home rule city with a municipal liquor store.

(f) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may

transfer or renew a license that was issued by a town board under Minnesota Statutes 1984, section 340.11, subdivision 10b prior to January 1, 1985.

Sec. 4. Minnesota Statutes 1986, section 340A.410, is amended by adding a subdivision to read:

*Subd. 9. [COIN-OPERATED DEVICES.] Coin-operated amusement devices may not be made available in establishments licensed solely for the off-sale of intoxicating liquor or municipal stores which sell only at off-sale. An establishment holding a combination on-sale and off-sale license or a municipal liquor store which sells at on-sale and off-sale which makes coin-operated devices available shall keep such devices to the greatest extent practicable in that area of the establishment where on-sales are made.*

**Sec. 5. [SUNDAY LICENSES; DOUGLAS COUNTY.]**

*Notwithstanding any law to the contrary, any license for the on-sale of intoxicating liquor on Sundays issued by Douglas county to an establishment located in a town in which an election under Minnesota Statutes, section 340A.504, subdivision 3, clauses (d) and (e), has not been held may continue in effect and be renewed until the date of the next town meeting, and may continue in effect and be renewed after that date if the issuance of Sunday intoxicating liquor on-sale licenses is approved by the voters of the town at that town meeting.*

**Sec. 6. [REPEALER.]**

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

**Sec. 7. [EFFECTIVE DATE.]**

*Section 5 is effective on approval by the Douglas county board and compliance with Minnesota Statutes, section 645.021, subdivision 3."*

Delete the title and insert:

*"A bill for an act relating to intoxicating liquor; limitation on rule-making authority of commissioner; items which may be sold in exclusive liquor stores; specifying counties where certain restrictions on license location apply; specifying establishments where coin-operated devices may not be kept; providing for the continuation of certain licenses in Douglas county; repealing restrictions on beer content; amending Minnesota Statutes 1986, section 299A.02, subdivision 3; 340A.101, subdivision 10; 340A.405, subdivision 2; 340A.410, by adding a subdivision; repealing Minnesota Statutes 1986, sections 34.119; 34.12; 34.13; and 34.14."*

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

Senate Conferees: (Signed) Sam G. Solon, Allan H. Spear, 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 motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1114 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 2, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Laidig	Piper	Storm
Beckman	Diessner	Lantry	Pogemiller	Stumpf
Belanger	Frank	Larson	Purfeerst	Taylor
Benson	Frederick	Lessard	Ramstad	Vickerman
Bernhagen	Frederickson, D.J.	Marty	Reichgott	Waldorf
Bertram	Freeman	McQuaid	Renneke	Willet
Brataas	Hughes	Mehrkens	Samuelson	
Cohen	Johnson, D.E.	Morse	Schmitz	
Dahl	Jude	Pehler	Solon	
DeCramer	Knaak	Peterson, R.W.	Spear	

Mr. Berg and Ms. Olson 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**

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 the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 508 and 514.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 282, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 282: A bill for an act relating to metropolitan government; permitting regional railroad authorities to engage in certain activities; amending Minnesota Statutes 1986, section 473.398.

Senate File No. 282 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 1515, and repassed said bill in accordance with the report of the Committee,

so adopted.

S.F. No. 1515: A bill for an act relating to higher education; appropriating money for education and related purposes to the higher education coordinating board, state board of vocational technical education, state board for community colleges, state university board, University of Minnesota, the Mayo medical foundation, and the Minnesota job skills partnership board, with certain conditions; amending Minnesota Statutes 1986, sections 135A.03, subdivision 1; 136A.101, by adding a subdivision; 136A.111, by adding a subdivision; 136A.121, subdivisions 4 and 5; 136A.132, subdivisions 3, 6, and 7; 136A.233, subdivisions 1 and 2; 136A.85; 136A.86, subdivisions 1 and 2; 136A.87; 137.31, subdivision 3; and 645.445, subdivision 5; Laws 1983, chapter 334, section 7; repealing Minnesota Statutes 1986, section 136.09, subdivision 3.

Senate File No. 1515 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

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 five members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 478: A bill for an act relating to insurance; requiring notification of group life or health coverage changes; eliminating mandatory temporary insurance agent licenses; requiring those who solicit insurance to act as agent for the insured; regulating surplus lines insurance; regulating rates and forms; regulating insurance plan administrators; regulating trust funds; regulating the renewal, nonrenewal, and cancellation of commercial liability and property insurance policies; authorizing employers to jointly self-insure for property or casualty liability and regulating these plans; providing continued group life coverage upon termination or layoff; providing for the establishment and operation of the insurance guaranty association and the life and health guaranty association; regulating accident and health insurance; regulating joint self-insurance employee health plans; requiring the treatment of pregnancy-related conditions in the same manner as other illnesses; mandating certain coverages; clarifying coverage for handicapped dependents; providing continued group accident and health coverage upon termination or layoff; requiring coverage of current spouse and children; imposing surety bond or securities requirements on certain health benefit plans; regulating Medicare supplement plan premium refunds; authorizing the renewal of certain long-term health policies; providing for the establishment and operation of the comprehensive health association and the joint underwriting association; providing comprehensive health insurance coverage for certain employees not eligible for Medicare; regulating fraternal benefit associations; regulating automobile insurance; providing for exemption from certain legal process of cash value, proceeds, or benefits under certain life insurance or annuity contracts; limiting the cancellation of fire insurance binders and policies; providing for administration of the FAIR plan; requiring accident prevention course premium reductions; limiting the grounds for cancellation or reduction in limits during the policy

period; providing for the priority of security for payment of basic economic loss benefits; extending basic economic loss benefit protection; requiring coverages for former spouses; specifying membership on the assigned claims bureau; extending no-fault benefits to pedestrians who are struck by motorcycles; regulating township mutual insurance companies; providing for mandatory arbitration of certain claims; establishing a demonstration project to provide medical insurance to certain low income persons; requiring the commissioner to set rates for cooperative housing and neighborhood real estate trust insurance; authorizing investments in certain insurers; regulating trade practices; requiring life and health insurers to substantiate the underwriting standards they use; providing assigned risk plan coverage for certain vehicles used by the handicapped; regulating motor vehicle repairs; regulating certain self-insurance by political subdivisions; granting immunity from liability for volunteer coaches, managers, and officials; clarifying the statute of limitations applicable to actions regarding manufacturers or suppliers of material containing asbestos; modifying discounting of future damages; prescribing penalties; amending Minnesota Statutes 1986, sections 16A.133, subdivision 1; 45.024, subdivision 2; 60A.17, subdivisions 1a, 2c, 11, and 13; 60A.1701, subdivisions 7, and 8; 60A.196; 60A.197; 60A.198, subdivision 3; 60A.23, subdivision 8; 60A.29, subdivisions 2, 5, and 16, and by adding subdivisions; 60A.30; 60A.31; 60B.44, subdivisions 1, 4, 5, and 9; 60C.08, subdivision 1; 60C.09; 60C.12; 61A.28, subdivision 12; 61B.05, subdivision 1; 61B.09; 62A.041; 62A.043, by adding a subdivision; 62A.141; 62A.146; 62A.152, subdivision 2; 62A.17; 62A.21; 62A.27; 62A.31, subdivision 1a; 62A.43, subdivision 2, and by adding a subdivision; 62A.46, by adding a subdivision; 62A.48, subdivisions 1, 2, 6, and by adding a subdivision; 62A.50, subdivision 3; 62D.05, by adding a subdivision; 62D.102; 62E.06, subdivision 1; 62E.10, subdivision 2, and by adding subdivisions; 62E.14, by adding a subdivision; 62F.041, subdivision 2; 62F.06, subdivision 1; 62H.01; 62H.02; 62H.04; 62I.02, subdivisions 1, and 3, and by adding a subdivision; 62I.03, subdivision 5; 62I.04; 62I.12, subdivision 1; 62I.13, by adding a subdivision; 62I.16, subdivision 3; 62I.22, subdivision 2, and by adding a subdivision; 64B.11, subdivision 4; 64B.18; 64B.27; 65A.01, subdivision 3a; 65A.03, subdivision 1; 65A.10; 65A.29, by adding a subdivision; 65A.35, subdivision 5; 65A.39; 65B.03, subdivision 1; 65B.12; 65B.1311; 65B.16; 65B.21, subdivision 2; 65B.28; 65B.46; 65B.49, by adding a subdivision; 65B.525, subdivision 1; 65B.63, subdivision 1; 67A.05, subdivision 2; 67A.06; 67A.231; 70A.06, by adding a subdivision; 70A.08, subdivision 3; 72A.20, subdivisions 11, 17, and by adding subdivisions; 72A.31, subdivision 1; 169.045, subdivision 1, and by adding a subdivision; 471.98, subdivision 2; 604.07, subdivisions 2, 3, 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A; 62A; 62E; 65A; 65B; 72A; 256B; 541; and 604; proposing coding for new law as Minnesota Statutes, chapter 60E; repealing Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3; and Minnesota Rules, parts 2700.2400 to 2700.2440.

There has been appointed as such committee on the part of the House: Skoglund, Carruthers, Segal, Peterson and Knickerbocker.

Senate File No. 478 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

### **MOTIONS AND RESOLUTIONS - CONTINUED**

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

Messrs. Berg, Davis, Morse and Larson introduced—

S.F. No. 1548: A bill for an act relating to agriculture; making legislative findings; defining terms; dedicating revenue attributable to short sales of agricultural commodities; authorizing rules; increasing federal adjusted gross income related to short sales of agricultural commodities; imposing a sales tax on the short sale of an agricultural commodity contract; providing commodity transaction violations and providing exemptions; defining terms; prohibiting certain commodity trading activities; prohibiting fraudulent conduct; prescribing liability of principals; authorizing investigations, subpoenas, and enforcement actions; prescribing remedies and criminal penalties; authorizing cooperation with other agencies; authorizing rules; prescribing a procedure for orders and judicial review of orders; requiring licenses for persons dealing in commodities; prescribing license fees; authorizing examinations; requiring an annual report; prescribing postlicensing requirements; authorizing inspections; prescribing conditions to suspend or revoke a license; prohibiting enforcement of short sales of agricultural commodities; amending Minnesota Statutes 1986, sections 290.01, subdivision 20a; 297A.01, subdivisions 3 and 4; and 297A.25, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 338.

Referred to the Committee on Agriculture.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Samuelson moved that S.F. No. 1277, No. 20 on Special Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Spear moved that S.F. No. 392, No. 33 on Special Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Hughes moved that S.F. No. 414, No. 42 on Special Orders, be stricken and returned to its author. The motion prevailed.

### **CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Wegscheid moved that the following members be excused for a Conference Committee on H.F. No. 1159:

Messrs. Moe, D.M.; Renneke and Wegscheid. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 1 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S.F. NO. 1**

A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge grant program; establishing the customized training program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; providing a program for revitalization of the cities of St. Paul and Minneapolis; creating a program for funding economic development projects in the taconite tax relief area; permitting investment of earnings of the northeast Minnesota economic protection trust in venture capital enterprises; appropriating money; amending Minnesota Statutes 1986, sections 15.039, by adding a subdivision; 16A.80, subdivision 2a; 41A.01; 41A.02, subdivisions 3, 4, 6, 11, and by adding subdivisions; 41A.05, subdivisions 1 and 2; 41A.08; 116.16, subdivisions 2, 4, 5, 9, and by adding subdivisions; 116.18, subdivisions 2a and 3a; 116J.36, subdivisions 2, 3b, 3c, 8, 8a, and 11; 116J.37, subdivision 1, and by adding a subdivision; 116J.955, subdivisions 1 and 2; 116L.03, subdivision 2; 281.17; 298.292; 298.296, subdivision 2; 462.384, subdivision 7; 462.385, subdivisions 1 and 3; 462.386, subdivision 1; 462.387, subdivisions 1, 3 and 4; 462.39, subdivisions 2 and 3; 462.391, subdivisions 2, 3 and 4; 462.395; 462.396, subdivision 1; 462.398; and 462.445, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 41A; 93; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; repealing Minnesota Statutes 1986, sections 116.167; 116J.951; 116J.961; 116J.965; 116M.01; 116M.02; 116M.03; 116M.04; 116M.05; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.11; 116M.12; 116M.13; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; 472.13, subdivisions 2, 3, and 4; and Laws 1969, chapters 833 and 984.

May 16, 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. 1, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1 be further amended as follows:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

## RURAL DEVELOPMENT BOARD

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

## 116J.955 [RURAL REHABILITATION REVOLVING FUND.]

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

Sec. 2. Minnesota Statutes 1986, section 116J.955, subdivision 2, is amended to read:

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

## Sec. 3. [116N.01] [DEFINITIONS.]

Subdivision 1. [TERMS.] *For the purposes of sections 3 to 10, the following terms have the meaning given them.*

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

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

Subd. 4. [LOCAL GOVERNMENTAL UNIT.] *"Local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community.*

Subd. 5. [LOW INCOME.] *"Low income" means equal to or below the nonmetropolitan median household income.*

Subd. 6. [PRINCIPALLY.] *"Principally" means more than half.*

Subd. 7. [REGIONAL ORGANIZATION.] *"Regional organization" or "organization" means an organization selected under section 10, subdivision 3.*

Subd. 8. [RURAL.] *"Rural" means the area of Minnesota located out-*

side of the metropolitan area as defined in section 473.121, subdivision 2.

**Sec. 4. [116N.02] [RURAL DEVELOPMENT BOARD.]**

*Subdivision 1. [MEMBERSHIP.] The rural development board consists of the commissioner of energy and economic development, the commissioner of jobs and training, the commissioner of agriculture, the president of the Greater Minnesota corporation board, the state director of vocational technical education, the chancellor of the state university board, the chancellor of the state board for community colleges, the president of the University of Minnesota or the president's designee, the chair of the regional advisory committee, and six members from the general public appointed by the governor, with at least one public member from each of the regions established in section 10. Two of the public members must be local elected officials. Two of the public members must be members of farm organizations. One public member must represent the interests of business, and one public member must represent the interests of organized labor.*

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

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

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

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

*Subd. 6. [FUND ALLOCATION.] The commissioner shall allocate \$6,000,000 from the rural rehabilitation revolving fund to be used for the challenge grant program.*

**Sec. 5. [116N.03] [POWERS.]**

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

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

**Sec. 6. [116N.04] [DUTIES.]**

*Subdivision 1. [GENERAL DUTIES.] The board shall investigate and*

*evaluate new methods to enhance rural development, particularly methods relating to economic diversification through private enterprises, including technologically innovative industries, value-added manufacturing, agri-processing, information industries, and agricultural marketing.*

*Subd. 2. [ESTABLISH PROGRAM.] The board shall establish a rural rehabilitation pilot project program to award up to \$500,000 from the rural rehabilitation revolving fund in grants to public, nonprofit, or private organizations to support farm-related pilot projects for rural development. Projects must be designed to principally benefit low-income persons.*

*Subd. 3. [TECHNICAL ASSISTANCE.] The board shall provide technical assistance and rural development information services to state agencies, regional agencies, special districts, local governments, and the public.*

*Subd. 4. [BUDGET.] The board shall adopt an annual budget and work program and a biennial budget.*

*Subd. 5. [LEGISLATIVE REPORT.] The board shall submit a report to the legislature by January 31 of each year. The report must include a review of rural development in the state, a review of the regional advisory committee activities, an accounting of loans made under the challenge grant program, an evaluation of rural development initiatives, and recommendations concerning state support for rural development.*

**Sec. 7. [116N.05] [REGIONAL ADVISORY COMMITTEE.]**

*Subdivision 1. [MEMBERS.] The regional advisory committee consists of one representative from each of the state's development regions. Members representing the state's development regions must be selected by a majority vote of the regional development commissions. In regions that have dissolved their development commissions, members must be selected by a majority vote of the chairs of the respective county boards of commissioners in the region. Members must reside within the region they represent. The county boards of commissioners and the regional development commissions selecting members are encouraged to give preference to persons that hold an elected office. The county boards of commissioners and the regional development commissions shall give public notice of vacancies on the committee and make a selection of a member from applications received for the positions.*

*Subd. 2. [TERMS; COMPENSATION; OFFICERS.] The terms, compensation, and expiration of the committee and its members are as provided in section 15.059. A member may not serve more than two consecutive terms. The regional advisory committee shall elect a chair and may elect a vice-chair and other officers as is necessary from its members.*

*Subd. 3. [DUTIES.] (a) The regional advisory committee shall:*

*(1) administer the rural rehabilitation pilot project program established in section 6, including the establishment of grant eligibility criteria, solicitation and review of grant applications, and determination of projects to be funded;*

*(2) develop priorities for state projects and activities related to rural development;*

*(3) advise the rural development board regarding the challenge grant program; and*

*(4) coordinate the plans and programs of the regional development com-*



missions that have an effect upon the activities of the rural development board.

(b) *The commissioner shall make agreements or contracts to distribute grant funds to projects selected by the regional advisory committee.*

**Sec. 8. [116N.06] [RURAL INVESTMENT GUIDE.]**

*The board, after appropriate study and public hearings as necessary, shall adopt a comprehensive state rural investment guide consisting of policy statements, objectives, standards, and program criteria to guide state agencies in establishing and implementing programs relating to rural development. The guide must recognize the community and economic needs, the food and agricultural policy, and the resources of rural Minnesota, and provide a plan to coordinate and allocate public and private resources to the rural areas of the state. The board shall submit the guide to the appropriate committees of the legislature.*

**Sec. 9. [116N.07] [BOARD REVIEW.]**

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

**Sec. 10. [116N.08] [CHALLENGE GRANT PROGRAM.]**

*Subdivision 1. [ORGANIZATION.] The board shall make challenge grants to regional organizations to encourage private investment, to provide jobs for low-income persons, and to promote economic development in the rural areas of the state.*

*Subd. 2. [FUNDING REGIONS.] The board shall divide the state outside of the metropolitan area as defined in section 473.121, subdivision 2, into six regions. A region's boundaries must be coterminous with the boundaries of one or more of the development regions established under section 462.385. The board shall designate up to \$1,000,000 for each region, to be awarded over a period of three years. The money designated to each region must be used for revolving loans authorized in this section.*

*Subd. 3. [SELECTION OF ORGANIZATIONS TO RECEIVE CHALLENGE GRANTS.] The board shall select at least one organization for each region to receive the challenge grants and shall enter into grant agreements with the organizations. An organization must be a nonprofit corporation and must demonstrate that:*

*(1) its board of directors includes citizens experienced in rural development, representatives of the regional development commissions, and representatives from all geographic areas in the region;*

*(2) it has the technical skills to analyze projects;*

*(3) it is familiar with other available public and private funding sources and economic development programs;*

*(4) it can initiate and implement economic development projects; and*

*(5) it can establish and administer a revolving loan fund.*

*Subd. 4. [REVOLVING LOAN FUND.] A regional organization shall establish a board certified revolving loan fund to provide loans to new and expanding businesses in rural Minnesota to promote economic devel-*

opment. Eligible business enterprises include technologically innovative industries, value-added manufacturing, agriprocessing, information industries, and agricultural marketing. Loan applications given preliminary approval by the organization must be forwarded to the commissioner for final approval. The amount of state money allocated for each loan is appropriated from the rural rehabilitation revolving fund established in section 116J.955 to the organization's regional revolving loan fund when the commissioner gives final approval for each loan. The amount of money appropriated from the rural rehabilitation revolving fund may not exceed 50 percent for each loan. The amount of nonpublic money must equal at least 50 percent for each loan.

**Subd. 5. [LOAN CRITERIA.]** *The following criteria apply to loans made under the challenge grant program:*

(a) *Loans must be made to businesses that are not likely to undertake a project for which loans are sought without assistance from the challenge grant program.*

(b) *A loan must be used for a project designed principally to benefit low-income persons through the creation of job opportunities for them. Among loan applicants, priority must be given on the basis of the number of permanent jobs created or retained by the project and the proportion of nonstate money leveraged by the revolving loan.*

(c) *The minimum loan is \$5,000 and the maximum is \$100,000.*

(d) *With the approval of the commissioner, a loan may be used to provide up to 50 percent of the private investment required to qualify for a grant from the economic recovery fund.*

(e) *A loan may not exceed 50 percent of the total cost of an individual project.*

(f) *A loan may not be used for a retail development project.*

(g) *A business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located.*

**Subd. 6. [REVOLVING FUND ADMINISTRATION.]** (a) *The board shall establish a minimum interest rate for loans to ensure that necessary management costs are covered.*

(b) *Loan repayment amounts equal to one-half of the principal and interest must be deposited in the rural rehabilitation revolving fund for challenge grants to the region from which the money was originally designated. The remaining amount of the loan repayment may be deposited in the regional revolving loan fund for further distribution by the regional organization, consistent with the loan criteria specified in subdivisions 4 and 5.*

(c) *The first \$1,000,000 of revolving loans for each region must be matched by nonstate sources. The matching requirement does not apply to loans made under subdivision 6, clause (b).*

(d) *The first \$1,000,000 of revolving loans for each region must be matched by nonstate sources. The matching requirement does not apply to loans made under subdivision 6, clause (b).*

(e) *Administrative expenses of each organization may be paid out of the*

*interest earned on loans.*

**Subd. 7. [RULES.]** *The board shall adopt rules to implement the duties specified in this section.*

**Subd. 8. [LOCAL GOVERNMENTAL UNIT LOANS.]** *A local governmental unit may receive a loan under this section if the local governmental unit has established a local revolving loan fund and can provide at least an equal match to the loan received from a regional organization. The maximum loan available to a local governmental unit under this section is \$50,000. The money loaned to a local governmental unit by a regional organization must be matched by the local revolving loan fund and used to provide loans to businesses to promote local economic development. One-half of the money loaned to a local governmental unit under this section by a regional organization must be repaid to the rural rehabilitation revolving fund. One-half of the money may be retained by the local governmental unit's revolving loan fund for further distribution by the local governmental unit.*

**Subd. 9. [REGIONAL COOPERATION.]** *An organization that receives a challenge grant shall cooperate with other regional organizations, including regional development commissions, community development corporations, community action agencies, and the Minnesota small business development centers and satellites, in carrying out challenge grant program and technical assistance responsibilities.*

**Subd. 10. [REPORTING REQUIREMENTS.]** *An organization that receives a challenge grant shall:*

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

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

**Sec. 11. [RURAL DEVELOPMENT BOARD COMPLEMENT.]**

*The approved complement of the rural development board is six and one-half positions, with six positions in the unclassified service and one-half position in the classified service, one of which is an executive director position.*

**Sec. 12. [FAMILY FARM LOANS.]**

*The participant's interest in a family farm loan guarantee executed before the effective date of this article may be assigned to a new participant.*

**Sec. 13. [REPEALER.]**

*Minnesota Statutes 1986, sections 116J.951; 116J.961; 116J.965; and 116M.05, are repealed.*

**Sec. 14. [APPROPRIATION.]**

*\$600,000 is appropriated from the economic development fund to the commissioner of energy and economic development to administer programs under the rural development board. \$300,000 is for fiscal year 1988 and*

\$300,000 is for fiscal year 1989.

\$200,000 is transferred from the economic development fund to the commissioner of energy and economic development to provide grants to the regional organizations selected under section 10, subdivision 3, for technical assistance to businesses in each region. Technical assistance includes providing information to businesses regarding federal, state, and local government economic development programs.

\$1,000,000 is transferred from the general fund to the rural rehabilitation revolving fund, to be used for the challenge grant program.

## ARTICLE 2

### GREATER MINNESOTA CORPORATION

#### Section 1. [1160.01] [CITATION.]

Sections 1 to 10 may be cited as the "Greater Minnesota Corporation act."

#### Sec. 2. [1160.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 15.

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

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

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

Subd. 5. [GREATER MINNESOTA.] "Greater Minnesota" means the area of Minnesota located outside of the metropolitan area as defined in section 473.121, subdivision 2.

#### Sec. 3. [1160.03] [CORPORATION; BOARD OF DIRECTORS; POWERS.]

Subdivision 1. [NAME.] The greater Minnesota corporation is a public corporation of the state and is not subject to the laws governing a state agency except as provided in this chapter. The business of the corporation must be conducted under the name "greater Minnesota corporation."

Subd. 2. [BOARD OF DIRECTORS.] The corporation is governed by a board of 11 directors. The term of a director is six years. Vacancies on the board are filled by appointment of the board, subject to the advice and consent of the senate. The board may determine the compensation of its members.

Subd. 3. [BYLAWS.] The board of directors shall adopt bylaws necessary for the conduct of the business of the corporation, consistent with this chapter.

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

Subd. 5. [MEETINGS AND ACTIONS OF THE BOARD.] The board shall meet at least twice a year and may hold additional meetings upon giving notice in accordance with the bylaws of the corporation. Board meetings are subject to section 471.705, except when data described in subdivision 7 is discussed.

**Subd. 6. [CLOSED MEETINGS; RECORDING.]** *The board of directors may by a majority vote in a public meeting decide to hold a closed meeting authorized under subdivision 5. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be made available to the public after the closed meeting. The proceedings of a closed meeting must be tape recorded at the expense of the board and must be preserved by the board for two years. The data on the tape is nonpublic data under section 13.02, subdivision 9.*

**Subd. 7. [APPLICATION AND INVESTIGATIVE DATA.]** *The following data is classified as private data with regard to data on individuals under section 13.02, subdivision 12, or as nonpublic data with regard to data not on individuals under section 13.02, subdivision 9, whichever is applicable:*

*(1) financial data, statistics, and information furnished in connection with assistance or proposed assistance under section 6, including credit reports, financial statements, statements of net worth, income tax returns, either personal or corporate, and any other business and personal financial records; or*

*(2) security information, trade secret information, or labor relations information, as defined in section 13.37, subdivision 1, disclosed to members of the corporation board or employees of the corporation under section 6.*

**Subd. 8. [CONFLICT OF INTEREST.]** *A director, employee, or officer of the corporation may not participate in or vote on a decision of the board relating to an organization in which the director has either a direct or indirect financial interest.*

**Subd. 9. [CONTRIBUTIONS TO PUBLIC OFFICIALS; DISCLOSURE.]** *Each director shall file a statement with the ethical practices board disclosing the nature, amount, date, and recipient of any contribution made to a public official, political committee, political fund, or political party, as defined in chapter 10A, that:*

*(1) was made within the four years preceding appointment to the Greater Minnesota board; and*

*(2) was subject to the reporting requirements of chapter 10A.*

*The statement must be updated annually during the director's term to reflect contributions made to public officials during the appointed director's tenure.*

**Sec. 4. [1160.04] [CORPORATE PERSONNEL.]**

**Subdivision 1. [GENERALLY.]** *The board shall appoint and set the compensation for a president, who serves as chief executive officer of the corporation, and who may appoint subordinate officers. The board may designate the president as its general agent. Subject to the control of the board, the president shall employ employees, consultants, and agents the president considers necessary. The staff of the corporation must include individuals knowledgeable in commercial and industrial financing, research and development, economic development, and general fiscal affairs. The board shall define the duties and designate the titles of the employees and agents.*

**Subd. 2. [STATUS OF EMPLOYEES.]** *Employees, officers, and directors*

of the corporation are not state employees, but, at the option of the board, may participate in the state retirement plan and the state deferred compensation plan for employees in the unclassified service and an insurance plan administered by the commissioner of employee relations.

**Subd. 3. [CONTRIBUTIONS TO PUBLIC OFFICIALS; DISCLOSURE.]** *The president shall file a statement with the ethical practices board disclosing the nature, amount, date, and recipient of any contribution made to a public official which:*

*(1) was made within the four years preceding employment with the greater Minnesota board; and*

*(2) was subject to the reporting requirements of chapter 10A.*

*The statement must be updated annually during the president's employment to reflect contributions made to public officials during the president's tenure.*

**Sec. 5. [116O.05] [POWERS OF THE CORPORATION.]**

*(a) Except as otherwise provided in this article, the corporation has the powers granted to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13, except that the corporation may not act as a general partner in any partnership; 14; 15; 16; 17; 18; and 22.*

*(b) The state is not liable for the obligations of the corporation.*

*(c) Section 302A.041 applies to this article and the corporation in the same manner that it applies to business corporations established under chapter 302A.*

**Sec. 6. [116O.06] [FINANCIAL ASSISTANCE.]**

**Subdivision 1. [FINANCIAL ASSISTANCE; TYPES.]** *The corporation may provide financial assistance to sole proprietorships, businesses, or for-profit or nonprofit organizations. Financial assistance includes, but is not limited to, loan guarantees or insurance, direct loans, and interest subsidy payments. The corporation may participate in loans by purchasing from a lender up to 50 percent of each loan.*

**Subd. 2. [EQUITY INVESTMENTS.]** *The corporation may acquire an interest in a product or a private business entity, except that the corporation may not acquire an interest in a business entity engaged in a trade or industry whose profits are directly regulated by the commissioner of commerce or the department of public service. The corporation may enter into joint venture agreements with other private corporations to promote economic development and job creation.*

**Subd. 3. [GREATER MINNESOTA FINANCE AUTHORITY.]** *The board may designate the greater Minnesota finance authority to provide financial assistance. The authority, if established, consists of seven members, five of whom are members of the general public appointed by the board with experience in business development, finance, banking, or venture capital. The president of the corporation and one board member must be members of the authority. Members of the authority shall serve without compensation, but shall receive necessary and actual expenses while engaged in the business of the corporation.*

**Subd. 4. [STANDARDS.]** *The board may establish minimum interest rates, security requirements, restrictions on the amount of the corporation's*

financial participation in a project, and other financial standards the board determines necessary to establish in providing financial assistance.

Subd. 5. [PREFERENCE.] *In providing financial assistance, the corporation must give preference to sole proprietorships, businesses, or organizations that are starting or expanding their operations in greater Minnesota.*

Sec. 7. [116O.07] [ON-SITE RESEARCH.]

*The corporation may construct, acquire, lease, own, or operate one or more on-site research facilities in Minnesota.*

Sec. 8. [116O.08] [REGIONAL RESEARCH INSTITUTES.]

Subdivision 1. [ESTABLISHMENT.] *The board may establish up to four regional research institutes in greater Minnesota. Each institute shall be located at or near a post-secondary education institution whose primary focus is comparable to the mission of the institute.*

Subd. 2. [PURPOSE.] *The purpose of the institutes is to provide applied research and development services to individuals, businesses, or organizations for the purposes of developing the region's economy through the utilization of the region's resources and the development of technology. Research and development services may include on-site research, product development grants, testing of production techniques and product quality, marketing and business management assistance, and feasibility studies.*

Subd. 3. [INSTITUTE ADMINISTRATION; STAFF] *The board shall appoint a director to manage the operation of the institute. The director may employ employees and enter into contracts with post-secondary education governing boards for research services of post-secondary institution staff, facilities, or equipment.*

Subd. 4. [RESEARCH CONTRACTS.] *The director of each institute may enter into contracts with individuals, businesses, or organizations to provide research and development assistance at institute facilities or at other sites the director determines appropriate. The board shall establish the overall contract guidelines.*

Subd. 5. [PRODUCT DEVELOPMENT GRANTS.] *The director of each institute may provide product development grants to those individuals, businesses, or for-profit or nonprofit organizations that, without financial assistance, would not be able to undertake the development of a product or technology-related service. The board shall establish eligibility criteria and the terms of the product development grants.*

Subd. 6. [INSTITUTE ADVISORY BOARD.] *A regional research institute advisory board may be appointed by the board. The advisory board may consist of representatives of public post-secondary institutions in the area surrounding the institute, business owners, and members of the general public. Terms and removal of members must be set by the board and the members of each advisory board shall serve without compensation but shall receive their necessary and actual expenses. The purpose of the advisory board is to provide the institute director assistance in operating the institute, review contract proposals and provide recommendations relating to product development grants.*

Subd. 7. [DESIGNATED RESEARCH INSTITUTE.] *The agricultural utilization research institute established in section 9 is designated as one of the regional research institutes authorized under this section.*

Sec. 9. [116O.09] [AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.]

*Subdivision 1. [ESTABLISHMENT.] The corporation shall establish an agricultural utilization research institute to promote the establishment of new products and product uses and the expansion of existing markets for the state's agricultural commodities and products. The institute must be located near an existing agricultural research facility in the agricultural region of the state.*

*Subd. 2. [DUTIES.] In addition to the duties and powers assigned to the institutes in section 8, the agricultural utilization research institute shall:*

*(1) identify the various market segments characterized by Minnesota's agricultural industry, address each segment's individual needs, and identify development opportunities in each segment;*

*(2) develop and implement a utilization program for each segment that addresses its development needs and identifies techniques to meet those needs;*

*(3) coordinate research among the public and private organizations and individuals specifically addressing procedures to transfer new technology to businesses, farmers and individuals; and*

*(4) provide research grants to public and private educational institutions and other organizations that are undertaking basic and applied research that would promote the development of the various agricultural industries.*

*Subd. 3. [STAFF] The corporation shall provide staff to the agricultural utilization research institute and assist in carrying out the duties of the agricultural utilization research institute.*

*Subd. 4. [AGRICULTURAL RESEARCH GRANTS.] The institute may make matching grants for agricultural product utilization research to the University of Minnesota, a state university, a community college, a Minnesota private college or university, an area vocational technical institute, a private corporation, or a person. Grants may be matched from private sources, including farm commodity groups and farm organizations.*

*Subd. 5. [ADVISORY BOARD.] A 26-member advisory board is established to identify priorities for the agricultural utilization research institute. Members of the advisory board are appointed by the board. The advisory board consists of: the chair of the Minnesota house of representatives agricultural committee; the chair of the Minnesota senate agricultural committee; a representative from each of the 10 largest agricultural-related businesses in the state as determined by the corporation; a member from each of the appropriate trade organizations representing producers of beef cattle, dairy, corn, soybeans, pork, wheat, turkey, barley, wild rice, edible beans, eggs, and potatoes; a member of the Farmers's Union; and a member of the Farm Bureau. Terms and removal of members must be set by the board and members of the advisory board serve without compensation but shall receive their necessary and actual expenses.*

*The advisory board shall annually provide a list of priorities and suggested research and marketing studies that should be performed by the agricultural utilization research institute.*

Sec. 10. [116O.10] [RESEARCH ADVISORY BOARD.]



*Subdivision 1. [ESTABLISHMENT.] The board shall establish a research advisory board to provide advisory assistance to the board and the research institutes. The research advisory board consists of seven members appointed by the board. Terms and removal of members must be set by the board and research advisory board members shall serve without compensation but shall receive their necessary and actual expenses while engaged in the business of the corporation. The membership of the advisory board must have representatives that are experienced or have expertise in technology, applied research, agriculture, business, labor, or productivity.*

*Subd. 2. [DUTIES.] The research advisory board has the following duties and responsibilities:*

*(a) Identify specific areas where research and development will contribute to the productivity of the state's businesses and farms.*

*(b) Determine specific areas where financial assistance for research and development could assist the development of businesses and create new employment opportunities.*

*(c) Advise the board in the development and establishment of the regional research institutes and the research grants to public and private post-secondary education institutions.*

*(d) Advise public and private post-secondary education institutions on the research and development needs of businesses in Minnesota.*

*(e) Review the applications and make recommendations to the board for research grants to public and private post-secondary education institutions.*

*(f) Develop guidelines for an effective peer review process for evaluating scientifically- or technologically-related financial assistance.*

**Sec. 11. [1160.11] [RESEARCH GRANTS TO EDUCATION UNITS.]**

*Subdivision 1. [GRANTS GENERALLY.] The board may make matching grants to public and private post-secondary education institutions or units within those institutions, including the natural resource research institute, for applied research and development. Grants are to be made for projects which will likely result in assisting economic and employment development in greater Minnesota. The corporation board shall not give final approval to a research grant until it has received an evaluation and recommendation from the research advisory board established in section 10.*

**Sec. 12. [1160.12] [GREATER MINNESOTA FUND.]**

*(a) The greater Minnesota fund is created in the state treasury. The board may require the commissioner of finance to create separate accounts within the fund for use in accordance with the fund's purposes. Money in the fund not needed for the immediate purposes of the corporation may be invested by the corporation in any way authorized by section 11A.24. Money in the fund is appropriated to the corporation to be used as provided in this chapter.*

*(b) The fund consists of:*

*(1) money appropriated and transferred from other state funds;*

*(2) fees and charges collected by the corporation;*

*(3) income from investments and purchases;*

*(4) revenue from loans, rentals, royalties, dividends, and other proceeds*

*collected in connection with lawful corporate purposes; and*

*(5) gifts, donations, and bequests made to the corporation.*

**Sec. 13. [1160.13] [AGRICULTURAL PROJECT UTILIZATION FUND.]**

*The agricultural project utilization fund is a fund in the state treasury. Money in the fund is appropriated to the agricultural utilization research institute to be used for agricultural research grants as provided in section 9, subdivision 4, and for the agricultural utilization research institute.*

**Sec. 14. [1160.14] [AUDITS.]**

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

*The books and records of the corporation and any subsidiary, fund, or entity to be administered or governed by the corporation are subject to audit without previous notice by the legislative auditor.*

**Sec. 15. [1160.15] [REPORTS.]**

*The board shall report to the appropriate committees of the legislature and the governor on the activities of the corporation by January 1 of each year. The report must include, at least, a description of projects supported by the corporation, an account of all grants made by the corporation during the calendar year, the source and amount of all money collected and distributed by the corporation, the corporation's assets and liabilities, an explanation of administrative expenses, and any amendments to the operational plan. Reports must be made to the legislature as required by section 3.195.*

**Sec. 16. [REGISTERED NAME.]**

*Notwithstanding Minnesota Statutes, section 302A.117, the secretary of state shall register the name "Greater Minnesota Corporation" on behalf of the corporation.*

**Sec. 17. [INITIAL APPOINTMENTS.]**

*Notwithstanding section 3, subdivision 2, the governor shall appoint the initial members of the board of directors of the Greater Minnesota Corporation, subject to the advice and consent of the senate, as follows: four to six-year terms, four to four-year terms, and three to two-year terms. As the terms of the initial appointments expire, appointments must be made by the board, subject to the advice and consent of the senate.*

**Sec. 18. [NATURAL RESOURCES RESEARCH INSTITUTE.]**

*The Greater Minnesota Corporation board and the University of Minnesota board of regents may examine the feasibility of entering into a formal agreement for joint administration or transfer of the natural resources research institute from the University to the corporation. The corporation and board of regents shall report to the governor and legislature by January 15, 1988. The report must include recommendations for the structure for administering the institution, the potential use of university staff and facilities, funding sources and whether the institute should be transferred to the Greater Minnesota Corporation. The corporation may not establish a regional institute whose research focus is comparable to the present research undertaken at the natural resources research institute.*

## Sec. 19. [VENTURE CAPITAL STUDY.]

*The Greater Minnesota Corporation shall study the effect and the possible administrative and legal structure of the establishment of a for-profit venture capital corporation. This venture capital corporation may be capitalized by a state appropriation that in turn may be converted into shares of stock owned by every resident of the state. This corporation would invest only in Minnesota companies or production facilities located in the state with a preference to ventures that utilize the state's resources and intermediate products and services. The venture capital corporation would invest in local capital venture pools that are managed by experienced private venture capital firms and this corporation would only provide investment capital for product development and start-up business development. The venture capital corporation would target its investment capital to products and businesses that reduce costs to the state's residents and government jurisdictions such as products that improve resource efficiency or products that improve the independence of the physically disabled.*

*The study may be completed directly by the Greater Minnesota Corporation or the corporation may contract with a business, state agency, organization, or individual to complete the study. The study must include the examination of at least the following:*

- (1) the anticipated demand for venture capital that meets the investment criteria of the venture capital corporation;*
- (2) an estimation of the start-up costs of the venture capital corporation;*
- (3) an estimation of on-going administrative costs of the venture capital corporation including shareholder-related costs;*
- (4) the most appropriate legal structure for the venture capital corporation including recommendations for the enabling legislation for the corporation;*
- (5) an estimation of the potential additional investment through stock purchases by Minnesota residents;*
- (6) an inventory of experienced and interested local venture capital firms that the corporation would utilize in distributing its venture capital; and*
- (7) an analysis of the type of products that meet the investment criteria of the venture capital corporation.*

*The Greater Minnesota Corporation shall submit the study to the legislature and the governor by July 1, 1988.*

## Sec. 20. [DISSOLUTION.]

*In the event of dissolution of the Greater Minnesota Corporation for any reason, the state of Minnesota, upon action by the governor, and after consultation with the legislative advisory commission, may require the liquidation of all holdings and investments and the return of the proceeds of that liquidation and any wholly-owned assets of the corporation to the state, in exchange for the assumption of all outstanding obligations of the corporation.*

*If the corporation is dissolved, or certain of its functions transferred to another entity, the assets and liabilities and property associated with the dissolved or transferred functions must return to the state or to the entity designated by law.*

**Sec. 21. [OPERATIONAL PLAN.]**

*The board of directors of the Greater Minnesota Corporation shall prepare a comprehensive operational plan and submit the plan to the governor and the legislature by November 15, 1987. The operational plan must at least include operating procedures, accounting procedures, grant procedures, loan procedures, personnel procedures, investment procedures, and board conduct and ethics.*

*If the board proposes to make equity investments under section 6, subdivision 2, the board shall explain in the report how the investments will be made, how much money will be invested in them, how much private money is expected to be invested in the same investments, and why equity investments would be more desirable and effective than the other means of promoting development that are available to the board. No equity investments may be made unless the board has first submitted the information required by this section.*

*In addition, the operational plan must include a budget proposal and a five-year strategic plan setting out its objectives and general strategy for achieving the objectives. It must identify sources and amounts of available nongovernmental money and the purposes for which the money may be used.*

**Sec. 22. [LOAN PROGRAMS TERMINATED; ADMINISTRATION; CREDIT OF REPAYMENTS.]**

*The following loan programs administered by the Minnesota energy and economic development authority are terminated: the special assistance program under section 116M.07, subdivision 11, except for the small business development loans; the technology product loan program; the tourism loan program created under section 116M.07; the energy loan insurance program under section 116M.11; the energy development fund program under section 116M.12; and the Minnesota fund program under sections 472.11 to 472.13. Loan repayments, earnings, releases from insurance reserve accounts, and other income from these programs must be paid to the commissioner of energy and economic development, who shall deposit them in the state treasury and credit them to the greater Minnesota fund.*

**Sec. 23. [LOAN PROGRAM ADMINISTRATION.]**

*Subdivision 1. [POWERS.] To administer the loan programs transferred to the department of energy and economic development by section 22, the commissioner of energy and economic development has the powers in this section.*

*Subd. 2. [PERSONAL PROPERTY.] The commissioner may acquire, hold, and dispose of personal property where necessary or appropriate to protect a loan in which the department has an interest.*

*Subd. 3. [REAL PROPERTY.] The commissioner may acquire real property, or an interest in real property, in the department's name, by purchase or foreclosure, where the acquisition is necessary or appropriate to protect a loan in which the department has an interest and may sell, transfer, and convey the property to a buyer and, in the event the sale, transfer, or conveyance cannot be effected with reasonable promptness or at a reasonable price, may lease the property to a tenant.*

*Subd. 4. [INSURANCE.] The commissioner may procure insurance against a loss in connection with the department's property in the amounts, and*

*from the insurers, as may be necessary or desirable.*

*Subd. 5. [LOAN TERMS; MODIFICATION.] The commissioner may consent, whenever it is considered necessary or desirable to increase the probability that the loan will be repaid, to the modification of the rate of interest, time of payment, or installment of principal or interest, or other term, of a contract or agreement to which the department is a party.*

*Subd. 6. [FINANCIAL INFORMATION.] Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the department regarding a department loan, financial assistance, or insurance is private data with regard to data on individuals as defined in section 13.02, subdivision 12 and nonpublic data with regard to data not on individuals as defined in section 13.02, subdivision 9.*

*Subd. 7. [ROYALTY PAYMENTS.] The department may receive payments in the form of royalties, dividends, or other proceeds in connection with technology-related products, energy conservation products, or other equipment which it has purchased or in which it has participated.*

#### Sec. 24. [REPEALER.]

*Minnesota Statutes 1986, sections 116M.11; 116M.12; 472.11; subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; and 472.13, subdivisions 2, 3, and 4, are repealed.*

#### Sec. 25. [APPROPRIATION.]

*\$6,500,000 is appropriated from the general fund for transfer to the greater Minnesota fund, to be available until expended. \$3,500,000 is appropriated from the rural rehabilitation revolving fund for transfer to the agricultural product utilization fund, to be available until expended.*

#### Sec. 26. [EFFECTIVE DATE.]

*This article is effective the day following final enactment, except that sections 19 to 22 are effective July 1, 1987; and section 6, subdivisions 1 to 3, are effective July 1, 1988.*

### ARTICLE 3

#### MINNESOTA PUBLIC FACILITIES AUTHORITY

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

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

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

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

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

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

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

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

(7) For state independent grant and matching grant purposes hereunder, the eligible cost for grant applicants shall be the eligible cost as determined by the United States environmental protection agency under the Federal Water Pollution Control Act, ~~as amended~~, United States Code, title 33, ~~section 1314, et seq~~ *sections 1281 to 1299*.

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

(9) *Authority means the Minnesota public facilities authority established in section 20.*

Sec. 2. Minnesota Statutes 1986, section 116.16, subdivision 4, is amended to read:

Subd. 4. [DISBURSEMENTS.] Disbursements from the fund shall be made by the state treasurer upon order of the commissioner of finance at the times and in the amounts requested by the agency *or the Minnesota public facilities authority* in accordance with the applicable state and federal law governing such disbursements; except that no appropriation or loan of state funds for any project shall be disbursed to any municipality until and unless the agency has by resolution determined the total estimated cost of the project, and ascertained that financing of the project is assured by:

(1) A grant to the municipality by an agency of the federal government within the amount of funds then appropriated to that agency and allocated by it to projects within the state; or

(2) A grant of funds appropriated by state law; or

(3) A loan authorized by state law; or

(4) The appropriation of proceeds of bonds or other funds of the municipality to a fund for the construction of the project; or

(5) Any or all of the means referred to in paragraphs (1) to (4); and

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

(7) Conformity of the project and of the loan or grant application with the state water pollution control plan as certified to the federal government and with all other conditions under applicable state and federal law for a grant of state or federal funds of the nature and in the amount involved.

Sec. 3. Minnesota Statutes 1986, section 116.16, subdivision 5, is amended to read:

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

(1) procedures for application by municipalities;

(2) conditions for the administration of the grant or loan;

(3) criteria for the ranking of projects in order of priority for grants or loans, based on factors including the extent and nature of pollution, technological feasibility, assurance of proper operation, maintenance and replacement, and participation in multimunicipal systems; and

(4) such other matters as the agency and the director find necessary to the proper administration of the grant program.

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

(c) *For purposes of awarding independent state grants, the agency may by rule waive the federal 20-year planning requirement for municipalities with a population of less than 1,500.*

Sec. 4. Minnesota Statutes 1986, section 116.16, subdivision 9, is amended to read:

Subd. 9. [APPLICATIONS.] Applications by municipalities for grants or loans from the fund shall be made to the ~~director of the agency~~ authority on forms requiring information prescribed by rules of the agency. *The authority shall send the application to the agency within ten days of receipt.* The director shall certify to the ~~agency~~ authority those applications which appear to meet the criteria set forth in sections 116.16 to 116.18 and the rules promulgated hereunder, and the ~~agency~~ authority shall award the

grants or loans on the basis of the criteria and priorities established by the agency in its rules and in sections 116.16 to 116.18. A municipality that is designated under agency rules to receive state or federal funding for a project and that does not make a timely application for or that refuses the funding is not eligible for either state or federal funding for that project in that fiscal year or the subsequent year.

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

*Subd. 11. [AWARDS OF GRANTS AND LOANS.] Upon certification by the director of the pollution control agency, the authority shall notify a municipality that is to receive a grant or loan and advise the municipality of the grant agreement or loan form or other document that must be executed to complete the grant or loan. Upon certification from the director that the work has been completed and that payment is proper, the authority shall pay to the municipality the periodic grant or loan payment.*

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

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

Sec. 7. Minnesota Statutes 1986, section 116.18, subdivision 2a, is amended to read:

*Subd. 2a. [STATE MATCHING GRANTS PROGRAM BEGINNING OCTOBER 1, 1984 1987.] For projects tendered, on or after October 1, 1984 1987, a grant of federal money under section 201(g), section 202, 203, or 206(f) of the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1251 to 1376, at 55 percent or more of the eligible cost for construction of the treatment works, state money appropriated under subdivision 1 must be expended for up to 30 50 percent of the nonfederal share of the eligible cost of construction for municipalities for which the construction would otherwise impose significant financial hardship; provided, that not less than ten percent of the eligible cost must be paid by the municipality or agency constructing the project. If a municipality is tendered federal and state grants in a percentage cumulatively exceeding 90 percent of the eligible cost of construction, the state pollution control agency shall reduce the grant to the municipality under this chapter to the extent necessary to ensure that not less than ten percent of the eligible cost will be paid by the municipality. The amounts of the matching grants must be based on per connection capital cost, median household income, and per capita adjusted assessed valuation with populations of 25,000 or less.*

Sec. 8. Minnesota Statutes 1986, section 116.18, subdivision 3a, is amended to read:

*Subd. 3a. [STATE INDEPENDENT GRANTS PROGRAM.] (a) The agency Minnesota public facilities authority may award independent grants for projects certified by the state pollution control director for 50 percent or, if the agency requires advanced treatment, 65 population of the municipality is 25,000 or less, 80 percent of the eligible cost of construction.*



The agency may award independent grants for up to an additional 30 percent or, if the agency requires advanced treatment, up to an additional 25 percent of the eligible cost of construction to municipalities for which the construction would otherwise impose significant financial hardship; the amounts of the additional grants shall be based on per connection capital cost, median household income, and per capita adjusted assessed valuation. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this subdivision in any single fiscal year may be awarded to a single grantee.

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

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

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

#### Sec. 9. [STATE INDEPENDENT GRANTS PROGRAM.]

(a) *The state pollution control agency may award independent grants for projects for 50 percent or, if the population of the municipality is 25,000 or less, 80 percent of the eligible cost of construction. These grants may be awarded in separate steps for planning and design in addition to actual construction. Until December 31, 1990, not more than 20 percent of the total amount of grants awarded under this section in a fiscal year may be awarded to a single grantee.*

(b) *Up to ten percent of the money to be awarded as grants under this section in a fiscal year must be set aside for municipalities having substantial economic development projects that cannot come to fruition without municipal wastewater treatment improvements. The agency shall forward its municipal needs list to the authority at the beginning of each fiscal year, and the authority shall review the list and identify those municipalities having substantial economic development projects. After the first 90 percent of the total available money is allocated to municipalities in accordance with agency priorities, the set-aside must be used by the authority to award grants to remaining municipalities that have been identified.*

(c) *Grants may also be awarded under this section to reimburse municipalities willing to proceed with projects and be reimbursed in a subsequent*

*year conditioned upon appropriation of sufficient money under Minnesota Statutes, section 116.18, subdivision 1, for that year.*

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

Sec. 10. Minnesota Statutes 1986, section 116J.36, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] In this section:

(a) "Authority" means the Minnesota public facilities authority.

(b) "Construction costs" means all costs associated with the construction, modification or expansion of a district heating system except for preliminary planning costs and detailed design costs. Construction costs include the cost of debt service from the time a construction loan is made until five years after the beginning of the operation of the district heating system constructed or the part of the system being modified or expanded.

(b) (c) "District heating" means the use of a central energy conversion facility to produce hot water or steam for a district heating system. District heating facilities may also produce electricity in addition to hot water or steam.

(c) (d) "Municipality" means any county, home rule charter or statutory city, town, school district or a municipal power agency formed pursuant to sections 453.53 to 453.62. Municipality also means a public utility, as defined in section 452.01, subdivision 3, owned and operated by a city, however organized. For purposes of a district heating system only, municipality also means a nonprofit corporation organized pursuant to the provisions of chapter 317 whose membership is limited to the mayor and governing body of the city in which the district heating system is located.

(d) (e) "District heating system" means any existing or proposed facility for (1) the production, through cogeneration or otherwise, of hot water or steam to be used for district heating, or (2) the transmission and distribution of hot water or steam for district heating either directly to heating consumers or to another facility or facilities for transmission and distribution, or (3) any part or combination of the foregoing facilities.

(e) (f) "Qualified energy improvement" means a cost-effective capital improvement to public land, buildings, or energy using systems, other than a district heating system, including the purchase or installation of equipment to reduce the usage of conventional energy sources or to use alternative energy resources. Qualified energy improvements also include waste-to-energy facilities that meet the criteria specified in subdivision 8a and any rule adopted under that subdivision. Qualified energy improvements shall meet all environmental and permitting standards established by state and federal law.

Sec. 11. Minnesota Statutes 1986, section 116J.36, subdivision 3b, is amended to read:

Subd. 3b. [GRANT ELIGIBILITY, DISTRICT HEATING.] The ~~commissioner of energy and economic development~~ authority may provide *district heating system* planning grants to municipalities ~~for planning related to the development of district heating systems certified by the director of~~

*public service as eligible to receive planning grants.* The municipality must demonstrate that a community heatload survey and map have been successfully completed, that potential district heating load is sufficiently large to justify further consideration, and that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include project definition, development of preliminary financing and distribution system plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of the grant to a municipality is limited to 90 percent of eligible planning costs and shall not exceed \$70,000 as established by rule or emergency rule.

Sec. 12. Minnesota Statutes 1986, section 116J.36, subdivision 3c, is amended to read:

Subd. 3c. [GRANT ELIGIBILITY, QUALIFIED ENERGY IMPROVEMENTS.] ~~The commissioner of energy and economic development authority~~ may provide *qualified energy improvement* planning grants to municipalities ~~for planning related to the development of qualified energy improvements certified by the director of public service as eligible to receive planning grants.~~ The municipality must demonstrate that sufficient resources are available for the municipality to meet its financial requirements. Eligible planning grant costs include definition of the improvement, development of preliminary financing plans, and obtaining commitment for detailed planning or design and preparation of a final report. The amount of a grant to a municipality is limited to 90 percent of eligible planning costs and must not exceed \$100,000 as established by rule or emergency rule.

Sec. 13. Minnesota Statutes 1986, section 116J.36, subdivision 8, is amended to read:

Subd. 8. [LOAN APPROVAL.] ~~The commissioner of energy and economic development~~ *director of public service* shall prepare and submit to the ~~energy and economic development~~ authority separate *priority* lists of loan requests for district heating systems and qualified energy improvements. The *priority* list for district heating loans ~~shall contain the supporting information required by~~ *must be based on the requirements under* subdivisions 3, 4, 5, 6, and 7. The *priority* list for qualified energy improvements ~~shall contain the supporting information required by~~ *must be based on the requirements under* subdivisions 3a, 3c, 4a, 5, and 6. ~~The recommendation of the authority shall be transmitted to the commissioner of finance.~~ The commissioner of finance shall sell bonds and ~~the authority shall~~ make loans for district heating projects and qualified energy improvements only upon the recommendation of the ~~authority~~ *director of public service*.

Sec. 14. Minnesota Statutes 1986, section 116J.36, subdivision 8a, is amended to read:

Subd. 8a. [CRITERIA FOR QUALIFIED ENERGY IMPROVEMENTS.] Qualified energy improvements eligible for loans must meet criteria established in rule by the ~~commissioner of energy and economic development~~ *director of public service*. Rules shall include criteria for analyzing the cost-effectiveness of improvements. Rules relating to qualified energy improvements involving a waste-to-energy facility must be adopted in consultation with the waste management board, ~~the authority~~, and the pollution control agency. An improvement involving a waste-to-energy facility must

be part of a solid waste management plan approved by the pollution control agency or a plan approved under section 473.803.

Sec. 15. Minnesota Statutes 1986, section 116J.36, subdivision 11, is amended to read:

Subd. 11. [RULES.] The commissioner of energy and economic development shall adopt rules *and may adopt emergency rules* necessary to carry out the programs of this section. *The director of public service shall adopt rules for the administration of programs under this section.* The ~~commissioner of energy and economic development~~ *director of public service* may adopt emergency rules pursuant to sections 14.29 to 14.36, meeting the requirements of this section. The rules shall contain as a minimum:

- (a) Procedures for application by municipalities; and
- (b) Criteria for reviewing grant and loan applications.

Sec. 16. Minnesota Statutes 1986, section 116J.37, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] In this section:

(a) "Commissioner" means the commissioner of energy and economic development. Upon passage of legislation creating a body known as the Minnesota ~~energy~~ *public facilities* authority, the duties assigned to the commissioner in this section are delegated to the authority.

(b) "Maxi-audit" has the meaning given in section 116J.06, subdivision 12.

(c) "Energy conservation investments" mean all capital expenditures that are associated with conservation measures identified in a maxi-audit and that have a ten-year or less payback period. Public school districts that received a federal institutional building grant in 1984 to convert a heating system to wood, and that apply for an energy conservation investment loan to match a federal grant for wood conversion, shall be allowed to calculate payback of conservation measures based on the costs of the traditional fuel in use prior to the wood conversion.

Sec. 17. Minnesota Statutes 1986, section 116J.37, is amended by adding a subdivision to read:

Subd. 8. [TECHNICAL SUPPORT.] *The director of public service shall prepare and submit to the authority the technical evaluation of all applicants under this section.*

Sec. 18. [446A.01] [MINNESOTA PUBLIC FACILITIES AUTHORITY ACT.]

*Sections 18 to 26 may be cited as the "Minnesota public facilities authority act."*

Sec. 19. [446A.02] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *For the purposes of sections 18 to 26, the terms in this section have the meanings given them.*

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

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

*Subd. 4. [FEDERAL WATER POLLUTION CONTROL ACT.] "Federal Water Pollution Control Act" means the Federal Water Pollution Control Act, as amended, United States Code, title 33, sections 1281 to 1299.*

*Subd. 5. [GOVERNMENTAL UNIT.] "Governmental unit" means a state agency, home rule charter or statutory city, county, sanitary district, or other governmental subdivision.*

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

**Sec. 20. [446A.03] [MINNESOTA PUBLIC FACILITIES AUTHORITY.]**

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

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

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

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

*Subd. 5. [EXECUTIVE DIRECTOR.] The commissioner shall employ, with the concurrence of the authority, an executive director. The director shall perform duties that the authority may require in carrying out its responsibilities. The executive director's position is in the unclassified service.*

*Subd. 6. [ADMINISTRATIVE SERVICES.] The commissioner shall provide administrative services to the authority.*

*Subd. 7. [PERSONAL LIABILITY.] Members and officers of the authority are not liable personally for any debt or obligation of the authority.*

**Sec. 21. [446A.04] [POWERS; DUTIES.]**

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

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

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

*Subd. 4. [CONTRACT FOR SERVICES.] The authority may retain or contract for the services of accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.*

*Subd. 5. [FEES.] The authority may set and collect fees for costs incurred by the authority for its financings and the establishment and maintenance of reserve funds.*

**Sec. 22. [446A.05] [PROJECT LOANS.]**

*Subdivision 1. [LOANS.] The authority may make and contract to make loans to governmental units to finance projects that the governmental unit may construct or acquire. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan must be secured by notes or bonds of the borrowing governmental unit.*

*Subd. 2. [RULES.] The commissioner may adopt rules governing loans awarded under this section.*

**Sec. 23. [446A.06] [INDEPENDENT WASTEWATER TREATMENT GRANTS.]**

*Subdivision 1. [AWARD OF GRANTS.] The authority shall award independent state grants to municipalities selected by the pollution control agency upon certification by the agency that the municipalities' projects and applications have been reviewed and approved by the agency in accordance with sections 116.16 to 116.18 and agency rules.*

*Subd. 2. [RULES.] The commissioner shall adopt rules containing procedures for the administration of the authority's duties as provided in subdivision 1.*

**Sec. 24. [446A.07] [WATER POLLUTION CONTROL REVOLVING FUND.]**

*Subdivision 1. [ESTABLISHMENT OF FUND.] The authority shall establish a water pollution control revolving fund to provide loans for the purposes and eligible costs authorized under title VI of the Federal Water Pollution Control Act. The fund must be credited with repayments.*

*Subd. 2. [STATE FUNDS.] A state matching fund is established to be used in compliance with federal matching requirements specified in the Federal Water Pollution Control Act. A state grant and loan fund is established to provide grants and loans to governmental units for the planning and construction of treatment works as specified in section 116.16, subdivision 2, paragraphs (6), (7), and (8).*

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

*Subd. 4. [INTENDED USE PLAN.] The pollution control agency shall annually prepare and submit to the United States Environmental Protection Agency an intended use plan. The plan must identify the intended uses of the amounts available to the water pollution control revolving fund, including a list of wastewater treatment projects and other eligible activities to be funded during the fiscal year. The agency may not submit the plan until it has received the review and comment of the authority or until 30 days*

have elapsed since the plan was submitted to the authority, whichever occurs first.

**Subd. 5. [APPLICATIONS.]** Applications by municipalities and other entities identified in the annual intended use plan for loans from the water pollution control revolving fund must be made to the authority on forms requiring information prescribed by the rules of the agency adopted under this section. The authority shall send the applications to the agency within ten days of receipt. The director shall certify to the authority those applications that appear to meet the criteria set forth in the Federal Water Pollution Control Act, this section, and rules of the agency.

**Subd. 6. [AWARD AND TERMS OF LOANS.]** The authority shall award loans to those municipalities and other entities certified by the agency. The terms and conditions of the loans must be in conformance with the Federal Water Pollution Control Act, this section, and rules of the agency, and authority adopted under this section.

**Subd. 7. [LOAN CONDITIONS.]** When making loans from the revolving fund, the authority shall comply with the conditions of the Federal Water Pollution Control Act, including:

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

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

(c) A loan recipient shall establish a dedicated source of revenue for repayment of the loan.

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

**Subd. 8. [OTHER USES OF REVOLVING FUND.]** The water pollution control revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

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

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

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

(4) to provide loan guarantees for similar revolving funds established by a governmental unit other than state agencies;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.

Amounts spent under clause (6) may not exceed the amount allowed under the Federal Water Pollution Control Act. Five percent of the revolving

*loan fund repayments may be used by the agency and the authority for the purposes listed in clause (6).*

**Subd. 9. [PAYMENTS.]** *Payments from the fund must be made in accordance with the applicable state and federal law governing the payments, except that no payment for a project may be made to a governmental unit until and unless the authority has determined the total estimated cost of the project and ascertained that financing of the project is assured by:*

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

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

**Subd. 10. [RULES OF THE AUTHORITY.]** *The commissioner shall adopt rules containing procedures for the administration of the authority's duties as provided in this section, including loan interest rates, the amounts of loans, and municipal financial need.*

**Subd. 11. [RULES OF THE AGENCY.]** *The agency shall adopt rules relating to the procedure for preparation of the annual intended use plan and other matters that the agency considers necessary for proper loan administration.*

## **Sec. 25. [446A.08] [HEALTH CARE EQUIPMENT LOANS.]**

**Subdivision 1. [AUTHORITY.]** *The authority may make or participate in making health care equipment loans. The loans may be made only from the proceeds of bonds or notes issued under subdivision 2. Before making a commitment for a loan, the authority shall forward the application to the commissioner of health for review under subdivision 3. The authority may not approve or enter into a commitment for a loan unless the application has been approved by the commissioner of health.*

**Subd. 2. [BONDS AND NOTES.]** *The authority may issue its bonds and notes to provide money for the purposes specified in subdivision 1. The principal amount of bonds and notes issued and outstanding under this subdivision at any time may not exceed \$95,000,000. The bonds and notes issued to make the loans may not be insured by the authority but must be insured by a letter of credit or bond insurance issued by a private insurer.*

**Subd. 3. [ADMINISTRATION.]** *(a) The commissioner of health shall review each loan application received from the authority to determine whether the application is an eligible application. An application is eligible if the following criteria are satisfied:*

*(1) the hospital is owned and operated by a county, district, municipality, or nonprofit corporation;*

*(2) the loan would not be used to refinance existing debt;*

*(3) the hospital was unable to obtain suitable financing from other sources;*



(4) the loan is necessary to establish or maintain patient access to an essential health care service that would not otherwise be available within a reasonable distance from the facility; and

(5) the equipment to be financed by the loan is cost-effective and efficient.

(b) The authority shall determine whether the allocation available for the health care equipment loan program is sufficient for all eligible applications received during a specified time. If the allocations are sufficient, the authority shall approve all eligible applications. If the allocations are not sufficient, the authority shall compare the relative merits of the eligible applications with respect to the criteria in paragraph (a), clauses (4) and (5), rank the applications in order of priority, and approve the applications in order of priority to the extent possible within the available allocation.

(c) The authority may charge a reasonable fee under section 16A.128 to an applicant for the costs of review of the application. The authority shall transfer to the commissioner of health from the fees collected an amount sufficient to pay the costs of the commissioner of health in the review of applications. The commissioner of health and the authority may each adopt permanent rules to implement subdivisions 1 to 3.

#### Sec. 26. [446A.09] [REPORT; AUDIT.]

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

#### Sec. 27. [GOVERNOR'S ACTION.]

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

#### Sec. 28. [TRANSFER OF AUTHORITY.]

Subdivision 1. [WATER POLLUTION CONTROL GRANTS.] (a) The responsibilities of the pollution control agency for the state independent wastewater treatment grant program under Minnesota Statutes, section 116.18, subdivision 3a, are transferred on July 1, 1988, to the Minnesota public facilities authority under Minnesota Statutes, section 15.039, except that the commissioner of energy and economic development and the director of the pollution control agency shall determine which classified and unclassified positions associated with these responsibilities are transferred.

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

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

#### Subd. 2. [OTHER RESPONSIBILITIES.] (a) The responsibilities for the

health care equipment loan program under section 116M.07, subdivisions 7a, 7b, and 7c; the public school energy conservation loan program under section 116J.37; and the district heating and qualified energy improvement loan program under section 116J.36, are transferred from the Minnesota energy and economic development authority to the Minnesota public facilities authority. The director of public service shall continue to administer the municipal energy grant and loan programs under section 116J.36 and the school energy loan program under section 116J.37 until the commissioner of energy and economic development has adopted rules to implement the financial administration of the programs as provided under sections 10 to 17.

(b) Except as otherwise provided in this paragraph, section 15.039 applies to the transfer of responsibilities. The transfer includes eight and one-half positions from the financial management division of the department of energy and economic development to the community development division of the department of energy and economic development. The commissioner of energy and economic development and the director of public service shall determine which classified and unclassified positions associated with the responsibilities of the grant and loan programs under section 116J.36 and the school energy loan program under section 116J.37 are transferred to the director of public service and which positions are transferred to the commissioner of energy and economic development in order to carry out the purposes of this article.

#### Sec. 29. [PROGRAM ADMINISTRATION.]

Subdivision 1. [POWERS.] In implementing the purposes and the programs transferred to the authority by section 28, subdivision 2, the authority has the powers in this section.

Subd. 2. [RULES.] It may adopt, amend, and repeal rules, including emergency rules, necessary to effectuate its purposes.

Subd. 3. [PERSONAL PROPERTY.] It may acquire, hold, and dispose of personal property for its corporate purposes.

Subd. 4. [REAL PROPERTY.] It may acquire real property, or an interest in real property, in its own name, by purchase or foreclosure, where the acquisition is necessary or appropriate to protect a loan in which the authority has an interest and may sell, transfer, and convey the property to a buyer and, in the event the sale, transfer, or conveyance cannot be effected with reasonable promptness or at a reasonable price, may lease the property to a tenant.

Subd. 5. [NOTES; MORTGAGES; OBLIGATIONS; SALE OF] It may sell, at public or private sale, any note, mortgage or other instrument or obligation evidencing or securing a loan.

Subd. 6. [INSURANCE.] It may procure insurance against a loss in connection with its property in the amounts, and from the insurers, as may be necessary or desirable.

Subd. 7. [LOAN TERMS; MODIFICATION.] It may consent, whenever it considers it necessary or desirable in the fulfillment of its purpose, to the modification of the rate of interest, time of payment, installment of principal or interest, or other term, of a contract or agreement to which the authority is a party.

Subd. 8. [LOAN PAYMENTS; INTEREST AND AMORTIZATION.] It

may establish and collect reasonable interest and amortization payments on loans, and in connection with them may establish and collect or authorize the collection of reasonable fees and charges or require money to be placed in escrow, sufficient to provide for the payment and security of its bonds, notes, commitments and other obligations and for their servicing, to provide reasonable allowances for or insurance against losses which may be incurred and to cover the cost of issuance of obligations and technical, consultative, and project assistance services.

**Subd. 9. [INVESTMENTS.]** (a) It may cause any money not required for immediate disbursement, including the general reserve account, to be invested in direct obligations of or obligations guaranteed as to principal and interest by the United States, or in insured savings accounts, up to the amount of the insurance, in any institution the accounts of which are insured by the federal savings and loan insurance corporation or to be deposited in a savings or other account in a bank insured by the federal deposit insurance corporation or to be invested in time certificates of deposit issued by a bank insured by the federal deposit insurance corporation and maturing within one year or less and in the investments described in section 11A.24, subdivision 4, except clause (d) of subdivision 4. It may deposit money in excess of the amount insured with security as provided in chapter 118.

(b) Notwithstanding paragraph (a), it may invest and deposit money into accounts established pursuant to resolutions or indentures securing its bonds or notes in investments and deposit accounts or certificates, and with security, agreed upon with the holders or a trustee for the holders.

**Subd. 10. [CONSULTATIVE AND TECHNICAL SERVICES.]** It may provide general consultative and technical services to assist in financing the entities to which loans may be made. It may enter into agreements or other transactions concerning the receipt or provision of those services.

**Subd. 11. [FINANCIAL INFORMATION.]** Financial information, including credit reports, financial statements and net worth calculations, received or prepared by the authority regarding an authority loan, financial assistance, or insurance is private data with regard to data on individuals as defined in section 13.02, subdivision 12 and nonpublic data with regard to data not on individuals as defined in section 13.02, subdivision 9.

**Subd. 12. [APPROPRIATIONS; GIFTS; GRANTS.]** The authority may accept appropriations, gifts, grants, bequests, and devises and use or dispose of them for its purposes. All gifts, grants, bequests, and revenues from those sources are appropriated to the authority.

**Subd. 13. [PROCEEDS APPROPRIATED TO AUTHORITY.]** Proceeds of the authority's bonds, notes, and other obligations; amounts granted or appropriated to the authority for the making or purchase or the insurance or guaranty of loans or for bond reserves; income from investment; money in the funds; and all revenues from loans, fees, and charges of the authority including rentals, royalties, dividends, or other proceeds in connection with technology-related products, energy conservation products, or other equipment are annually appropriated to the authority for the accomplishment of its corporate purposes and must be spent, administered, and accounted for in accordance with the applicable provisions of all bond and note resolutions, indentures, and other instruments, contracts, and agreements of the agency. Notwithstanding section 16A.28, these appropriations are available until expended.

*Subd. 14. [GENERAL PURPOSE.] The authority may do all things necessary and proper to fulfill its purpose.*

**Sec. 30. [REPEALER.]**

*Minnesota Statutes 1986, section 116.167, is repealed.*

**Sec. 31. [APPROPRIATION.]**

*\$800,000 is appropriated from the economic development fund to the commissioner of energy and economic development to administer programs under the Minnesota public facilities authority. \$400,000 is for fiscal year 1988 and \$400,000 is for fiscal year 1989.*

**Sec. 32. [EFFECTIVE DATE.]**

*Sections 1, 2, 4, 5, 6, 8, 23, and 28, subdivision 1, are effective on July 1, 1988.*

*Section 9 is repealed July 1, 1988.*

**ARTICLE 4**

**COMMUNITY DEVELOPMENT**

**Section 1. [116J.874] [COMMUNITY DEVELOPMENT DIVISION.]**

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

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

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

*(3) provide technical assistance to rural communities for community development in cooperation with regional development commissions;*

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

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

*(6) be responsible for coordinating community assistance and development programs in cooperation with regional development commissions.*

*Subd. 2. [GENERAL COMPLEMENT AUTHORITY.] The community development division may combine all related state and federal complement positions into general fund positions, to carry out the responsibilities under subdivision 1. The number of general fund positions must not exceed the aggregate number of all state and federal positions that are to be combined. Records of the actual number of employee hours charged to each state and federal account must be maintained for each general fund position.*

**Sec. 2. [116J.8741] [MAIN STREET PROGRAM.]**

*The commissioner shall develop and administer a main street program*

to assist cities in the revitalization of their businesses. The purpose of the program is to strengthen local organization and local management of business districts so that cities become more self-reliant and not dependent on future state financial assistance. The staff dedicated for this program shall assist cities that request assistance in the following manner:

- (1) improving the organization of a city's business district including the leadership skills of business owners and city officials;
- (2) establishing a marketing strategy to promote a city's business district to residents of the surrounding trade area;
- (3) providing technical assistance in the design and rehabilitation of buildings in a city's business district including historic preservation; and
- (4) establishing a strategy to strengthen existing businesses, recruit new businesses, diversify the mix of businesses, and develop vacant property in a city's business district.

**Sec. 3. [116J.970] [COMMUNITY DEVELOPMENT CORPORATIONS.]**

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

- (a) "Commissioner" means the commissioner of energy and economic development.
- (b) "Economic development region" means an area so designated in the governor's executive order number 60, dated June 12, 1970, as amended.
- (c) "Federal poverty level" means the income level established by the United States Community Services Administration in Code of Federal Regulations, title 45, section 1060.2-2.
- (d) "Low income" means an annual income below the federal poverty level.

**Subd. 2. [ADMINISTRATION.]** The commissioner shall administer this section and shall enforce the rules related to the community development corporations adopted by the commissioner. The commissioner may amend, suspend, repeal or otherwise modify these rules as provided for in chapter 14.

**Subd. 3. [GRANTS; CORPORATIONS ELIGIBLE.]** (a) The commissioner shall designate a community development corporation as eligible to receive grants under this section if the corporation is a nonprofit corporation incorporated under chapter 317 and meets the other criteria in this subdivision.

(b) The corporation, in its articles of incorporation or bylaws, shall designate a specific geographic community within which it will operate. As least ten percent of the population within the designated community must have low incomes. Within the metropolitan area as defined in section 473.121, subdivision 2, a designated community must be an identifiable neighborhood or a combination of neighborhoods or home rule charter or statutory cities, townships, unincorporated areas, or combinations of those entities. Outside the metropolitan area, designated communities, so far as possible, may not cross existing economic development boundaries. If a proposed geographic area overlaps the designated community of a community development corporation existing before August 1, 1987, the proposed community development corporation shall obtain the written consent

of the existing community development corporation before the proposed corporation may be designated as eligible to receive grants under this section.

(c) The corporation shall limit voting membership to residents of its designated area.

(d) The corporation shall have a board of directors with 15 to 30 members unless the corporation can demonstrate to the satisfaction of the commissioner that a smaller or larger board is more advantageous. At least 40 percent of the directors must have incomes that do not exceed 80 percent of the county median family income or 80 percent of the statewide median family income as determined by the state demographer, whichever is less, and the remaining directors must be members of the business or financial community and the community at large. To the greatest extent possible, and at least 60 percent of, the directors must be residents of the designated community. Directors who meet the income limitations of this paragraph must be elected by the members of the corporation. The remaining directors may be elected by the members or appointed by the directors who meet the income limitations of this paragraph.

(e) The corporation shall hire low-income residents of the designated community to fill nonmanagerial and nonprofessional positions.

(f) The corporation shall demonstrate that it has or will have the technical skills to analyze projects, that it is familiar with other available public and private funding sources and economic development programs, and that it is capable of packaging economic development projects.

Subd. 4. [GRANT APPROVAL FOR PROJECTS.] The commissioner shall approve a grant to a community development corporation only for a project carried on within the designated community, except when the corporation demonstrates that a project carried on outside will have a significant impact inside the designated community.

Subd. 5. [USE OF GRANT.] The commissioner may approve a grant to a community development corporation for planning, including organization of the corporation, training of the directors, creation of a comprehensive community economic development plan, and development of a proposal for a venture grant, or for establishment of a business venture, including assistance to an existing business venture, purchase of partial or full ownership of a business venture, or development of resources or facilities necessary for the establishment of a business venture.

Subd. 6. [ASSIGNEE.] The commissioner must be named as an assignee of the rights of a state-funded community development corporation on any loan or other evidence of debt provided by a community development corporation to a private enterprise. The assignment of rights must provide that it will be effective upon the dormancy or cessation of existence of the community development corporation. "Dormancy" for the purpose of this section means the continuation of the corporation in name only without any functioning officers or activities. Upon the cessation of the activities of a state-funded community development corporation, any assigned money paid to the commissioner must be deposited in the state treasury and credited to the general fund.

Subd. 7. [FACTORS FOR GRANT APPROVAL.] Factors considered by the commissioner in approving a grant to a community development corporation must include the creation of employment opportunities, the max-

*imization of profit, and the effect on securing money from sources other than the state.*

*Subd. 8. [PROHIBITION.] Grants under this section are not available for programs conducted by churches or religious organizations or for securing or developing social services.*

*Subd. 9. [NO EXCLUSION.] A person may not be excluded from participation in a program funded under this section because of race, color, religion, sex, age, or national origin.*

**Sec. 4. [TRANSFER OF RESPONSIBILITIES.]**

*Subdivision 1. [COMMUNITY DEVELOPMENT CORPORATIONS.] The responsibilities of the Minnesota energy and economic development authority for community development corporations under Minnesota Statutes, section 116M.04, are transferred under Minnesota Statutes, section 15.039, to the commissioner of energy and economic development.*

*Subd. 2. [OTHER PROGRAMS.] The main street program, the Minnesota community improvement program, the governor's design team, and the Minnesota beautiful program are transferred under Minnesota Statutes, section 15.039, from the state planning agency to the department of energy and economic development. The four incumbents of the state planning agency responsible for the administration of these programs are transferred to the department of energy and economic development.*

**Sec. 5. [REPEALER.]**

*Minnesota Statutes, section 116M.04, is repealed.*

**Sec. 6. [EFFECTIVE DATE.]**

*This article is effective July 1, 1987.*

**ARTICLE 5**

**MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT  
AUTHORITY**

Section 1. Minnesota Statutes 1986, section 15.039, is amended by adding a subdivision to read:

*Subd. 5a. [OBLIGATIONS.] The new agency is the legal successor in all respects of the agency whose responsibilities are transferred. The bonds, resolutions, contracts, and liabilities of the agency whose responsibilities are transferred become the bonds, resolutions, contracts, and liabilities of the new agency.*

Sec. 2. Minnesota Statutes 1986, section 16A.80, subdivision 2a, is amended to read:

**Subd. 2a. [EXEMPT AGENCIES.]** This section does not apply to:

- (1) the housing finance agency;
- (2) the state board of investment;
- (3) the iron range resources and rehabilitation board;
- (4) the higher education coordinating board; and
- (5) the higher education facilities authority; and
- (6) the energy and economic development authority.

**Sec. 3. [116.55] [WASTE TIRE RECYCLING LOANS AND GRANTS.]**

*The pollution control agency may make waste tire recycling loans to businesses. Applications for the loans are not complete unless the waste tire recycling project for which the loan is to be made is certified to be technically feasible by the director of the pollution control agency. The agency may make grants from the waste tire recycling account for studies necessary to demonstrate the technical and economic feasibility of a proposed waste tire recycling project. A grant must be less than \$30,000 and may not exceed 75 percent of the costs of the study. The agency shall adopt rules for administration of waste tire recycling grants and loans.*

**Sec. 4. [RESPONSIBILITIES TRANSFERRED TO POLLUTION CONTROL AGENCY.]**

*The responsibilities for the waste tire recycling loan and grant program under section 116M.07, subdivision 3, are transferred from the Minnesota energy and economic development authority to the pollution control agency. Minnesota Statutes, section 15.039, applies to the transfer of responsibilities.*

**Sec. 5. [TRANSFER OF RESPONSIBILITIES.]**

*The responsibilities of the Minnesota energy and economic development authority that are not transferred to any other agency are transferred to the commissioner of energy and economic development under Minnesota Statutes, section 15.039.*

**Sec. 6. [REPEALER.]**

*Minnesota Statutes 1986, sections 116M.01; 116M.02; 116M.03; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.105; and 116M.13, are repealed.*

**Sec. 7. [EFFECTIVE DATE.]**

*This article is effective July 1, 1987.*

**ARTICLE 6****URBAN REVITALIZATION PROGRAMS**

Section 1. Minnesota Statutes 1986, section 281.17, is amended to read:

**281.17 [PERIOD FOR REDEMPTION.]**

*The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22, (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a), or (c) seasonal recreational land as defined in section 273.13, subdivision 27, paragraph (a), or subdivision 22, paragraph (c), in which event the period of redemption is five years from the date of sale to the state of Minnesota.*

*The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in section 4 and sold to the state at a tax judgment sale is two years from the date of sale. The period of redemption for other lands in a targeted neighborhood as defined in section 4 and sold to the state at a tax judgment sale is one year from the date of sale.*

*The period of redemption for all other lands sold to the state at a tax*



judgment sale shall be five years from the date of sale.

Sec. 2. Minnesota Statutes 1986, section 429.061, subdivision 2, is amended to read:

Subd. 2. [ADOPTION; INTEREST.] At such meeting or at any adjournment thereof the council shall hear and pass upon all objections to the proposed assessment, whether presented orally or in writing. The council may amend the proposed assessment as to any parcel and by resolution adopt the same as the special assessment against the lands named in the assessment roll. Notice of any adjournment of the hearing shall be adequate if the minutes of the meeting so adjourned show the time and place when and where the hearing is to be continued.

The council may consider any objection to the amount of a proposed assessment as to a specific parcel of land at an adjourned hearing upon further notice to the affected property owner as it deems advisable. At the adjourned hearing the council or a committee of it may hear further written or oral testimony on behalf of the objecting property owner and may consider further written or oral testimony from appropriate city officials and other witnesses as to the amount of the assessment. The council or committee shall prepare a record of the proceedings at the adjourned hearing and written findings as to the amount of the assessment. The amount of the assessment as finally determined by the council shall become a part of the adopted assessment roll. No appeal may be taken as to the amount of any assessment adopted under this section unless written objection signed by the affected property owner is filed with the municipal clerk prior to the assessment hearing or presented to the presiding officer at the hearing. All objections to the assessments not received at the assessment hearing in the manner prescribed by this subdivision are waived, unless the failure to object at the assessment hearing is due to a reasonable cause.

If the adopted assessment differs from the proposed assessment as to any particular lot, piece, or parcel of land, the clerk must mail to the owner a notice stating the amount of the adopted assessment. Owners must also be notified by mail of any changes adopted by the council in interest rates or prepayment requirements from those contained in the notice of the proposed assessment.

The assessment, with accruing interest, shall be a lien upon all private and public property included therein, from the date of the resolution adopting the assessment, concurrent with general taxes; but the lien shall not be enforceable against public property as long as it is publicly owned, and during such period the assessment shall be recoverable from the owner of such property only in the manner and to the extent provided in section 435.19. Except as provided below, all assessments shall be payable in equal annual installments extending over such period, not exceeding 30 years, as the resolution determines, payable on the first Monday in January in each year, but the number of installments need not be uniform for all assessments included in a single assessment roll if a uniform criterion for determining the number of installments is provided by the resolution. *Assessments on property located in a targeted neighborhood as defined in section 4 may be payable in variable annual installments if the resolution provides for a variable payment.* The first installment of each assessment shall be included in the first tax rolls completed after its adoption and shall be payable in the same year as the taxes contained therein; except that the payment of the first installment of any assessment levied upon unimproved

property may be deferred until a designated future year, or until the platting of the property or the construction of improvements thereon, upon such terms and conditions and based upon such standards and criteria as may be provided by resolution of the council. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount deferred. In any event, every assessment the payment of which is so deferred, when it becomes payable, shall be divided into a number of installments such that the last installment thereof will be payable not more than 30 years after the levy of the assessment. All assessments shall bear interest at such rate as the resolution determines, not exceeding eight percent per annum, except that the rate may in any event equal the average annual interest rate on bonds issued to finance the improvement for which the assessments are levied. To the first installment of each assessment shall be added interest on the entire assessment from a date specified in the resolution levying the assessment, not earlier than the date of the resolution, until December 31 of the year in which the first installment is payable, and to each subsequent installment shall be added interest for one year on all unpaid installments; or alternatively, any assessment may be made payable in equal annual installments including principal and interest, each in the amount annually required to pay the principal over such period with interest at such rate as the resolution determines, not exceeding the maximum period and rate specified above. In the latter event no prepayment shall be accepted under subdivision 3 without payment of all installments due to and including December 31 of the year of prepayment, together with the original principal amount reduced only by the amounts of principal included in such installments, computed on an annual amortization basis. When payment of an assessment is deferred, as authorized in this subdivision, interest thereon for the period of deferment may be made payable annually at the same times as the principal installments of the assessment would have been payable if not deferred; or interest for this period may be added to the principal amount of the assessment when it becomes payable; or, if so provided in the resolution levying the assessment, interest thereon to December 31 of the year before the first installment is payable may be forgiven.

Sec. 3. Minnesota Statutes 1986, section 462.445, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 462.415 to 462.705 (but not the power to levy and collect taxes or special assessments except as provided in sections 462.515 to 462.545 with respect to redevelopment projects only) including the following powers in addition to others granted in these sections:

(1) To sue and be sued; to have a seal, which shall be judicially noticed, and to alter the same at pleasure; to have perpetual succession; and to make, and from time to time to amend and repeal, rules and regulations not inconsistent with these sections;

(2) To employ an executive director, technical experts, and such officers, agents, and employees, permanent and temporary, as it may require, and determine their qualifications, duties, and compensation; for such legal services as it may require, to call upon the chief law officer of the munic-

ipality or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies, in its area of operation, such local public bodies, if requested, to make such services available;

(3) To delegate to one or more of its agents or employees such powers or duties as it may deem proper;

(4) Within its area of operation to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) Subject to the provisions of section 462.511, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute such leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take such action, as may be necessary or convenient to carry out the purposes of these sections;

(6) Within its area of operation to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by Minnesota Statutes 1945, chapter 117, and any amendments thereof or supplements thereto, to acquire real property which it may deem necessary for its purposes under these sections, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 462.425 or found to exist by section 462.415, subdivision 5, or is necessary to carry out a redevelopment project as defined in section 462.421, subdivision 13;

(7) Within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) of this subdivision, including by the exercise of the power of eminent domain, in the manner provided by chapter 117, and without the adoption of a resolution provided for in subdivision 1, clause (6), real property, and to demolish, remove, rehabilitate or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill and construct foundations or otherwise prepare the site for improvements, and to dispose of said property pursuant to section 462.525, provided that the provisions of section 462.525 requiring conformance to an urban renewal plan shall not apply, and to finance such activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 462.545 or by means of contributions from the municipality provided for in section 462.581, clause (9), or by any combination of such means; provided that, real property with buildings or improvements thereon shall only be acquired when the buildings or improvements are substandard; and provided further that the exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this subparagraph, substandard buildings or improvements mean *hazardous buildings as defined in section 463.15, subdivision 3*, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community.

(8) Within its area of operation to determine the level of income con-

stituting low or moderate family income. Such income level shall be that level below which there is not available within the area of operation a substantial supply of decent, safe and sanitary housing provided by private enterprise without subsidy at prices or rents within the financial means of persons and families of such incomes. The authority may establish various income levels for various family sizes. In making its determination the authority may consider income levels which may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use such determination as a basis for the maximum amount of income for admissions to housing development projects owned or operated by it;

(9) To provide in federally assisted projects such relocation payments and assistance as may be necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto.

#### Sec. 4. [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 4 to 10.*

*Subd. 2. [CITY.] "City" means the city of Minneapolis or the city of Saint Paul. For each city, a port authority, housing and redevelopment authority, or other agency or instrumentality, the jurisdiction of which is the territory of the city, is included within the meaning of city.*

*Subd. 3. [CITY COUNCIL.] "City council" means either the city council of Minneapolis or the city council of Saint Paul.*

*Subd. 4. [CITY MATCHING MONEY.] "City matching money" means the money of a city specified in a revitalization and financing program to be spent to implement a revitalization program. The sources of city matching money may include:*

*(1) money from the general fund or a special fund of a city used to implement a revitalization program;*

*(2) money paid or repaid to a city from the proceeds of a grant that a city has received from the federal government, a profit or nonprofit corporation, or another entity or individual, that is to be used to implement a revitalization program;*

*(3) tax increments received by a city under sections 273.71 to 273.78 or other law, if eligible, to be spent in the targeted neighborhood;*

*(4) the greater of the fair market value or the cost to the city of acquiring land, buildings, equipment, or other real or personal property that a city contributes, grants, or loans to a profit or nonprofit corporation, or other entity or individual in connection with the implementation of a revitalization program;*

*(5) city money to be used to install, reinstall, repair, or improve the infrastructure facilities of a targeted neighborhood;*

*(6) money contributed by a city to pay issuance costs or to otherwise provide financial support for revenue bonds or obligations issued by a city for a project or program related to the implementation of a revitalization program;*

(7) money derived from fees received by a city in connection with its community development activities that are to be used in implementing a revitalization program.

City matching money does not include:

(1) city money used to provide a service or exercise a function that is ordinarily provided throughout the city, unless an increased level of the service or function is to be provided in a targeted neighborhood in accordance with a revitalization program;

(2) the proceeds of revenue bonds issued by the city under chapter 458, 462C, 472, or 474; or

(3) administrative expenses that are incurred in connection with the planning or implementation of sections 4 to 10.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.

Subd. 6. [LOST UNIT.] "Lost unit" means a rental housing unit that is lost as a result of revitalization activities because it is demolished, converted to an owner-occupied unit that is not a cooperative, converted to a nonresidential use, or if the gross rent to be charged exceeds 125 percent of the gross rent charged for the unit six months before the start of rehabilitation.

Subd. 7. [TARGETED NEIGHBORHOOD.] "Targeted neighborhood" means an area including one or more census tracts as determined and measured by the bureau of census of the United States Department of Commerce that meet the criteria of section 5, subdivision 2, and any additional area designated under section 5, subdivision 3.

Subd. 8. [TARGETED NEIGHBORHOOD MONEY.] "Targeted neighborhood money" means the money designated in the revitalization program to be used to implement the revitalization program.

Subd. 9. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM.] "Targeted neighborhood revitalization and financing program," "revitalization program," or "program" means the targeted neighborhood revitalization and financing program adopted in accordance with section 6.

#### Sec. 5. [DESIGNATION OF TARGETED NEIGHBORHOODS.]

Subdivision 1. [CITY AUTHORITY.] A city may by resolution designate targeted neighborhoods within its borders after adopting detailed findings that the designated neighborhoods meet the eligibility requirements in subdivision 2 or 3.

Subd. 2. [ELIGIBILITY REQUIREMENTS FOR TARGETED NEIGHBORHOODS.] An area within a city is eligible for designation as a targeted neighborhood if the area meets two of the following three requirements:

(a) The area had an unemployment rate that was twice the unemployment rate for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.

(b) The median household income in the area was no more than half the median household income for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the 1980 federal decennial census.

(c) *The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this clause if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city or 70 percent or more of the residential dwelling units in the area were built before 1940 as determined by the 1980 federal decennial census.*

*Subd. 3. [ADDITIONAL AREA ELIGIBLE FOR INCLUSION IN TARGETED NEIGHBORHOOD.] The city may add to the area designated as a targeted neighborhood under subdivision 2 additional area extending up to four contiguous city blocks in all directions from the designated targeted neighborhood. For the purpose of this subdivision, "city block" has the meaning determined by the city.*

**Sec. 6. [TARGETED NEIGHBORHOOD REVITALIZATION AND FINANCING PROGRAM REQUIREMENTS.]**

*Subdivision 1. [COMPREHENSIVE REVITALIZATION AND FINANCING PROGRAM.] (a) For each targeted neighborhood for which a city requests state financial assistance under section 7, the city must prepare a comprehensive revitalization and financing program that includes the following:*

- (1) the revitalization objectives of the city for the targeted neighborhood;*
- (2) the specific activities or means by which the city intends to pursue and implement the revitalization objectives;*

*(3) the extent to which the activities identified in clause (2) will benefit low and moderate income families, will alleviate the blighted condition of the targeted neighborhood, or will otherwise assist in the revitalization of the targeted neighborhood;*

*(4) a statement of the intended outcomes to be achieved by implementation of the revitalization program, how the outcomes will be measured both qualitatively and quantitatively, and the estimated time over which they will occur; and*

*(5) a financing program and budget that identifies the financial resources necessary to implement the revitalization program.*

*(b) The financing program and budget must include the following items:*

- (1) the estimated total cost to implement the revitalization program;*
- (2) the estimated cost to implement each activity in the revitalization program identified in paragraph (a), clause (2);*

*(3) the estimated amount of financial resources that will be available from all sources other than from the appropriation available under section 7 to implement the revitalization program;*

*(4) the estimated amount of the appropriation available under section 7 that will be necessary to implement the revitalization program;*

*(5) a description of the activities identified in the revitalization program for which the state appropriation will be used and the time or times at which the state appropriation will be committed or spent; and*

*(6) a statement of how the city intends to meet the requirement for a financial contribution matching the state appropriation from city matching money in accordance with section 7, subdivision 3.*

**Subd. 2. [TARGETED NEIGHBORHOOD PARTICIPATION IN REVITALIZATION PROGRAM DEVELOPMENT.]** *The city shall develop a process to consult the residents in the targeted neighborhood concerning the development, drafting, and implementation of the revitalization program. The process may include the establishment of an advisory board in each city. The process must include at least one public hearing in addition to a public hearing held by the advisory board.*

**Subd. 3. [ADVISORY BOARD.]** *The governing body of the city may establish a nine-member advisory board to assist the city in implementing the revitalization program. The advisory board shall consist of two city council members appointed by the city council, one county commissioner appointed by the county board of the county in which the city is located, two legislators appointed by the city legislative delegation, and four residents who reside in a targeted neighborhood appointed by the city council. The advisory board shall advise the city on the preparation of the revitalization program including the conversion from absent-owner rental housing to home ownership, the promotion of commercial and industrial growth in targeted neighborhoods, and the integration of human service programs and the redevelopment in targeted neighborhoods.*

**Subd. 4. [PRELIMINARY CITY REVIEW; STATE AGENCY REVIEW.]** *Before adoption of the revitalization program under subdivision 5, the city must submit a draft program to the commissioner and the Minnesota housing finance agency for their comment. The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them. Comments received by the city from the state agencies within the 30-day period must be responded to in writing by the city before adoption of the program by the city.*

**Subd. 5. [CITY APPROVAL.]** *The city may adopt the revitalization program only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing.*

**Subd. 6. [PROGRAM CERTIFICATION.]** *A certification by the city that a revitalization program has been approved by the city council for the targeted neighborhood must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota housing finance agency.*

**Subd. 7. [REVITALIZATION PROGRAM MODIFICATION.]** *The revitalization program may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city and in the targeted neighborhood not less than ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under subdivision 6, it must implement the revitalization program approval and certification process of subdivisions 3 to 6 for the proposed modification.*

**Sec. 7. [PAYMENT; CITY MATCHING MONEY; DRAWDOWN; USES OF STATE MONEY.]**

**Subdivision 1. [PAYMENT OF STATE MONEY.]** *Upon receipt from a city of the certification that a revitalization program has been adopted or*

modified, the commissioner shall, within 30 days, pay to the city the amount of state money identified as necessary to implement the revitalization program or program modification. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded. Once the state money has been paid to the city, it becomes targeted neighborhood money for use by the city in accordance with an adopted revitalization program and subject only to the restrictions on its use in sections 4 to 10.

**Subd. 2. [ALLOCATION.]** A city may receive a part of the appropriations made available that is the proportion that the population of the city bears to the combined population of Minneapolis and Saint Paul. One city may agree to reduce its entitlement amount so that the other may receive an amount more than its entitlement amount. The population of each city for the purposes of this subdivision is determined according to the most recent estimates available to the commissioner. Interest earned by a city from money paid to the city must be repaid to the commissioner annually unless the revitalization program identifies the interest as necessary to implement the revitalization program and the requirement for city matching money is satisfied with respect to the interest.

**Subd. 3. [CITY MATCHING MONEY; DRAWDOWN OF STATE MONEY; RESTRICTION ON USE OF STATE MONEY.]** A city may spend state money only if the revitalization program identifies city matching money to be used to implement the program in an amount equal to the state appropriation. A city must keep the state money in a segregated fund for accounting purposes. No state money may be used to pay the general administrative expenses of a city that are incurred in connection with the planning or implementation of sections 4 to 10.

## **Sec. 8. [CITY POWERS AND ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.]**

**Subdivision 1. [CONSOLIDATION OF EXISTING POWERS IN TARGETED NEIGHBORHOODS.]** A city may exercise any of its corporate powers within a targeted neighborhood including, but not limited to, all of the powers enumerated and granted by chapters 458, 462, 462C, 472, 472A, and 474. For the purposes of chapter 458, a targeted neighborhood is considered an industrial development district. A city may exercise the powers of chapter 458 in conjunction with, and in addition to, exercising the powers granted by chapters 462 and 462C in order to promote and assist housing construction and rehabilitation within a targeted neighborhood. For the purposes of section 462C.02, subdivision 9, a targeted neighborhood is considered a "targeted area."

**Subd. 2. [GRANTS AND LOANS.]** In addition to the authority granted by other law, a city may make grants and loans to individuals, for-profit and nonprofit corporations, and other organizations to implement a revitalization program. The grants and loans must contain the terms concerning use of money, repayment, and other conditions the city deems proper to implement a revitalization program.

**Subd. 3. [ELIGIBLE USES OF TARGETED NEIGHBORHOOD MONEY.]** The city may spend targeted neighborhood money for any purpose authorized by subdivision 1 or 2. Use of targeted neighborhood money must be authorized in a revitalization program.

## **Sec. 9. [HAZARDOUS BUILDING PENALTY.]**



A city may assess a penalty equal to one percent of the assessed value of a building located in a targeted neighborhood defined in section 4 that the city determined to be hazardous as defined in section 463.15, subdivision 3. The city shall send a written notice to the address to which the property tax statement is sent at least 90 days before it may assess the penalty. If the owner of the building has not paid the penalty and fixed the property within 30 days after receiving notice of the penalty, the penalty is considered delinquent and is increased by 25 percent each 60 days the penalty is not paid and the property remains hazardous. For the purposes of this section, a penalty that is delinquent is considered a delinquent property tax and subject to Minnesota Statutes, chapters 279, 280, and 281, in the same manner as delinquent property taxes.

#### Sec. 10. [ANNUAL AUDIT AND REPORT.]

**Subdivision 1. [ANNUAL FINANCIAL AUDIT.]** In 1988 and subsequent years, at the end of each calendar year, the legislative auditor shall conduct a financial audit to review the spending of state money under sections 4 to 10. Before spending state money to implement a revitalization program, the city must consult with the legislative auditor to determine appropriate accounting methods and principles that will assist the legislative auditor in conducting its financial audit. The results of the financial audit must be submitted to the legislative audit commission, the commissioner, and the Minnesota housing finance agency.

**Subd. 2. [ANNUAL REPORT.]** A city that begins to implement a revitalization program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 6, subdivision 1, paragraph (a), clause (4), are being achieved. The report must include at least the following:

(1) the number of housing units removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report;

(2) the number and type of commercial establishments removed, created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full time or part time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments;

(3) a description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created per each \$20,000 of funds expended on commercial projects and applicable public improvement projects;

(4) the increase in the assessed valuation for the city as a result of the assistance to commercial and housing assistance; and

(5) the amount of private investment that is a result of the use of public money in a targeted neighborhood.

The report must be submitted to the commissioner, the Minnesota housing finance agency, and the legislative audit commission, and must be available to the public.

#### Sec. 11. [APPROPRIATION; DISTRIBUTION.]

*\$9,000,000 is appropriated from the general fund to the commissioner of energy and economic development for payment to the cities of Minneapolis and Saint Paul as provided in section 7. \$4,500,000 is for fiscal year 1988 and \$4,500,000 is for fiscal year 1989.*

**Sec. 12. [REPEALER.]**

*Laws 1969, chapters 833 and 984, are repealed.*

**Sec. 13. [EFFECTIVE DATE; LOCAL APPROVAL.]**

*Sections 4 to 11 are effective for the city of Minneapolis the day after compliance with section 645.021, subdivision 3, by the governing body of the city of Minneapolis.*

*Sections 4 to 11 are effective for the city of Saint Paul the day after compliance with section 645.021, subdivision 3, by the governing body of the city of Saint Paul.*

**ARTICLE 7**

**NATURAL RESOURCES**

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

*It is the policy of the state to provide for the diversification of the state's mineral economy through long-term support of mineral exploration, evaluation, development, production, and commercialization.*

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

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

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

- (1) increase the knowledge of the state's mineral potential;*
- (2) stimulate the development of mineral resources in the state; and*
- (3) promote basic minerals research.*

*The plan must also include a two-year plan that establishes funding priorities for the minerals programs under subdivision 3. The funding priorities must be updated every two years.*

*Subd. 3. [MINERALS PROGRAMS.] The mineral diversification plan must address at least the following: aeromagnetic surveys, glacial till geochemistry surveys, geologic drilling and mapping, LMIC minerals data base, drill core examination and assay, industrial minerals characterization and research, bedrock geochemistry, nonferrous minerals research, reclamation studies, economic evaluation of mineral resources, improved*

*geophysical and remote sensing base, acquisition of sampling equipment and analyses, determination of mineral rights ownership, ferrous minerals research, evaluation of mineral resource occurrence, evaluation of value added processes, ore deposit modeling, and basic mineral research.*

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

(b) *By January 15 of each odd-numbered year, the minerals coordinating committee shall submit the two-year funding priority plan required under subdivision 2 to the chairs of the house appropriations and environment and natural resources committees and the chairs of the senate finance and environment and natural resources committees.*

### **Sec. 3. [APPROPRIATION.]**

**Subdivision 1. [MINERALS PROGRAMS.]** *\$1,000,000 is appropriated from the general fund to the commissioner of natural resources to accelerate geological mapping of the state, accelerate evaluation of the state's mineral potential and other natural resources, and provide analytical support for the minerals industry according to the mineral diversification plan or a minerals industry acceleration plan developed by the minerals coordinating committee. \$500,000 is for fiscal year 1988 and \$500,000 is for fiscal year 1989.*

**Subd. 2. [COUNTY FORESTRY ASSISTANCE PROGRAMS.]** *\$1,750,000 is appropriated from the general fund to the commissioner of natural resources for grants to counties or groups of counties for county forestry assistance programs. \$875,000 is for fiscal year 1988 and \$875,000 is for fiscal year 1989. The commissioner of natural resources shall make the appropriation available to counties with the amount proportional to the acreage of commercial tax-forfeited forested land managed by the county. As a condition of receiving money, the commissioner of natural resources shall require work plans, semiannual progress reports, and final project reports.*

**Subd. 3. [FORESTRY MANAGEMENT.]** *\$250,000 is appropriated from the general fund to the commissioner of natural resources for implementation of the forestry management plan required in Minnesota Statutes, section 89.011, on land that is not managed for the school trust fund. \$125,000 is for fiscal year 1988 and \$125,000 is for fiscal year 1989.*

### **Sec. 4. [EFFECTIVE DATE.]**

*This article is effective the day following final enactment.*

## **ARTICLE 8**

### **IRON RANGE RESOURCES AND REHABILITATION**

#### **Section 1. [NORTHEAST MINNESOTA ECONOMIC DEVELOPMENT FUND.]**

**Subdivision 1. [APPROPRIATION.]** *\$4,000,000 is appropriated from the general fund to the commissioner of iron range resources and rehabilitation. \$300,000 of this appropriation must be used in the same manner as money appropriated under Minnesota Statutes, section 298.17.*

**Subd. 2. [PURPOSE OF EXPENDITURES.]** *The money appropriated in this section may be used for projects and programs for which techno-*

logical and economic feasibility have been demonstrated and that have the following purposes:

(1) creating and maintaining productive, permanent, skilled employment, including employment in technologically innovative businesses; and

(2) encouraging diversification of the economy and promoting the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism.

Subd. 3. [USE OF MONEY.] *The money appropriated under this section may be used to provide loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan must be no less than the lesser of eight percent or the rate of interest set by the Minnesota development board for comparable small business development loans at that time.*

*Money appropriated in this section must be expended only in or for the benefit of the tax relief area defined in Minnesota Statutes, section 273.134, and as otherwise provided in this section.*

Subd. 4. [PROJECT APPROVAL.] *The board shall by August 1, 1987, and each year thereafter prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:*

(1) *the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;*

(2) *the prospective benefits of the expenditure exceed the anticipated costs; and*

(3) *in the case of assistance to private enterprise, the project will serve a sound business purpose.*

*To be proposed by the board, a project must be approved by at least eight iron range resources and rehabilitation board members and the commissioner of iron range resources and rehabilitation. The list of projects must be submitted to the legislative advisory commission for its review. The list with the recommendation of the legislative advisory commission must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor.*

*The board may submit supplemental projects for approval at any time. Supplemental projects must be submitted to the members of the legislative advisory commission for their review and recommendations of further review. If a recommendation is not provided within ten days, no further review by the legislative advisory commission is required, and the governor shall approve or disapprove each project or return it for further consideration. If the recommendation by a member is for further review, the governor shall submit the request to the legislative advisory commission for its review and recommendation. Failure or refusal of the commission to make a recommendation promptly is a negative recommendation.*

Subd. 5. [ADVISORY COMMITTEES.] *Before submission to the board*

*of a proposal for a project for expenditure of money appropriated under this section, the commissioner of iron range resources and rehabilitation shall appoint a technical advisory committee consisting of at least seven persons who are knowledgeable in areas related to the objectives of the proposal. If the project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project. Members of the committees must be compensated as provided in Minnesota Statutes, section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee.*

*Subd. 6. [USE OF REPAYMENTS AND EARNINGS.] Principal and interest received in repayment of loans made under this section must be deposited in the state treasury and are appropriated to the board for the purposes of this section.*

Sec. 2. Minnesota Statutes 1986, section 298.292, is amended to read:  
298.292 [POLICY.]

*Subdivision 1. [PURPOSES.] The legislature is cognizant of the severe economic dislocations and widespread unemployment that result when a single industry on which an area is largely dependent, experiences a drastic reduction in activity. The northeast Minnesota economic protection trust fund is hereby created to be devoted to economic rehabilitation and diversification of industrial enterprises where these conditions ensue as the result of the decline of such a single industry. Priority shall be given to using the northeast Minnesota economic protection trust fund for the following purposes:*

*(a) (1) projects and programs that are designed to create and maintain productive, permanent, skilled employment, including employment in technologically innovative businesses;*

*(b) (2) projects and programs to encourage diversification of the economy and to promote the development of minerals, alternative energy sources utilizing indigenous fuels, forestry, small business, and tourism; and*

*(c) (3) projects and programs for which technological and economic feasibility have been demonstrated;*

*(d) Subd. 2. [USE OF MONEY.] Money in the northeast Minnesota economic protection trust fund may be used for the following purposes:*

*(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;*

*(e) funding (2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211; and*

*(f) (3) to pay in periodic payments or in a lump sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of*

constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources; and

*(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the northeast Minnesota economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the northeast Minnesota economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the northeast Minnesota economic protection trust fund.*

Money from the trust fund shall be expended only in or for the benefit of the tax relief area defined in section 273.134.

Sec. 3. Minnesota Statutes 1986, section 298.296, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF FUNDS.] Before January 1, 2002, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust. On and after January 1, 2002, funds may be expended on projects and for administration from any assets of the trust. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

Principal and interest received in repayment of loans made pursuant to this section, *and earnings on other investments made under section 298.292, subdivision 2, clause (4),* shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

Sec. 4. [EFFECTIVE DATE.]

*Section 2 is effective the day following final enactment.*

## ARTICLE 9

## MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT PROGRAM

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

## 41A.01 [PURPOSE.]

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

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

Subd. 3. [AGRICULTURAL RESOURCE LOAN GUARANTY MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT BOARD; BOARD.] "Agricultural resource loan guaranty Minnesota agricultural and economic development board" or "board" means consists of the commissioner of finance as chair, the commissioner of agriculture, ~~the commissioner of commerce,~~ the commissioner of energy and economic development, and the director of the pollution control agency, ~~the president of the Greater Minnesota Corporation, and two public members with experience in finance, appointed by the Greater Minnesota Corporation.~~

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

Subd. 4. [AGRICULTURAL RESOURCE LOAN GUARANTY MINNESOTA AGRICULTURAL AND ECONOMIC DEVELOPMENT FUND; GUARANTY DEVELOPMENT FUND.] "Agricultural resource loan guaranty Minnesota agricultural and economic development fund" or "guaranty development fund" means the fund created by section 41A.05.

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

Subd. 6. [AGRICULTURAL RESOURCE PROJECT; PROJECT.] "Agricultural resource project" or "project" means (1) any facility, or portion of a facility, located in the state which is operated or to be operated primarily for the production from agricultural resources of marketable products, (2) buildings, equipment, and land used for the commercial production of turkeys or turkey products, (3) a facility or portion of a facility used for the commercial production of fish or of products made from commercially-produced fish or rough fish, as defined in section 97A.015, subdivision 43, that are not commercially produced, or (4) real or personal property used or useful in connection with a revenue-producing enterprise, or a

combination of two or more revenue-producing enterprises engaged in a business, that is not used for the production of livestock, other than poultry, or for the production of crops, plants, or milk. The land in clause (2) is limited to land on which buildings and equipment are situated and immediately surrounding land used for storage, waste disposal, or other functions directly related to the commercial production of turkeys or turkey products at that project site. The land in clause (2) does not include land used for the growing or raising of crops or the grazing of livestock other than poultry. A project includes a facility or portion of a facility for mixing or producing substances to be mixed with other substances for use as a fuel or as a substitute for petroleum or petrochemical feedstocks.

Sec. 5. Minnesota Statutes 1986, section 41A.02, subdivision 11, is amended to read:

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

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

Subd. 16. [ELIGIBLE SMALL BUSINESS.] "Eligible small business" means:

(1) an enterprise determined by the board to constitute a small business concern as defined in regulations of the United States Small Business Administration under United States Code, title 15, sections 631 to 647; or

(2) a business eligible to receive assistance under section 12.

Sec. 7. Minnesota Statutes 1986, section 41A.02, is amended by adding a subdivision to read:

Subd. 17. [SMALL BUSINESS DEVELOPMENT LOAN.] "Small business development loan" means a loan to a business that is an "eligible small business" to finance capital expenditures on an interim or long-term basis to acquire or improve land, acquire, construct, rehabilitate, remove, or improve buildings, or to acquire and install fixtures and equipment useful to conduct a small business, including facilities of a capital nature useful or suitable for a business engaged in an enterprise promoting employment including, without limitation, facilities included within the meaning of the term "project" as defined in sections 474.02, subdivisions 1 to 1f, and 474.03, subdivision 4.

Sec. 8. [41A.021] [SUCCESSOR STATUS.]

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

Sec. 9. [41A.022] [MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; SUCCESSOR STATUS.]

The board is the legal successor in all respects of the Minnesota energy



*and economic development authority under the general bond resolution for the Minnesota small business development loan program, as amended and restated by the authority on September 24, 1986. All bonds, resolutions, contracts, and liabilities of the Minnesota energy and economic development authority relating to the Minnesota small business development loan program are the bonds, resolutions, contracts, and liabilities of the Minnesota agricultural and economic development board.*

**Sec. 10. [41A.023] [POWERS.]**

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

- (1) sue and be sued;*
- (2) acquire, hold, lease, and transfer any interest in real and personal property for its corporate purposes;*
- (3) sell at public or private sale any instrument or obligation evidencing a loan;*
- (4) obtain insurance on its property;*
- (5) obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions;*
- (6) enter into other agreements or transactions, without regard to chapter 16B, that the board considers necessary or appropriate to carry out the purposes of this chapter with federal or state agencies, political subdivisions of the state, or other persons, firms, or corporations;*
- (7) establish and collect fees without regard to chapter 14 and section 16A.128;*
- (8) accept appropriations, gifts, grants, and bequests;*
- (9) use money received from any source for any legal purpose or program of the board;*
- (10) participate in loans for agricultural resource projects in accordance with section 11;*
- (11) provide small business development loans in accordance with section 12; and*
- (12) guarantee or insure bonds or notes issued by the board.*

**Sec. 11. [41A.035] [AGRICULTURAL RESOURCES LOAN PARTICIPATION.]**

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

**Sec. 12. [41A.036] [SMALL BUSINESS DEVELOPMENT LOANS.]**

*Subdivision 1. [LOANS; LIMITATIONS.] (a) The board may make, purchase, or participate with financial institutions in making or purchasing small business development loans not exceeding \$1,000,000 in principal amount with respect to small business loans made or purchased by the*

board and not exceeding \$1,000,000 principal amount with respect to the board's share when the board participates in making or purchasing small business loans.

(b) With respect to loans that the board makes or purchases or participates in, the board may determine or provide for their servicing, the percentage of board participation, if any, the times the loans or participations are payable and the amounts of payment, their amount and interest rates, their security, if any, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The board may enter into commitments to purchase or participate with financial institutions or other persons upon the terms, conditions, and provisions determined by it. Loans or participations may be serviced by financial institutions or other persons designated by the board.

(c) The board shall obtain the best available security for all loans. The board may provide for or require the insurance or guaranteeing of the loans or board participations in whole or in part by the federal government or a department, agency, or instrumentality of it, by an appropriate board account, or by a private insurer.

**Subd. 2. [SMALL BUSINESS DEVELOPMENT LOANS; PREFERENCES.]** The following eligible small businesses have preference among all business applicants for small business development loans:

(1) businesses located in rural areas of the state that are experiencing the most severe unemployment rates in the state;

(2) businesses that are likely to expand and provide additional permanent employment in rural areas of the state;

(3) businesses located in border communities that experience a competitive disadvantage due to location;

(4) businesses that have been unable to obtain traditional financial assistance due to a disadvantageous location, minority ownership, or other factors rather than due to the business having been considered a poor financial risk;

(5) businesses that utilize state resources and reduce state dependence on outside resources, and that produce products or services consistent with the long-term social and economic needs of the state; and

(6) businesses located in designated enterprise zones, as described in section 273.1312, subdivision 4.

**Subd. 3. [LOCAL GOVERNMENTAL UNIT SPONSOR; RESOLUTION.]** A business applying for a loan must be sponsored by a resolution of the governing body of the local governmental unit within whose jurisdiction the project is located. For purposes of this paragraph, "local governmental unit" means a home rule charter or statutory city when the project is located in an incorporated area, a county when the project is located in an unincorporated area, or an American Indian tribal council when the project is located within a federally recognized American Indian reservation or community.

**Sec. 13.** Minnesota Statutes 1986, section 41A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) Any applicant may file a written application with the state commissioner of energy and economic development on behalf of the board, to be considered by the ~~agricultural resource loan guaranty~~ board, for a guaranty by the state of a portion of a loan or for issuance of bonds for an agricultural resource project. In general, the application must provide information similar to that required by an investment banking or other financial institution considering such a project for debt financing. Specifically, each application must include in brief but precise form the following information, as supplied by the applicant, the borrower, or the lender:

(1) a description of the scope, nature, extent, and location of the proposed project, including the identity of the borrower and a preliminary or conceptual design of the project;

(2) a description of the technology to be used in the project and the prior construction and operating experience of the borrower with such projects;

(3) a detailed estimate of the items comprising the total cost of the project, including escalation and contingencies, with explanation of the assumptions underlying the estimate;

(4) a general description of the financial plan for the project, including the mortgage and security interests to be granted for the security of the guaranteed loan or the bonds, and all sources of equity, grants, or contributions or of borrowing the repayment of which is not to be secured by the mortgage and security interests, or, if so secured, is expressly subordinated to the guaranteed loan;

(5) an environmental report analyzing potential environmental effects of the project, any necessary or proposed mitigation measures, and other relevant data available to the applicant to enable the board to make an environmental assessment;

(6) a list of applications to be filed and estimated dates of approvals of permits required by federal, state, and local government agencies as conditions for construction and commencement of operation of the project;

(7) an estimated construction schedule;

(8) an analysis of the estimated cost of production of and market for the product, including economic factors justifying the analysis and proposed and actual marketing contracts, letters of intent, and contracts for the supply of feedstock;

(9) a description of the management experience of the borrower in organizing and undertaking similar projects;

(10) pro forma cash flow statements for the first five years of project operation including income statements and balance sheets;

(11) a description of the borrower's organization and, where applicable, a copy of its articles of incorporation or partnership agreement and bylaws;

(12) the estimated amount of the loan or bonds and percentage of the guaranty requested, the proposed repayment schedule, and other terms and conditions and security provisions of the loan;

(13) an estimate of the amounts and times of receipt of guaranty fees, sales and use taxes, property tax increments, and any other governmental charges which may be available for the support of the ~~state guaranty agri-~~

*cultural development* fund as a result of the construction of the project, with an analysis of the assumptions on which the estimate is based;

(14) a copy of any lending commitment issued by a lender to the borrower;

(15) a statement from the lender, if identified, as to its general experience in financing and servicing debt incurred for projects of the size and general type of the project, and its proposed servicing and monitoring plan; and

(16) additional information required by the board.

(b) ~~The applicant shall pay upon filing of the application a fee equal to .25 percent of the amount of the loan guaranty or bond requested. The fee shall be paid to the commissioner of finance and deposited in the general fund. If the board determines not to issue a commitment for the project, the fee shall be refunded to the applicant, less the board's cost of processing, reviewing, and evaluating the application. If the board issues a commitment for the project and the application fee exceeds the board's cost of processing, reviewing, and evaluating the application, the balance shall be transferred from the general fund to the project account in the guaranty fund and credited against the amount of the commitment fee required in section 41A.03, subdivision 3, clause (j). The county or rural development finance authority may require the proposed borrower under the project to pay the application fee.~~

(c) If the application is made by an applicant other than the county or rural development finance authority and tax increment financing is to be used for the project, the application must include a copy of a resolution adopted by the governing body of the county or rural development finance authority in which the project is located. The resolution must authorize the use of tax increment financing for the project as required by section 41A.06, subdivision 5.

Sec. 14. Minnesota Statutes 1986, section 41A.05, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF FUND.] ~~For the purpose of developing the state's agricultural resources by extending credit on real estate security, the agricultural resource loan guaranty~~ *The Minnesota agricultural and economic development fund* is established as a special and dedicated fund to be held and invested separately from all other funds of the state. All money appropriated to the fund, and all guaranty fees, retail sales taxes, property tax increments, and other money from any source which may be credited to the fund ~~pursuant to law or pursuant to the terms of grants, contributions, or contracts~~ are appropriated and shall remain available for the purposes of the fund until those purposes have been fully accomplished to the board to carry out the purposes of this chapter. The board may maintain or establish within the ~~guaranty Minnesota agricultural and economic development fund reserve funds accounts~~, project accounts, trustee accounts, special guaranty fund accounts, or other restrictions it determines necessary or appropriate to carry out the purposes of this chapter. Except as otherwise provided in this section, the fund may be used only for paying amounts due under loan guaranties and principal and interest assistance contracts entered into by the state, pursuant to the agricultural resource loan guaranty program. *The board may enter into pledge and escrow agreements or indentures of trust with a trustee for the purpose of maintaining the accounts.*

Sec. 15. Minnesota Statutes 1986, section 41A.05, subdivision 2, is

amended to read:

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

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

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

#### Sec. 16. [41A.065] [CERTIFIED DEVELOPMENT COMPANY.]

*Subdivision 1. [PURPOSE; OBJECTIVES.] The board may create, promote, and assist a development company that will qualify as a certified development company for the purposes of United States Code, title 15, section 697, and Code of Federal Regulations, title 13, section 108.503.*

*The board shall utilize the development company program to stimulate the state's economic activity.*

*The development company and its directors and officers shall comply with the organizational, operational, regulatory, and reporting requirements as promulgated by the United States Small Business Administration and the guidelines contained in the bylaws, articles of incorporation, and standard operating procedure prescribed by the Small Business Administration.*

#### Subd. 2. [CAPITAL, LOAN LIMITS; MEMBERSHIP REQUIRE-

MENTS.] *The capital for a certified development company must be derived from corporate holders or members, each of whom must not have more than ten percent of the voting control of the development company. The company must have a minimum of ten members. The members of the company from each economic development region must represent, to the greatest extent practical, the same proportion of the membership of the company as the population of the economic development region is of the population of the state. The loan limit of each member must be established at the time of its acceptance as a member and must be computed on the basis of the financial information contained in or made a part of its application for membership. Loan limits must be established at the thousand dollar amount nearest the amount computed in accordance with the provisions of the articles of incorporation and this section.*

Subd. 3. [MEMBERS.] *Members must be representatives of local government, community organizations, financial institutions, and businesses in Minnesota and must, upon application, have been accepted for membership by a majority vote of the members of the board of directors present at a regular or special meeting of the board at which there is a quorum. A "financial institution" is a business organization recognized under Minnesota or federal law as a banking institution, trust company, savings and loan association, insurance company, or a corporation, partnership, foundation or other institution licensed to do business in the state of Minnesota and engaged primarily in lending or investing money.*

Subd. 4. [MEMBERSHIP APPLICATIONS.] *Applications for membership must be submitted to the development company's board of directors on forms provided by the corporation and accompanied by additional information as the form may require. Application forms must provide that if the application is approved and the applicant accepted for membership by the development company's board of directors before withdrawal of the application, the applicant agrees to become a member upon the acceptance and to assume the rights and obligations of a member. Notice of approval or rejection of an application must be forwarded, by certified or registered United States mail, to the applicant for the attention of the person signing the application, within 15 days following the date when the approval or rejection is made. Approval of the application constitutes acceptance of the applicant as a member of the corporation.*

Subd. 5. [OFFICERS.] *The executive officers of the development company are a president, one or more vice presidents including the executive vice president, a secretary, and a treasurer. None of the officers, except the president, need be directors. One person may hold the offices and perform the duties of any two or more of the offices. The development company's board of directors by majority vote may leave unfilled for any period it may fix any office except that of president, treasurer, or secretary.*

Subd. 6. [ASSISTANCE.] *The commissioner of energy and economic development shall make available the professional staff of the department to provide services to the development company including, but not limited to, accounting, legal, and business assistance services. The staff must have the capability to package, process, close and service loans made through the development company.*

Subd. 7. [REPORTS.] *The development company shall submit to the Small Business Administration annual reports on its operation. When requested by the Small Business Administration, interim reports of a similar*

*nature must be provided. The reports must be provided in accordance with the instructions and attachments set forth by the Small Business Administration. The development company shall comply with all regulations issued under the small business investment act of 1958, as amended, as well as applicable state and federal laws affecting its operation.*

*Subd. 8. [REVOLVING ACCOUNT.] The development company may charge a one-time processing fee up to the maximum allowed by the Small Business Administration on a debenture issued for loan purposes. In addition, a fee for servicing loans may be imposed up to the maximum allowed by the Small Business Administration based on the unpaid balance of each debenture. These fees must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the board to pay the costs of administering the program, including personnel costs; compensate members of the board of directors under section 15.0575, subdivision 3, and to create and operate a pool of money for investment in projects that further the purposes of this section.*

Sec. 17. Minnesota Statutes 1986, section 41A.08, is amended to read:  
41A.08 [STAFF]

*Subdivision 1. [EMPLOYEES.] Subject to all other applicable laws governing employees of or employment by a department or agency of the state, the commissioner of energy and economic development, on behalf of the board, may retain or employ the officers, employees, agents, contractors, and consultants the commissioner determines necessary or appropriate to discharge the functions of the board in respect to the agricultural resource loan program. The commissioner shall define their duties and responsibilities.*

*Subd. 2. [EXECUTIVE DIRECTOR.] The commissioner shall employ, with the concurrence of the board, an executive director. The executive director shall perform the duties that the board may require in carrying out its responsibilities. The executive director's position is in the unclassified service.*

Sec. 18. [RESPONSIBILITIES TRANSFERRED TO MINNESOTA DEVELOPMENT BOARD.]

*Subdivision 1. [TRANSFER.] The responsibilities under the general bond resolution for the Minnesota small business development loan program, as amended and restated by the authority on September 24, 1986, and the responsibilities for the certified development company program under section 116M.05 are transferred from the Minnesota energy and economic development authority to the Minnesota agricultural and economic development board. Money designated or committed to the small business development loan program is transferred to the Minnesota agricultural and economic development fund, to be credited to a separate account to be used to carry out the purposes specified in section 9. This transfer includes four classified positions and one unclassified position from the financial management division of the department of energy and economic development. Minnesota Statutes, section 15.039 applies to the transfer of responsibilities.*

*Subd. 2. [POWERS CONTINUED.] To carry out the purposes specified in sections 9 and 19, the board may exercise the powers granted to the Minnesota energy and economic development authority under Minnesota Statutes 1986, sections 116M.06, 116M.07, and 116M.08, notwithstanding the repeal of those sections.*

**Sec. 19. [LOAN REPAYMENTS.]**

*The commissioner of energy and economic development shall credit money received before July 1, 1987, from loan repayments, earnings, releases from insurance reserve accounts, and other income from the following programs to the Minnesota agricultural and economic development fund: the special assistance program under section 116M.07, subdivision 11, except for the small business development loans; the technology product loan program; the tourism loan program created under section 116M.07; the energy loan insurance program under section 116M.11; the energy development fund program under section 116M.12; and the Minnesota fund program under sections 472.11 to 472.13. The commissioner of energy and economic development shall credit money received on or after July 1, 1987, to the greater Minnesota fund.*

**Sec. 20. [HAZARDOUS WASTE PROCESSING FACILITY LOANS.]**

*Subdivision 1. [AUTHORITY TO MAKE LOANS.] The Minnesota agricultural and economic development board may make, purchase, or participate in making or purchasing hazardous waste processing facility loans in any amount, and may enter into commitments therefor. A private person proposing to develop and operate a hazardous waste processing facility is eligible to apply for a loan under this subdivision. Applications must be made to the Minnesota agricultural and economic development board. The Minnesota agricultural and economic development board shall forward the applications to the waste management board for review pursuant to section 115A.162. If the waste management board does not certify the application, the Minnesota agricultural and economic development board may not approve the application nor make the loan. If the waste management board certifies the application, the Minnesota agricultural and economic development board shall approve the application and make the loan if money is available for it and if the Minnesota agricultural and economic development board finds that:*

*(1) development and operation of the facility as proposed by the applicant is economically feasible;*

*(2) there is a reasonable expectation that the principal and interest on the loan will be fully repaid; and*

*(3) the facility is unlikely to be developed and operated without a loan from the Minnesota agricultural and economic development board.*

*The Minnesota agricultural and economic development board and the waste management board shall establish coordinated procedures for loan application, certification, and approval.*

*The Minnesota agricultural and economic development board may use the Minnesota agricultural and economic development fund to provide financial assistance to any person whose hazardous waste processing facility loan application has been certified by the waste management board and approved by the Minnesota agricultural and economic development board, and for this purpose may exercise the powers granted in Minnesota Statutes 1986, section 116M.06, subdivision 2, with respect to any loans made or bonds issued under this subdivision regardless of whether the applicant is an eligible small business.*

*The Minnesota agricultural and economic development board may issue bonds and notes in the aggregate principal amount of \$10,000,000 for the*



*purpose of making, purchasing, or participating in making or purchasing hazardous waste processing facility loans.*

*The Minnesota agricultural and economic development board may adopt emergency rules under sections 14.29 to 14.36 to implement the loan program under this subdivision. Emergency rules adopted by the Minnesota agricultural and economic development board remain in effect for 360 days or until permanent rules are adopted, whichever occurs first.*

**Subd. 2. [MINNESOTA ENERGY AND ECONOMIC DEVELOPMENT AUTHORITY; SUCCESSOR STATUS.]** *Notwithstanding the repeal of section 116M.07, subdivision 9, the Minnesota agricultural and economic development board is the legal successor in all respects of the Minnesota energy and economic development authority for the hazardous waste processing facility loan program for a project or facility described under Minnesota Statutes 1986, section 116M.03, subdivision 15, with respect to which the Minnesota energy and economic development authority passed a preliminary resolution before May 1, 1987. All resolutions of the Minnesota energy and economic development authority relating to the projects or facilities are the resolutions of the Minnesota agricultural and economic development board.*

**Sec. 20. [INSTRUCTION TO REVISOR.]**

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

**Sec. 21. [INSTRUCTION TO REVISOR.]**

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

**Sec. 22. [APPROPRIATION.]**

*\$400,000 is transferred from the economic development fund to the Minnesota agricultural and economic development fund. \$200,000 is for fiscal year 1988 and \$200,000 is for fiscal year 1989.*

**Sec. 23. [EFFECTIVE DATE.]**

*Sections 18 and 19 are effective the day following final enactment.*

**ARTICLE 10**

**EDUCATION AND TRAINING PROGRAMS**

Section 1. Minnesota Statutes 1986, section 116L.02, is amended to read:

**116L.02 [JOBS JOB SKILLS PARTNERSHIP PROGRAM.]**

The Minnesota job skills partnership program is created to act as a catalyst to bring together employers with specific training needs with educational or other nonprofit institutions which can design programs to fill those needs. The partnership shall work closely with employers to train and place workers in identifiable positions as well as assisting educational or other nonprofit institutions in developing training programs that coincide with current and future employer requirements. The partnership shall pro-

vide grants to educational or other nonprofit institutions for the purpose of training displaced workers. A participating business must match the grant-in-aid made by the Minnesota job skills partnership. *Preference must be given to a business located in a rural area.* The match may be in the form of funding, equipment, or faculty.

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

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

Sec. 3. Minnesota Statutes 1986, section 116L.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERS.] The partnership shall be governed by a board of ~~24~~ 11 directors.

Sec. 4. Minnesota Statutes 1986, section 116L.03, subdivision 5, is amended to read:

Subd. 5. [TERMS.] The terms of appointed members shall be for four years except for the initial appointments. ~~The initial appointments of the speaker and majority leader shall be as follows: two members for two years, two members for three years and one member for four years.~~ The initial appointments of the governor shall have the following terms: two members each for one, two, three, and four years.

Sec. 5. Minnesota Statutes 1986, section 116L.03, subdivision 7, is amended to read:

Subd. 7. [OFFICES.] ~~The commissioner of jobs and training higher education coordinating board shall, upon request, provide office space and support staff and administrative services for the board.~~

Sec. 6. [136A.134] [GRANTS TO DISLOCATED RURAL WORKERS.]

*Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The higher education coordinating board shall develop policies and procedures to administer a dislocated rural worker grant program and to allocate program money to eligible institutions and shall supervise the operation of the program.*

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

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

*(1) is a resident of rural Minnesota;*

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

- (3) has met the financial need criteria established by the board; and
- (4) can demonstrate that one of the following criteria has been met:

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

(ii) the applicant is a displaced homemaker; or

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

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

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

**Sec. 7. [REPEALER.]**

Minnesota Statutes 1986, section 116L.03, subdivision 6, is repealed.

Sec. 8. Laws 1983, chapter 334, section 7, is amended to read:

**Sec. 7. [REPEALER.]**

Sections 1 to 6 116L.01; 116L.02; 116L.03, subdivisions 1, 2, 3, 4, 5, and 7; 116L.04; and 116L.05, 1, 2, 3, 4, 5, and 7 are repealed June 30, 1987 1989.

**Sec. 9. [SUPPLEMENTAL EDUCATION GRANT PROGRAM FUNDING.]**

\$500,000 is appropriated from the general fund to the higher education coordinating board for the dislocated rural worker grant program established in section 3, to be available until June 30, 1989.

\$1,000,000 is appropriated from the general fund to the higher education coordinating board for the Minnesota job skills partnership program. \$500,000 is for fiscal year 1988 and \$500,000 is for fiscal year 1989."

Delete the title and insert:

"A bill for an act relating to economic development; rural development; renaming and providing powers to the agricultural resource loan guaranty board; establishing a mineral resources program; establishing duties for the community development division in the department of energy and economic development; transferring the independent wastewater treatment grant program from the pollution control agency to the Minnesota public finance authority; changing the membership of the Minnesota job skills partnership board; establishing the rural development board; establishing the challenge

grant program; establishing the greater Minnesota corporation; establishing the state supplemental education grant program; establishing the Minnesota public finance authority; providing a program for revitalization of the cities of St. Paul and Minneapolis; creating a program for funding economic development projects in the taconite tax relief area; permitting investment of earnings of the northeast Minnesota economic protection trust in venture capital enterprises; appropriating money; amending Minnesota Statutes 1986, sections 15.039, by adding a subdivision; 16A.80, subdivision 2a; 41A.01; 41A.02, subdivisions 3, 4, 6, 11, and by adding subdivisions; 41A.04, subdivision 1; 41A.05, subdivisions 1 and 2; 41A.08; 116.16, subdivisions 2, 4, 5, 9, and by adding subdivisions; 116.18, subdivisions 2a and 3a; 116J.36, subdivisions 2, 3b, 3c, 8, 8a, and 11; 116J.37, subdivision 1, and by adding a subdivision; 116J.955, subdivisions 1 and 2; 116L.02; 116L.03, subdivisions 1, 2, 5, and 7; 281.17; 298.292; 298.296, subdivision 2; 429.061, subdivision 2; 462.445, subdivision 1; and Laws 1983, chapter 334, section 7; proposing coding for new law in Minnesota Statutes, chapters 41A; 93; 116; 116J; 116L; and 136A; proposing coding for new law as Minnesota Statutes, chapters 116N; 116P; and 446A; repealing Minnesota Statutes 1986, sections 116.167; 116J.951; 116J.961; 116J.965; 116L.03, subdivision 6; 116M.01; 116M.02; 116M.03; 116M.04; 116M.05; 116M.06; 116M.07; 116M.08; 116M.09; 116M.10; 116M.11; 116M.12; 116M.13; 472.11, subdivisions 3, 5, 6, 7, 8, and 9; 472.12, subdivisions 2, 3, and 4; 472.125; 472.13, subdivisions 2, 3, and 4; and Laws 1969, chapters 833 and 984."

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

Senate Conferees: (Signed) Roger D. Moe, Lawrence J. Pogemiller, Ronald R. Dicklich

House Conferees: (Signed) Jerry Schoenfeld, Todd H. Otis, Bob Neuenschwander

Mr. Moe, R.D. moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1 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. 1 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 52 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Moe, R.D.	Spear
Anderson	Dicklich	Kroening	Morse	Storm
Beckman	Diessner	Laidig	Novak	Stumpf
Belanger	Frank	Langseth	Pehler	Taylor
Berglin	Frederickson, D.J.	Lessard	Peterson, D.C.	Vickerman
Bernhagen	Frederickson, D.R.	Luther	Piper	Waldorf
Bertram	Freeman	Marty	Pogemiller	Wegscheid
Brandl	Gustafson	Mehrkins	Purfeerst	Willett
Cohen	Hughes	Merriam	Reichgott	
Dahl	Johnson, D.E.	Metzen	Schmitz	
Davis	Johnson, D.J.	Moe, D.M.	Solon	

Those who voted in the negative were:

Benson  
Berg  
Brataas

Frederick  
Jude  
Knutson

Larson  
McQuaid

Olson  
Peterson, R.W.

Ramstad  
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, 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.

### 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. 438, 549, 1153, 1176, 1459, 12, 683 and 913.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1987

### FIRST READING OF HOUSE BILLS

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

H.F. No. 438: A bill for an act relating to human services; authorizing the commissioner of human services to study the needs of elderly persons with mental retardation or related conditions.

Referred to the Committee on Finance.

H.F. No. 549: A bill for an act relating to retirement; increasing survivor benefits payable by the Hibbing police and firefighters relief associations and service pensions for certain retired firefighters; amending Laws 1967, chapter 678, section 2, as amended; Laws 1977, chapter 169, section 1, subdivision 1a, as amended; and Laws 1971, chapter 614, section 1, subdivision 2, as amended.

Referred to the Committee on Governmental Operations.

H.F. No. 1153: A bill for an act relating to retirement; Millerville volunteer firefighters relief association; authorizing the recognition of certain prior service in the computation of service pension amounts.

Referred to the Committee on Finance.

H.F. No. 1176: A bill for an act relating to retirement; authorizing the Mankato police benefit association to base certain postretirement increases on other increases granted.

Referred to the Committee on Governmental Operations.

H.F. No. 1459: A bill for an act relating to the town of Irondale; removing a town levy limitation; repealing Laws 1971, chapter 336.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 12: A bill for an act relating to retirement; increasing survivor benefits payable by the Virginia firefighters' relief association; authorizing payment to alternate beneficiaries if no spouse survives.

Referred to the Committee on Governmental Operations.

H.F. No. 683: A bill for an act relating to the organization and operation of state government; modifying and clarifying the powers of the board of animal health; regulating dealers; prescribing a civil penalty; appropriating money; amending Minnesota Statutes 1986, sections 347.31; 347.32; 347.33; 347.34; 347.35; 347.37; 347.38; 347.39; and 347.40; proposing coding for new law in Minnesota Statutes, chapter 346.

Referred to the Committee on Finance.

H.F. No. 913: A bill for an act relating to workers' compensation; providing a general administrative reform; providing for certain proceedings to be expedited; providing penalties; amending Minnesota Statutes 1986, sections 14.48; 175.007, subdivision 1; 175.101, subdivision 2; 176.011, subdivisions 2, 6, 7a, 9, and by adding a subdivision; 176.041, subdivision 1, 4, and by adding a subdivision; 176.081, subdivision 2; 176.102, subdivisions 2, 3, 3a, 4, 6, 8, 10, and 13; 176.103, subdivisions 2 and 3; 176.111, subdivision 17; 176.129, subdivisions 9, 11, and 13; 176.131, subdivisions 1 and 8; 176.133; 176.135, subdivisions 1, 1a, 2, 3, and by adding subdivisions; 176.136, subdivision 2; 176.1361; 176.139; 176.155, subdivisions 1, 3, and 5; 176.179; 176.181, subdivision 3; 176.182; 176.183, subdivisions 1a and 2; 176.185, by adding a subdivision; 176.191, subdivisions 1 and 2; 176.195, subdivision 3; 176.221, subdivisions 1, 3, and 7; 176.225, subdivisions 1, 2, and 4; 176.231, subdivisions 2, 10, and by adding a subdivision; 176.271, subdivision 1; 176.275; 176.291; 176.301, subdivision 1; 176.305, subdivisions 1, 2, and by adding subdivisions; 176.306, subdivision 1, and by adding a subdivision; 176.312; 176.321, subdivisions 2 and 3; 176.331; 176.341, subdivision 3, and by adding subdivisions; 176.351, subdivision 2a; 176.361, subdivisions 2, 5, and 7; 176.371; 176.411, subdivision 1; 176.421, subdivision 4, and by adding a subdivision; 176.442; 176.511, subdivisions 1, 2, and 3; 176.521; 176.541, subdivisions 2, 3, 4, and 6; 176.571, subdivisions 1 and 2; 176.572; 176.581; 176.591, subdivision 3; 176.603; 176.83, subdivisions 5, 7, and 11; 176.84; 176B.02; and 176B.05; proposing coding for new law in Minnesota Statutes, chapters 60A and 176; repealing Minnesota Statutes 1986, sections 176.012; 176.101, subdivision 3v; 176.102, subdivision 6a; 176.103, subdivision 4; 176.136, subdivision 4; 176.195, subdivisions 4, 5, and 6; 176.241; 176.242; 176.2421; 176.243; 176.244; 176.271, subdivision 2; 176.501; 176.571, subdivisions 3, 4, 5, 6, and 7; and 176.602.

Mr. Moe, R.D. moved that H.F. No. 913 be laid on the table. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 80 at 2:00 a.m.:

Messrs. Waldorf, Larson and Kroening. The motion prevailed.

**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 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. 451: A bill for an act relating to public safety; parking for handicapped persons; imposing a fine for violations of handicapped parking provisions; providing penalties; amending Minnesota Statutes 1986, sections 168.021, subdivisions 1, 1a, 2, 3, 5, and 6; 169.345; and 169.346; repealing Minnesota Statutes 1986, section 168.021, subdivision 7.

Senate File No. 451 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

Ms. Peterson, D.C. moved that the Senate do not concur in the amendments by the House to S.F. No. 451, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

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

Senate File No. 465 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

**CONCURRENCE AND REPASSAGE**

Mr. Vickerman moved that the Senate concur in the amendments by the House to S.F. No. 465 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 465: A bill for an act relating to transportation; specifying that department of transportation standards for trunk highways in scenic areas are not rules; providing for payment of administrative, filing, and plate fees; restricting unauthorized use of motor vehicles on public airport property; defining peace officer; describing qualifications for aircraft dealers license; providing for certain permits; amending Minnesota Statutes 1986, sections 160.81, subdivision 1; 168.012, subdivision 1c; 360.018, subdivision 6, and by adding a subdivision; 360.0751, subdivision 1; 360.63, subdivision 1; and Laws 1985, chapter 299, section 40, as amended by Laws 1986, chapter 454, section 34; repealing Minnesota Statutes 1986, section 160.81, subdivision 4.

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 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Mehrkens	Reichgott
Anderson	Davis	Johnson, D.E.	Merriam	Renneke
Beckman	DeCramer	Jude	Moe, D.M.	Schmitz
Belanger	Dicklich	Knaak	Moe, R.D.	Solon
Berg	Diessner	Knutson	Morse	Spear
Berglin	Frank	Laidig	Pehler	Storm
Bernhagen	Frederick	Langseth	Peterson, D.C.	Taylor
Bertram	Frederickson, D.J.	Lessard	Peterson, R.W.	Vickerman
Brataas	Freeman	Marty	Piper	Wegscheid
Cohen	Gustafson	McQuaid	Purfeerst	Willett

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, herewith returned: S.F. No. 1345.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 463: A bill for an act relating to commerce; providing enforcement powers; regulating securities; regulating the business of financial planning; restricting certain charges made by investment advisors and broker dealers; providing for the registration of securities; providing for disclosure of interest rate or discount point agreements; providing for the denial, suspension, and revocation of licenses and the censure of licensees; exempting the sale of certain stock of a closely-held corporation; exempting certain industrial revenue bond transactions; regulating real estate brokers and salespersons; prohibiting commission-splitting and rebating on time-share and other recreational lands; providing for continuing education of



brokers; regulating licensees acting as principals; regulating abandoned property; establishing a presumption of abandonment for certain profits or sums held by a cooperative; regulating the transfer and storage of abstracts of title to real property; transferring the powers and duties of the commissioner for the regulation of social and charitable organizations to the attorney general and providing for further regulation of such organizations; appropriating money; amending Minnesota Statutes 1986, sections 60A.17, subdivision 6c; 72A.27; 80A.06, subdivision 5; 80A.07, subdivision 1; 80A.09, subdivision 1; 80A.12, by adding a subdivision; 80A.14, subdivision 18; 80A.15, subdivisions 1 and 2; 80A.19, subdivision 1; 80A.23, subdivision 11; 80A.26, subdivision 3; 80C.17, subdivision 1; 82.17, subdivision 4; 82.19, subdivision 3; 82.21, subdivision 1; 82.22, subdivision 6; 82.24, subdivision 2; 82.34, subdivision 19; 308.12, by adding a subdivision; 309.50, subdivision 6; 309.515, subdivision 1; 309.52, subdivisions 1a and 2; 309.53, subdivisions 1a, 3, 4, and by adding a subdivision; 309.531; 309.533, by adding a subdivision; 309.54; 309.55, subdivision 6; 309.556; 309.56, subdivision 1; 309.57; 345.39; and 386.375; proposing coding for new law in Minnesota Statutes, chapters 45, 47, 82, and 508; repealing Minnesota Statutes 1986, sections 72A.23; 72A.24; 72A.28; 80A.20; 80A.21; 80C.15; 80C.16, subdivision 1; 82.25; 82.26; 83.34; 83.35, subdivision 3; 238.085; 309.515, subdivision 3; 309.532; 309.533, subdivisions 2, 3, and 4; 309.534; 309.555; and 309.58.

Senate File No. 463 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1987

Mr. Moe, R.D. moved that S.F. No. 463 be laid on the table. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Anderson moved that the following members be excused for a Conference Committee on S.F. No. 478 at 12:00 a.m.:

Mr. Luther; Ms. Peterson, D.C.; Messrs. Anderson, Metzen and Solon. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1516 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 1516

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; fixing and limiting fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 28A.08; 32.075; 32.59; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 138.65; 138.91, by adding a subdivision; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; amending Laws 1975, chapter 235, section 2, as amended.

May 17, 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. 1516, 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. 1516 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [TRANSPORTATION AND OTHER AGENCIES;  
APPROPRIATIONS.]

The sums shown in the columns marked “APPROPRIATIONS” are appropriated from the general fund, or another named fund, to the agencies and for the purposes specified in this act, to be available for the fiscal years indicated for each purpose. The figures “1987,” “1988,” and “1989,” where used in this act, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1987, June 30, 1988, or June 30, 1989, respectively.

#### SUMMARY BY FUND

	1987	1988	1989	TOTAL
General	\$1,089,200	\$89,791,000	\$89,138,200	\$180,018,400
Special Revenue		4,310,400	4,660,400	8,970,800
Airports		10,910,800	11,707,000	22,617,800
M.S.A.S.		58,750,000	59,250,000	118,000,000
C.S.A.H.		183,550,000	184,915,000	368,465,000
Tr. Hwy.		648,724,900	646,769,000	1,295,493,900
Hwy. User		9,690,500	9,770,700	19,461,200
Transit Assistance		7,100,000	7,425,000	14,525,000
Motor Vehicle Transfer		868,800	868,800	1,737,600
Transfers to Other Direct		(1,600,400)	(1,638,800)	(3,239,200)
TOTAL	\$1,089,200	\$1,012,096,000	\$1,012,865,300	\$2,026,050,500

APPROPRIATIONS  
Available for the Year  
Ending June 30  
1988                      1989

Sec. 2. TRANSPORTATION

Subdivision 1. Total Appropriation	\$855,432,300	\$856,083,400
	1988	1989
Approved Complement -	4,651	4,648
General -	15	14
State Airports -	40	40
Trunk Highway -	4,580	4,580
Federal -	16	16

The appropriations in this section are from the trunk highway fund, except where another fund is named.

Summary by Fund

General	\$5,107,200	\$4,912,200
Airports	\$10,910,800	\$11,707,000
M.S.A.S.	\$58,750,000	\$59,250,000
C.S.A.H.	\$183,550,000	\$184,915,000
Trunk Highway	\$594,825,500	\$592,930,400
Transit Assistance Fund	\$1,420,000	\$1,500,000
Motor Vehicle Transfer	\$868,800	\$868,800

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Highway Development	596,998,500	597,409,700
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Summary by Fund

M.S.A.S.	\$58,750,000	\$59,250,000
C.S.A.H.	\$183,550,000	\$184,915,000
Trunk Highway	\$353,829,700	\$352,375,900
Motor Vehicle Transfer	\$868,800	\$868,800

(a) Trunk Highway Development

1988	1989
\$343,609,100	\$343,569,100

Summary by Fund

Trunk Highway	\$342,740,300	\$342,700,300
Motor Vehicle Transfer	\$868,800	\$868,800

It is estimated that the appropriation from the trunk highway fund will be funded as follows:

Federal Highway Aid	
\$222,000,000	\$207,000,000
Highway User Taxes	
\$120,740,300	\$135,700,300

The commissioner of transportation shall notify the chair of the senate finance committee and chair of the house appropriations committee promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right-of-way, payment to lessees, interest subsidies, and relocation expenses.

(b) County State Aids

\$183,550,000      \$184,915,000

This appropriation is from the county state-aid highway fund and is available until spent.

(c) Municipal State Aids

\$58,750,000      \$59,250,000

This appropriation is from the municipal state-aid street fund and is available until spent.

If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

(d) Highway Debt Service

\$11,089,400      \$9,675,600

For transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation.

Any excess appropriation must be canceled to the trunk highway fund.

Subd. 3. Highway Operations

169,520,600

169,138,700

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Maintenance

\$119,367,300

\$119,119,100

The commissioner of transportation shall assume the responsibility of operating the Anchor Lake travel information center effective July 1, 1987.

(b) Construction Support

\$50,153,300      \$50,019,600

Subd. 4. Technical Services      38,444,200      38,343,400

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Program Delivery

\$35,057,200      \$34,965,800

\$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. Expenditures from this account are subject to the approval of the commissioner of finance. Reimbursements must be deposited in the trunk highway fund. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(b) State Aid Technical Assistance

\$911,900      \$909,900

(c) Electronic Communications

\$2,475,100      \$2,467,700

Subd. 5. Non-Metropolitan Transit Assistance

5,800,000      5,720,000

Summary by Fund

General      \$4,380,000      \$4,220,000

Transit Assistance      \$1,420,000      \$1,500,000

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 6. Program Management      7,330,300      7,297,000

Summary by Fund

General      \$683,600      \$645,900

Trunk Highway      \$6,646,700      \$6,651,100

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Highway Programs

\$1,789,100      \$1,784,600

## Summary by Fund

General	\$70,900	\$70,900
Trunk Highway	\$1,718,200	\$1,713,700

\$225,000 the first year and \$225,000 the second year are available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

(b) Motor Carrier Safety and Compliance	\$1,062,200	\$1,059,600
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(c) Railroads and Waterways	\$908,200	\$905,900
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## Summary by Fund

General	\$233,600	\$233,300
Trunk Highway	\$674,600	\$672,600

(d) Transit Administration	\$594,000	\$556,500
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## Summary by Fund

General	\$379,100	\$341,700
Trunk Highway	\$214,900	\$214,800

(e) Transportation Data, Research, and Analysis	\$2,976,800	\$2,990,400
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Subd. 7. General Support Services	26,572,400	26,607,600
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## Summary by Fund

General	\$43,600	\$46,300
Airports	\$144,500	\$140,000
Trunk Highway	\$26,384,300	\$26,421,300

The amounts that may be spent from this appropriation for each activity are as follows:

(a) Finance and Administration	\$8,556,600	\$8,530,500
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(b) General Services	\$7,355,100	\$7,425,100
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## Summary by Fund

General	\$38,900	\$41,600
Airports	\$78,800	\$83,100

Trunk Highway	\$7,237,400	\$7,300,400
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## (c) Equipment

\$9,672,500	\$9,663,800
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If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

## Summary by Fund

General	\$4,700	\$4,700
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Airports	\$65,700	\$56,900
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Trunk Highway	\$9,602,100	\$9,602,200
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## (d) Legal Services

\$988,200	\$988,200
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This appropriation is for the purchase of legal services from or through the attorney general.

Subd. 8. Aeronautics	10,766,300	11,567,000
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This appropriation is from the state airports fund.

## (a) Aeronautics Operations

\$1,089,500	\$1,156,800
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## (b) Airport Development and Assistance

\$9,572,700	\$10,306,100
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\$1,563,700 the first year and \$1,546,600 the second year are for navigational aids.

\$4,828,800 the first year and \$5,689,100 the second year are for airport construction grants.

\$1,713,000 the first year and \$1,713,000 the second year are for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. The appropriations for construction grants and maintenance grants must be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations must be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4.

The commissioner of transportation may transfer unencumbered balances among the appropriations for airport development and assistance with the approval of the governor after consultation with the legislative advisory commission.

\$8,000 the first year and \$8,000 the second year are for maintenance of the Pine Creek Airport.

(c) Air Transportation Services

\$39,100                      \$39,100

(d) Civil Air Patrol

\$65,000                      \$65,000

Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for trunk highway development. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers may not be made between funds. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 10. Contingent Appropriations

(a) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the state airports fund to an appropriation for state airports purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the state airports fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

(b) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the trunk highway fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. REGIONAL TRANSIT  
BOARD

20,450,000                      20,450,000

Summary by Fund

General                      \$14,770,000                      \$14,525,000



Transit Assistance                      \$5,680,000                      \$5,925,000

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Notwithstanding Minnesota Statutes, section 473.398, the regional transit board may expend the funds appropriated by this section for the purposes stated herein.

Subdivision 1. Regular Route Service	11,721,500	11,721,500
Subd. 2. Metro Mobility	6,250,000	6,250,000
Subd. 3. Small Urban, Rural, and Replacement Services	730,000	730,000
Subd. 4. Test Marketing of New Services	448,500	448,500
Subd. 5. Light Rail Transit Studies	200,000	200,000
Subd. 6. Planning and Programs	750,000	750,000
Subd. 7. Administration	350,000	350,000

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

No more than \$1,300,000 the first year and \$1,300,000 the second year may be used for regional transit board administration, planning, programs, and light rail transit studies.

The board may supplement any of the appropriations made in this section from its fund balance reserve.

The board shall not spend any funds on light rail transit planning or preliminary engineering or test marketing of new services if the expenditure of the funds reduces the level of regular route transit service provided by the metropolitan transit commission or other operators.

The board may not allow the metropolitan transit commission to alter fare schedules existing on January 1, 1987, until the board has adopted a plan and policies on fares as required by Laws 1985, First Special Session chapter 10, section 30, and has submitted its plan to the senate transportation and finance committees and the house of representatives metropolitan affairs and appropriations committees for their review and comment.

The regional transit board may not be a recip-

ient of federal capital or operating assistance for transit. The board shall study and report to the legislature by January 1, 1988, on the effects, advantages, and disadvantages of transferring the authority to receive these funds from the commission to the board and on how and for what purpose the board would use the funds differently than the commission would use the funds.

#### Sec. 4. TRANSPORTATION REGULATION BOARD

531,500	531,500
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Approved Complement - 8

This appropriation is from the trunk highway fund.

#### Sec. 5. PUBLIC SAFETY

Subdivision 1. Total Appropriation	81,888,100	81,990,800
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Approved Complement - 1,676.4

General - 393.7

Special Revenue - 3

Trunk Highway - 1,060.8

Highway User - 173.6

Federal - 48.3

The above approved complement includes 511 for state-funded, unclassified patrol officers and supervisors of the state patrol. Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section, provided that the above complement must be reduced accordingly.

#### Summary by Fund

General	\$20,905,800	\$20,977,500
For 1987 - \$900,000		
Trunk Highway	\$52,517,200	\$52,456,400
Highway User	\$9,565,500	\$9,645,700
Special Revenue	\$500,000	\$550,000
Transfers to Other		
Direct	(\$ 1,600,400)	(\$ 1,638,800)

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The amounts shown in the program totals are reduced by \$87,500 the first year and \$87,500 the second year from the general fund. Reductions must be made from appropriations that will not reduce revenue to the general fund.

Subd. 2. Administration and Related Services

\$4,048,200      \$4,046,900

Summary by Fund

General	\$52,500	\$52,500
Trunk Highway	\$3,905,700	\$3,904,400
Highway User	\$90,000	\$90,000

Subd. 3. Emergency Services

\$886,300      \$887,000

\$341,700 the first year and \$342,000 the second year are for nuclear plant preparedness. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 4. Criminal Apprehension

\$11,145,900      \$11,239,400

Summary by Fund

General	\$10,221,300	\$10,313,200
Trunk Highway	\$924,600	\$ 926,200

\$223,300 the first year and \$223,300 the second year are for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$171,000 the first year and \$171,000 the second year are for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of public safety may charge tuition to cover the cost of continuing education courses provided by the bureau of criminal apprehension when money available to the commissioner for this purpose is not adequate to pay these costs. The tuition fees collected by the commissioner are annually appropriated to the commissioner.

Subd. 5. Fire Safety

\$1,801,800      \$1,798,800

Subd. 6. State Patrol

\$34,456,000      \$34,375,600

This appropriation is from the trunk highway

fund.

No more than five positions in the state patrol support activity may be filled by state troopers.

The commissioner may not require the use of gasohol in the operation of state patrol vehicles.

During the biennium ending June 30, 1989, and notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to eight hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 to the employee's union representative for the purpose of carrying out the duties of office.

Subd. 7. Capitol Security

\$1,285,500	\$1,271,000
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Subd. 8. Driver and Vehicle Licensing

\$26,163,100	\$26,231,600
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Summary by Fund

General	\$4,303,600	\$4,309,300
Trunk Highway	\$13,230,900	\$13,250,200
Highway User	\$8,628,600	\$8,672,100

\$471,400 the first year and \$471,400 the second year are for alcohol assessment reimbursements to counties.

Subd. 9. Liquor Control

\$694,800	\$684,400
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Subd. 10. Ancillary Services

\$1,494,000	\$1,543,600
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For 1987 - \$900,000

Summary by Fund

General	\$994,000	\$993,600
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For 1987 - \$900,000

Special Revenue	\$500,000	\$550,000
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\$900,000 for fiscal year 1987 is for the crime victims reparation board and is added to the appropriation in Laws 1985, First Special Session chapter 10, section 4, subdivision 10.

\$1,797,200 the first year and \$1,846,900 the second year are for the crime victims reparations board, of which \$1,297,200 the first year and \$1,296,900 the second year are from the general fund and \$500,000 the first year and \$550,000 the second year are from the crime victim and witness account in the special revenue fund. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

Notwithstanding any other law to the contrary,

the crime victims reparations board shall, to the extent possible, distribute the appropriation in equal monthly increments for fiscal year 1988 and fiscal year 1989. In no case shall the total awards exceed the appropriation made in this subdivision.

\$115,000 the first year and \$115,000 the second year is for hazardous substance notification and response. One of the two positions in this activity is in the unclassified service.

\$51,800 the first year and \$51,700 the second year are for the expenses of the private detective and protective agency licensing board.

#### Subd. 11. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs within a fund. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Subd. 12. Reimbursements

(a) \$753,500 for the first year and \$755,200 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1988, and January 1, 1989, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) \$326,000 for the first year and \$327,300 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1988, and January 1, 1989, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

(c) \$520,900 for the first year and \$556,300 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1988, and January 1, 1989, respectively, in order to reimburse the general fund for expenses not related to the fund. These

represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

#### Sec. 6. BOARD OF PEACE OFFICER STANDARDS AND TRAINING

General Operations and Management	3,300,000	3,600,000
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##### Approved Complement - 9

These appropriations are from the peace officers training account in the special revenue fund.

Notwithstanding any other law to the contrary, any presently duly elected sheriff must be licensed by the board as a peace officer as defined in Minnesota Statutes, section 626.84, subdivision 1, paragraph (c), provided that the sheriff must complete all current board requirements by June 30, 1989. Failure to complete board requirements by June 30, 1989, shall result in revocation of any license granted, with the office of sheriff being declared vacant. An election must be held to fill the vacancy in the office of sheriff as provided by law.

#### Sec. 7. AGRICULTURE

Subdivision 1. Total Appropriation	9,735,900	9,768,500
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1988	1989
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Approved Complement -	451.8	455.8
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General -	177.8	177.8
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Special/Revolving -	255.7	259.7
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Federal -	18.3	18.3
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##### Summary by Fund

General	\$9,548,100	\$9,580,700
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Special Revenue	\$187,800	\$187,800
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

The amounts shown in the program totals are reduced by \$190,000 the first year and \$190,000 the second year from the general fund. Reductions must be made from appropriations that will not reduce revenue to the general fund.

##### Subd. 2. Protection Service

\$3,580,000	\$3,563,600
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Of this amount \$40,000 the first year and \$40,000 the second year are to increase the

detection and management of oak wilt in the state's shade trees. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 3. Family Farm Security

\$2,384,000                      \$2,383,400

1,800,000 the first year and \$1,800,000 the second year are for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. No new loans may be approved in fiscal year 1988 or 1989. The participant's interest in a family farm loan guarantee executed before the effective date of this act may be assigned to a new participant.

\$288,900 the first year and \$288,900 the second year are for farm crisis assistance.

Subd. 4. Administrative Support and Grants

\$3,961,900                      \$4,011,500

Summary by Fund

General	\$3,774,100	\$3,823,700
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Special Revenue	\$187,800	\$187,800
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\$30,900 the first year and \$30,900 the second year are for payment of claims relating to livestock damaged by endangered animal species. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$187,800 the first year and \$187,800 the second year are from the commodities research and promotion account in the special revenue fund.

\$102,500 the first year and \$102,500 the second year are for the seaway port authority of Duluth.

Subd. 5. Transfers

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 8. BOARD OF WATER AND SOIL RESOURCES

3,789,500

3,787,300

\$10,000 the first year and \$10,000 the second year is for the International Water Coalition.

\$814,200 the first year and \$814,200 the second year are for general purpose grants-in-aid to soil and water conservation districts.

\$152,300 the first year and \$152,300 the second year are for grants to districts for technical assistance, education, and demonstrations of conservation tillage.

\$198,500 the first year and \$198,500 the second year are for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,501,000 the first year and \$1,501,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

The appropriations in this section for the southern Minnesota river basin study area 2 and for grants to soil and water districts for cost-sharing contracts for erosion control and water quality management are available until expended.

\$158,700 the first year and \$158,700 the second year are for grants-in-aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants must not exceed 50 percent of total project costs or 50 percent of the local share if federal money is used. Priority must be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$12,400 the first year and \$12,400 the second year are for grants to soil and water conservation districts for review and comment on water permits.

#### Sec. 9. BOARD OF ANIMAL HEALTH

1,595,100

1,585,300

Approved Complement - 36

This appropriation includes \$24,900 the first year and \$24,900 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 must not be paid.



## Sec. 10. COMMERCE

Subdivision 1. Total Appropriation	9,833,600	9,571,000
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Approved Complement - 239

General - 236

Special Revenue - 3

## Summary by Fund

General	\$9,572,400	\$9,309,700
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For 1987 - \$189,200

Special Revenue	\$261,200	\$261,300
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The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

## Subd. 2. Financial Examinations

\$3,990,100	\$3,969,300
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For 1987 - \$189,200

This appropriation is for bank examinations and is added to the appropriation in Laws 1985, First Special Session chapter 10, section 7, subdivision 2.

## Subd. 3. Registration and Analysis

\$1,716,500	\$1,696,700
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## Subd. 4. Administrative Services

\$1,627,100	\$1,627,800
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## Subd. 5. Enforcement and Licensing

\$2,434,100	\$2,277,200
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## Summary by Fund

General	\$2,172,900	\$2,015,900
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Special Revenue	\$261,200	\$261,300
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\$261,200 the first year and \$261,300 the second year are from the real estate education, research and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

## Subd. 6. Farm Loan Interest Buy-Down

\$62,000

## Subd. 7. Legislative Coordinating Commission

\$ 3,800

This appropriation is transferred to the legislative coordinating commission for the legislative study commission on government and business competition.

## Subd. 8. Transfers

The commissioner with the approval of the commissioner of finance may transfer unen-

cumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Sec. 11. NON-HEALTH-RELATED BOARDS

Subdivision 1. Total for this section	890,900	891,200
Subd. 2. Board of Abstractors	3,900	3,900
Subd. 3. Board of Accountancy	344,600	340,800
Approved Complement - 5		
Subd. 4. Board of Architecture, Engineering, Land Surveying, and Landscape Architecture	351,500	357,700
Approved Complement - 6		
Subd. 5. Board of Barber Examiners	137,000	134,900
Approved Complement - 3		
Subd. 6. Board of Boxing	53,900	53,900
Approved Complement - 1.5		
Subd. 7. Board of Electricity		
Approved Complement - 18		

#### Sec. 12. PUBLIC UTILITIES COMMISSION

1,878,100	1,760,400
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Approved Complement - 35

\$139,000 the first year and \$33,000 the second year are for office automation. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Notwithstanding Minnesota Statutes, section 216B.243, subdivision 6, for any certificate of need application for expansion of the storage capacity for spent nuclear fuel rods, the commission and department shall assess actual amounts billed by the office of administrative hearings and up to \$300,000 of reasonable costs of the commission and department pursuant to Minnesota Statutes, section 216B.62, subdivision 6, during the biennium, subject to the limitations of Minnesota Statutes, section 216B.62, subdivision 2.

#### Sec. 13. PUBLIC SERVICE

Subdivision 1. Total Appropriation	6,272,700	6,260,100
1988	1989	
Approved Complement - 149.1	132.3	

General -	125.3	125.3
Special Revenue -	6.8	5.5
Federal -	17.0	1.5

## Summary by Fund

General	\$6,211,300	\$6,198,800
Special Revenue	\$61,400	\$61,300

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

## Subd. 2. Utility Regulation

\$1,777,200	\$1,773,000
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## Subd. 3. Weights and Measures

\$1,881,100	\$1,876,400
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## Subd. 4. Administrative Services

\$608,300	\$608,600
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## Subd. 5. Energy

\$2,026,100	\$2,022,100
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## Summary by Fund

General	\$1,944,700	\$1,940,800
Special Revenue	\$61,400	\$61,300

## Subd. 6. Transfers

The department of public service, with the approval of the commissioner of finance, may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers must be reported immediately to the committee on finance of the senate and the committee on appropriations in the house of representatives.

Sec. 14. RACING COMMISSION	883,900	888,800
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Approved Complement - 10

General - 8

Special Revenue - 2

Sec. 15. CHARITABLE GAMBLING CONTROL BOARD	661,500	641,600
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Approved Complement - 15

One auditor position included in the complement must be reviewed for its continuation beyond the biennium ending June 30, 1989.

Sec. 16. ETHICAL PRACTICES BOARD	219,700	219,900
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Approved Complement - 5

Sec. 17. MINNESOTA MUNICIPAL BOARD	235,700	235,400
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Approved Complement - 4

Sec. 18. MINNESOTA-WISCONSIN  
BOUNDARY AREA COMMISSION

99,500

99,200

\$17,000 the first year and \$17,000 the second year is available only if matched by funds from the state of Wisconsin. The additional position is available only for the biennium ending June 30, 1989.

Sec. 19. UNIFORM LAWS  
COMMISSION

13,600

13,600

Sec. 20. VOYAGEURS NATIONAL  
PARK CITIZENS COMMITTEE

70,000

70,000

Notwithstanding any law to the contrary, the citizens council on Voyageurs National Park is extended until June 30, 1989.

Sec. 21. MINNESOTA HISTORICAL  
SOCIETY

Subdivision 1. Total Appropriation

9,682,300

9,751,100

The amounts that may be spent from this appropriation for each program are specified in the following subdivisions.

Subd. 2. Minnesota Historical  
Society Operations

8,682,200

8,694,200

Any unencumbered balance remaining at the end of the first year must be returned to the state treasury and credited to the general fund.

The appropriation in this subdivision includes no money for compensation increases. The Minnesota historical society is eligible for a salary supplement in the same manner as state agencies. The commissioner of finance will determine the amount of the salary supplement based on available funds. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

Subd. 3. Repair and Replacement

349,000

299,000

\$100,000 the first year is for the restoration and preservation of murals, stencils, sculptures, statues, paintings, built-in exhibit areas, and objects of art or historical artifacts in the public areas of the state capitol, including the governor's anteroom, reception room, and private office.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Subd. 4. Historic Grant-In-Aid

286,100

286,100

(a) Historic Preservation

\$259,600

\$259,600

For historic site grants to encourage local his-

toric preservation projects.

To be eligible for a grant, a county or local project group must provide a 50 percent match, in accordance with the historical society's guidelines.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

(b) Archaeology

\$26,500                      \$26,500

Subd. 5. Fiscal Agent

262,100

212,100

(a) Sibley House Association

\$58,000                      \$58,000

This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any other law, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

(b) Minnesota Humanities Commission

\$47,100                      \$47,100

(c) Minnesota International Center

\$38,000                      \$38,000

(d) Minnesota Military Museum

\$30,000

(e) Minnesota Air National Guard Museum

\$20,000

(f) Government Learning Center

\$69,000                      \$69,000

This appropriation is for Project 120.

(g) Balances Forward

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

Subd. 6. State History Center

102,900

259,700

This appropriation is available only if legislation is enacted providing funding for construction of a new state history center.

Sec. 22. BOARD OF THE ARTS

Subdivision 1. Total Appropriation

3,016,200

3,044,000

1988

1989

Approved Complement -

14

15

General -	11	12
Federal -	3	3

\$953,100 the first year and \$955,800 the second year are for the support of regional arts councils throughout the state.

#### Subd. 5. Balances Forward

Any unencumbered balance remaining in this section the first year does not cancel but is available for the second year of the biennium.

Sec. 23. MINNESOTA HORTICULTURAL SOCIETY	67,200	67,200
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Sec. 24. MINNESOTA ACADEMY OF SCIENCE	28,100	28,100
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Sec. 25. SCIENCE MUSEUM OF MINNESOTA	514,900	521,200
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Sec. 26. MINNESOTA SAFETY COUNCIL	50,700	50,700
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This appropriation is from the trunk highway fund.

Sec. 27. VETERANS OF FOREIGN WARS	30,000	30,000
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For carrying out the provisions of Laws 1945, chapter 455.

Sec. 28. GENERAL CONTINGENT ACCOUNTS	325,000	325,000
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The appropriations in this section may only be spent with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

#### Summary by Fund

Trunk Highway Fund	\$200,000	\$200,000
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Highway User Tax Distribution Fund	\$125,000	\$125,000
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Sec. 29. TORT CLAIMS	600,000	600,000
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To be spent by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 30. [MASTER LEASE.]

*During the biennium ending June 30, 1989, for agencies to whom appropriations are made in this act, the master lease, as authorized in Minnesota Statutes, section 16A.85, may only be used to finance large equipment with a capital value of more than \$100,000 and a useful life of more than ten years, and for equipment already purchased under an existing lease-purchase agreement. The commissioner of finance must consult with the chairs of the senate finance committee and house appropriations committee before entering into a lease-purchase of equipment by a state agency in this act. This requirement does not apply to purchases by the commissioner of administration made with money from an internal services fund.*

**Sec. 31. [EXPORT FINANCE AUTHORITY WORKING CAPITAL ACCOUNT.]**

*The balance in the export finance authority working capital account shall be maintained at \$1,000,000.*

**Sec. 32. [EMERGENCY RESPONSE COMMISSION.]**

*The governor may designate the hazardous substance notification advisory committee to serve as and perform the functions of the state emergency response commission provided for under title III of the Superfund Amendments and Reauthorization Act of 1986. The governor may also appoint representatives of state agencies to serve on the state emergency response commission.*

**Sec. 33. [MEMBERSHIP; COMPLEMENT OF BOARD OF WATER AND SOIL RESOURCES.]**

*Subdivision 1. [TRANSITION MEMBERSHIP] In addition to the members specified in section 103, the initial board of water and soil resources shall have, through December 31, 1989, four temporary members who are soil and water conservation district supervisors appointed by the governor.*

*Subd. 2. [TRANSFER OF EMPLOYEES.] All classified and unclassified state positions and employees of the state soil and water conservation board and the water resources board are transferred to the board of water and soil resources in accordance with section 15.039, subdivision 7. The commissioner of employee relations shall place the unclassified position of the executive director of the water resources board and the classified position of the executive director of the soil and water conservation board in the proper job classification in the classified service without examination.*

**Sec. 34. [INSTRUCTION TO REVISOR.]**

*The revisor of statutes shall change the words "state soil and water conservation board," "water resources board," "water policy board" or other language intended to refer to those boards, wherever they appear in Minnesota Statutes to "board of water and soil resources" or other appropriate language to refer to the board of water and soil resources created in section 105.*

**Sec. 35. [TRANSPORTATION FINANCE STUDY COMMISSION.]**

*Subdivision 1. [MEMBERSHIP] A transportation finance study commission is created consisting of five members of the house of representatives appointed by the speaker of the house and five members of the senate appointed by the senate subcommittee on committees. The commission shall select from its membership a chair or co-chairs and other officers it deems necessary.*

*Subd. 2. [STUDIES.] The commission shall study:*

*(1) present and future highway and transit needs, including state highways, county highways, city streets, town roads, and metropolitan and nonmetropolitan transit service;*

*(2) the adequacy of existing revenue sources to meet these needs;*

*(3) methods of raising additional revenue to meet these needs;*

*(4) alternatives to raising revenue as a method of dealing with highway and transit needs; and*

*(5) alternative methods of distributing present and future revenues among various levels of government.*

*Subd. 3. [REPORT.] The commission shall report to the legislature on its findings and recommendations not later than February 15, 1988, and shall cease to function after that date.*

*Subd. 4. [COMPENSATION.] Members of the commission must be compensated in the same manner as for other legislative meetings.*

**Sec. 36. [SURCHARGE AMOUNT ALLOCATED.]**

*Twenty-five cents of the amount collected on the surcharge for a certified copy of a birth certificate under Minnesota Statutes, section 144.226, subdivision 3, is appropriated from the children's trust fund established under Minnesota Statutes, section 299A.22 to the commissioner of public safety to be administered by the children's trust fund for the biennium ending June 30, 1989, for the purpose of implementing and administering the professional consultation telephone line and service, notwithstanding Minnesota Statutes, section 299A.25, subdivision 1, to the contrary.*

**Sec. 37. [MONEY CREDITED TO HIGHWAY FUND, TRANSIT FUND, AND GENERAL FUND.]**

*All money received under the provisions of Minnesota Statutes, chapter 171 after June 30, 1987, and before July 1, 1989, shall be paid into the state treasury with 60-2/3 percent credited to the trunk highway fund, 33-1/3 percent credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board, and six percent credited to the general fund, except as provided in Minnesota Statutes, section 171.29, subdivision 2.*

*Sec. 38. Minnesota Statutes 1986, section 12.14, is amended to read:*

**12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]**

*Any person, firm, corporation or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment to cover the cost of nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. An assessment of ~~\$75,000~~ \$137,500 per plant shall be paid to the commissioner of public safety on July 1 of each year.*

*Sec. 39. Minnesota Statutes 1986, section 17A.04, subdivision 5, is amended to read:*

*Subd. 5. [LICENSE FEE.] The applicant shall submit to the commis-*



sioner the following applicable fees and penalties for late renewal:

- (a) ~~\$150~~ \$300 for each livestock market agency and public stockyard license, penalty ~~\$38~~ \$75;
- (b) ~~\$50~~ \$100 for each livestock dealer license, penalty ~~\$13~~ \$25;
- (c) ~~\$30~~ \$50 for each agent of a livestock dealer license, penalty ~~\$10~~ \$15;
- (d) ~~\$50~~ \$100 for each meat packing company license, penalty ~~\$13~~ \$25;
- (e) ~~\$30~~ \$50 for each agent of a meat packing company license, penalty ~~\$10~~ \$15.

Sec. 40. Minnesota Statutes 1986, section 18.51, subdivision 2, is amended to read:

Subd. 2. [FEES; PENALTY.] A nursery operator shall pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of the operator's nurseries as follows:

Nurseries:

- (1) 1/2 acre or less \$30 \$40 per nursery operator
- (2) Over 1/2 acre to and including 2 acres \$50 \$60 per nursery operator
- (3) Over 2 acres to and including 10 acres \$100 \$125 per nursery operator
- (4) Over 10 acres to and including 50 acres \$300 \$360 per nursery operator
- (5) Over 50 acres \$600 \$725 per nursery operator

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 41. Minnesota Statutes 1986, section 18.52, subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] A dealer shall pay an annual fee based on the dealer's gross sales during the preceding certificate year. A dealer operating for the first year will pay the minimum fee.

Dealers:

- (1) Gross sales up to \$1,000 at a location  
\$30 \$40 per location
- (2) Gross sales over \$1,000 and up to \$5,000 at a location  
\$40 \$50 per location
- (3) Gross sales over \$5,000 up to \$10,000 at a location  
\$70 \$85 per location
- (4) Gross sales over \$10,000 up to \$25,000 at a location  
\$100 \$125 per location
- (5) Gross sales over \$25,000 up to \$75,000 at a location  
\$150 \$175 per location
- (6) Gross sales over \$75,000 up to \$100,000 at a location  
\$220 \$260 per location
- (7) Gross sales over \$100,000 at a location  
\$330 \$400 per location

In addition to the above fees, a minimum penalty of \$10 or 25 percent of

the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 42. Minnesota Statutes 1986, section 18.53, is amended to read:

**18.53 [GREENHOUSE CERTIFICATION.]**

The commissioner may inspect and certify greenhouses and greenhouse plants as being free from plant pests upon request of the greenhouse operator and issue a greenhouse certificate. The fee is ~~\$30~~ \$50 for each greenhouse operator. The certificate expires on November 15 next following the date of issue.

**Sec. 43. [18B.01] [DEFINITIONS.]**

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

*Subd. 2. [APPROVED AGENCY.] "Approved agency" means a state agency, other than the department of agriculture, or an agency of a county, municipality, or other political subdivision that has signed a joint powers agreement under section 471.59 with the commissioner.*

*Subd. 3. [BENEFICIAL INSECTS.] "Beneficial insects" means insects that are: (1) effective pollinators of plants; (2) parasites or predators of pests; or (3) otherwise beneficial.*

*Subd. 4. [BULK PESTICIDE.] "Bulk pesticide" means a pesticide that is held in an individual container, with a pesticide content of 56 United States gallons or more, or 100 pounds or greater net dry weight.*

*Subd. 5. [COMMERCIAL APPLICATOR.] "Commercial applicator" means a person who has a commercial applicator license.*

*Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or an agent authorized by the commissioner.*

*Subd. 7. [DEVICE.] "Device" means an instrument or contrivance, other than a firearm, that is intended or used to destroy, repel, or mitigate a pest, a form of plant or animal life other than humans, or a bacterium, virus, or other microorganism on or in living animals, including humans. A device does not include equipment used for the application of pesticides if the equipment is sold separately from the instrument or contrivance.*

*Subd. 8. [DISTRIBUTE.] "Distribute" means offer for sale, sell, barter, ship, deliver for shipment, receive and deliver, and offer to deliver pesticides in this state.*

*Subd. 9. [ENVIRONMENT.] "Environment" means surface water, ground water, air, land, plants, humans, and animals and their interrelationships.*

*Subd. 10. [FIFRA.] "FIFRA" means the Federal Insecticide, Fungicide, Rodenticide Act, United States Code, title 7, sections 136 to 136y, and regulations under Code of Federal Regulations, title 40, subchapter E, parts 150 to 180.*

*Subd. 11. [HAZARDOUS WASTE.] "Hazardous waste" means any substance identified or listed as hazardous waste in the rules adopted under section 116.07, subdivision 4.*

*Subd. 12. [INCIDENT.] "Incident" means a flood, fire, tornado, transportation accident, storage container rupture, portable container rupture,*

*leak, spill, or other event that releases or threatens to release a pesticide accidentally or otherwise, and may cause unreasonable adverse effects on the environment. "Incident" does not include the lawful use or intentional release of a pesticide in accordance with its approved labeling.*

Subd. 13. [LABEL.] *"Label" means the written, printed, or graphic matter on, or attached to, the pesticide or device or their containers or wrappers.*

Subd. 14. [LABELING.] *"Labeling" means all labels and other written, printed, or graphic matter:*

*(1) accompanying the pesticide or device;*

*(2) referred to by the label or literature accompanying the pesticide or device; or*

*(3) that relates or refers to the pesticide or to induce the sale of the pesticide or device.*

*"Labeling" does not include current official publications of the United States Environmental Protection Agency, United States Department of Agriculture, United States Department of Interior, United States Department of Health, Education and Welfare, state agricultural experiment stations, state agricultural colleges, and other similar federal or state institutions or agencies authorized by law to conduct research in the field of pesticides.*

Subd. 15. [NONCOMMERCIAL APPLICATOR.] *"Noncommercial applicator" means a person with a noncommercial applicator license.*

Subd. 16. [PERSON.] *"Person" means an individual, firm, corporation, partnership, association, trust, joint stock company, unincorporated organization, the state, a state agency, or political subdivision.*

Subd. 17. [PEST.] *"Pest" means an insect, rodent, nematode, fungus, weed, terrestrial or aquatic plant, animal life, virus, bacteria, or other organism designated by rule as a pest, except a virus, bacteria, or other microorganism on or in living humans or other living animals.*

Subd. 18. [PESTICIDE.] *"Pesticide" means a substance or mixture of substances intended to prevent, destroy, repel, or mitigate a pest, and a substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.*

Subd. 19. [PESTICIDE DEALER.] *"Pesticide dealer" means a person with a pesticide dealer license.*

Subd. 20. [PLANT REGULATOR.] *"Plant regulator" means a substance or mixture of substances intended through physiological action to accelerate or retard the rate of growth or rate of maturation of a plant, or to otherwise alter the behavior of ornamental or crop plants or the produce of the plants. Plant regulator does not include substances to the extent that they are intended as plant nutrients, trace elements, nutritional chemicals, plant inoculants, or soil amendments.*

Subd. 21. [PRIVATE APPLICATOR.] *"Private applicator" means a person certified to use or supervise use of restricted use pesticides.*

Subd. 22. [REGISTRANT.] *"Registrant" means a person that has registered a pesticide under this chapter.*

Subd. 23. [RESPONSIBLE PARTY.] *"Responsible party" means a per-*

son who at the time of an incident has custody of, control of, or responsibility for a pesticide, pesticide container, or pesticide rinsate.

**Subd. 24. [RESTRICTED USE PESTICIDE.]** "Restricted use pesticide" means a pesticide formulation designated as a restricted use pesticide under FIFRA or by the commissioner under this chapter.

**Subd. 25. [RINSATE.]** "Rinsate" means a dilute mixture of a pesticide or pesticides with water, solvents, oils, commercial rinsing agents, or other substances, that is produced by or results from the cleaning of pesticide application equipment or pesticide containers.

**Subd. 26. [SAFEGUARD.]** "Safeguard" means a facility, device, or system, or a combination of these, designed to prevent the escape or movement of a pesticide from the place it is stored or kept under conditions that might otherwise result in contamination of the environment.

**Subd. 27. [SITE.]** "Site" means all land and water areas, including air space, and all plants, animals, structures, buildings, contrivances, and machinery whether fixed or mobile, including anything used for transportation.

**Subd. 28. [STRUCTURAL PEST.]** "Structural pest" means a pest, other than a plant, in, on, under, or near a structure.

**Subd. 29. [STRUCTURAL PEST CONTROL.]** "Structural pest control" means the control of any structural pest through the use of a device, a procedure, or application of pesticides in or around a building or other structures, including trucks, boxcars, ships, aircraft, docks, and fumigation vaults, and the business activity related to use of a device, a procedure, or application of a pesticide.

**Subd. 30. [STRUCTURAL PEST CONTROL APPLICATOR.]** "Structural pest control applicator" means a person with a structural pest control license.

**Subd. 31. [UNREASONABLE ADVERSE EFFECTS ON THE ENVIRONMENT.]** "Unreasonable adverse effects on the environment" means any unreasonable risk to humans or the environment, taking into account the economic, social, and environmental costs and benefits of the use of any pesticide.

**Subd. 32. [WILDLIFE.]** "Wildlife" means all living things that are not human, domesticated, or pests.

#### **Sec. 44. [18B.02] [PREEMPTION OF OTHER LAW.]**

Except as specifically provided in this chapter, the provisions of this chapter preempt ordinances by local governments that prohibit or regulate any matter relating to the registration, labeling, distribution, sale, handling, use, application, or disposal of pesticides. It is not the intent of this section to preempt local responsibilities for zoning, fire codes, or hazardous waste disposal.

#### **Sec. 45. [18B.03] [POWERS AND DUTIES OF COMMISSIONER.]**

**Subdivision 1. [ADMINISTRATION BY COMMISSIONER.]** The commissioner shall administer, implement, and enforce this chapter and the department of agriculture is the lead state agency for the regulation of pesticides.

**Subd. 2. [DELEGATION OF DUTIES.]** The functions vested in the com-

missioner by this chapter may be delegated to designated employees or agents of the department of agriculture.

**Subd. 3. [DELEGATION TO APPROVED AGENCIES.]** *The commissioner may, by written agreements, delegate specific inspection, enforcement, and other regulatory duties of this chapter to officials of approved agencies.*

**Sec. 46. [18B.04] [PESTICIDE IMPACT ON WATER QUALITY.]**

*The commissioner shall:*

*(1) determine the impact of pesticides on surface and ground water in this state;*

*(2) develop best management practices involving pesticide distribution, storage, handling, use, and disposal; and*

*(3) cooperate with and assist other state agencies and local governments to protect public health and the environment from harmful exposure to pesticides.*

**Sec. 47. [18B.05] [PESTICIDE REGULATORY ACCOUNT.]**

**Subdivision 1. [ESTABLISHMENT.]** *A pesticide regulatory account is established in the state treasury. Fees and penalties except penalties collected under section 65, subdivision 4, collected under this chapter must be deposited in the state treasury and credited to the pesticide regulatory account.*

**Subd. 2. [ANNUAL APPROPRIATION.]** *Money in the account, including amount of interest attributable to money in the account and any money appropriated for the purposes of this chapter, is annually appropriated to the commissioner for the administration and enforcement of this chapter.*

**Sec. 48. [18B.06] [RULES.]**

**Subdivision 1. [AUTHORITY.]** *The commissioner shall adopt rules to implement and enforce this chapter including procedures addressing local control of pesticide regulation. Rules adopted under this chapter are part of this chapter and a violation of the rules is a violation of a provision of this chapter.*

**Subd. 2. [CONFORMITY WITH FIFRA.]** *Rules adopted under this chapter:*

*(1) may not allow pesticide use that is prohibited by FIFRA; or*

*(2) relating to private applicators of restricted use pesticides and special local needs registrations, may not be inconsistent with the requirements of FIFRA.*

**Subd. 3. [PESTICIDE USE, HANDLING, AND DISPOSAL.]** *The commissioner shall adopt rules, including emergency rules, to govern the distribution, use, storage, handling, and disposal of pesticides, rinsates, and pesticide containers.*

**Sec. 49. [18B.07] [PESTICIDE USE, APPLICATION, AND EQUIPMENT CLEANING.]**

**Subdivision 1. [PESTICIDE USE.]** *Pesticides must be applied in accordance with the product label or labeling and in a manner that will not cause unreasonable adverse effects on the environment within limits prescribed*

by this chapter and FIFRA.

**Subd. 2. [PROHIBITED PESTICIDE USE.]** (a) A person may not use, store, handle, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

- (1) inconsistent with labeling;
  - (2) that endangers humans, damages agricultural products, food, livestock, fish, wildlife, or beneficial insects; or
  - (3) that will cause unreasonable adverse effects on the environment.
- (b) A person may not direct a pesticide on property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.
- (c) A person may not directly apply a pesticide on a human by overspray or target site spray.
- (d) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

**Subd. 3. [POSTING.]** (a) If the pesticide labels prescribe specific hourly or daily intervals for human reentry following application, the person applying the pesticide must post fields, buildings, or areas where the pesticide has been applied. The posting must be done with placards in accordance with label requirements and rules adopted under this section.

(b) Fields being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment.

**Subd. 4. [PESTICIDE SAFEGUARDS AT APPLICATION SITES.]** A person may not allow a pesticide, rinsate, or unrinsed pesticide container to be stored, kept, or to remain in or on any site without safeguards adequate to prevent the escape or movement of the pesticides from the site.

**Subd. 5. [USE OF PUBLIC WATER SUPPLIES FOR FILLING EQUIPMENT.]** A person may not fill pesticide application equipment directly from a public water supply, as defined in section 144.382, unless the outlet from the public water supply is equipped with a backflow prevention device that complies with the Minnesota Plumbing Code under Minnesota Rules, parts 4715.2000 to 4715.2280.

**Subd. 6. [USE OF PUBLIC WATERS FOR FILLING EQUIPMENT.]** (a) A person may not fill pesticide application equipment directly from public waters of the state, as defined in section 105.37, subdivision 14, unless the equipment contains proper and functioning anti-backsiphoning mechanisms. The person may not introduce pesticides into the application equipment until after filling the equipment from the public waters.

(b) This subdivision does not apply to permitted applications of aquatic pesticides to public waters.

**Subd. 7. [CLEANING EQUIPMENT IN OR NEAR SURFACE WATER.]** (a) A person may not:

- (1) clean pesticide application equipment in surface waters of the state; or
- (2) fill or clean pesticide application equipment adjacent to surface waters, ditches, or wells where, because of the slope or other conditions, pesticides or materials contaminated with pesticides could enter or con-

taminate the surface waters, ground water, or wells, as a result of overflow, leakage, or other causes.

(b) This subdivision does not apply to permitted application of aquatic pesticides to public waters.

Subd. 8. [PESTICIDE, RINSATE, AND CONTAINER DISPOSAL.] A person may only dispose of pesticide, rinsate, and pesticide containers in accordance with this chapter and FIFRA. The manner of disposal must not cause unreasonable adverse effects on the environment.

Sec. 50. [18B.08] [CHEMIGATION.]

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not apply pesticides through an irrigation system without a chemigation permit from the commissioner. Only one chemigation permit is required for two or more wells that are protected from contamination by the same devices. The commissioner may allow irrigation to be used to apply pesticides on crops and land, including agricultural, nursery, turf, golf course, and greenhouse sites.

(b) A person must apply for a chemigation permit on forms prescribed by the commissioner.

Subd. 2. [PESTICIDE.] A pesticide used under a chemigation permit must be suitable and labeled for application through an irrigation system.

Subd. 3. [EQUIPMENT.] A chemigation system must be fitted with effective antisiphon devices or check valves that prevent the backflow of pesticides or pesticide-water mixtures into water supplies or other materials during times of irrigation system failure or equipment shutdown. The devices or valves must be installed between:

(1) the irrigation system pump discharge and the point of pesticide injection; and

(2) the point of pesticide injection and the pesticide supply.

Subd. 4. [APPLICATION FEE.] A person initially applying for a chemigation permit must pay a nonrefundable application fee of \$50 for each well that is to be used in applying the pesticides by irrigation.

Subd. 5. [RULES.] The commissioner shall, by rule, develop specific requirements for implementation of a program to regulate application of pesticides by irrigation.

Sec. 51. [18B.09] [PESTICIDE APPLICATION IN CITIES.]

Subdivision 1. [APPLICABILITY.] This section applies only to statutory and home rule charter cities that enact ordinances as provided in this section.

Subd. 2. [AUTHORITY.] Statutory and home rule charter cities may enact an ordinance containing the pesticide application warning information contained in subdivision 3, including their own licensing, penalty, and enforcement provisions. Statutory and home rule charter cities may not enact an ordinance that contains more restrictive pesticide application warning information than is contained in subdivision 3.

Subd. 3. [WARNING SIGNS FOR PESTICIDE APPLICATION.] (a) All commercial or noncommercial applicators who apply pesticides to turf areas must post or affix warning signs on the property where the pesticides

are applied.

(b) Warning signs must project at least 18 inches above the top of the grass line. The warning signs must be of a material that is rain-resistant for at least a 48-hour period and must remain in place up to 48 hours from the time of initial application.

(c) The following information must be printed on the warning sign in contrasting colors and capitalized letters measuring at least one-half inch, or in another format approved by the commissioner. The sign must provide the following information:

(1) the name of the business organization, entity, or person applying the pesticide; and

(2) the following language: "This area chemically treated. Keep children and pets off until.....(date of safe entry)....." or a universally accepted symbol and text approved by the commissioner that is recognized as having the same meaning or intent as specified in this paragraph. The warning sign may include the name of the pesticide used.

(d) The warning sign must be posted on a lawn or yard between two feet and five feet from the sidewalk or street. For parks, golf courses, athletic fields, playgrounds, or other similar recreational property, the warning signs must be posted immediately adjacent to areas within the property where pesticides have been applied and at or near the entrances to the property.

#### Sec. 52. [18B.10] [ACTION TO PREVENT GROUND WATER CONTAMINATION.]

The commissioner may, by rule, special order, or delegation through written regulatory agreement with officials of other approved agencies, take action necessary to prevent the contamination of ground water resulting from leaching of pesticides through the soil, from the backsiphoning or back-flowing of pesticides through water wells, or from the direct flowage of pesticides to ground water.

#### Sec. 53. [18B.11] [SALE AND USE OF TCDD.]

A person may not sell, offer for sale, or use a pesticide containing in excess of 0.1 parts per million of 2,3,7, 8-tetrachlorodibenzo-para-dioxin (TCDD).

#### Sec. 54. [18B.12] [SALE AND DISTRIBUTION OF ADULTERATED PESTICIDES.]

A person may not offer for sale or distribute a pesticide that is determined by the commissioner to be adulterated, including a pesticide that has:

(1) a strength or purity that does not meet the standard of quality expressed on its label;

(2) a constituent entirely or partially substituted; or

(3) an important or necessary constituent entirely or partially removed.

#### Sec. 55. [18B.13] [SALE AND DISTRIBUTION OF MISBRANDED PESTICIDES AND DEVICES.]

A person may not offer for sale or distribute a pesticide or device determined by the commissioner to be misbranded, including a pesticide or device that:



(1) is an imitation of or is offered for sale under the name of another pesticide or device; or

(2) does not comply with the labeling requirements under this chapter or FIFRA.

**Sec. 56. [18B.14] [PESTICIDE STORAGE.]**

*Subdivision 1. [DISPLAY AND STORAGE.] (a) A person may store or display pesticides and their containers only in the original container and separated from food, feed, seed, livestock remedies, drugs, plants, and other products or materials stored, displayed, or offered for sale in a manner that prevents contamination which would cause injury or damage to the other products or materials.*

*(b) A person may not allow open pesticide containers to be displayed for sale under any circumstances.*

*Subd. 2. [BULK PESTICIDE STORAGE.] (a) A person storing pesticides in containers of a rated capacity of 500 gallons or more must obtain a pesticide storage permit from the commissioner.*

*(b) Applications must be on forms provided by the commissioner containing information established by rule. The initial application for a permit must be accompanied by a nonrefundable application fee of \$100 for each location where the pesticides are stored.*

*(c) The commissioner shall by rule develop and implement a program to regulate bulk pesticides. The rules must include installation of secondary containment devices, storage site security, safeguards, notification of storage site locations, criteria for permit approval, a schedule for compliance, and other appropriate requirements necessary to minimize potential adverse effects on the environment. The rules must conform with existing rules of the pollution control agency.*

**Sec. 57. [18B.15] [PESTICIDE RELEASE INCIDENTS.]**

*Subdivision 1. [DUTIES OF RESPONSIBLE PARTY.] (a) A responsible party involved in an incident must immediately report the incident to the department of agriculture and provide information as requested by the commissioner. The responsible party must pay for the costs and immediately take all action necessary to minimize or abate the release and to recover pesticides involved in the incident.*

*(b) The responsible party must submit a written report of the incident to the commissioner containing the information requested by the commissioner within the time specified by the commissioner.*

*Subd. 2. [COMMISSIONER'S ACTION.] (a) If in the judgment of the commissioner the responsible party does not take immediate and sufficient action to abate the release of and to recover the pesticide, the commissioner may take action necessary to mitigate or correct the conditions resulting from an incident. The responsible party must reimburse the commissioner for the costs incurred by the commissioner in the enforcement of this subdivision.*

*(b) The department of agriculture is the lead state agency for responding to and taking action with regard to pesticide incidents.*

**Sec. 58. [18B.16] [EMPLOYER LIABILITY FOR EMPLOYEES.]**

*Structural pest control applicators, commercial applicators, noncom-*

*mercial applicants and pesticides dealers are criminally liable for violations of this chapter by their employees and agents.*

**Sec. 59. [18B.17] [COOPERATIVE INSPECTION AND ENFORCEMENT AGREEMENTS.]**

*Subdivision 1. [COOPERATIVE AGREEMENTS.] The commissioner may enter into cooperative agreements with federal and state agencies for training, certification, inspection, and enforcement programs and may make reports to the United States Environmental Protection Agency and other federal agencies as required or requested. The commissioner may adopt and enforce federal standards, regulations, or orders relating to pesticide regulation when determined to be in the best interest of citizens of the state.*

*Subd. 2. [TRAINING AGREEMENTS.] For purposes of training only, the commissioner may enter into agreements with qualified public or private organizations that wish to offer training programs.*

**Sec. 60. [18B.18] [INSPECTION.]**

*Subdivision 1. [ACCESS AND ENTRY.] (a) The commissioner, and the commissioner's agents, upon issuance of a notice of inspection, must be granted access at reasonable times to (1) sites where a restricted use pesticide is used; (2) where a person manufactures, formulates, distributes, uses, disposes of, stores, or transports a pesticide in violation of provisions of this chapter; and (3) to all sites affected, or possibly affected, by the use of a pesticide, rinse, pesticide container, or device in violation of a provision of this chapter.*

*(b) The commissioner and commissioner's agents may enter sites for:*

*(1) inspection of equipment for the manufacture, formulation, distribution, disposal, or application of pesticides and the premises on which the equipment is stored;*

*(2) sampling of sites actually or reportedly exposed to pesticides;*

*(3) inspection of storage, handling, distribution, use, or disposal areas of pesticides or pesticide containers;*

*(4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;*

*(5) sampling of pesticides;*

*(6) observation of the use and application of a pesticide;*

*(7) inspection of records related to the manufacture, distribution, use, or disposal of pesticides; and*

*(8) other purposes necessary to implement this chapter.*

*Subd. 2. [NOTICE OF INSPECTION SAMPLES AND ANALYSES.] Before leaving the premises inspected, the commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.*

**Sec. 61. [18B.19] [PRIVATE REQUEST FOR INSPECTION OF VIOLATION.]**

*Subdivision 1. [STATEMENT OF VIOLATION.] A person that suspects*

*a provision of this chapter has been violated may file a written inspection request with the commissioner. The written request must contain:*

- (1) the person's name and address;*
- (2) the name of the person for whom the application was done;*
- (3) the name of the applicator;*
- (4) the date of the application;*
- (5) a description of the suspected violation; and*
- (6) other information the commissioner may require.*

**Subd. 2. [INSPECTION FOR SUSPECTED VIOLATION.]** *If the request for inspection is filed within 60 days after the pesticide was applied or damage has occurred, the commissioner shall investigate to determine if provisions of this chapter have been violated. The commissioner may discontinue the investigation after determining provisions of this chapter have not been violated.*

**Subd. 3. [INSPECTION FILE DISCLOSURE.]** *Copies of completed inspection files are available to the person making the inspection request, the applicator, or their agents, upon written request.*

**Sec. 62. [18B.20] [ENFORCEMENT.]**

**Subdivision 1. [ENFORCEMENT REQUIRED.]** *(a) The commissioner shall enforce this chapter.*

*(b) Upon the request of the commissioner or an agent authorized by the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws shall take action to the extent of their authority necessary or proper for the enforcement of this chapter, or special orders, standards, stipulations, and agreements of the commissioner.*

**Subd. 2. [CRIMINAL ACTIONS.]** *For a criminal action, the county attorney where a violation occurred is responsible for prosecuting a violation of a provision of this chapter. If the county attorney refuses to prosecute, the attorney general may prosecute.*

**Subd. 3. [CIVIL ACTIONS.]** *Civil judicial enforcement actions may be brought by the attorney general in the name of the state on behalf of the commissioner. A county attorney may bring a civil judicial enforcement action upon the request of the commissioner and the attorney general.*

**Subd. 4. [INJUNCTION.]** *The commissioner may apply to a court with jurisdiction for a temporary or permanent injunction to prevent, restrain, or enjoin violations of provisions of this chapter.*

**Subd. 5. [AGENT FOR SERVICE OF PROCESS.]** *All nonresident commercial and structural pest control applicator licensees licensed as individuals must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee.*

**Subd. 6. [SUBPOENAS.]** *The commissioner may issue subpoenas to compel the attendance of witnesses or submission of books, documents, and records affecting the authority or privilege granted by a license, registration, certification, or permit issued under this chapter.*

**Sec. 63. [18B.21] [ADMINISTRATIVE ACTION.]**

*Subdivision 1. [ADMINISTRATIVE REMEDIES.] The commissioner may seek to remedy violations by a written warning, administrative meeting, cease and desist, stop-use, stop-sale, or other special order, seizure, stipulation, or agreement, if the commissioner determines that the remedy is in the public interest.*

*Subd. 2. [REVOCATION AND SUSPENSION.] The commissioner may, after written notice and hearing, revoke, suspend, or refuse to renew a registration, permit, license, or certification if a person violates a provision of this chapter.*

*Subd. 3. [REMEDIAL ACTION ORDERS.] (a) If the commissioner has probable cause that a pesticide, pesticide container, rinsate, pesticide equipment, or device is being used, manufactured, distributed, stored, or disposed of in violation of a provision of this chapter, the commissioner may investigate and issue a written cease and desist, stop-sale, stop-use, or removal order or other remedial action to the owner, custodian, or other responsible party. If the owner, custodian, or other responsible party is not available for service of the order, the commissioner may attach the order to the pesticide, pesticide container, rinsate, pesticide equipment, or device or facility and notify the owner, custodian, other responsible party, or the registrant. The pesticide, pesticide container, rinsate, pesticide equipment, or device may not be sold, used, or removed until the violation has been corrected and the pesticide, pesticide container, rinsate, pesticide equipment, or device has been released in writing under conditions specified by the commissioner, or until the violation has been otherwise disposed of by a court.*

*(b) If a violation of a provision of this chapter results in conditions that may have an unreasonable adverse effect on humans, domestic animals, wildlife, or the environment, the commissioner may, by order, require remedial action, including removal and proper disposal.*

**Sec. 64. [18B.22] [DAMAGES AGAINST STATE FOR ADMINISTRATIVE ACTION WITHOUT CAUSE.]**

*If the commissioner did not have probable cause for an administrative action, including the issuance of a stop-sale, use, or removal order, a court may allow recovery for damages caused by the administrative action.*

**Sec. 65. [18B.23] [CIVIL PENALTIES.]**

*Subdivision 1. [GENERAL PENALTY.] Except as provided in subdivisions 2 and 5, a person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner is subject to a civil penalty of up to \$10,000 per day of violation as determined by the court.*

*Subd. 2. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner that relates to disposal of pesticides so that they become hazardous waste, is subject to a civil penalty of up to \$25,000 per day of violation as determined by the court.*

*Subd. 3. [CLEANUP COSTS.] A person who violates a provision of this chapter is liable for and must pay to the state a sum that will compensate the state for the reasonable value of cleanup and other expenses directly*

resulting from the illegal use, storage, handling, or disposal of pesticides, whether accidental or otherwise.

*Subd. 4. [WILDLIFE AND OTHER DAMAGES.] (a) A person who violates a provision of this chapter is liable for and must pay to the state a sum to constitute just compensation for the loss or destruction of wildlife, fish, or other aquatic life, and for actual damages to the state caused by the illegal use, storage, handling, or disposal of pesticides.*

*(b) The amounts paid as compensation for loss of or destruction to wildlife, fish, or other aquatic life must be deposited into the state treasury and credited to the game and fish fund.*

*Subd. 5. [DIRECTLY SPRAYING HUMANS.] A person who directly applies pesticides on a human by target site spraying in an open field is subject to a civil penalty up to \$5,000 as determined by the court.*

*Subd. 6. [DEFENSE TO CIVIL REMEDIES AND DAMAGES.] As a defense to a civil penalty or claim for damages under subdivisions 1 to 4, the defendant may prove that the violation was caused solely by an act of God, an act of war, or an act or failure to act that constitutes sabotage or vandalism, or any combination of these defenses.*

*Subd. 7. [ACTIONS TO COMPEL PERFORMANCE.] In an action to compel performance of an order of the commissioner to enforce a provision of this chapter, the court may require a defendant adjudged responsible to perform the acts within the person's power that are reasonably necessary to accomplish the purposes of the order.*

*Subd. 8. [RECOVERY OF PENALTIES BY CIVIL ACTION.] The civil penalties and payments provided for in this section may be recovered by a civil action brought by the county attorney or the attorney general in the name of the state.*

*Subd. 9. [RECOVERY OF LITIGATION COSTS AND EXPENSES.] In an action brought by the attorney general or a county attorney in the name of the state under this chapter for civil penalties, injunctive relief, or in an action to compel compliance, if the state finally prevails, the state, in addition to other penalties provided in this chapter, must be allowed an amount determined by the court to be the reasonable value of all or a part of the litigation expenses including attorney fees incurred by the state or county attorney. In determining the amount of these litigation expenses to be allowed, the court shall give consideration to the economic circumstances of the defendant.*

#### **Sec. 66. [18B.24] [UNSATISFIED JUDGMENTS.]**

*(a) An applicant for a commercial, noncommercial, or structural pest control license and a commercial, noncommercial, or structural pest control applicator may not allow a final judgment against the applicant or applicator for damages arising from a violation of a provision of this chapter to remain unsatisfied for a period of more than 30 days.*

*(b) Failure to satisfy within 30 days a final judgment resulting from these pest control activities will result in automatic suspension of the applicator license.*

#### **Sec. 67. [18B.25] [CRIMINAL PENALTIES.]**

*Subdivision 1. [GENERAL VIOLATION.] Except as provided in subdivisions 2 and 3, a person is guilty of a misdemeanor, if the person violates*

a provision of this chapter, or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner.

*Subd. 2. [VIOLATION ENDANGERING HUMANS.] A person is guilty of a gross misdemeanor if the person violates a provision of this chapter or a special order, standard, stipulation, agreement, or schedule of compliance of the commissioner, and the violation endangers humans.*

*Subd. 3. [VIOLATION WITH KNOWLEDGE.] A person is guilty of a gross misdemeanor if the person knowingly violates a provision of this chapter or standard, a special order, stipulation, agreement, or schedule of compliance of the commissioner.*

*Subd. 4. [DISPOSAL THAT BECOMES HAZARDOUS WASTE.] A person who knowingly, or with reason to know, disposes of a pesticide so that the product becomes hazardous waste is subject to the penalties in section 115.071.*

**Sec. 68. [18B.26] [PESTICIDE REGISTRATION.]**

*Subdivision 1. [REQUIREMENT.] A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year. Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.*

*Subd. 2. [APPLICATION.] (a) A person must file an application for registration with the commissioner. The application must include:*

*(1) the name and address of the applicant and the name and address of the person whose name will appear on the label, if other than the applicant;*

*(2) the brand name of the pesticide;*

*(3) other necessary information required by the registration application form;*

*(4) a true and complete copy of the labeling accompanying the pesticide as provided for in FIFRA; and*

*(5) current material safety data sheets for each pesticide.*

*(b) As part of the application, the commissioner may require the submission of any relevant information including the complete formula of a pesticide, including the active and inert ingredients.*

*Subd. 3. [APPLICATION FEE.] (a) An application for initial registration and renewal must be accompanied by a nonrefundable application fee of \$125 for each pesticide to be registered.*

*(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.*

*(c) An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before initial state registration.*

*Subd. 4. [EFFECT OF REGISTRATION AFTER RENEWAL APPLI-*

CATION.] If a registration is in effect on December 31 and a renewal application has been made and the application fee paid, the registration continues in full force and effect until the commissioner notifies the applicant that the registration is denied or canceled, or the renewed registration expires.

Subd. 5. [APPLICATION REVIEW AND REGISTRATION.] (a) The commissioner may not deny the registration of a pesticide because the commissioner determines the pesticide is not essential.

(b) The commissioner shall review each application and may approve, deny, or cancel the registration of any pesticide. The commissioner may impose state use restrictions on a pesticide as part of the registration to prevent unreasonable adverse effects on the environment.

(c) The commissioner must notify the applicant of the approval, denial, cancellation, or state use restrictions within 30 days after the application and fee are received.

(d) The applicant may request a hearing on any adverse action of the commissioner within 30 days after being notified by the commissioner.

Sec. 69. [18B.27] [PESTICIDE REGISTRATION FOR SPECIAL LOCAL NEEDS.]

Subdivision 1. [APPLICATION.] (a) A person must file an application for a special local need application with the commissioner. The application must meet the requirements of section 68, subdivision 2, and the commissioner may require other relevant information.

(b) The commissioner may require a full description of tests and test results upon which claims are based for:

- (1) a pesticide use that is not registered under section 68 or FIFRA; or
- (2) a pesticide on which restrictions are being considered.

(c) The applicant may request in writing privacy of information submitted as provided in section 80.

Subd. 2. [APPLICATION REVIEW.] (a) After reviewing the application accompanied by the application fee, the commissioner shall, subject to the terms and conditions of the authorization by the administrator of the United States Environmental Protection Agency to register pesticides to meet special local needs, register pesticides if the commissioner determines that:

(1) the pesticide's composition warrants the proposed claims for the pesticide;

(2) the pesticide's label and other material required to be submitted comply with this chapter;

(3) the pesticide will perform its intended function without unreasonable adverse effect on the environment;

(4) the pesticide will not generally cause unreasonable adverse effects on the environment when used in accordance with label directions; and

(5) a special local need for the pesticide exists.

(b) The commissioner may revoke or modify a special local need registration if the commissioner determines that the terms or conditions of the registration do not comply with paragraph (a).

*Subd. 3. [APPLICATION FEE.] An application fee for a special local need registration must be accompanied by a nonrefundable fee of \$125.*

**Sec. 70. [18B.28] [EXPERIMENTAL USE PESTICIDE PRODUCT REGISTRATION.]**

*Subdivision 1. [REQUIREMENT.] A person may not use or distribute an experimental use pesticide product in the state until it is registered with the commissioner. Experimental use pesticide product registrations expire on December 31 of each year and may be renewed on or before that date.*

*Subd. 2. [APPLICATION REVIEW AND REGISTRATION.] (a) After reviewing the application accompanied by the application fee, the commissioner may issue an experimental use pesticide product registration if the commissioner determines that the applicant needs the registration to accumulate information necessary to register a pesticide under section 68. The commissioner may prescribe terms, conditions, and a limited period of time for the experimental use product registration. After an experimental use pesticide product registration is issued, the commissioner may revoke or modify the registration at any time if the commissioner finds that its terms or conditions are being violated or are inadequate to avoid unreasonable adverse effects on the environment.*

*(b) The commissioner may deny issuance of an experimental use pesticide product registration permit if the commissioner determines that issuance of a registration is not warranted or that the use to be made of the pesticide under the proposed terms and conditions may cause unreasonable adverse effects on the environment.*

*Subd. 3. [APPLICATION.] A person must file an application for experimental use pesticide product registration with the commissioner. An application to register an experimental use pesticide product must include:*

- (1) the name and address of the applicant;*
- (2) a federal environmental protection agency approval document;*
- (3) the purpose or objectives of the experimental use product;*
- (4) an accepted experimental use pesticide product label;*
- (5) the name, address, and telephone number of cooperators or participants in this state;*
- (6) the amount of material to be shipped or used in this state; and*
- (7) other information requested by the commissioner.*

*Subd. 4. [APPLICATION FEE.] (a) An application for registration of an experimental use pesticide product must be accompanied by a nonrefundable application fee of \$125.*

*(b) An additional fee of \$200 must be paid by the applicant for each pesticide distributed or used in the state before an initial experimental use pesticide product registration was issued for the pesticide.*

**Sec. 71. [18B.29] [RECIPROCAL LICENSING AND CERTIFICATION AGREEMENTS.]**

*The commissioner may waive all or part of the examination requirements provided for in sections 71 to 77 on a reciprocal basis with any other jurisdiction which has substantially the same requirements. Licenses or certificates issued under sections 71 to 77 may be suspended or revoked*



*upon suspension or revocation of the license or certificate of another jurisdiction supporting the issuance of a Minnesota license or certificate and in the same manner as other licenses and certificates.*

**Sec. 72. [18B.30] [PESTICIDE USE LICENSE REQUIREMENT.]**

*A person may not use or supervise the use of a restricted use pesticide without a license or certification required under sections 71 to 77 and the use may only be done under conditions prescribed by the commissioner.*

**Sec. 73. [18B.31] [PESTICIDE DEALER LICENSE.]**

*Subdivision 1. [REQUIREMENT.] (a) Except as provided in paragraph (b), a person may not distribute or possess restricted use pesticides or bulk pesticides with an intent to distribute them to an ultimate user without a pesticide dealer license.*

*(b) The pesticide dealer license requirement does not apply to:*

*(1) a licensed commercial applicator, noncommercial applicator, or structural pest control applicator who uses restricted use pesticides only as an integral part of a pesticide application service;*

*(2) a federal, state, county, or municipal agency using restricted use pesticides for its own programs;*

*(3) a licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in the pharmacist's, physician's, dentist's, or veterinarian's practice; or*

*(4) a distributor or wholesaler shipping restricted use pesticides to commercial applicators who are the ultimate users.*

*(c) A licensed pesticide dealer may sell restricted use pesticides only to an applicator licensed or certified by the commissioner, unless a sale is allowed by rule.*

*Subd. 2. [RESPONSIBILITY.] A pesticide dealer is responsible for the acts of a person who assists the dealer in the solicitation and sale of restricted use pesticides.*

*Subd. 3. [LICENSE.] A pesticide dealer license:*

*(1) expires on December 31 of each year unless it is suspended or revoked before that date; and*

*(2) is not transferable to another person.*

*Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a pesticide dealer license on the forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to sell bulk pesticides or restricted use pesticides.*

*(b) The commissioner may require an additional demonstration of dealer qualification if the dealer has had a license suspended or revoked, or has otherwise had a history of violations of this chapter.*

*Subd. 5. [APPLICATION FEE.] (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$50.*

*(b) If an application for renewal of a pesticide dealer license is not filed before January 1 of the year for which the license is to be issued, an additional fee of \$20 must be paid by the applicant before the license is*

issued.

Sec. 74. [18B.32] [STRUCTURAL PEST CONTROL LICENSE.]

*Subdivision 1. [REQUIREMENT.] (a) A person may not engage in structural pest control applications:*

- (1) for hire without a structural pest control license; and*
- (2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations.*

*(b) A structural pest control licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.*

*Subd. 2. [LICENSES.] (a) A structural pest control license:*

- (1) expires on December 31 of the year for which the license is issued; and*
- (2) is not transferable.*

*(b) The commissioner shall establish categories of master, journeyman, and fumigator for a person to be licensed under a structural pest control license.*

*Subd. 3. [APPLICATION.] (a) A person must apply to the commissioner for a structural pest control license to be licensed as a master, journeyman, or fumigator on forms and in the manner required by the commissioner. The commissioner shall require the applicant to pass a written, closed-book, monitored examination or oral examination, or both, and may also require a practical demonstration regarding structural pest control. The commissioner shall establish the examination procedure, including the phases and contents of the examination.*

*(b) The commissioner may license a person as a master under a structural pest control license if the person has the necessary qualifications through knowledge and experience to properly plan, determine, and supervise the selection and application of pesticides in structural pest control. To demonstrate the qualifications and become licensed as a master, a person must:*

- (1) pass closed-book testing administered by the commissioner; and*
- (2) by direct experience as a licensed journeyman under a structural pest control license for at least two years by this state or a state with equivalent certification requirements or as a full-time licensed master in another state with equivalent certification requirements, show practical knowledge and field experience in the actual selection and application of pesticides under varying conditions.*

*(c) The commissioner may license a person as a journeyman under a structural pest control license if the person:*

- (1) has the necessary qualifications in the practical selection and application of pesticides;*
- (2) has passed a closed-book examination given by the commissioner; and*

(3) is engaged as an employee of or is working under the direction of a person licensed as a master under a structural pest control license.

(d) The commissioner may license a person as a fumigator under a structural pest control license if the person:

(1) has knowledge of the practical selection and application of fumigants;

(2) has passed a closed-book examination given by the commissioner; and

(3) is licensed by the commissioner as a master or journeyman under a structural pest control license.

Subd. 4. [RENEWAL.] (a) A structural pest control applicator license may be renewed on or before the expiration of an existing license subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competency and ability to use pesticides safely and properly. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) If a person fails to renew a structural pest control license within three months of its expiration, the person must obtain a structural pest control license subject to the requirements, procedures, and fees required for an initial license.

Subd. 5. [FINANCIAL RESPONSIBILITY.] (a) A structural pest control license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by:

(1) proof of net assets equal to or greater than \$50,000; or

(2) a performance bond or insurance of a kind and in an amount determined by the commissioner.

(b) The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner must immediately suspend the license of a person who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured to maintain financial responsibility equal to the original amount required.

(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.

(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.

Subd. 6. [FEES.] (a) An applicant for a structural pest control license for a business must pay a nonrefundable application fee of \$100. An employee of a licensed business must pay a nonrefundable application fee of \$50 for an individual structural pest control license.

*(b) An application received after expiration of the structural pest control license is subject to a penalty fee of 50 percent of the application fee.*

*(c) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.*

**Sec. 75. [18B.33] [COMMERCIAL APPLICATOR LICENSE.]**

*Subdivision 1. [REQUIREMENT.] (a) A person may not apply a pesticide for hire without a commercial applicator license for the appropriate use categories except a structural pest control applicator.*

*(b) A person with a commercial applicator license may not apply pesticides on or into surface waters without an aquatic category endorsement on a commercial applicator license.*

*(c) A commercial applicator licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The commissioner shall prescribe the information required on the license identification card.*

*Subd. 2. [RESPONSIBILITY.] A person required to be licensed under this section who performs pesticide applications for hire or who employs a licensed applicator to perform pesticide application for pro rata compensation is responsible for proper application of the pesticide or device.*

*Subd. 3. [LICENSE.] A commercial applicator license:*

*(1) expires on December 31 of the year for which it is issued, unless suspended or revoked before that date; and*

*(2) is not transferable to another person.*

*Subd. 4. [APPLICATION.] (a) A person must apply to the commissioner for a commercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible for the commercial applicator license.*

*(b) Aerial applicators must also fulfill applicable requirements in chapter 360.*

*(c) An applicant that desires an aquatic category endorsement must pass an examination prepared by the commissioner of natural resources and administered by the department of agriculture.*

*Subd. 5. [RENEWAL APPLICATION.] (a) A person must apply to the commissioner to renew a commercial applicator license. The commissioner may renew a commercial applicator license accompanied by the application fee, subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. The applicant may renew a commercial applicator license within 12 months after expiration of the license without having to meet initial testing requirements. The commissioner may require additional demonstration of applicator qualification if a person has had a license suspended or revoked or has had a history of violations of this chapter.*

*(b) An applicant that meets renewal requirements by reexamination instead*

*of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.*

*Subd. 6. [FINANCIAL RESPONSIBILITY.] (a) A commercial applicator license may not be issued unless the applicant furnishes proof of financial responsibility. The financial responsibility may be demonstrated by: (1) proof of net assets equal to or greater than \$50,000; or (2) by a performance bond or insurance of the kind and in an amount determined by the commissioner.*

*(b) The bond or insurance must cover a period of time at least equal to the term of the applicant's license. The commissioner must immediately suspend the license of a person who fails to maintain the required bond or insurance. The performance bond or insurance policy must contain a provision requiring the insurance or bonding company to notify the commissioner by ten days before the effective date of cancellation, termination, or any other change of the bond or insurance. If there is recovery against the bond or insurance, additional coverage must be secured to maintain financial responsibility equal to the original amount required.*

*(c) An employee of a licensed person is not required to maintain an insurance policy or bond during the time the employer is maintaining the required insurance or bond.*

*(d) Applications for reinstatement of a license suspended under the provisions of this section must be accompanied by proof of satisfaction of judgments previously rendered.*

*Subd. 7. [APPLICATION FEES.] (a) A person initially applying for or renewing a commercial applicator license as a business entity must pay a nonrefundable application fee of \$50, except a person who is an employee of a business entity that has a commercial applicator license and is applying for or renewing a commercial applicator license as an individual the nonrefundable application fee is \$25.*

*(b) If a renewal application is not filed before March 1 of the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the commercial applicator license may be issued.*

#### **Sec. 76. [18B.34] [NONCOMMERCIAL APPLICATOR LICENSE.]**

*Subdivision 1. [REQUIREMENT.] (a) Except for a commercial applicator, private applicator, or structural pest control applicator, a person, including a government employee, may not use a restricted use pesticide in performance of official duties without having a noncommercial applicator license for an appropriate use category.*

*(b) A person with a noncommercial applicator license may not apply pesticides into or on surface waters without an aquatic category endorsement on the license.*

*(c) A licensee must have a valid license identification card when applying pesticides and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.*

*Subd. 2. [LICENSE.] A noncommercial applicator license:*

*(1) expires on December 31 of the year for which it is issued unless suspended or revoked before that date; and*

(2) is not transferable.

**Subd. 3. [APPLICATION.]** A person must apply to the commissioner for a noncommercial applicator license on forms and in the manner required by the commissioner. The commissioner must prescribe and administer a closed-book, monitored examination, or equivalent measure to determine if the applicant is eligible to acquire a noncommercial applicator license. An applicant desiring to apply pesticides into or on surface waters must pass an examination prepared by the department of natural resources and administered by the commissioner.

**Subd. 4. [RENEWAL.]** (a) A person must apply to the commissioner to renew a noncommercial applicator license. The commissioner may renew a license subject to reexamination, attendance at workshops approved by the commissioner, or other requirements imposed by the commissioner to provide the applicator with information regarding changing technology and to help assure a continuing level of competence and ability to use pesticides safely and properly. The commissioner may require an additional demonstration of applicator qualification if the applicator has had a license suspended or revoked or has otherwise had a history of violations of this chapter.

(b) An applicant that meets renewal requirements by reexamination instead of attending workshops must pay the equivalent workshop fee for the reexamination as determined by the commissioner.

(c) An applicant has 12 months to renew the license after expiration without having to meet initial testing requirements.

**Subd. 5. [FEES.]** (a) A person initially applying for or renewing a noncommercial applicator license as a business entity must pay a nonrefundable application fee of \$50. A person who is an employee of a business entity that has a noncommercial applicator license and is applying for or renewing a noncommercial applicator license as an individual must pay a nonrefundable application fee of \$25, except an applicant who is a government employee who uses pesticides in the course of performing official duties must pay a nonrefundable application fee of \$10.

(b) If an application for renewal of a noncommercial license is not filed before March 1 in the year for which the license is to be issued, an additional penalty fee of \$10 must be paid before the renewal license may be issued.

**Sec. 77. [18B.35] [APPLICATION CATEGORIES WITHIN APPLICATOR LICENSES.]**

**Subdivision 1. [ESTABLISHMENT.]** (a) The commissioner may establish categories of structural pest control, commercial applicator, and noncommercial applicator licenses for administering and enforcing this chapter. The categories may include pest control operators and ornamental, agricultural, aquatic, forest, and right-of-way pesticide applicators. Separate subclassifications of categories may be specified as to ground, aerial, or manual methods to apply pesticides or to the use of pesticides to control insects, plant diseases, rodents, or weeds.

(b) Each category is subject to separate testing procedures and requirements.

**Subd. 2. [NO ADDITIONAL FEE.]** A person may not be required to pay an additional fee for a category or subclassification of a category of

a license.

Sec. 78. [18B.36] [PRIVATE APPLICATOR CERTIFICATION.]

*Subdivision 1. [REQUIREMENT.] (a) Except for a commercial or non-commercial applicator, only a person certified as a private applicator may use or supervise the use of a restricted use pesticide to produce an agricultural commodity:*

*(1) as a traditional exchange of services without financial compensation; or*

*(2) on a site owned, rented, or managed by the person or the person's employees.*

*(b) A private applicator may not purchase a restricted use pesticide without presenting a private applicator card or the card number.*

*Subd. 2. [CERTIFICATION.] (a) The commissioner shall prescribe certification requirements and provide training to certify persons as private applicators and provide information relating to changing technology to help ensure a continuing level of competency and ability to use pesticides properly and safely. The training may be done through cooperation with other government agencies.*

*(b) A person must apply to the commissioner for certification as a private applicator. After completing the certification requirements, an applicant must be certified as a private applicator to use restricted use pesticides. The certification is for a period of five years from the applicant's nearest birthday.*

*(c) The commissioner shall issue a private applicator card to a private applicator.*

*Subd. 3. [FEES.] (a) A person applying to be certified as a private applicator must pay a nonrefundable \$10 application fee for the certification period.*

*(b) A \$5 fee must be paid for the issuance of a duplicate private applicator card.*

Sec. 79. [18B.37] [RECORDS, REPORTS, PLANS, AND INSPECTIONS.]

*Subdivision 1. [PESTICIDE DEALER.] (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.*

*(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.*

*(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.*

*Subd. 2. [COMMERCIAL AND NONCOMMERCIAL APPLICATORS.] (a) A commercial or noncommercial applicator, or the applicator's authorized agent, must maintain a record of pesticides used on each site. The record must include the:*

*(1) date of the pesticide use;*

*(2) time the pesticide application was completed;*

- (3) pesticide and dosage used;
- (4) number of units treated;
- (5) temperature, wind speed, and wind direction;
- (6) location of the site where the pesticide was applied;
- (7) name and address of the customer;
- (8) name, license number, address, and signature of applicator; and
- (9) any other information required by the commissioner.

(b) Portions of records not relevant to a specific type of application may be omitted upon approval from the commissioner.

(c) All information for this record requirement must be contained in a single document for each pesticide application. Invoices containing the required information may constitute the required record.

(d) A commercial applicator must give a copy of the record to the customer when the application is completed.

(e) Records must be retained by the applicator, company, or authorized agent for five years after the date of treatment.

**Subd. 3. [STRUCTURAL PEST CONTROL APPLICATORS.]** (a) A structural pest control applicator must maintain a record of each structural pest control application conducted by that person or by the person's employees. The record must include the:

- (1) date of structural pest control application;
- (2) target pest;
- (3) name of the pesticide used;
- (4) for fumigation, the temperature and exposure time;
- (5) name and address of the customer;
- (6) structural pest control applicator's company name and address, applicator's signature, and license number; and
- (7) any other information required by the commissioner.

(b) Invoices containing the required information may constitute the record.

(c) Records must be retained for five years after the date of treatment.

(d) A copy of the record must be given to a person who ordered the application that is present at the site where the structural pest control application is conducted, placed in a conspicuous location at the site where the structural pest control application is conducted immediately after the application of the pesticides, or delivered to the person who ordered an application or the owner of the site.

**Subd. 4. [STORAGE, HANDLING, AND DISPOSAL PLAN.]** A commercial, noncommercial, or structural pest control applicator or the licensed business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.



*Subd. 5. [INSPECTION OF RECORDS.] The commissioner may enter a commercial, noncommercial, or structural pest control applicator's business and inspect the records required in this section at any reasonable time and may make copies of the records. Unless required for enforcement of this chapter, the information in the records in this section is private or nonpublic.*

**Sec. 80. [18B.38] [PROTECTION OF TRADE SECRETS.]**

*Subdivision 1. [REQUIREMENTS.] In submitting data required by this chapter, the applicant may:*

*(1) clearly mark any portions that in the applicant's opinion are trade secrets, commercial, or financial information; and*

*(2) submit the marked material separately from other material.*

*Subd. 2. [INFORMATION REVEALED.] After consideration of the applicant's request submitted under subdivision 1, the commissioner shall not make any information public that in the commissioner's judgment contains or relates to trade secrets or to commercial or financial information obtained from an applicant. When necessary, information relating to formulas of products may be revealed to any state or federal agency consulted with similar protection of trade secret authority and may be revealed at a public hearing or in findings of facts issued by the commissioner.*

*Subd. 3. [NOTIFICATION.] If the commissioner proposes to release information that the applicant or registrant believes to be protected from disclosure under subdivision 2, the commissioner shall notify the applicant or registrant by certified mail. The commissioner shall not make the information available for inspection until 30 days after receipt of the notice by the applicant or registrant. During this period the applicant or registrant may institute an action in an appropriate court for a declaratory judgment as to whether the information is subject to protection under this section.*

**Sec. 81. [EXISTING RULES.]**

*Rules of the commissioner of agriculture in effect on the effective date of this act relating to the distribution, use, storage, handling, and disposal of pesticides, rinsates, and pesticide containers remain in effect until they are superseded by new rules. The commissioner may adopt emergency rules to implement this act until December 31, 1987.*

**Sec. 82. [PESTICIDE CONTAINER DEPOSIT REPORT.]**

*The commissioner of agriculture in consultation with the director of the pollution control agency shall develop a program for pesticide container deposit and return of triple rinsed pesticide containers. The commissioner shall prepare a report on a proposed program and legislative recommendations and submit the report to the house of representatives and senate committees on agriculture by January 15, 1988.*

*Sec. 83. Minnesota Statutes 1986, section 27.041, subdivision 2, is amended to read:*

*Subd. 2. [LICENSES.] The license, or a certified copy of the license, must be kept posted in the office of the licensee at each place within the state where the licensee transacts business. Every license shall expire June 30 following its issuance and thereafter be renewed July 1 each year. Any license issued under this subdivision is automatically void upon the termination of the surety bond covering the licensed operation. The fee for*

each license shall be based on the following schedule:

License Fee	Penalty for		Dollar Volume of Business
	Late Renewal		
\$ 30	\$10		\$10,000 or less per month
\$ 60	\$15		Over \$10,000 to \$50,000 per month
<del>\$180</del> \$300	<del>\$45</del> \$75		Over \$50,000 to \$100,000 per month
<del>\$240</del> \$400	<del>\$60</del> \$100		Over \$100,000 per month

A fee of ~~\$10~~ \$20 shall be charged for each certified copy of a license, ~~\$2~~ \$5 for each license identification card, and ~~\$2~~ \$5 for each license identification truck decal. The commissioner shall make appropriate license fee adjustments for up to one year from July 1, 1975 for persons required to be licensed hereunder, who hold validly issued licenses as of the effective date of Laws 1975, chapter 227 under the provisions of law amended or repealed herein. A licensee who sells, disposes of, or discontinues the licensee's business during the lifetime of a license shall at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

Money collected from license fees shall be deposited in the state treasury.

Sec. 84. Minnesota Statutes 1986, section 27.07, is amended by adding a subdivision to read:

*Subd. 6. [COOPERATIVE AGREEMENTS; FEES; ACCOUNT.] The commissioner may collect fees as provided for in cooperative agreements between the commissioner and the United States Department of Agriculture for the inspection of fresh fruits, vegetables, and other products. The fees must be deposited in the state treasury and credited to a fruit and vegetables inspection account. The money in the account, including interest earned, is appropriated to the commissioner to carry out the cooperative agreements.*

Sec. 85. Minnesota Statutes 1986, section 28A.08, is amended to read:

#### 28A.08 [LICENSE FEES; PENALTIES.]

The fees for licenses and the penalties for late renewal of licenses 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.

Type of food handler	License Fee	Penalty
1. Retail food handler		
(a) Having gross sales of less than \$50,000 for the immediately previous license or fiscal year	\$25	\$ 40 \$10
(b) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fiscal year	\$50	\$ 75 <del>\$13</del> \$ 25
(c) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year	\$100	\$125 \$25 \$ 50

- (d) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year \$200 \$250 \$50 \$ 75
2. Wholesale food handler \$100 \$25
- (a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year \$100 \$ 25
- (b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year \$150 \$ 38
- (c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year \$200 \$ 50
3. Food broker \$50 \$ 75 \$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 \$200 \$38 \$ 50
- (b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year \$200 \$275 \$50 \$ 75
- (c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year \$250 \$350 \$63 \$100
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 \$100 \$19 \$ 25
- (b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year \$90 \$150 \$23 \$ 50
- (c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year \$105 \$175 \$27 \$ 50
6. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese \$ 30 \$10

Sec. 86. Minnesota Statutes 1986, section 32.075, is amended to read:

**32.075 [TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.]**

Every license issued by the commissioner shall be for a period ending on the thirty-first day of December next following, and shall not be transferable. The fee for each such initial license shall be \$25 \$50 and each renewal thereof shall be \$10 \$25 and shall be paid to the commissioner before any license or renewal thereof is issued. If a license renewal is not applied for on or before January 1 of each year, a penalty of \$10 shall be imposed. A person who does not renew a license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to

prove competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews a license to prove competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be paid into the state treasury.

Sec. 87. Minnesota Statutes 1986, section 32.59, is amended to read:

**32.59 [NONRESIDENT MANUFACTURER LICENSE.]**

Any person who manufactures frozen foods, mix, ice cream mix, mix base, or ice cream mix base outside of the state, for sale within the state, shall apply for registration with the department of agriculture in the form and with the information the commissioner requires. Samples of all frozen foods, mix, ice cream mix, mix base, or ice cream mix base, so manufactured for sale and sold within this state, must be submitted to the department. Each application for registration must be accompanied by a fee of ~~\$150~~ \$200, which is the registration fee if a certificate of registration is granted. If the department of agriculture finds that the samples submitted are up to the accepted standards and otherwise comply with the laws of this state, it shall issue to the applicant a certificate of registration. The penalty for a late registration application is ~~\$38~~ \$50 if the registration is not renewed by January 1 of any year.

Sec. 88. Minnesota Statutes 1986, section 40.01, subdivision 4, is amended to read:

Subd. 4. ~~[STATE BOARD OR STATE SOIL AND WATER CONSERVATION BOARD OF WATER AND SOIL RESOURCES.]~~ "State board" or "state ~~soil and water conservation~~ board of water and soil resources" means the agency created in section ~~40.03~~ 103.

Sec. 89. Minnesota Statutes 1986, section 40.03, subdivision 4, is amended to read:

Subd. 4. **[POWERS AND DUTIES.]** In addition to the powers and duties ~~hereinafter~~ conferred upon the ~~state soil and water conservation~~ board by ~~section 103~~, it shall have the following powers and duties:

(1) ~~Prepare and present to the commissioner of agriculture a budget to finance the activities of the state board and the districts and to administer any law appropriating funds to districts. The board shall~~ Receive and disburse any grants made available to the state by the United States Department of Agriculture under the preferred program developed under United States Code, title 16, sections 2001 to 2009;

(2) Offer any appropriate assistance to the supervisors of the districts in implementing any of their powers and programs. Any funds made available to a district for expenditures necessary for the operations of the district shall be a grant to the district to be used only for purposes authorized by the state board pursuant to law. The soil and water conservation district may designate the board of county commissioners to act as the agent of the district to receive and expend these funds at the direction and with the approval of the board of supervisors of the district. At least annually the state board shall audit, in a manner it prescribes, the expenditure of funds so granted;

(3) Keep the supervisors of each district informed of the activities and experience of all other districts and facilitate cooperation and an interchange of advice and experience among the districts;

(4) Coordinate the programs and activities of the districts with appropriate agencies by advice and consultation;

(5) Approve or disapprove the plans or programs of districts relating to the use of state funds administered by the state board;

(6) Secure the cooperation and assistance of the appropriate agencies in the work of the districts and to develop a program to advise and assist appropriate agencies in obtaining state and federal funds for erosion, sedimentation, flooding and agriculturally related pollution control programs;

(7) Develop and implement a comprehensive public information program concerning the districts' activities and programs, the problems and preventive practices of erosion, sedimentation, agriculturally related pollution, flood prevention, and the advantages of formation of districts in areas where their organization is desirable;

(8) Subdivide and consolidate districts without a hearing or a referendum so as to confine districts within county limits, provided that no district, when feasible and practicable, shall contain less than four full or fractional congressional townships;

(9) Assist in the implementation of a statewide program for inventorying and classification of the types of soils throughout the state as determined by the Minnesota cooperative soil survey;

(10) Identify research needs and cooperate with other public agencies in research concerning the nature and extent of erosion, sedimentation, flooding and agriculturally related pollution, the amounts and sources of sediment and pollutants delivered to the waters of the state, and long-term soil productivity;

(11) Develop programs to reduce or prevent soil erosion, sedimentation, flooding and agriculturally related pollution, including but not limited to structural and land-use management practices;

(12) Develop a system of priorities within the state to identify the erosion, flooding, sediment and agriculturally related pollution problem areas that are most severely in need of control systems; and

(13) Ensure compliance with statewide programs and policies established by the state board pursuant to this section and section 40.02 by advice, consultation, and approval of grant agreements with the districts.

Sec. 90. Minnesota Statutes 1986, section 40.035, subdivision 2, is amended to read:

Subd. 2. For the purpose of developing the program plan, the state board may request any existing pertinent information from any state agency pursuant to section 40.03, subdivision 2, and may conduct any hearing it deems necessary.

Sec. 91. Minnesota Statutes 1986, section 40.21, subdivision 1, is amended to read:

Subdivision 1. [RULES AND MODEL ORDINANCE AS GUIDE.] The ~~commissioner~~ board of agriculture water and soil resources, in consultation with counties, soil and water conservation districts, and other appropriate agencies, shall adopt a model ordinance and rules that serve as a guide for local governments to carry out the provisions of Laws 1985, chapter 256, sections 12 to 22 and sections 40.20 to 40.26, and provide administrative

procedures for the ~~state soil and water conservation~~ board for Laws 1985, chapter 256, sections 12 to 21 and sections 40.20 to 40.26.

Sec. 92. Minnesota Statutes 1986, section 40.21, subdivision 3, is amended to read:

Subd. 3. [PERIODIC REVIEW.] At least once every five years the ~~commissioner of agriculture~~ board shall review the rules and model ordinance in cooperation with counties, soil and water conservation districts, and appropriate agencies to ensure their continued applicability and relevance.

Sec. 93. Minnesota Statutes 1986, section 40.43, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner of agriculture, in consultation with the commissioner of natural resources, shall establish and administer a conservation reserve program. *The commissioner of agriculture shall contract with the board of water and soil resources to implement sections 40.40 to 40.44.* Selection of land for the conservation reserve program must be based on its potential for fish and wildlife production, reducing erosion, and protecting water quality.

Sec. 94. Minnesota Statutes 1986, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, ~~\$50~~ \$100;

(2) for filing annual statement, ~~\$30~~ \$225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, ~~\$50~~ \$100;

(4) for filing bylaws, ~~\$25~~ \$75 or amendments thereto, ~~\$10~~ \$75;

(5) for each company's certificate of authority, ~~\$40~~ \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, ~~\$5~~ \$15;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies,

\$40 \$575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, \$20 per license, for issuing an initial agent's license to a partnership or corporation, \$50, and for issuing an amendment (variable annuity) to a license, \$20, and for renewal of amendment, \$20;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, \$20 per year per license, and for renewing a license issued to a corporation or partnership, \$50 per year;

(10) for issuing and renewing a surplus lines agent's license, \$150;

(11) for issuing duplicate licenses, \$5;

(12) for issuing licensing histories, \$10;

(13) for processing checks returned due to insufficient funds, \$15;

(14) for filing forms and rates, \$10 \$50 per filing;

(14) for annual renewal of surplus lines insurer license, \$300.

*The commissioner shall adopt rules to define filings that are subject to a fee.*

Sec. 95. Minnesota Statutes 1986, section 60A.206, subdivision 2, is amended to read:

Subd. 2. [APPLICATION FOR RECOGNITION.] An insurer not otherwise licensed to engage in the business of insurance in Minnesota may apply for recognition as an eligible surplus lines insurer by filing an application in the form and with the information as reasonably required by the commissioner regarding the insurer's financial stability, reputation, integrity and operating plans, *accompanied by a license fee of \$500*. The commissioner may delegate to an association the power to process and make recommendations on applications for recognition as an eligible surplus lines insurer. Notwithstanding delegation by the commissioner, an applicant may file an application directly with the commissioner.

Sec. 96. Minnesota Statutes 1986, section 60A.23, subdivision 7, is amended to read:

Subd. 7. [LICENSES REQUIRED FOR EMPLOYERS MAKING DEDUCTIONS FROM WAGES FOR CERTAIN PURPOSES.] (1) [REQUIREMENTS.] No employer shall make deductions from the wages of employees for the purpose of furnishing them with life insurance, funeral benefits, medical or hospital care, accident, sickness or old age insurance or benefits, unless the employer first receives from the commissioner of commerce a license for the benefit plan the employer operates or proposes to operate. The license shall be granted only when the commissioner is satisfied that the benefits given are commensurate with the charges made and that the charges will keep the fund solvent. All licenses shall be for the period of one year. The commissioner may require a statement of the operation of the fund, on a form to be prescribed by the commissioner, before granting a renewal. The fee for a license is ~~\$25~~ \$250 and for filing the annual statement ~~\$10~~ \$40. Any fees received by the commissioner pursuant to this subdivision shall be paid into the general fund. Before granting a license the commissioner of commerce shall submit the proposed plan to the chair of the workers' compensation court of appeals in order that the chair may determine whether the benefits are in conjunction with the benefits under the workers' compensation act.

(2) [EXCEPTIONS.] The requirements of clause (1) shall not apply to deductions made from the employees' wages for group insurance issued by insurers authorized to transact business in this state nor to railroad companies engaged in interstate commerce.

(3) [PENALTY.] Any person, firm, corporation, or association that makes deductions from the wages of an employee in violation of clause (1) shall be guilty of a misdemeanor.

Sec. 97. Minnesota Statutes 1986, section 70A.14, subdivision 4, is amended to read:

Subd. 4. [DURATION.] Licenses issued pursuant to this section shall remain in effect until the licensee withdraws from the state or until the license is suspended or revoked. The fee for each license shall be ~~\$100~~ \$1,000, payable every three years.

Sec. 98. Minnesota Statutes 1986, section 83.23, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION.] Unless the method of offer or sale is adopted for the purpose of evasion of sections 83.20 to 83.42, 83.43 and 83.44, subdivided lands may be registered by notification provided that all of the following requirements have been met:

(a) the subdivision consists of not more than 100 separate lots, units, parcels, or interests;

(b) at least 20 days prior to any offer pursuant to this subdivision, the subdivider must supply the commissioner, on forms which the commissioner may by rule prescribe, at least the following information:

(1) the name and address of the subdivider and the form and date of its organization if other than an individual;

(2) the location and legal description of the subdivision and the total number of lots, parcels, units, or interests;

(3) either a title opinion prepared and signed by an attorney licensed to practice law in the state wherein the subdivided land is situated; or a



certificate of title insurance or its equivalent acceptable to the commissioner;

(4) a copy of each instrument which will be delivered to a purchaser to evidence the purchaser's interest in the subdivided lands and a copy of each contract or other agreement which a purchaser will be required to agree to or sign, together with the range of selling prices, rates, or rentals at which it is proposed to offer the lots, units, parcels, or interests in the subdivision, a list of fees the purchaser may be required to pay for amenities or membership in groups including, but not limited to, homeowners' associations, country clubs, golf courses, and other community organizations; and

(5) a copy of a signed and approved plat map or its equivalent;

(c) a filing fee of ~~\$100~~ \$150 has been paid;

(d) the subdivider is in compliance with the service of process provisions of section 83.39.

The commissioner may by rule or order withdraw or further condition registration by notification or increase or decrease the number of lots, units, parcels, or interests in subdivided lands permitted for registration by notification. If no stop order is in effect, no proceeding is pending, and no order has been issued under subdivision 4, a registration statement under this section automatically becomes effective at 5:00 in the afternoon on the 20th full business day after the filing of the registration statement or the last amendment, or at such earlier time as the commissioner by order determines.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 99. Minnesota Statutes 1986, section 83.23, subdivision 3, is amended to read:

Subd. 3. [QUALIFICATION.] Subdivided lands may be registered by qualification provided all of the following requirements have been met:

(a) an application for registration has been filed with the commissioner in a format which the commissioner may by rule prescribe;

(b) the commissioner has been furnished a proposed public offering statement complying with section 83.24;

(c) a filing fee of ~~\$250~~ \$400 plus an additional registration fee of \$1 for each lot, unit, parcel, or interest included in the offering accompanies the application. The maximum combined filing and registration fees shall in no event be more than ~~\$2,500~~ \$3,500;

(d) the subdivider is in compliance with service of process provisions of section 83.39;

(e) the commissioner has been furnished a financial statement of the subdivider's most recent fiscal year, audited by an independent certified public accountant; and, if the fiscal year of the subdivider is more than 90 days prior to the date of filing the application, a financial statement, which may be unaudited, as of a date within 90 days of the date of application.

Subdivisions in which all the improvements are complete and paid for by the developer, and for which clear title can be given the purchaser at the closing, are exempt from providing independently certified financial statements.

An application for registration under this section becomes effective when the commissioner so orders.

The rulemaking authority in this subdivision does not include emergency rulemaking authority pursuant to chapter 14.

Sec. 100. Minnesota Statutes 1986, section 83.30, subdivision 2, is amended to read:

Subd. 2. [FEE.] Every annual report filed pursuant to section 83.23, subdivision 2, shall be accompanied by a fee of ~~\$50~~ \$75. Every annual report filed pursuant to section 83.23, subdivision 3, shall be accompanied by a fee of ~~\$100~~ \$150.

Sec. 101. Minnesota Statutes 1986, section 105.73, is amended to read:

105.73 [DEFINITIONS.]

Unless the context clearly indicates a different meaning is intended, the following terms for the purposes of this chapter shall be given the meanings ascribed to them in this section.

Board — ~~Minnesota water resources~~ *Board of water and soil resources.*

Proceeding — Any procedure under any of the laws enumerated in section 105.74 however administrative discretion or duty thereunder may be invoked in any instance.

Agency — Any state officer, board, commission, bureau, division, or agency, other than a court, exercising duty or authority under any of the laws enumerated in section 105.74.

Court — The court means the district court or a judge thereof before whom the proceedings are pending.

Question of water policy — Where use, disposal, pollution, or conservation of water is a purpose, incident, or factor in a proceeding, the question or questions of state water law and policy involved, including either (a) determination of the governing policy of state law in the proceeding, resolving apparent inconsistencies between different statutes, (b) the proper application of that policy to facts in the proceeding when application is a matter of administrative discretion, or both (a) and (b).

Sec. 102. Minnesota Statutes 1986, section 110B.02, subdivision 2, is amended to read:

Subd. 2. [BOARD.] "Board" means the *board of water and soil resources board*.

Sec. 103. [110B.35] [BOARD OF WATER AND SOIL RESOURCES.]

*Subdivision 1. [MEMBERSHIP] The board of water and soil resources is composed of 12 voting members knowledgeable of water and soil problems and conditions within the state, and four ex officio nonvoting members.*

*Subd. 2. [VOTING MEMBERS.] (a) The voting members are:*

- (1) three county commissioners;*
- (2) three soil and water conservation district supervisors;*
- (3) three watershed district or watershed management organization representatives; and*
- (4) three citizens who are not employed by, or the appointed or elected*

official of, any governmental office, board, or agency.

(b) Voting members must be distributed across the state with at least three members but not more than five members from the metropolitan area, as defined by section 473.121, subdivision 2; and one from each of the current soil and water conservation administrative regions.

(c) Voting members are appointed by the governor. In making the appointments, the governor may consider persons recommended by the association of Minnesota counties, the Minnesota association of soil and water conservation districts, and the Minnesota association of watershed districts. The list submitted by an association must contain at least three nominees for each position to be filled.

(d) The membership terms, compensation, removal of members and filling of vacancies on the board for voting members are as provided in section 15.0575.

**Subd. 3. [EX OFFICIO NONVOTING MEMBERS.]** The following agencies shall each provide one nonvoting member to the board:

- (1) department of agriculture;
- (2) department of health;
- (3) department of natural resources; and
- (4) pollution control agency.

**Subd. 4. [EMPLOYEES.]** The board may employ an executive director in the unclassified service and other permanent and temporary employees in accordance with chapter 43A. The board may prescribe the powers and duties of its officers and employees and may authorize its employees and members of the board to act on behalf of the board.

**Subd. 5. [OFFICERS; QUORUM; RECORDS; AUDIT.]** The governor shall appoint a chair from among the voting members of the board with the advice and consent of the senate. The board shall elect a vice-chair and any other officers that it considers necessary from its membership. A majority of the board is a quorum. The board may hold public hearings and adopt rules necessary to execute its duties.

**Subd. 6. [ADMINISTRATIVE SERVICES.]** The commissioner of administration shall provide and make available within the department of agriculture suitable and adequate office facilities and space for the board. The commissioner of agriculture shall provide and make available administrative services required by the board in the administration of its functions.

**Subd. 7. [POWERS AND DUTIES.]** In addition to the powers and duties prescribed elsewhere, the board has the following powers and duties:

(a) It shall coordinate the water and soil resources planning activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, and by other means as may be appropriate.

(b) It shall facilitate communication and coordination among state agencies in cooperation with the environmental quality board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent

possible.

(c) *It shall coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009.*

(d) *It shall develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them.*

(e) *It shall provide a forum for the discussion of local issues and opportunities relating to water and soil resources management.*

(f) *It shall adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law.*

(g) *It shall report to the governor and the legislature by October 15 of each even-numbered year with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.*

*Subd. 8. [COMMITTEE FOR DISPUTE RESOLUTION.] A committee of the board is established to hear and resolve disputes, appeals, and interventions under sections 105.72 to 105.79, 110B.25, 112.801, and 473.878, subdivision 7. The committee consists of the three citizen members specified in subdivision 1, paragraph (a), clause (4), and two additional members appointed by the board chair.*

Sec. 104. Minnesota Statutes 1986, section 112.35, subdivision 4, is amended to read:

Subd. 4. "Board" means the ~~Minnesota water resources~~ board of water and soil resources established by section ~~405.74~~ 103.

Sec. 105. Minnesota Statutes 1986, section 116C.03, subdivision 2, is amended to read:

Subd. 2. The board shall include as members the director of the state planning agency, the director of the pollution control agency, the commissioner of natural resources, the commissioner of agriculture, the commissioner of health, the commissioner of transportation, *the chair of the board of water and soil resources*, and a representative of the governor's office designated by the governor. The governor shall appoint five members from the general public to the board, subject to the advice and consent of the senate. At least two of the five public members shall have knowledge of and be conversant in water management issues in the state.

Sec. 106. Minnesota Statutes 1986, section 138.65, is amended to read:

138.65 [ADMISSION FEES.]

The Minnesota historical society may establish and collect fees it deems reasonable for admission to the state owned historic sites under its control. These fees shall be deposited in the ~~general fund state treasury~~ and are appropriated to the Minnesota historical society for historic site operations.

Sec. 107. Minnesota Statutes 1986, section 138.91, is amended by adding a subdivision to read:

Subd. 3. [HUMANITIES RESOURCE CENTER.] *The Minnesota*

*humanities commission may establish a humanities resource center to ensure balance in public education and in the cultural life of the state. The humanities resource center may transport people and resources to small towns, rural communities, and urban settings to provide high quality educational and cultural programs to schools and community organizations throughout Minnesota.*

Sec. 108. Minnesota Statutes 1986, section 144.226, subdivision 3, is amended to read:

Subd. 3. [BIRTH CERTIFICATE COPY SURCHARGE.] In addition to any fee prescribed under subdivision 1, there shall be a surcharge of \$2 \$3 for each certified copy of a birth certificate. The local or state registrar shall forward this amount to the commissioner of finance for deposit into the account for the children's trust fund for the prevention of child abuse established under section 299A.22. This surcharge shall not be charged under those circumstances in which no fee for a certified copy of a birth certificate is permitted under subdivision 1, paragraph (a). Upon certification by the commissioner of finance that the assets in that fund exceed \$20,000,000, this surcharge shall be discontinued.

Sec. 109. Minnesota Statutes 1986, section 296.17, subdivision 9a, is amended to read:

Subd. 9a. [MINNESOTA BASED INTERSTATE CARRIERS.] Notwithstanding the exemption contained in subdivision 9, as the commissioner of public safety enters into interstate fuel tax compacts which require base state licensing and filing and which eliminate filing in the nonresident compact states, the Minnesota based motor vehicles registered pursuant to section 168.187 will be required to license under the fuel tax compact in Minnesota.

The commissioner of public safety will have all the powers granted to the commissioner of revenue under this section, including the authority to collect and issue licenses, to collect the tax due, and issue any refunds. All license fees paid to the commissioner of public safety pursuant to subdivision 10 will be deposited in the general fund. *The commissioner shall charge an annual fee of \$13 for applications for quarterly reporting of fuel tax under this subdivision.*

Sec. 110. Minnesota Statutes 1986, section 171.02, subdivision 3, is amended to read:

Subd. 3. [MOTORIZED BICYCLES.] No motorized bicycle shall be operated on any public roadway by any person who does not possess a valid drivers license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The instruction permit may be issued to any person who has attained the age of 15 years and who has passed the written portion of the examination prescribed by the commissioner. The commissioner may promulgate rules prescribing the content of the examination and the information to be contained on the permits.

The fees for motorized bicycle operator's permits are as follows:

- (a) Examination and operator's permit, valid for one year \$4 \$6.

- |   |            |
|---|------------|
| (b) Duplicate   | \$2 \$3    |
| (c) Renewal permit before age 19 and valid until age 19           | \$6 \$9    |
| (d) Renewal permit after age 19 and valid for four years          | \$10 \$15  |
| (e) Duplicate of any renewal permit                               | \$3 \$4.50 |
| (f) Written examination and instruction permit, valid for 30 days | \$4 \$6    |

Sec. 111. Minnesota Statutes 1986, section 171.06, subdivision 2, is amended to read:

Subd. 2. [FEES.] (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver License	<del>C-\$10 B-\$15</del>	<del>C-\$15 B-\$22.50</del>
	A-\$20 A-\$30	
Classified Provisional D.L.	<del>C-\$6 B-\$10</del>	<del>C-\$9 B-\$15</del>
Instruction Permit		\$4 \$6
Duplicate Driver or Provisional License		\$3 \$4.50
Minnesota identification card, except as otherwise provided in section 171.07, subdivisions 3 and 3a		\$6 \$9

Sec. 112. Minnesota Statutes 1986, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited to the general fund. The amounts collected and received shall be credited to the highway user tax distribution fund and the transit assistance fund as provided in ~~subdivision 2~~ *this subdivision*, and transferred from the general fund on July 15 and January 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit fund. *Five percent of the money must be deposited in the highway user tax distribution fund and the transit assistance fund for apportionment as provided in this section. Of the money deposited under this section, 75 percent must be credited to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund. The remaining 25 percent of the money must be credited to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.*

(b) *The distributions under this subdivision to the highway user tax distribution fund must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the*

*transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.*

Sec. 113. Minnesota Statutes 1986, section 299A.23, subdivision 3, is amended to read:

Subd. 3. [PLAN FOR DISBURSEMENT OF FUNDS.] By June 1, 1987, ~~and biennially thereafter~~, the commissioner, assisted by the advisory council, shall develop a plan to disburse money from the trust fund. In developing the plan, the commissioner shall review prevention programs. The plan must ensure that all geographic areas of the state have an equal opportunity to establish prevention programs and receive trust fund money. *Biennially thereafter* the commissioner shall send the plan to the legislature and the governor by ~~June~~ January 1 of each odd-numbered year.

Sec. 114. Minnesota Statutes 1986, section 299A.26, is amended to read:

**299A.26 [ACCEPTANCE OF FEDERAL FUNDS AND OTHER DONATIONS.]**

The commissioner may accept federal money and gifts, donations, and bequests for the purposes of Laws 1986, chapter 423. Money so received *and proceeds from the sale of promotional items, minus sales promotional costs*, must be deposited in the trust fund and must be made available annually to the commissioner ~~for disbursement~~.

Sec. 115. Minnesota Statutes 1986, section 309.531, subdivision 1, is amended to read:

Subdivision 1. No person shall act as a professional fund raiser unless ~~licensed by registered with the department attorney general. Applications for a license shall~~ The registration statement must be in writing, under oath, in the form prescribed by the ~~department attorney general and shall~~ must be accompanied by an application fee of \$25 ~~\$200~~. Each ~~license shall~~ be registration is effective for a period of not more than 12 months from the date of issuance, and in any event ~~shall expire~~ expires on July 30 next following the date of issuance. *The registration may be renewed for additional one-year periods on application and payment of the fee.*

Sec. 116. Minnesota Statutes 1986, section 326.241, subdivision 3, is amended to read:

Subd. 3. [FEES AND FINANCES; DISPOSITION.] All license fees collected under the provisions of sections 326.241 to 326.248 are to be credited to the general fund. ~~The expenses of administering sections 326.241 to 326.248 shall be paid from appropriations made to the board of electricity~~

*a special account in the state treasury. Money in the account is appropriated to the board of electricity to administer and enforce sections 326.241 to 326.248, to pay indirect costs, to compensate contract electrical inspectors for inspections performed, and to make refunds.*

Sec. 117. Minnesota Statutes 1986, section 326.244, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] (a) At or before commencement of any installation required to be inspected by the board, the electrical contractor, installer, special electrician, or owner making the installation shall submit to the board a request for inspection, in a form prescribed by the board, together with the fees required for the installation.

(b) The fees required are a handling fee and an inspection fee. The handling fee shall be set by the board in an amount sufficient to pay the cost of printing and handling the form requesting an inspection. The inspection fee shall be set by the board in an amount sufficient to pay the actual costs of the inspection and the board's costs in administering the inspection. All fees shall be set pursuant to the procedure of sections 14.01 to 14.70.

~~(c) All handling fees shall be deposited in the general fund. All inspection fees collected pursuant to this section shall be deposited by the board in a special revenue bookkeeping account of the treasury and are appropriated to the board for the purpose of compensating contract inspectors for inspections performed, for transfer to the general fund of the portion of the fee representing inspection administration costs, and for making refunds.~~

(d) If the inspector finds that the installation is not in compliance with accepted standards of construction for safety to life and property as required by section 326.243, the inspector shall by written order condemn the installation or noncomplying portion thereof, or order service to the installation disconnected, and shall send a copy of the order to the board. If the installation or the noncomplying part will seriously and proximately endanger human life and property, the order of the inspector, when approved by the inspector's superior, shall require immediate condemnation or disconnection. In all other cases, the order of the inspector shall permit a reasonable opportunity for the installation to be brought into compliance with accepted standards of construction for safety to life and property prior to the effective time established for condemnation or disconnection.

~~(e)~~ (d) Copies of each condemnation or disconnection order shall be served personally or by mail upon the property owner, and the electrical contractor, installer, or special electrician making the installation, and other persons as the board by rule may direct. An aggrieved party may appeal any condemnation or disconnection order by filing with the board a notice of appeal within ten days after (1) service upon the aggrieved party of the condemnation or disconnection order, if this service is required, or (2) filing of the order with the board, whichever is later. The appeal shall proceed and the order of the inspector shall have the effect the order, by its terms, and the rules of the board provides. The board shall adopt rules providing procedures for the conduct of appeals, including provisions for the stay of enforcement of the order of the inspector pending such appeal when justified by the circumstances.

Sec. 118. Minnesota Statutes 1986, section 332.33, subdivision 3, is amended to read:

Subd. 3. Licenses granted by the commissioner of commerce under



sections 332.31 to 332.45 shall expire on June 30. All renewals of licenses shall likewise expire on June 30. Each license shall plainly state the name and business address of the licensee, and shall be posted in a conspicuous place in the office where the business is transacted. The fee for each license is \$500 and renewal ~~shall be \$100~~ is \$400. A licensee who desires to carry on business in more than one place within the state shall procure a license for each place where the business is to be conducted.

Sec. 119. Minnesota Statutes 1986, section 332.33, subdivision 4, is amended to read:

Subd. 4. The commissioner may require such financial statements and references of all applicants for a license as the commissioner deems necessary; and may make or cause to be made an independent investigation concerning the applicant's reputation, integrity, competence, and net worth, at the expense of the applicant for such initial investigation, not to exceed ~~\$100~~ \$500, and for that purpose may require such deposit against the cost thereof as the commissioner deems adequate. Such investigation may cover all managerial personnel employed by or associated with the applicant.

Sec. 120. Minnesota Statutes 1986, section 473.39, subdivision 1a, is amended to read:

Subd. 1a. ~~[AMOUNT; I-394 FACILITIES AMOUNTS.]~~ (a) The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not exceeding ~~\$8,500,000~~ \$17,000,000 for ~~expenditure financial assistance to the commission, as prescribed in the implementation plan of the board and the capital program of the commission. Of this~~

(b) *The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount, no more than not exceeding \$1,500,000 may be spent for land acquisition and capital improvements for park and ride lots and transit transfer stations planned for the interstate highway described in section 161.123, clause (2), commonly known as I-394. These facilities may be constructed and maintained by the metropolitan transit commission. The board shall require, as a condition of financial assistance to the commission, that the commission make facilities it constructs, acquires, or improves for I-394 with funds provided under this provision available to all transit providers on a nondiscriminatory basis, as the board defines these terms.*

Sec. 121. Minnesota Statutes 1986, section 473.876, is amended by adding a subdivision to read:

Subd. 1a. [BOARD.] "Board," unless the context indicates otherwise, means the board of water and soil resources created in section 103.

Sec. 122. Minnesota Statutes 1986, section 473.877, subdivision 2, is amended to read:

Subd. 2. [REVIEW OF WATERSHED BOUNDARIES.] Before commencing planning under section 473.878, a watershed management organization established pursuant to section 471.59 and this section shall submit a map delineating the boundaries of the watershed to the ~~water resources board of water and soil resources~~ for review and comment on the conformance of the boundaries with the requirements of sections 473.875 to 473.883. The board shall have 60 days to comment.

Sec. 123. Minnesota Statutes 1986, section 473.8771, subdivision 1, is

amended to read:

Subdivision 1. [BOUNDARY CHANGE.] The boundaries of a watershed district wholly within the metropolitan area may be changed pursuant to this subdivision or chapter 112. The governing board of a watershed management organization may petition the ~~water resources~~ board of water and soil resources for an order changing the boundaries of a watershed district wholly within the metropolitan area, either by adding new territory to the district or by transferring territory that is within the district to the jurisdiction of another watershed management organization. The petition must:

(a) describe with particularity the change in boundary requested, the territory affected, and the reasons for the change;

(b) show that the change is consistent with the purposes and requirements of sections 473.875 to 473.883; and

(c) identify any property subject to subdivision 3.

The petition must be accompanied by a written statement of concurrence in the petition from the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred. Upon the filing of a sufficient petition, the ~~water resources~~ board shall give notice of the filing of the petition by publication once each week for two successive weeks in a legal newspaper in each county affected and by mail to the county auditor of each county affected and to the chief official of each statutory or home rule charter city and township affected. The notice must describe the action proposed by the petition and invite written comments on the petition for consideration by the board. The notice must announce that any person who objects to the action proposed in the petition may submit a written request for hearing to the board within 20 days of the last publication of the notice of the filing of the petition and that if no timely request for hearing is received the board will make a decision on the petition pursuant to this subdivision without conducting the public hearing required under chapter 112. If no timely request for hearing is received the board shall make a decision on the petition without a hearing within 30 days after the last publication of the notice. If one or more timely requests for hearing are received the board shall hold a hearing on the petition and shall follow the procedures in chapter 112 regarding notice and conduct of hearings. After completing the procedures required by this subdivision, the board shall, by its findings and order, make the boundary change requested if the board determines that:

(a) (i) the governing body of each statutory or home rule charter city and town and each watershed management organization having jurisdiction over the territory proposed to be added or transferred concurs in the petition,

(b) (ii) the change is consistent with the purposes and requirements of sections 473.875 to 473.883, and

(c) (iii) the change can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order making the change must conform to subdivision 3. The order making the change may amend the order prescribing the distribution of managers of the district.

Sec. 124. Minnesota Statutes 1986, section 473.8771, subdivision 2, is amended to read:

Subd. 2. [TERMINATION.] A watershed district wholly within the metropolitan area may be terminated pursuant to this subdivision or chapter 112. Proceedings for termination under this subdivision must be initiated by a petition to the ~~water resources~~ board of *water and soil resources* filed jointly by the governing bodies of all statutory and home rule charter cities and towns having jurisdiction over territory within the watershed. Upon the filing of a sufficient petition, the board shall hold a hearing in accordance with the procedures prescribed in chapter 112, to take testimony on the determinations required to be made by the board. Following the hearing, the board shall, by its findings and order, terminate the district as requested if the board determines:

(a) that the local units of government having jurisdiction over territory within the watershed have formed a joint powers organization for the watershed pursuant to section 473.877,

(b) that upon termination of the district the members of the joint powers organization, jointly or severally, are willing and able to assume ownership of the district's assets and the responsibility for managing and maintaining the district's projects as necessary to accomplish the purposes of sections 473.875 to 473.883 and to implement the watershed plan of the joint powers organization to be developed pursuant to section 473.878, and

(c) that the termination can be accomplished in conformance with subdivision 3.

The board shall file a certified copy of the findings and order with the secretary of state. The order terminating the district must transfer the assets of the district to the joint powers organization or its members. The order must conform to subdivision 3.

Sec. 125. Minnesota Statutes 1986, section 473.878, subdivision 7, is amended to read:

Subd. 7. [REVIEW BY STATE AGENCIES.] After completion of the review under subdivision 6, the plan shall be submitted to the commissioner of natural resources and the pollution control agency for review and comment on the consistency of the plan with state laws and rules relating to water and related land resources, and to the ~~water resources~~ board of *water and soil resources* for review under section 112.46. Except as otherwise provided in this subdivision, the ~~water resources~~ board of *water and soil resources* shall review the plan as provided in section 112.46. The board shall review the plan for conformance with the requirements of chapter 112 and sections 473.875 to 473.883. The board shall not prescribe a plan, but may disapprove all or parts of a plan which it determines is not in conformance with the requirements of chapter 112 and sections 473.875 to 473.883. If the capital improvement program is the subject of a dispute between counties, the ~~water resources~~ board of *water and soil resources* shall make a final decision on the issue. The decision shall be binding on the organization and the counties involved.

Sec. 126. Minnesota Statutes 1986, section 473.878, subdivision 8, is amended to read:

Subd. 8. [ADOPTION; IMPLEMENTATION.] The organization shall adopt and implement its plan within 120 days after compliance with the provisions of subdivision 7 and approval of the plan by the ~~water resources~~ board of water and soil resources. A watershed district may implement its approved plan and approved capital improvement program by resolution of the majority of the board of managers and without respect to the provisions of chapter 112 requiring the managers to wait upon petitions for projects, to submit projects for review by the ~~water resources~~ board of water and soil resources, and to limit the cost and purposes of projects.

Sec. 127. Minnesota Statutes 1986, section 611A.61, is amended by adding a subdivision to read:

Subd. 3. [DEPOSIT OF REVENUE TO FUND.] *The first \$18,000 collected under this section in each year of the biennium must be deposited into the general fund. Amounts in excess of \$18,000 must be deposited into the crime victim and witness account in the state treasury for the purposes established in section 609.101.*

Sec. 128. [626.562] [CHILD ABUSE PROFESSIONAL CONSULTATION TELEPHONE LINE.]

*Subdivision 1. [ESTABLISHMENT OF TELEPHONE LINE.] The commissioner of public safety shall contract for at least one statewide toll-free 24-hour telephone line for the purpose of providing consultative and training services for physicians, therapists, child protection workers, and other professionals involved in child protection. Services provided must include emergency and longer term consultation on individual child protection cases.*

*Subd. 2. [CONTRACT AUTHORITY.] The commissioner shall contract to establish the telephone service described in subdivision 1. The commissioner shall contract only with agencies that agree to match through cash or in-kind donations 30 percent of the contract amount. The commissioner shall require that these agencies submit periodic reports describing the manner in which they have performed services specified in this section.*

*Subd. 3. [CHILD ABUSE REPORTING.] A communication by telephone line established under this section by a person mandated to report abuse or neglect under section 626.556 does not satisfy the obligation to report under that section.*

Sec. 129. Minnesota Statutes 1986, section 626.841, is amended to read:

626.841 [BOARD; MEMBERS.]

The board of peace officer standards and training shall be composed of the following ~~43~~ 15 members:

(a) Two members to be appointed by the governor from among the county sheriffs in Minnesota;

(b) Four members to be appointed by the governor from among peace officers in Minnesota municipalities, at least two of whom shall be chiefs of police;

(c) Two members to be appointed by the governor from among peace officers, at least one of whom shall be a member of the Minnesota state patrol association;

(e) (d) The superintendent of the Minnesota bureau of criminal apprehension or a designee;

(d) (e) Two members appointed by the governor experienced in law enforcement at a local, state or federal level who are not currently employed as peace officers;

(e) (f) Two members to be appointed by the governor from among the elected city officials in statutory or home rule charter cities of under 5,000 population outside the metropolitan area, as defined in section 473.121, subdivision 2;

(f) (g) Two members appointed by the governor from among the general public.

A chair shall be appointed by the governor from among the members. In making appointments the governor shall strive to achieve representation from among the geographic areas of the state.

Sec. 130. Minnesota Statutes 1986, section 626.846, is amended by adding a subdivision to read:

*Subd. 6. A person seeking election or appointment to the office of sheriff after June 30, 1987, must be licensed or eligible to be licensed as a peace officer. The person shall submit proof of peace officer licensure or eligibility as part of the application for office.*

Sec. 131. Minnesota Statutes 1986, section 626.852, is amended to read:  
626.852 [TUITION; SALARY AND EXPENSES.]

~~No tuition shall be charged any peace officer or part-time peace officer for attending any training school herein provided for, and~~ Each officer when assigned to the bureau of criminal apprehension continuing education courses pursuant to rules of the board shall receive the officer's regular salary and shall be reimbursed by the governing body of the governmental unit or combination of governmental units from which elected or by which employed for the cost of meals, travel, and lodgings while in attendance at the bureau of criminal apprehension courses, not to exceed similar allowance for state employees.

Sec. 132. [REPEALER.]

*Subdivision 1. Minnesota Statutes 1986, sections 18A.21; 18A.22; 18A.23; 18A.24; 18A.25; 18A.26; 18A.27; 18A.28; 18A.29; 18A.30; 18A.31; 18A.32; 18A.33; 18A.34; 18A.35; 18A.36; 18A.37; 18A.38; 18A.39; 18A.40; 18A.41; 18A.42; 18A.43; 18A.44; 18A.45; 18A.48; 297B.09, subdivision 2; and 626.849, are repealed.*

*Subd. 2. Minnesota Statutes 1986, sections 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; and 116C.41, subdivision 2, are repealed effective October 1, 1987.*

Sec. 133. [EFFECTIVE DATES.]

*Subdivision 1. Section 108 is effective the day following final enactment.*

*Subd. 2. Sections 33, 34, 88 to 93, 101 to 105, and 121 to 126 are effective October 1, 1987. Until the effective date of these sections, appropriations made to the board of water and soil resources must be allocated by the commissioner of finance to the separate agencies."*

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and other agencies with certain conditions; providing for regulation of certain activities and practices; requiring studies and reports; fixing and limiting fees; amending Minnesota Statutes 1986, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 27.041, subdivision 2; 27.07, by adding a subdivision; 28A.08; 32.075; 32.59; 40.01, subdivision 4; 40.03, subdivision 4; 40.035, subdivision 2; 40.21, subdivisions 1 and 3; 40.43, subdivision 1; 60A.14, subdivision 1; 60A.206, subdivision 2; 60A.23, subdivision 7; 70A.14, subdivision 4; 83.23, subdivisions 2 and 3; 83.30, subdivision 2; 105.73; 110B.02, subdivision 2; 112.35, subdivision 4; 116C.03, subdivision 2; 138.65; 138.91, by adding a subdivision; 144.226, subdivision 3; 171.02, subdivision 3; 171.06, subdivision 2; 296.17, subdivision 9a; 297B.09, subdivision 1; 299A.23, subdivision 3; 299A.26; 309.531, subdivision 1; 326.241, subdivision 3; 326.244, subdivision 2; 332.33, subdivisions 3 and 4; 473.39, subdivision 1a; 473.876, by adding a subdivision; 473.877, subdivision 2; 473.8771, subdivisions 1 and 2; 473.878, subdivisions 7 and 8; 611A.61, by adding a subdivision; 626.841; 626.846, by adding a subdivision; and 626.852; proposing coding for new law in Minnesota Statutes, chapters 110B and 626; proposing coding for new law as Minnesota Statutes, chapter 18B; repealing Minnesota Statutes 1986, sections 18A.21 to 18A.48; 40.03, subdivisions 1, 1a, 2, and 3; 105.71; 116C.40, subdivision 3; 116C.41, subdivision 2; 297B.09, subdivision 2; and 626.849."

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

Senate Conferees: (Signed) Keith Langseth, Clarence M. Purfeerst, Bob Lessard, Jim Ramstad, Lyle G. Mehrkens

House Conferees: (Signed) James I. Rice, Bernard Lieder, John Sarna, Henry J. Kalis

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1516 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. 1516 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 48 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knaak	Moe, R.D.	Solon
Anderson	Dicklich	Laidig	Morse	Spear
Beckman	Diessner	Langseth	Pehler	Storm
Belanger	Frank	Lessard	Peterson, D.C.	Taylor
Berg	Frederickson, D.J.	Luther	Peterson, R.W.	Vickerman
Berglin	Frederickson, D.R.	Marty	Piper	Waldorf
Bernhagen	Freeman	Mehrkens	Ramstad	Wegscheid
Bertram	Hughes	Merriam	Reichgott	Willet
Cohen	Johnson, D.E.	Metzen	Renneke	
Dahl	Jude	Moe, D.M.	Schmitz	

Those who voted in the negative were:

Benson  
Brataas

Davis  
Frederick

Gustafson  
Knutson

Larson  
McQuaid

Olson

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

### MEMBERS EXCUSED

Mr. Frederickson, D.R. was excused from the Session of today from 11:00 a.m. to 1:00 p.m. Mr. Pehler was excused from the Session of today from 2:10 to 2:50 p.m. Mr. Lessard was excused from the Session of today from 2:15 to 3:20 p.m. Mr. DeCramer was excused from the Session of today from 3:00 to 4:00 p.m. Ms. Olson was excused from the Session of today from 3:45 to 4:45 p.m. Mr. Waldorf was excused from the Session of today from 5:30 to 7:00 p.m. Mr. Mehrkens was excused from the Session of today from 5:40 to 8:45 p.m. Mr. Chmielewski was excused from the Session at 8:45 p.m. Mr. Hughes was excused from the Session of today from 9:30 to 11:00 p.m. Mr. Beckman was excused from the Session of today from 10:40 to 10:50 p.m. Mrs. Lantry was excused from the Session at 1:35 a.m.

The following member was excused from today's Session for brief periods of time: Mr. Wegscheid.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 9:00 a.m., Monday, May 18, 1987. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate