

SIXTY-SIXTH DAY

St. Paul, Minnesota, Wednesday, March 9, 1988

The Senate met at 1:00 p.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Dean E. Johnson.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Davis was excused from the Session of today.

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. 537: A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.

Senate File No. 537 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 7, 1988

CONCURRENCE AND REPASSAGE

Mr. Jude moved that the Senate concur in the amendments by the House to S.F. No. 537 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 537: A bill for an act relating to public safety; imposing mandatory minimum penalties on habitual DWI offenders; requiring a report; amending Minnesota Statutes 1986, section 169.121, by adding a subdivision.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knutson	Moe, D.M.	Renneke
Anderson	Diessner	Kroening	Moe, R.D.	Schmitz
Beckman	Frank	Laidig	Morse	Solon
Belanger	Frederick	Langseth	Novak	Spear
Benson	Frederickson, D.J.	Lantry	Olson	Storm
Berg	Freeman	Larson	Pehler	Stumpf
Berglin	Gustafson	Lessard	Peterson, D.C.	Vickerman
Bertram	Hughes	Luther	Peterson, R.W.	Waldorf
Chmielewski	Johnson, D.E.	Marty	Piper	Wegscheid
Dahl	Johnson, D.J.	McQuaid	Purfeerst	
Decker	Jude	Merriam	Ramstad	
DeCramer	Knaak	Metzen	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 the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 10, 1659, 1710, 2020, 1805, 2109, 2270, 2312, 1832, 1868, 1884, 1912, 1943, 1999, 2045, 2046, 1989, 2039, 2083, 2132 and 2180.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 7, 1988

FIRST READING OF HOUSE BILLS

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

H.F. No. 10: A bill for an act relating to crimes; raising the minimum term of imprisonment from 17 to 20 years for persons convicted of first degree murder; clarifying that the crying of a child does not constitute provocation under first degree manslaughter; amending Minnesota Statutes 1986, section 244.05, subdivision 4; and Minnesota Statutes 1987 Supplement, section 609.20.

Referred to the Committee on Judiciary.

H.F. No. 1659: A bill for an act relating to constables; authorizing town boards to form law enforcement agencies; abolishing the office of constable; authorizing the board of peace officer standards and training to issue peace officer licenses to persons possessing constable licenses; amending Minnesota Statutes 1986, sections 367.40, subdivision 3, and by adding a subdivision; and 367.42, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 367; repealing Minnesota Statutes 1986, sections 367.41, subdivisions 4 and 5; 367.42, subdivision 2; 626.843, subdivision 1a; and 626.845, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 367.03, subdivision 3; and 367.41, subdivision 1.

Referred to the Committee on Judiciary.

H.F. No. 1710: A bill for an act relating to crime; prohibiting the display of sexually explicit material deemed harmful to minors in places of public accommodation open to minors; providing a penalty; amending Minnesota Statutes 1986, sections 617.293; and 617.296, subdivision 1, and by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 2020: A bill for an act relating to utilities; encouraging settlements prior to contested case hearings; authorizing the public utilities commission to extend suspended rates during multiple general rate filings; providing for imposition of interim rates when commission extends suspended rates; amending Minnesota Statutes 1986, sections 216B.16, subdivisions 1a, 2, and 3; and 237.075, subdivisions 2 and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1751, now on General Orders.

H.F. No. 1805: A bill for an act relating to energy; requiring repairs, servicing, or inspections of heating systems to include safety tests for the existence of carbon monoxide or provide notice that safety tests were not conducted; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

H.F. No. 2109: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1983.

H.F. No. 2270: A bill for an act relating to natural resources; authorizing a private sale of surplus state property to the Memorial Hospital Association of Cambridge.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1994, now on General Orders.

H.F. No. 2312: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Itasca county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2162, now on General Orders.

H.F. No. 1832: A bill for an act relating to retirement; authorizing the Thief River Falls firefighters relief association to pay service pensions to members otherwise qualified at age 50.

Referred to the Committee on Governmental Operations.

H.F. No. 1868: A bill for an act relating to local government; providing for reports on certain improvements in cities of the first class; amending Minnesota Statutes 1987 Supplement, section 430.102, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1581, now on General Orders.

H.F. No. 1884: A bill for an act relating to state lands; authorizing private conveyance of tax-forfeited land in Beltrami county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1806, now on the Consent Calendar.

H.F. No. 1912: A bill for an act relating to natural resources; authorizing the commissioner of natural resources to sell certain lands in Cook county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2216.

H.F. No. 1943: A bill for an act relating to state lands; permitting the sale of certain tax-forfeited lands that border public waters in the city of Aitkin.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1722.

H.F. No. 1999: A bill for an act relating to public safety; regulating boiler operation; amending Minnesota Statutes 1986, sections 183.411, subdivisions 1, 3, and by adding a subdivision; 183.466; 183.51, subdivisions 4, 7, and 10.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1718, now on General Orders.

H.F. No. 2045: A bill for an act relating to state lands; authorizing private sale of tax-forfeited land in St. Louis county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1947.

H.F. No. 2046: A bill for an act relating to state lands; directing sale and conveyance of certain state-owned lands to the city of Owatonna.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1931.

H.F. No. 1989: A bill for an act relating to education; creating a child care task force; specifying membership; requiring a report.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1705, now on General Orders.

H.F. No. 2039: A bill for an act relating to corrections; making various housekeeping and technical changes; amending Minnesota Statutes 1986, sections 260.311, subdivisions 1, 2, 3, and 5; 401.01, subdivision 2; and 401.04.

Referred to the Committee on Governmental Operations.

H.F. No. 2083: A bill for an act relating to health; making technical modifications of the immunization law; amending Minnesota Statutes 1986, section 123.70, subdivisions 1, 2, 3, 4, 5, 7, 8, and 9.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1588, now on General Orders.

H.F. No. 2132: A bill for an act relating to human services; authorizing a representative payee for general assistance to drug dependent persons; amending Minnesota Statutes 1986, section 256D.09, by adding a subdivision.

Referred to the Committee on Health and Human Services.

H.F. No. 2180: A resolution memorializing Congress to more fairly and equitably assign reimbursement rates to rural counties under TEFRA risk contracts under Medicare.

Referred to the Committee on Health and Human Services.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1783. The motion prevailed.

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

S.F. No. 1763: A bill for an act relating to solid waste; imposing a fee to be collected by counties for the disposal of mixed municipal solid waste; providing for collection and distribution of the fee to counties generating solid waste; authorizing county agreements for recycling and to include recycling as part of solid waste management; amending Minnesota Statutes 1986, sections 115A.919; and 400.08, subdivision 1; proposing coding for new law in chapter 115A.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 115A.919, is amended to read:

115A.919 [COUNTY FEE ~~AUTHORITY~~ ON DISPOSAL OF SOLID WASTE.]

Subdivision 1. [FEE.] A (a) Each county ~~may~~ must impose a fee, by cubic yard of waste or its equivalent, on ~~operators of facilities for the disposal of~~ mixed municipal solid waste ~~accepted by operators of facilities~~ located within the county ~~as provided in this subdivision~~.

(b) The fee ~~in the metropolitan area~~ ~~may not exceed 25 cents to be collected by an operator of a disposal facility:~~

(1) must be at least \$1 per cubic yard or its equivalent, in addition to the city or town fee imposed under section 115A.921, to be used for recycling purposes; and

(2) may be increased by an amount determined by the county where the facility is located to cover the costs of the purposes specified in subdivision 3.

(c) For purposes of subdivision 1 and subdivision 2, the authority and obligations of a county must be assumed by a sanitary district for the area under the jurisdiction of the sanitary district.

Subd. 2. [COLLECTION OF FEE.] (a) *The operator of a facility for the disposal of mixed municipal solid waste located outside of the metropolitan area must collect the fee under subdivision 1, paragraph (b), clause (1), imposed by the county and maintain records of the solid waste disposed of at the facility that identify the amount and county where the solid waste was collected. At least once per month the operator of the disposal facility:*

(1) must retain up to two percent of the fees collected under subdivision 1, paragraph (b), clause (1);

(2) must remit the balance of the fees collected under subdivision 1, paragraph (b), clause (1), to the county treasurer of the county where the facility is located; and

(3) must report the amount and counties where the solid waste was collected to the county treasurer.

(b) The county treasurer must remit to each of the other counties their proportional amount of the fees collected under subdivision 1, paragraph (b), clause (1), that represent the solid waste collected from each county and credit the remaining amount to the general fund or alternative fund for recycling purposes of the county where the disposal facility is located.

Subd. 3. [USE OF REVENUE.] The revenue from the fees shall be credited to the county general fund and shall be used only for landfill abatement purposes *including recycling*, or costs of closure, postclosure care, and response actions or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities.

Subd. 4. [EXCEPTION FOR RESOURCE RECOVERY FACILITIES.] Waste residue from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from one-half the amount of the fee imposed by a county under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county.

Sec. 2. [115A.955] [AGREEMENTS TO RECYCLE.]

A county may enter into agreements with other counties and private parties to recycle materials and to collect recyclable materials within and outside of the county.

Sec. 3. [115A.956] [RECYCLABLES BANNED FOR LANDFILL DISPOSAL.]

After January 1, 1992, an operator of a facility for the disposal of mixed municipal solid waste may not accept for disposal material capable of being recycled. The waste management board shall adopt rules by April 1, 1989, that identify and define items capable of being recycled.

Sec. 4. Minnesota Statutes 1986, section 325E.03, subdivision 1, is amended to read:

Subdivision 1. [DETACHABLE PARTS AND NONDEGRADABLE CONNECTORS PROHIBITED.] No person shall sell or offer for sale in this state a carbonated soft drink, beer, other malt beverage, or tea in liquid form and intended for human consumption.

(1) contained in an individual sealed metal container designed and constructed so that a part of the container is detached in the process of opening the container; or

(2) in a sealed container that is connected to another sealed container by means of a device constructed of a material that does not decompose by photodegradation or biodegradation within a reasonable time after exposure to weather elements.

Sec. 5. [325E.035] [NONDEGRADABLE CONTAINERS.]

Subdivision 1. [SALE PROHIBITION.] Except as provided in section 325E.03, a person may not sell or offer for sale a sealed container that is connected to another sealed container by means of a device constructed of a material that does not decompose by photodegradation or biodegradation within a reasonable time after exposure to weather elements.

Subd. 2. [PENALTY.] A person who violates subdivision 1 is guilty of a misdemeanor.

Sec. 6. [325E.045] [PLASTIC BOTTLE RESIN IDENTIFICATION.]

Plastic containers with a capacity of six ounces or more, sold in this state after January 1, 1991, must be embossed or printed with a standardized system of letters or numbers or a combination of letters and numbers identifying the type of plastic resin used to manufacture the bottle or container. Bottles or containers containing more than one resin must be identified as multi-resin. Bottles that are readily identifiable because of their appearance are exempted from the provisions of this section.

Sec. 7. Minnesota Statutes 1986, section 400.08, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "solid waste management services" includes collection of recyclable materials, recycling of materials, collection, processing, and disposal of solid waste, closure and postclosure care of a solid waste facility, and response, as defined in section 115B.02, to releases from a solid waste facility or closed solid waste facility.

Sec. 8. [EFFECTIVE DATE.]

This act is effective January 1, 1989."

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "prohibiting sale of certain containers with nondegradable connectors; providing for resin identification for plastic bottles; providing a penalty;"

Page 1, line 9, after the first semicolon, insert "325E.03, subdivision 1;"

Page 1, line 10, delete "chapter" and insert "Minnesota Statutes, chapters" and before the period, insert "and 325E"

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

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

S.F. No. 1741: A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minneosta Statutes 1986, section 548.15.

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

Page 1, line 16, delete "*considered*"

Page 2, delete lines 10 to 13

Page 2, line 23, strike "give" and insert "*file*" and after "it" insert "*with the court administrator*"

Amend the title as follows:

Page 1, line 3, delete "fo" and insert "to"

Page 1, line 4, delete "Minneosta" and insert "Minnesota"

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

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

S.F. No. 1613: A bill for an act relating to traffic regulations; broadening criminal liability of passengers under the open bottle law; amending Minnesota Statutes 1986, section 169.122, subdivision 2.

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

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

S.F. No. 1859: A bill for an act relating to public meetings; authorizing the governing board of a joint vocational technical district to establish meeting sites; amending Minnesota Statutes 1986, section 136C.61, by adding a subdivision.

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

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

S.F. No. 1817: A bill for an act relating to education; providing for use of certain revenues in the independent school district No. 710 bond redemption fund; amending Laws 1982, chapter 523, article 30, section 4, subdivision 3.

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

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

S.F. No. 2210: A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

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

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

S.F. No. 2102: A bill for an act relating to the city of Minneapolis; authorizing the Minneapolis park and recreation board to establish compensation for its members; amending Laws 1974, chapter 181, section 1, as amended.

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

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

S.F. No. 2177: A bill for an act relating to zoning; providing for filing requirements of variances to real property; amending Minnesota Statutes 1986, section 462.36, subdivision 1.

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

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

S.F. No. 1860: A bill for an act relating to education; establishing library resources at certain technical institutes coordinated by Southwest State University; appropriating money.

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

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

S.F. No. 2046: A bill for an act relating to the city of Westbrook; permitting the city to expend city funds for a private hospital.

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

Page 1, delete lines 6 to 12 and insert:

"Section 1. [HOSPITAL SERVICE.]

The cities of Dovray, Jeffers, Storden, Walnut Grove, and Westbrook, and the towns of Amboy, Amo, Ann, Belfast, Bondin, Dale, Des Moines River, Dovray, Germantown, Highwater, Holly, Lime Lake, North Hero, Rose Hill, Shetek, Southbrook, Springdale, Springfield, Storden, and Westwood, all in Cottonwood, Murray, and Redwood counties, may contribute gifts to the Schmidt Memorial Hospital in the city of Westbrook."

Delete the title and insert:

"A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital."

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

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

S.F. No. 1702: A bill for an act relating to education; appropriating money for an optical fiber telecommunications system and related interconnections.

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

Page 1, line 8, delete "\$1,720,000" and insert "\$"

Page 1, line 16, after the period, insert "*Any other governmental agencies and*"

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

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

S.F. No. 151: A bill for an act relating to veterans; restoring the tuition exemption at AVTI's for Vietnam-era veterans; amending Minnesota Statutes 1986, section 136C.13, subdivision 3; repealing Minnesota Statutes 1986, section 136C.13, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 136C.13, subdivision 4, is amended to read:

Subd. 4. [VIETNAM VETERAN'S EXEMPTION.] A Vietnam veteran ~~who enrolls in a tuition free AVTI program before July 1, 1990~~ and who is a Minnesota resident whose entire education has not included completion of at least one tuition free post-secondary vocational technical school program is exempt from tuition until the veteran has completed the lesser of (a) 440 post-secondary vocational technical school days, or the equivalent as determined by the state board, or (b) one post-secondary vocational technical school program.

"Vietnam veteran" for the purpose of this subdivision means a person who served in the active military service in any branch of the armed forces of the United States after July 1, 1961, and before July 1, 1978, and who became eligible for the Vietnam Expeditionary Medal or the Vietnam Service Medal as a result of the service, was a Minnesota resident at the time of induction into the armed forces and for the six months immediately preceding induction, and has been separated or discharged from active military service under conditions other than dishonorable.

Sec. 2. [REPEALER.]

Minnesota Statutes 1986, section 136C.13, subdivision 3, is repealed."

Delete the title and insert:

"A bill for an act relating to education; making permanent the tuition exemption at technical institutes for certain veterans; amending Minnesota Statutes 1986, section 136C.13, subdivision 4; repealing Minnesota Statutes 1986, section 136C.13, subdivision 3."

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

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

S.F. No. 1879: A bill for an act relating to agriculture; providing penalties and liability for damages for unauthorized release of domestic animals; proposing coding for new law in Minnesota Statutes, chapter 346.

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

Page 1, lines 9 and 14, delete "*enters the*"

Page 1, lines 10 and 15, delete "*property of another and*"

Page 1, lines 11 and 16, after the fourth comma, insert "*horses, fur-bearing animals,*"

Page 1, line 12, delete "*raised for food production*"

Page 1, line 17, delete "*treble*"

Page 1, line 18, delete "*plus attorney fees*" and delete everything after "*costs*" and insert "*of*"

Page 1, line 19, delete "*is to be included as part*" and insert a period

Page 1; delete line 20

Page 1, line 23, delete "*offenses*" and insert "*unauthorized releases*"

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

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

S.F. No. 1820: A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

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

Page 1, line 11, strike "*No person violates*" and insert "*It is an affirmative defense if a person charged under*" and strike "*if*"

Page 1, line 12, strike "*the*" and delete "*person*" and delete "*by a preponderance of the evidence*"

Page 2, delete section 2 and insert:

"Sec. 2. [ORIGINAL INTENT CLARIFIED.]

To the extent that it states that Minnesota Statutes, section 609.26, subdivision 2, creates affirmative defenses to a charge under Minnesota Statutes, section 609.26, section 1 clarifies the original intent of the legislature in enacting Laws 1984, chapter 484, section 2; does not change the substance of Minnesota Statutes, section 609.26; and does not modify or alter any convictions entered under that section before the effective date of section 1.

Sec. 3. [EFFECTIVE DATE.]

Except as provided in section 2, section 1 is effective August 1, 1988, and applies to crimes committed on or after that date."

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

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

S.F. No. 1582: A bill for an act relating to marriage dissolution; providing for child support enforcement; specifying conditions for judgment by operation of law; amending Minnesota Statutes 1986, sections 256.87, subdivisions 1, 1a, and 6; 257.66, subdivision 5; 518.55, subdivision 2; 518.551, subdivision 9; 518C.17, subdivision 1; 548.091, subdivisions 2, 3, and by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 548.091, subdivision 1.

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

Page 1, line 20, delete "*shall*" and insert "*must*"

Page 3, delete lines 15 to 24 and insert:

"Subd. 2. [NOTICE OF DOCKETING OF MAINTENANCE JUDGMENT.] Every order for ~~support or~~ maintenance shall provide for a conspicuous notice that, if the obligor fails to make the ~~support or~~ maintenance payments, the obligee or a public agency responsible for maintenance ~~or support~~ enforcement may obtain docketing of a judgment for the unpaid amount under the provisions of section 548.091. The notice shall enumerate the conditions that must be met before the judgment can be docketed.

Sec. 6. Minnesota Statutes 1986, section 518.55, is amended by adding a subdivision to read:

Subd 2a. [ENTRY OF CHILD SUPPORT JUDGMENT.] Every order for support shall provide for a conspicuous notice that, if the obligor fails to make a support payment, the payment owed becomes a judgment by operation of law on and after the date the payment is due, and the obligee or a public agency responsible for support enforcement may obtain entry and docketing of the judgment for the unpaid amount under the provisions of section 548.091."

Page 5, delete lines 2 to 36

Page 6, delete lines 1 to 12 and insert:

"Subdivision 1. [DOCKETING OF MAINTENANCE JUDGMENT.] A judgment for unpaid amounts under a judgment or decree of dissolution or legal separation; ~~determination of parentage; an order under chapter 518C; an order under section 256.87, or an order under section 260.251, any of which provide that provides~~ for installment or periodic payments of child support; maintenance; ~~or reimbursement to a county for the cost of care, examination, or treatment of a child; or any combination of those items;~~ shall be entered and docketed by the court administrator only when ordered by the court or when the following conditions are met:

(a) The obligee ~~or the public authority~~ determines that the obligor is at least 30 days in arrears;

(b) The obligee ~~or public authority~~ serves a copy of an affidavit of default and notice of intent to enter judgment on the obligor by mail at the obligor's last known post office address. Service shall be deemed complete upon mailing in the manner designated. The affidavit shall state the full name,

occupation, place of residence, and last known post office address of the obligor, the name and post office address of the obligee, the date of the first unpaid amount, the date of the last unpaid amount, and the total amount unpaid;

(c) The obligor fails within 20 days after mailing of the notice either to pay all unpaid amounts or to request a hearing on the issue of whether arrears claimed owing have been paid and to seek, ex parte, a stay of entry of judgment; and

(d) Not less than 20 days after service on the obligor in the manner provided, the obligee or public authority files with the court administrator the affidavit of default together with proof of service and, if payments have been received by the obligee or public authority since execution of the affidavit of default, a supplemental affidavit setting forth the amount of payment received.

Sec. 10. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 1a. [CHILD SUPPORT JUDGMENT BY OPERATION OF LAW.] Any payment or installment of support required by a judgment or decree of dissolution or legal separation, determination of parentage, an order under chapter 518C, an order under section 256.87, or an order under section 260.251, that is not paid or withheld from the obligor's income as required under section 518.611 or 518.613, is a judgment by operation of law on and after the date it is due and is entitled to full faith and credit in this state and any other state. Interest accrues from the date the judgment on the payment or installment is entered and docketed under subdivision 3a, at the annual rate provided in section 549.09, subdivision 1. A payment or installment of support that becomes a judgment by operation of law between the date on which a party served notice of a motion for modification under section 518.64, subdivision 2, and the date of the court's order on modification may be modified under that subdivision."

Page 6, delete lines 15 to 36

Page 7, delete lines 1 to 4 and insert:

"Subd. 2. [AMOUNT AND SURVIVAL OF MAINTENANCE JUDGMENT.] The court administrator shall enter and docket judgment in the amount of each affidavit filed under subdivision 1 less any amount paid. From the time of docketing, the judgment is a lien in the amount unpaid upon all the real property in the county then or after owned by the judgment debtor. The judgment survives and the lien continues for ten years after its entry.

Sec. 12. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 2a. [DOCKETING OF CHILD SUPPORT JUDGMENT.] On or after the date an unpaid amount becomes a judgment by operation of law under subdivision 1a, the obligee or the public authority may file with the court administrator:

(1) a statement identifying, or a copy of, the judgment or decree of dissolution or legal separation, determination of parentage, order under chapter 518C, or an order under section 256.87, which provides for installment or periodic payments of child support;

(2) *an affidavit of default. The affidavit of default must state the full name, occupation, place of residence, and last known post office address of the obligor, the name and post office address of the obligee, the date or dates payment was due and not received and judgment was obtained by operation of law, and the total amount of the judgments; and*

(3) *an affidavit of service of a notice of entry of judgment on the obligor, in person or by mail at the obligor's last known post office address. Service is completed upon mailing in the manner designated."*

Page 7, delete lines 7 to 36 and insert:

"Subd. 3. [MAINTENANCE JUDGMENTS DOCKETED PRIOR TO DEFAULT.] An obligor whose property is subject to the lien of a judgment for installment of periodic payments of ~~child support, maintenance, or both,~~ under section 548.09, and who claims that no amount of ~~support or~~ maintenance is in arrears, may move the court ex parte for an order directing the court administrator to vacate the lien of the judgment on the docket and register of the action where it was entered. The obligor shall file with the motion an affidavit stating that:

(a) The lien attached upon the docketing of a judgment or decree of dissolution or separate maintenance, ~~a determination of parentage, an order under the Reciprocal Enforcement of Support Act, or an order under section 256.87;~~

(b) The docketing was made while no installment or periodic payment of ~~child support, maintenance, or both,~~ was unpaid or overdue; and

(c) No installment or periodic payment of ~~child support, maintenance, or both,~~ that was due prior to the filing of the motion remains unpaid or overdue.

The court shall grant the obligor's motion as soon as possible if the pleadings and affidavit show that there is and has been no default.

Sec. 14. Minnesota Statutes 1986, section 548.091, is amended by adding a subdivision to read:

Subd. 3a. [ENTRY, DOCKETING, AND SURVIVAL OF CHILD SUPPORT JUDGMENT.] Upon receipt of the documents filed under subdivision 2a, the court administrator shall enter and docket the judgment in the amount of the default specified in the affidavit of default. From the time of docketing, the judgment is a lien upon all the real property in the county owned by the judgment debtor. The judgment survives and the lien continues for ten years after the date the judgment was docketed."

Page 8, line 3, before "HEARING" insert "CHILD SUPPORT" and delete everything after the headnote

Page 8, delete line 4 and insert "A child support obligor may request a hearing under the rules of civil procedure on the"

Page 8, line 9, before the period, insert "pursuant to this action" and delete everything after the period

Page 8, delete lines 10 to 25

Page 8, line 26, delete "as soon as"

Page 8, line 27, delete "possible" and delete "has been and"

Page 8, line 30, delete "or maintenance"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "support" insert "and maintenance"

Page 1, line 6, after "2" insert ", and by adding a subdivision"

Page 1, line 8, delete "a"

Page 1, line 9, delete "subdivision" and insert "subdivisions"

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

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

S.F. No. 1652: A bill for an act relating to marriage dissolution; providing for the valuation of pension benefits; amending Minnesota Statutes 1987 Supplement, section 518.582, subdivision 1.

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

Page 1, line 10, strike "(a)"

Page 1, line 12, strike "an approved actuary" and insert "*a qualified person experienced in the valuation of pension benefits and rights*"

Page 1, lines 14 to 17, strike the old language and delete the new language

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

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

S.F. No. 1744: A bill for an act relating to animals; regulating dangerous and potentially dangerous dogs; providing liability to an owner of a dog when that dog bites another person; providing penalties; amending Minnesota Statutes 1986, sections 609.226; and 609.227; proposing coding for new law in Minnesota Statutes, chapter 347.

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

Page 1, line 14, delete "*according to the records of the licensing authority*"

Page 1, line 15, before "*inflicted*" insert "*without provocation,*"

Page 1, line 16, delete "*without provocation*"

Page 2, line 2, delete "*a menacing fashion*" and insert "*an*"

Page 2, line 3, delete the first "*or*"

Page 3, line 12, before "*tormenting*" insert "*provoking,*"

Page 3, line 13, before "*tormented*" insert "*provoked,*"

Page 3, after line 15, insert:

"*Subd. 6. [COUNTIES WITHOUT LICENSING SYSTEMS.] If an owner of a dangerous dog resides in a county that does not license dogs under sections 347.08 to 347.21, the owner shall obtain a certificate as required under this section from the county auditor in the county where the owner resides.*"

Page 4, delete section 7

Page 4, line 34, delete "An" and insert "If the"

Page 4, line 35, delete "who"

Page 4, line 36, after "the" insert "same"

Page 5, line 1, delete everything after "person" and insert "other than the owner, the owner is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both."

Page 5, line 20, after the second "of" insert "confining and"

Page 5, after line 22, insert:

"Sec. 9. [EFFECTIVE DATE.]

Sections 6 to 8 are effective August 1, 1988, and apply to crimes committed on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4

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

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

S.F. No. 1761: A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is careless driving; limiting plea negotiations for speeding violations; amending Minnesota Statutes 1986, sections 169.13, subdivision 2; and 169.141, by adding a subdivision.

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

Page 1, line 20, delete "careless driving, which is"

Pages 1 and 2, delete section 2

Page 2, line 6, delete "Sections 1 and 2 are" and insert "Section 1 is" and delete "apply" and insert "applies"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to crime; traffic safety; providing that operating a vehicle at a speed of 85 miles per hour or more is a misdemeanor; amending Minnesota Statutes 1986, section 169.13, subdivision 2."

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

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

S.F. No. 1835: A bill for an act relating to crime; providing that burglary occurs if a person enters a building without consent and commits a crime

without intent while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59.

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

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 256.98, subdivision 1, is amended to read:

Subdivision 1. [WRONGFULLY OBTAINING ASSISTANCE.] A person who obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, assistance to which the person is not entitled or assistance greater than that to which the person is entitled, or who knowingly aids or abets in buying or in any way disposing of the property of a recipient or applicant of assistance without the consent of the local agency with intent to defeat the purposes of sections 256.12, 256.72 to 256.871, and chapter 256B, or all of these sections is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (2), (3), (6), and (7).

Sec. 2. Minnesota Statutes 1987 Supplement, section 609.531, subdivision 1, is amended to read:

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

(a) "Conveyance device" means a device used for transportation in connection with a designated offense and includes, but is not limited to, motor vehicles, trailers, snowmobiles, airplanes, and vessels. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Primary container" means a fundamental receptacle other than a conveyance device used to store or transport property.

(c) "Weapon used" means weapons used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(d) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(e) "Contraband property" means property which is illegal to possess under Minnesota law.

(f) "Appropriate agency" means either the bureau of criminal apprehension, Minnesota state patrol, county sheriffs and their deputies, or city police departments.

(g) "Designated offense" includes:

(1) For weapons used: any violation of this chapter;

(2) For all other purposes: violation of, or an attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221; 609.222;

609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322, subdivision 1 or 2; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.521; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; section 609.671, subdivisions 3, 4, and 5; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; or 617.246, when the violation constitutes a felony.

(h) "Communications device or component" means a device or system used to facilitate in any manner the creation, storage, dissemination, or transmission of data in connection with a designated offense and includes computers and computer-related components as defined in section 609.87 and any other device or system that by means of electric, electronic or magnetic impulses may be used to facilitate in any manner the creation, storage, dissemination, or transmission of data."

Page 3, after line 8, insert:

"Sec. 8. Minnesota Statutes 1987 Supplement, section 609.631, subdivision 4, is amended to read:

Subd. 4. [SENTENCING.] A person who is convicted under subdivision 2 or 3 may be sentenced as follows:

(1) *to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$35,000 or the aggregate amount of the forged check or checks is more than \$35,000;*

(2) *to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$2,500 or the aggregate amount of the forged check or checks is more than \$2,500;*

~~(2)~~ (3) *to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:*

(a) *the forged check or checks are used to obtain or in an attempt to obtain, property or services of more than \$200 but not more than \$2,500, or the aggregate face amount of the forged check or checks is more than \$200 but not more than \$2,500; or*

(b) *the forged check or checks are used to obtain or in an attempt to obtain, property or services of no more than \$200, or have an aggregate face value of no more than \$200, and the person has been convicted within the preceding five years for an offense under this section, section 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; and*

~~(3)~~ (4) *to imprisonment for not more than one year or to a fine of not more than \$3,000, or both, if the forged check or checks are used to obtain or in an attempt to obtain, property or services of no more than \$200, or*

the aggregate face amount of the forged check or checks is no more than \$200.

In any prosecution under this subdivision, the value of the checks forged or offered by the defendant in violation of this subdivision within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the checks was forged or offered for all of the offenses aggregated under this paragraph.

Sec. 9. Minnesota Statutes 1987 Supplement, section 609.821, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] A person who commits financial transaction card fraud may be sentenced as follows:

(1) for a violation of clause (1), (2), (5), or 8 (8) of subdivision 2:

(i) *to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$35,000, or the aggregate amount of the transactions under this subdivision was more than \$35,000;*
or

(ii) *to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$2,500, or the aggregate amount of the transactions under this subdivision was more than \$2,500;*
or

~~(iii)~~ (iii) *to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property the person obtained or attempted to obtain was more than \$200 but not more than \$2,500, or the aggregate amount of the transactions under this subdivision was more than \$200 but not more than \$2,500; or*

~~(iii)~~ (iv) *to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the value of the property the person obtained or attempted to obtain was not more than \$200, or the aggregate amount of the transactions under this subdivision was not more than \$200, and the person has previously been convicted within the preceding five years for an offense under this section, section 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or 609.631, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or*

~~(iv)~~ (v) *to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property the person obtained or attempted to obtain was not more than \$200, or the aggregate amount of the transactions under this subdivision was not more than \$200; and*

~~(v)~~ (vi) *in any prosecution under clauses (i) to ~~(iv)~~ (v), the value of the transactions made or attempted within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person*

in two or more counties, the accused may be prosecuted in any county in which one of the card transactions occurred for all of the transactions aggregated under this paragraph;

(2) for a violation of clause (3) or (4) of subdivision 2, to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both; or

(3) for a violation of clause (6) or (7) of subdivision 2:

(i) if no property, other than a financial transaction card, has been obtained by the defendant by means of the false statement or false report, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(ii) if property, other than a financial transaction card, is so obtained, in the manner provided in clause (1).

Sec. 10. Minnesota Statutes 1987 Supplement, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2) shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.

(d) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause ~~(3)(d)~~ (3)(c) shall be found or made and filed in the proper court within six years after the commission of the offense.

(e) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), items (a) ~~to (e)~~ and (b), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than \$35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(f) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(g) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense; but the time during which the defendant shall not be an inhabitant of, or usually resident within, this state, shall not constitute any part of the limitations imposed by this section."

Page 3, line 10, delete "5" and insert "10"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to crime; providing that burglary occurs if a

person enters a building without consent and commits a crime while in the building; extending first degree burglary to instances where an assault occurs on the property appurtenant to the entered building; providing that it is a felony to possess tools used in theft; making technical corrections; amending Minnesota Statutes 1986, sections 609.582, subdivisions 1, 2, 3, and 4; and 609.59; Minnesota Statutes 1987 Supplement, sections 256.98, subdivision 1; 609.531, subdivision 1; 609.631, subdivision 4; 609.821, subdivision 3; and 628.26."

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

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

S.F. No. 1868: A bill for an act relating to public safety; allowing certain political subdivisions to regulate the possession of firearms on publicly owned property; providing a defense for museum operators to a charge of possessing certain dangerous weapons; clarifying that dealers and manufacturers must report brand names of machine guns and certain shotguns to the bureau of criminal apprehension; amending Minnesota Statutes 1986, sections 471.634; 609.66, subdivision 2; Minnesota Statutes 1987 Supplement, section 609.67, subdivisions 3 and 4.

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

Page 1, line 22, after "districts" insert "*the University of Minnesota, a state university, or a community college,*"

Page 1, line 27, after the semicolon, insert "*or*"

Page 1, line 28, delete "*other than a city or county*"

Page 1, line 29, after "*firearms*" insert "*within buildings that are located*" and after "*on*" insert "*real*"

Page 2, line 1, delete "*; or*"

Page 2, lines 2 to 4, delete the new language

Page 2, delete section 2

Page 3, line 31, delete "*such*"

Page 3, line 34, delete "*4*" and insert "*3*"

Page 3, line 35, delete "*Sections 2 and 3 are*" and insert "*Section 2 is*"

Page 3, line 36, delete "*apply*" and insert "*applies*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 6, delete "*dangerous weapons;*"

Page 1, line 10, delete "*sections*" and insert "*section*" and delete "*609.66, subdivision 2;*"

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

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

S.F. No. 994: A bill for an act relating to employment; requiring notification of certain exposures to infectious diseases; providing workers' compensation to coverage for certain infectious diseases; amending Minnesota Statutes 1986, section 176.011, subdivision 15; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before "providing"

Page 1, line 6, delete everything after "15" and insert a period

Page 1, delete line 7

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

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

S.F. No. 1304: A bill for an act relating to firefighters; requiring payment of death, disability, and survivor benefits to firefighters suffering from occupationally related cancer.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 176.011, subdivision 15, is amended to read:

Subd. 15. [OCCUPATIONAL DISEASE.] (a) "Occupational disease" means a disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota state patrol, conservation officer service, state crime bureau, as a forest officer by the department of natural resources, or sheriff or full time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota state patrol, conservation officer service, state crime bureau, department of natural resources, or sheriff's department of any county, which examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment.

(c) *A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.*"

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing a presumption for finding an occupational disease in the case of firefighters having a disabling cancer; amending Minnesota Statutes 1986, section 176.011, subdivision 15."

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

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

S.F. No. 1861: A bill for an act relating to health maintenance organizations; insurance; requiring replacement coverage in the event an HMO cancels coverage; increasing state comprehensive health plan liabilities in the event a member terminates coverage; increasing health maintenance organization notice requirements and annual reporting requirements; amending Minnesota Statutes 1986, sections 62D.07; 62D.08, subdivision 5; 62D.09; 62D.101; 62D.11; 62D.12, subdivision 2, and by adding a subdivision; 62D.17, subdivision 1; 62E.11, by adding subdivisions; 62E.14, subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 62A.17, subdivision 6, is amended to read:

Subd. 6. [CONVERSION TO INDIVIDUAL POLICY.] A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2 to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3 ~~if an arrangement with an insurer can reasonably be made by the health maintenance organization~~. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

Sec. 2. Minnesota Statutes 1986, section 62D.07, is amended to read:
62D.07 [EVIDENCE OF COVERAGE.]

Subdivision 1. Every *health maintenance organization* enrollee residing in this state is entitled to evidence of coverage ~~under a health maintenance contract or contract~~. The health maintenance organization or its designated representative shall issue the evidence of coverage *or contract*.

Subd. 2. No evidence of coverage *or contract*, or amendment thereto

shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or *contract* or amendment thereto has been filed with the commissioner of health pursuant to section 62D.03 or 62D.08.

Subd. 3. ~~An evidence~~ *Contracts and evidences* of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health maintenance contract;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature, and requirements for referrals, prior authorizations, and second opinions;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's method for resolving enrollee complaints and a statement identifying the commissioner as an external source with whom grievances may be registered.

(c) On the cover page of the evidence of coverage *and contract*, a clear and complete statement of enrollees' rights as consumers, ~~including but not limited to a description of each of the following~~. The statement must be in bold print and captioned "Important Consumer Information and Enrollee Bill of Rights" and must include but not be limited to the following provisions in the following language or in substantially similar language approved in advance by the commissioner:

CONSUMER INFORMATION.

(1) **COVERED SERVICES:** *Services provided by (name of health maintenance organization) will be covered only if services are provided by participating (name of health maintenance organization) providers or authorized by (name of health maintenance organization). Your contract fully defines what services are covered and describes procedures you must follow to obtain coverage.*

(2) **PROVIDERS:** *Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on the list of providers. When a provider is no longer part of (name of health maintenance organization), you must choose among remaining (name of the health maintenance organization) providers.*

(3) **REFERRALS:** *Certain covered benefits are covered only upon referral. See section (section number) of your contract for referral requirements. All referrals to non-(name of health maintenance organization) providers and certain types of health care providers must be authorized by (name*

of health maintenance organization).

(4) **EMERGENCY SERVICES:** Emergency services from providers who are not affiliated with (name of health maintenance organization) will be covered only if proper procedures are followed. Your contract explains the procedures and benefits associated with emergency care from (name of health maintenance organization) and non-(name of health maintenance organization) providers.

(5) **EXCLUSIONS:** Certain services or medical supplies are not covered. You should read the contract for a detailed explanation of all exclusions.

(6) **CONTINUATION:** You may convert to an individual health maintenance organization contract or continue coverage under certain circumstances. These continuation and conversion rights are explained fully in your contract.

(7) **CANCELLATION:** Your coverage may be canceled by you or (name of health maintenance organization) only under certain conditions. Your contract describes all reasons for cancellation of coverage.

ENROLLEE BILL OF RIGHTS

(1) based upon the delivery system of each health maintenance organization, a statement which describes any type of health care professional as defined in section 145.61, whose services may be available only by referral of the health maintenance organization's participating staff;

(2) Enrollees have the right to available and accessible services which can be secured as promptly as appropriate for the symptoms presented, in a manner which assures continuity and, when medically necessary, the right to including emergency services available, as defined in your contract, 24 hours a day and seven days a week;

(3) (2) Enrollees have the consumer's right to be informed of health problems, and to receive information regarding treatment alternatives and risks which is sufficient to assure informed choice;

(4) (3) Enrollees have the right to refuse treatments, and

(5) the right to privacy of medical and financial records maintained by the health maintenance organization and its health care providers, in accordance with existing law;

(6) (4) Enrollees have the right to file a grievance with the health maintenance organization and the commissioner of health and the right to initiate a legal proceeding when experiencing a problem with the health maintenance organization or its health care providers;

(7) the right to initiate a legal proceeding when dissatisfied with the health maintenance organization's final determination regarding a grievance;

(8) the right of the enrollee and dependents to continue group coverage in the event the enrollee is terminated or laid off from employment, provided that the cost of such coverage is paid by the enrollee and furthermore, the right of the enrollee to convert to an individual contract at the end of the continuation period;

(9) the right for notification of enrollees regarding the cancellation or termination of contracts with participating primary care professionals, and the right to choose from among remaining participating primary care professionals;

(10) the right to cancel an individual health maintenance contract within ten days of its receipt and to have premiums paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days; and

(11) (5) Enrollees have the right to a grace period of 31 days for the payment of each premium for an individual health maintenance contract falling due after the first premium during which period the contract shall continue in force.

Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee -

Subd. 5 4. A grace period of 31 days shall be granted for payment of each premium for an individual health maintenance contract falling due after the first premium, during which period the contract shall continue in force. Individual health maintenance organization contracts shall clearly state the existence of the grace period.

Subd. 6 5. Individual health maintenance contracts shall state that any person entering into an individual health maintenance contract may cancel the contract within ten days of its receipt and to have the premium paid refunded if, after examination of the contract, the individual is not satisfied with it for any reason. The individual is responsible for repaying the health maintenance organization for any services rendered or claims paid by the health maintenance organization during the ten days.

Subd. 6. The contract and evidence of coverage shall clearly explain the conditions upon which a health maintenance organization may terminate coverage.

Subd. 7. The contract and evidence of coverage shall clearly explain continuation and conversion rights afforded to enrollees.

Subd. 8. Individual and group contract holders must be given 30 days' advance, written notice of any change in subscriber fees or benefits.

Subd. 9. Individual health maintenance organization contracts shall be delivered to enrollees no later than the date coverage is effective. For enrollees with group contracts, an evidence of coverage shall be delivered or issued for delivery not more than 15 days from the date the health maintenance organization is notified of the enrollment or the effective date of coverage, whichever is later.

Subd. 10. An individual health maintenance organization contract and an evidence of coverage must contain a department of health telephone number that the enrollee can call to register a complaint about a health maintenance organization.

Sec. 3. Minnesota Statutes 1987 Supplement, section 62D.08, subdivision 3, is amended to read:

Subd. 3. Such report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment

and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or nonprofit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract, (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment, and (4) a supplementary statement of assets, liabilities, premium revenue, and expenditures for risk sharing business under section 62D.04, subdivision 1, on forms prescribed by the commissioner;

(b) The number of new enrollees enrolled during the year, the number of group enrollees and the number of individual enrollees as of the end of the year and the number of enrollees terminated during the year;

(c) A summary of information compiled pursuant to section 62D.04, subdivision 1, clause (c) in such form as may be required by the commissioner of health;

(d) A report of the names and addresses of all persons set forth in section 62D.03, subdivision 4, clause (c) who were associated with the health maintenance organization or the major participating entity during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization or the major participating entity, as those services relate to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (d); and

(e) *A separate report addressing health maintenance contracts sold to individuals covered by Medicare, Title XVIII of the Social Security Act, as amended, including the information required under section 62D.30, subdivision 6; and*

(f) Such other information relating to the performance of the health maintenance organization as is reasonably necessary to enable the commissioner of health to carry out the duties under sections 62D.01 to 62D.29.

Sec. 4. Minnesota Statutes 1986, section 62D.08, subdivision 5, is amended to read:

Subd. 5. Every health maintenance organization shall inform the commissioner of any change in the information described in section 62D.03, subdivision 4, clause (e), including any change in address, any modification of the duration of any contract or agreement, and any addition to the list of participating entities, within ten working days of the notification of the change. Any cancellation or discontinuance of any contract or agreement listed in section 62D.03, subdivision 4, clause (e), or listed subsequently in accordance with this subdivision, shall be reported to the commissioner ~~within seven~~ 120 days before the effective date. When the health maintenance organization terminates a provider for cause, death, disability, or loss of license, the health maintenance organization must notify the commissioner within three working days of the date the health maintenance organization sends out or receives the notice of cancellation or, discontinuance, or termination. Any health maintenance organization which fails to notify the commissioner within the time periods prescribed in this subdivision shall be subject to the levy of a fine up to \$100 per contract for each day the notice is past due, accruing up to the date the organization notifies the commissioner of the cancellation or discontinuance. Any fine

levied under this subdivision is subject to the contested case and judicial review provisions of chapter 14. *The levy of a fine does not preclude the commissioner from using other penalties described in sections 62D.15 to 62D.17.*

Sec. 5. Minnesota Statutes 1986, section 62D.09, is amended to read:
62D.09 [INFORMATION TO ENROLLEES.]

Subdivision 1. Any written marketing materials which may be directed toward potential enrollees and which include a detailed description of benefits provided by the health maintenance organization shall include a statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 2. The application for coverage by the health maintenance organization shall be accompanied by the statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 3. Every health maintenance organization or its representative shall annually, before June 1, provide to its enrollees the following: (1) a summary of its most recent annual financial statement including a balance sheet and statement of receipts and disbursements; (2) a description of the health maintenance organization, its health care plan or plans, its facilities and personnel, any material changes therein since the last report; (3) the current evidence of coverage *or contract*; and (4) a statement of consumer *information and rights* as described in section 62D.07, subdivision 3, paragraph (c).

Subd. 4. *Health maintenance organizations that issue contracts to persons who are covered by Title XVIII of the Social Security Act (Medicare) must give the applicant, at the time of application, an outline containing at least the following information:*

(1) a description of the principal benefits and coverage provided in the contract, including a clear description of nursing home and home care benefits covered by the health maintenance organization;

(2) a statement of the exceptions, reductions, and limitations contained in the contract;

(3) the following language: "This contract does not cover all skilled nursing home care or home care services and does not cover custodial or residential nursing care. Read your contract carefully to determine which nursing home facilities and home care services are covered by your contract, and what procedures you must follow to receive these benefits."

(4) a statement of the renewal provisions including any reservation by the health maintenance organization of the right to change fees;

(5) a statement that the outline of coverage is a summary of the contract issued or applied for and that the contract should be read to determine governing contractual provisions; and

(6) a statement explaining that the enrollee's Medicare coverage is altered by enrollment with the health maintenance organization, if applicable.

Subd. 5. Health maintenance organizations shall provide enrollees with a list of the names and locations of participating providers to whom enrollees have direct access without referral no later than the effective date of enrollment or date the evidence of coverage is issued and upon request.

Health maintenance organizations need not provide the names of their employed providers.

Subd. 6. Any list of providers issued by the health maintenance organization must include the date the list was published and contain a bold type notice in a prominent location on the list of providers with the following language, or substantially similar language approved in advance by the commissioner:

"Enrolling in (name of health maintenance organization) does not guarantee services by a particular provider on this list. If you wish to be certain of receiving care from a specific provider listed, you should contact that provider to ask whether or not he or she is still a (name of health maintenance organization) provider and whether or not he or she is accepting additional patients."

Sec. 6. Minnesota Statutes 1986, section 62D.101, is amended to read:

62D.101 [CONTINUATION AND CONVERSION PRIVILEGES FOR FORMER SPOUSES AND CHILDREN.]

Subdivision 1. [TERMINATION OF COVERAGE.] No health maintenance contract which, in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract solely as a result of a break in the marital relationship ~~except by reason of an entry of a valid decree of dissolution of marriage between the parties.~~

Subd. 2. [CONVERSION PRIVILEGE.] Every health maintenance contract, as described in subdivision 1 shall contain a provision allowing a former spouse and dependent children of an enrollee, without providing evidence of insurability, to obtain from the health maintenance organization at the expiration of any continuation of coverage required under subdivision 2a or ~~section sections 62A.146 and 62D.105, or upon termination of coverage by reason of an entry of a valid decree of dissolution which does not require the health maintenance organization to provide continued coverage for the former spouse,~~ an individual health maintenance contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the health maintenance organization within 30 days following notice of the expiration of the continued coverage and upon payment of the appropriate fee. A contract providing reduced benefits at a reduced fee may be accepted by the former spouse and dependent children in lieu of the optional coverage otherwise required by this subdivision. The individual health maintenance contract shall be renewable at the option of the former spouse as long as the former spouse is not covered under another qualified plan as defined in section 62E.02, subdivision 4, up to age 65 or to the day before the date of eligibility for coverage under title XVIII of the Social Security Act, as amended. Any revisions in the table of rate for the individual contract shall apply to the former spouse's original age at entry, and shall apply equally to all similar contracts issued by the health maintenance organization.

Subd. 2a. [CONTINUATION PRIVILEGE.] Every health maintenance contract as described in subdivision 1 shall contain a provision which permits continuation of coverage under the contract for the enrollee's former spouse and children upon entry of a valid decree of dissolution of marriage;

if the decree requires the enrollee to provide continued coverage for those persons. The coverage may shall be continued until the earlier of the following dates:

(a) The date of remarriage of either the enrollee or the enrollee's former spouse the enrollee's former spouse becomes covered under another group plan or Medicare; or

(b) The date coverage would otherwise terminate under the health maintenance contract.

If coverage is provided under a group policy, any required premium contributions for the coverage must be paid by the enrollee on a monthly basis to the group contract holder to be paid to the health maintenance organization. The fee charged must not exceed 102 percent of the cost to the plan for the period of coverage for other similarly situated spouses and dependent children when the marital relationship has not dissolved, regardless of whether the cost is paid by the employer or employee.

Subd. 3. [APPLICATION.] Subdivision 1 applies to every health maintenance contract which is delivered, issued for delivery, renewed or amended on or after July 19, 1977.

Subdivisions 2 and 2a apply to every health maintenance contract which is delivered, issued for delivery, renewed, or amended on or after March 1, 1983.

Sec. 7. [62D.104] [REQUIRED OUT-OF-AREA CONVERSION.]

Notwithstanding section 62A.17, subdivisions 1 and 6, enrollees who have become nonresidents of the health maintenance organization's service area but remain residents of the state of Minnesota must be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3; or, if the enrollees are covered by Title XVIII of the Social Security Act (Medicare), they must be given the option of a qualified Medicare supplement plan as provided by sections 62A.31 to 62A.35. This option must be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

Sec. 8. [62D.105] [COVERAGE OF CURRENT SPOUSE AND CHILDREN.]

Subdivision 1. [REQUIREMENT.] Every health maintenance contract that in addition to covering the enrollee also covers the spouse and dependent children of the enrollee must: (1) permit the spouse and dependent children to elect to continue coverage when the enrollee becomes enrolled for benefits under Title XVIII of the Social Security Act (Medicare); and (2) permit the dependent children to continue coverage when they cease to be dependent children under the generally applicable requirement of the plan.

Subd. 2. [CONTINUATION PRIVILEGE.] The coverage described in subdivision 1 may be continued until the earlier of the following dates:

(1) the date coverage would otherwise terminate under the contract;

(2) 36 months after continuation by the spouse or dependent was elected;

or

(3) the date the spouse or dependent children become covered under another group health plan or Medicare.

If coverage is provided under a group policy, any required fees for the coverage must be paid by the enrollee on a monthly basis to the group contract holder for remittance to the health maintenance organization. The fee charged must not exceed 102 percent of the cost to the plan for coverage for other similarly situated spouses and dependent children to whom subdivision 1 is not applicable, without regard to whether the cost is paid by the employer or employee.

Sec. 9. Minnesota Statutes 1986, section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.]

Subdivision 1. Every health maintenance organization shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. "Provision of health services" includes, but is not limited to, questions of the scope of coverage, quality of care, and administrative operations. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate a complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 1a. Where a complaint involves a dispute about a health maintenance organization's coverage of an immediately and urgently needed service, the commissioner may either (a) review the complaint and any information and testimony necessary in order to make a determination and order the appropriate remedy pursuant to sections 62D.15 to 62D.17, or (b) order the health maintenance organization to use an expedited system to process the complaint.

Subd. 2. The health maintenance organization shall maintain a record of each written complaint filed with it for ~~three~~ five years and the commissioner of health shall have access to the records.

Sec. 10. Minnesota Statutes 1986, section 62D.12, subdivision 2, is amended to read:

Subd. 2. No health maintenance organization may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served, subject to ~~section~~ sections 62A.17, subdivisions 1 and 6, and 62D.104; (e) enrollee moving out of an eligible group, subject to ~~section~~ sections 62A.17, subdivisions 1 and 6, and 62D.104; (f) failure to make copayments required by the health care plan; or (g) other reasons established in rules promulgated by the commissioner of health.

~~An enrollee~~ Subd. 2a. Enrollees shall be given 30 days notice of any cancellation or nonrenewal, except that enrollees who are eligible to receive replacement coverage under section 62D.121, subdivision 1, must receive 90 days notice as provided under section 62D.121, subdivision 5.

Sec. 11. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 14. An enrollee must not be required to obtain approval from the health maintenance organization for services or medical supplies prescribed or authorized by a participating provider when the services or medical supplies are medically necessary and otherwise covered under the health maintenance organization contract. Questions regarding prior authorization and approval are the responsibility of the provider, not the enrollee. Each health maintenance organization shall establish a telephone number, which need not be toll-free, that providers may call with questions about coverage, prior authorization, and approval of medical services. The telephone number must be staffed by an employee of the health maintenance organization during normal working hours during the normal work week. After normal working hours, the telephone number must be equipped with an answering machine and recorded message to allow the caller an opportunity to leave a message. The health maintenance organization must respond to questions within 24 hours after they are received, excluding weekends and holidays. At the request of a provider, the health maintenance organization shall provide a copy of the health maintenance contract for enrollees in the provider's service area.

Sec. 12. [62D.121] [REQUIRED REPLACEMENT COVERAGE.]

Subdivision 1. When membership of an enrollee who has individual health coverage is terminated by the health maintenance organization for a reason other than (a) failure to pay the charge for health care coverage; (b) failure to make copayments required by the health care plan; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; the health maintenance organization must offer or arrange to offer replacement coverage, without evidence of insurability, without preexisting condition exclusions, and without interruption of coverage.

Subd. 2. If the health maintenance organization has terminated individuals from coverage for reasons other than the loss of providers in a service area, the replacement coverage must be health maintenance organization coverage issued by the health maintenance organization terminating coverage.

Subd. 3. The replacement coverage must provide coverage substantially similar to the coverage that was provided to the enrollee by the health maintenance organization canceling coverage. The fee or premium of the replacement coverage must not exceed the premium charged by the state comprehensive health plan as established under section 62E.08, for substantially similar coverage.

If the replacement coverage is health maintenance organization coverage, the fee must not exceed 125 percent of the cost of the average fee charged by health maintenance organizations for a similar health plan. The commissioner of health will determine the average cost of the plan on the basis of information provided annually by the health maintenance organizations concerning the rates charged by the health maintenance organizations for the plans offered.

Subd. 4. The commissioner shall approve or disapprove the replacement coverage within 30 days. A health maintenance organization shall not give enrollees a notice of cancellation of coverage until a replacement policy has been filed with the commissioner and approved or disapproved.

Subd. 5. The health maintenance organization shall provide the terminated enrollees with a notice of cancellation 90 days before the date the cancellation takes effect. If the replacement coverage is approved by the commissioner under subdivision 4, the notice must clearly and completely describe the replacement coverage that the enrollees are eligible to receive and explain the procedure for enrolling. If the replacement coverage is not approved by the commissioner, the health maintenance organization shall provide a cancellation notice with information that the enrollee is entitled to enroll in the state comprehensive health insurance plan with a waiver of the waiting period for preexisting conditions under section 62E.14, subdivisions 1, paragraph (e), and 5.

Subd. 6. [GEOGRAPHIC ACCESSIBILITY.] If the commissioner determines that there are not enough providers to assure that enrollees have accessible health services available in a geographic service area, the commissioner shall institute a plan of corrective action that must be followed by the health maintenance organization. The plan may include but is not limited to requiring the health maintenance organization to make payments to nonparticipating providers for health services for enrollees; requiring the health maintenance organization to discontinue accepting new enrollees in that service area; and requiring the health maintenance organization to reduce its geographic service area. If a nonparticipating provider has been a participating provider with the health maintenance organization within the last year, any payments made under this section must not exceed the payment level of the previous contract.

Sec. 13. Minnesota Statutes 1986, section 62D.17, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may, for any violation of statute or rule applicable to a health maintenance organization, or in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount up to \$10,000 for each violation. In the case of contracts or agreements made pursuant to section 62D.05, subdivisions 2 to 4, each contract or agreement entered into or implemented in a manner which violates sections 62D.01 to 62D.29 shall be considered a separate violation. Reasonable notice in writing to the health maintenance organization shall be given of the intent to levy the penalty and the reasons therefor, and the health maintenance organization may have a reasonable time 15 days within which to remedy the defect in its operations which gave rise to the penalty citation, or have file a written request for an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 14.

Sec. 14. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 9. (a) Each contributing member that terminates individual health coverage regulated under chapter 62A, 62C, 62D, or 64B, for reasons other than (a) nonpayment of premium; (b) failure to make copayments; (c) enrollee moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership; and does not provide or arrange for replacement coverage that meets the requirements of section 12, subdivision 3; shall pay a special assessment to the state plan based upon the number of terminated individuals who join the comprehensive health insurance plan as authorized under section

62E.14, subdivision 1, paragraph (e), and subdivision 6. The contributing member shall pay the association an amount equal to the average cost of an enrollee in the state plan in the year in which the member terminated enrollees, multiplied by the total number of terminated enrollees who enroll in the state plan.

(b) The average cost of an enrollee in the state comprehensive health insurance plan must be determined by dividing the state plan's total annual losses by the total number of enrollees for that year. This cost must be assessed to the contributing member who has terminated health coverage before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 15. Minnesota Statutes 1986, section 62E.11, is amended by adding a subdivision to read:

Subd. 10. Any contributing members who have terminated individual health plans and do not provide or arrange for replacement coverage that meets the requirements of section 12, subdivision 3, and whose former insureds or enrollees enroll in the state comprehensive health insurance plan with a waiver of the preexisting conditions pursuant to section 62E.14, subdivisions 1, paragraph (e), and 6, are liable for the costs of any preexisting conditions of their former enrollees or insureds treated during the first six months of coverage under the state plan. The liability for preexisting conditions must be assessed before the association makes the annual determination of each contributing member's liability as required under this section.

Sec. 16. Minnesota Statutes 1986, section 62E.14, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATE, CONTENTS.] The comprehensive health insurance plan shall be open for enrollment by eligible persons. An eligible person shall enroll by submission of a certificate of eligibility to the writing carrier. The certificate shall provide the following:

(a) Name, address, age, and length of time at residence of the applicant;

(b) Name, address, and age of spouse and children if any, if they are to be insured;

(c) Evidence of rejection, a requirement of restrictive riders, a rate up, or a preexisting conditions limitation on a qualified plan, the effect of which is to substantially reduce coverage from that received by a person considered a standard risk, by at least one association members within six months of the date of the certificate, or other eligibility requirements adopted by rule by the commissioner which are not inconsistent with this chapter and which evidence that a person is unable to obtain coverage substantially similar to that which may be obtained by a person who is considered a standard risk;

(d) For persons applying for coverage as allowed under section 62E.081, evidence that the applicant meets the eligibility requirements of section 62E.081, subdivision 1; ~~and~~

(e) If the applicant has been terminated from individual health coverage which does not provide replacement coverage, evidence that no replacement coverage that meets the requirements of section 12, subdivision 3, was offered, and evidence of termination of individual health coverage by an insurer, nonprofit health service plan corporation, or health maintenance

organization for reasons other than (1) failure to pay the charge for health care coverage; (2) failure to make copayments required by the health care plan; (3) enrollee moving out of the area served; or (4) a materially false statement or misrepresentation by the enrollee in the application for membership; and

(f) A designation of the coverage desired.

An eligible person may not purchase more than one policy from the state plan. Upon ceasing to be a resident of Minnesota a person is no longer eligible to purchase or renew coverage under the state plan.

Sec. 17. Minnesota Statutes 1986, section 62E.14, subdivision 3, is amended to read:

Subd. 3. [PREEXISTING CONDITIONS.] No person who obtains coverage pursuant to this section shall be covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the filing of an application *except as provided under subdivisions 4, 5, and 6.*

Sec. 18. Minnesota Statutes 1986, section 62E.14, is amended by adding a subdivision to read:

Subd. 6. *A Minnesota resident who holds an individual health maintenance contract, individual nonprofit health service corporation contract, or an individual insurance policy previously approved by the commissioners of health or commerce, may enroll in the comprehensive health insurance plan with a waiver of the preexisting condition as described in subdivision 3, without interruption in coverage, provided (1) no replacement coverage that meets the requirements of section 12, subdivision 3, was offered by the contributing member and (2) the policy or contract has been terminated for reasons other than (a) nonpayment of premium; (b) failure to make copayments required by the health care plan; (c) moving out of the area served; or (d) a materially false statement or misrepresentation by the enrollee in the application for membership. The option to enroll in the plan must be exercised within 30 days of termination of the existing policy or contract. Coverage allowed under this section is effective on the date of termination, when the contract or policy is terminated and the enrollee has completed the proper application and paid the required premium or fee. Expenses incurred from the preexisting conditions of individuals enrolled in the state plan under this subdivision must be paid by the contributing member canceling coverage as set forth in section 62D.11, subdivision 10. The application must include evidence of termination of the existing policy or certificate as required in subdivision 1.*

Sec. 19. Minnesota Statutes 1986, section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise

provided to the group. *If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that must be offered to enrollees without the addition of underwriting restrictions.* The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 20. [COMMISSION ON HEALTH PLAN REGULATORY REFORM.]

The commission on health plan regulatory reform created in Laws 1987, chapter 370, article 1, section 11, shall make recommendations for expedited review mechanisms for complaints concerning health maintenance organization coverage of an immediately and urgently needed service.

Sec. 21. [REPEALER.]

Laws 1984, chapter 464, sections 29 and 40, are repealed."

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

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

S.F. No. 2008: A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision

3; 62D.08, by adding a subdivision; 62D.12, subdivision 5; and 62D.18; Minnesota Statutes 1987 Supplement, section 62D.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

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

Page 1, line 29, delete "16" and insert "15"

Page 2, delete section 3

Page 8, line 12, after the stricken period, insert "*The commissioner may allow a health maintenance organization's deposit requirement to be met by a guaranteeing organization, as defined in section 14, subdivision 1, based on the criteria set out in section 14, subdivision 4.*"

Page 8, lines 29 and 33, delete "50" and insert "33"

Page 8, strike lines 35 and 36

Page 9, strike lines 1 to 4

Page 9, line 8, delete "April 1" and insert "December 31"

Page 9, lines 13 and 30, delete "50" and insert "33"

Page 9, strike lines 17 to 27

Page 10, after line 30, insert:

"Sec. 13. Minnesota Statutes 1986, section 62D.041, is amended by adding a subdivision to read:

Subd. 9. [LETTER OF CREDIT.] A health maintenance organization may satisfy one-half of its deposit requirement through use of a letter of credit issued by a bank authorized to do business in this state, provided that:

(1) nothing more than a demand for payment is necessary for payment;

(2) the letter of credit is irrevocable;

(3) according to its terms, the letter of credit cannot expire without due notice from the issuer and the notice must occur at least 60 days prior to the expiration date and be in the form of a written notice to the commissioner;

(4) the letter of credit is issued or confirmed by a bank that is a member of the federal reserve system;

(5) the letter of credit is unconditional, is not contingent upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreements, documents, or entities;

(6) the letter of credit designates the commissioner as beneficiary; and

(7) the letter of credit may be drawn upon after insolvency of the health maintenance organization."

Page 11, line 1, delete "and," and insert a period

Page 11, delete lines 2 to 8

Page 11, lines 12, 17, 23, 27, and 31, delete "16-2/3" and insert "8-1/3"

Page 11, line 22, delete "April 1, 1991" and insert "December 31, 1993"

Page 11, lines 26 and 30, delete "April 1" and insert "December 31"

Page 11, line 27, delete "one-third" and insert "one-fifth"

Page 11, line 31, delete "two-thirds" and insert "two-fifths"

Page 11, after line 33, insert:

"(d) On December 31, 1991, organizations shall have a net worth of three-fifths of an amount equal to 8-1/3 percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater.

(e) On December 31, 1992, organizations shall have a net worth of four-fifths of an amount equal to 8-1/3 percent of the sum of all expenses incurred during the previous calendar year, or \$1,000,000, whichever is greater."

Page 11, line 34, before "The" insert "(a)"

Page 12, line 5, after the period, insert "If the commissioner allows a guaranteeing organization to satisfy the net worth requirement of more than one health maintenance organization, the guaranteeing organization must maintain the required net worth of the guaranteed health maintenance organizations on an aggregate basis.

(b)"

Page 12, line 7, after "worth" insert "or deposit"

Page 12, after line 11, insert:

"(c) No provider may be compelled to serve as a guaranteeing organization."

Pages 12 to 16, delete section 15

Page 16, line 2, delete "62D.044" and insert "62D.043"

Page 16, lines 4, 9, 27, and 36, delete "17" and insert "16"

Page 17, lines 3, 6, and 12, delete "17" and insert "16"

Page 17, line 29, delete "62D.045" and insert "62D.044"

Page 17, delete lines 30 to 36 and insert:

"Subdivision 1. [RESTRICTIONS.] Money of a health maintenance organization must be invested only in securities and property designated by law for investment by domestic life insurance companies, except money may be used to purchase real estate, including leasehold estates and leasehold improvements, only if for the convenient accommodation of the organization's business operations, including the home office, branch offices, medical facilities, and field office operations, on the following conditions:

(1) a parcel of real estate acquired under this subdivision may include excess space for rent to others if it is reasonably anticipated that the excess will be required by the organization for expansion or if the excess is reasonably required in order to have one or more buildings that will function as an economic unit;

(2) the real estate may be subject to a mortgage; and

(3) the purchase price of the asset, including capitalized permanent

improvements, less depreciation spread evenly over the life of the property or less depreciation computed on any basis permitted under the Internal Revenue Code and its regulations, or the organization's equity plus all encumbrances on the real estate owned by a company under this subdivision, whichever is greater, does not exceed 20 percent of its admitted assets, except if permitted by the commissioner upon a finding that the percentage of the health maintenance organization's admitted assets is insufficient to provide convenient accommodation for the organization's business. However, a health maintenance organization that directly provides medical services may invest an additional 20 percent of its admitted assets in real estate, not requiring the permission of the commissioner."

Page 18, delete line 1

Page 18, line 20, delete everything after the period

Page 18, delete lines 21 to 36

Delete page 19, line 1, to page 29, line 36

Page 30, delete lines 1 to 13

Page 30, line 14, delete "9" and insert "5"

Page 31, line 4, after "organization" insert "with appropriate management comments and explanations"

Page 31, line 6, after "quarter" insert ", and must be maintained as public data, as defined by section 13.02, subdivision 14"

Page 31, line 13, strike "the periodic"

Page 31, line 14, strike everything before the period and insert "copayments for health care services. The health maintenance organization shall not have recourse against enrollees or persons acting on their behalf for amounts above those specified in the evidence of coverage as the copayment for health care services"

Page 31, after line 19, insert:

"This subdivision does not limit a provider's ability to seek payment from any person other than the enrollee, the enrollee's guardian or conservator, the enrollee's immediate family members, or the enrollee's legal representative in the event of nonpayment by the health maintenance organization.

Sec. 20. Minnesota Statutes 1986, section 62D.12, is amended by adding a subdivision to read:

Subd. 9b. [PROVIDER ASSUMPTION OF RISK.] No health maintenance organization shall enter into an agreement with a hospital in which the hospital agrees to assume the financial risk for services provided by other facilities or providers not owned, operated, or otherwise subject to the control of the hospital assuming the financial risk."

Page 32, after line 24, insert:

"Sec. 22. Minnesota Statutes 1986, section 62D.14, subdivision 1, is amended to read:

Subdivision 1. The commissioner of health may make an examination of the affairs of any health maintenance organization and its contracts, agreements, or other arrangements with any participating entity as often

as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years; ~~provided that. Examinations of participating entities pursuant to this subdivision shall be limited to their dealings with the health maintenance organization and its enrollees, except that examinations of major participating entities may include inspection of the entity's financial statements kept in the ordinary course of business."~~

Page 33, after line 32, insert:

"If the court approves a contract amendment that diminishes a provider's compensation, the amendment may not be effective for more than 60 days."

Page 34, line 6, delete "23" and insert "24"

Page 34, line 20, delete "money appropriated and"

Page 35, delete lines 1 and 2

Pages 35 and 36, delete section 23 and insert:

"Sec. 24. [62D.181] [INSOLVENCY; ASSIGNED REPLACEMENT COVERAGE.]

Subdivision 1. [DEFINITIONS.] (a) "Health plan" means a health maintenance organization, health insurer, or non-profit health service plan corporation.

(b) "Association" means the Minnesota comprehensive health association created in section 62E.10.

Subd. 2. [ELIGIBLE INDIVIDUALS.] An individual is eligible for assigned replacement coverage under this section if:

(1) the individual had individual health coverage through a health maintenance organization, the coverage is no longer available due to the insolvency of the health maintenance organization, and the individual has not obtained replacement coverage; or

(2) the individual had group health coverage through a health maintenance organization, the coverage is no longer available due to the insolvency of the health maintenance organization, no other health plans are offered by the employer, and the individual has not obtained replacement coverage.

Subd. 3. [APPLICATION AND ASSIGNMENT.] If a health maintenance organization is insolvent and will be liquidated, individuals eligible for assigned replacement coverage under subdivision 2 may apply to the Minnesota comprehensive health association to obtain replacement coverage. Upon receiving an application and evidence that the applicant was enrolled in the health maintenance organization at the time it was determined to be insolvent, the association shall randomly assign eligible individuals to all health plans operating in the service area of the health maintenance organization, in proportion to the statewide total premiums received by the health plans in the previous 12 months.

Subd. 4. [REASSIGNMENT OF INDIVIDUALS.] (a) Before notifying an individual of an assignment under subdivision 3, the association shall notify each health plan of the number of individuals proposed to be assigned to that health plan. Within five working days after a health plan receives the notice, the health plan may petition the association to reduce the

number of individuals assigned to the health plan. If the health plan demonstrates that it does not have the provider capacity to adequately serve all of the additional individuals, the association shall reduce the number accordingly and reallocate the individuals to other health plans with sufficient capacity.

(b) Within 14 days after receiving notice of assignment to replacement coverage under subdivision 3, an individual may petition the association for reassignment to a different health plan. The association shall reassign the individual if the association determines that the medical treatment of a preexisting condition will be adversely affected by the initial assignment.

Subd. 5. [COVERAGE.] Replacement coverage assigned under this section must be a number two qualified plan, as described in section 62E.06, subdivision 2, or for individuals over age 65, a medicare supplement 2 plan, as described in section 62A.34.

Subd. 6. [PREMIUM.] The premium for replacement coverage assigned under this section must not exceed 80 percent of the premium for the comparable coverage offered by the Minnesota comprehensive health association.

Subd. 7. [DURATION.] The duration of replacement coverage assigned under this section is:

(1) for individuals eligible under subdivision 2, clause (1), 90 days; and

(2) for individuals eligible under subdivision 2, clause (2), 90 days or the length of time remaining in the group contract with the insolvent health maintenance organization, whichever is greater."

Page 36, delete section 25 and insert:

"Sec. 26. Minnesota Statutes 1986, section 62D.19, is amended to read:

62D.19 [UNREASONABLE EXPENSES.]

No health maintenance organization shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner of health shall implement and enforce this section by rules adopted under this section.

*In an effort to achieve the stated purposes of sections 62D.01 to 62D.29; in order to safeguard the underlying nonprofit status of health maintenance organizations; and to ensure that the payment of health maintenance organization money to major participating entities results in a corresponding benefit to the health maintenance organization and its enrollees, when determining whether an organization has incurred an unreasonable expense in relation to a major participating entity, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the health maintenance organization have acted with good faith and in the best interests of the health maintenance organization in entering into, and performing under, a contract under which the health maintenance organization has incurred an expense. *The commissioner has standing to sue, on behalf of a health maintenance organization, officers or trustees of the health maintenance organization who have breached their fiduciary duty in entering into and performing contracts.**

Sec. 27. [REPORT.]

By January 31, 1992, the commissioners of health and commerce shall

jointly issue a report analyzing the inclusion of health maintenance organizations in the life and health guaranty association, the effects such inclusion has on enrollees, member insurers, and health maintenance organizations, and recommending whether to continue such inclusion."

Page 36, line 14, after the period, insert "Section 24 is repealed June 30, 1992."

Page 36, line 16, delete "26" and insert "27"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 10 to 12, delete "including health maintenance organizations in the Life and Health Guaranty Association" and insert "providing for assigned replacement coverage in the event of insolvency"

Page 1, line 14, after the semicolon, insert "expanding the power of the commissioner of health to examine records and enforce requirements; requiring a report;"

Page 1, line 18, after "5" insert ", and by adding a subdivision; 62D.14, subdivision 1;" and delete "and" and after "62D.18;" insert "and 62D.19;"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1569: A bill for an act relating to transportation; removing restrictions on the funding of tourist information centers; repealing Minnesota Statutes 1987 Supplement, section 161.52.

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

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

S.F. No. 2311: A bill for an act relating to employment and training; creating an advisory task force on the employment and training of dislocated workers.

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

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

S.F. No. 2376: A resolution memorializing the Congress of the United States to reinstate diesel fuel tax exemptions for farmers and other off-road users.

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

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

S.F. No. 2345: A bill for an act relating to agriculture; changing and clarifying the small business development loan portion of the agricultural

resource loan guarantee program; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivision 16; and 41A.036, by adding subdivisions.

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

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

S.F. No. 2322: A bill for an act relating to agriculture; appropriating money for beginning farmer educational programs.

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

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

S.F. No. 1762: A bill for an act relating to agriculture; clarifying an exemption of farm equipment; amending Minnesota Statutes 1986, section 550.37, subdivision 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 323.24, is amended to read:

323.24 [NATURE OF A PARTNER'S RIGHT IN SPECIFIC PARTNERSHIP PROPERTY.]

A partner is coowner with the other partners of specific partnership property holding as a tenant in partnership.

The incidents of this tenancy are such that:

(1) A partner, subject to the provisions of this chapter and to any agreement between the partners, has an equal right with the other partners to possess specific partnership property for partnership purposes; but has no right to possess such property for any other purpose without the consent of the other partners;

(2) A partner's right in specific partnership property is not assignable except in connection with the assignment of the rights of all the partners in the same property;

(3) A partner's right in specific partnership property is not subject to attachment, garnishment or execution, except on a claim against the partnership; when partnership property is attached for a partnership debt the partners, or any of them, or the representatives of a deceased partner, cannot claim any right under the homestead or exemption laws, *except as specifically authorized under the homestead or exemption laws*;

(4) On the death of a partner that partner's right in specific partnership property vests in the surviving partner or partners, except where the deceased was the last surviving partner, when the deceased's right in such property vests in the deceased's legal representative; such surviving partner or partners, or the legal representative of the last surviving partner, has no right to possess the partnership property for any but a partnership purpose; and

(5) A partner's right in specific partnership property is not subject to

dower, curtesy, the statutory interest of a surviving spouse, or allowances to a surviving spouse, heirs or next of kin.

Sec. 2. Minnesota Statutes 1986, section 550.37, subdivision 18, is amended to read:

Subd. 18. The exemptions provided for in subdivisions 3 to 15 extend only to debtors who are natural persons, *partnerships of spouses, and partnerships of natural persons related to each other within the third degree of kindred according to the rules of civil procedure.*

Sec. 3. Minnesota Statutes 1986, section 550.37, subdivision 19, is amended to read:

Subd. 19. [WAIVER.] The exemption of the property listed in subdivisions 2, 3, and 5 to 12a may not be waived *with regard to a security interest* except by a statement in substantially the following form, in bold face type of a minimum size of 12 points, signed and dated by the debtor at the time of the execution of the contract surrendering the exemption, immediately adjacent to the listing of the property: "I understand that some or all of the above property is normally protected by law from the claims of creditors, and I voluntarily give up my right to that protection for the above listed property with respect to claims arising out of this contract."

Delete the title and insert:

"A bill for an act relating to agriculture; allowing exemptions for partnerships if the partnership is made up of certain individuals; amending Minnesota Statutes 1986, sections 323.24; and 550.37, subdivisions 18 and 19."

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

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

S.F. No. 2133: A bill for an act relating to workers' compensation; providing coverage for preventive rabies treatment; amending Minnesota Statutes 1987 Supplement, section 176.135, subdivision 1.

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

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

S.F. No. 1968: A bill for an act relating to economic development; providing for the use of municipal resources for establishment of a local revolving loan fund; amending Minnesota Statutes 1987 Supplement, section 116N.08, subdivision 8.

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

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

S.F. No. 1964: A bill for an act relating to public finance; providing conditions of local and state government debt financing; allocating bonding

authority subject to a volume cap under federal tax law; amending Minnesota Statutes 1987 Supplement, sections 474A.04, subdivision 1a; 474A.061, subdivisions 2 and 4; and 474A.091; repealing Minnesota Statutes 1987 Supplement, section 474A.061, subdivision 5.

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

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

S.F. No. 1672: A bill for an act relating to housing; repealing the expiration date of housing and redevelopment authorities' power to provide interest reduction assistance; repealing Minnesota Statutes 1987 Supplement, section 469.012, subdivision 10.

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

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

S.F. No. 2033: A bill for an act relating to intoxicating liquor; exempting new municipal liquor stores from vote on discontinuance for failure to show a profit; amending Minnesota Statutes 1986, section 340A.602.

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

Delete everything after the enacting clause and insert:

"Section 1. [CONTINUANCE OF MUNICIPAL LIQUOR STORE IN PROCTOR.]

Notwithstanding the provisions of Minnesota Statutes, section 340A.602, the city of Proctor may continue to operate a municipal liquor store without holding a public hearing on the continuation of the municipal liquor store under that section or without being required to submit the continuation of the municipal liquor store to a referendum under that section. The authority granted by this section expires five years from the effective date of this section.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on approval by the Proctor city council and compliance with section 645.021."

Delete the title and insert:

"A bill for an act relating to the city of Proctor; authorizing the continuance of a municipal liquor store."

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

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

S.F. No. 1795: A bill for an act relating to alcoholic beverages; increasing the time period for notification to licensing authorities of cancellation of liquor liability insurance; specifying that hearings by licensing authorities on license suspensions or revocations need not be before an administrative hearing officer; amending Minnesota Statutes 1986, section 340A.409,

subdivision 1; and Minnesota Statutes 1987 Supplement, section 340A.415.

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

Page 2, line 19, after "for" insert ":

(1)" and after "cause" insert ", *except for nonpayment of premium,*"

Page 2, line 22, before the period, insert "; and

(2) *nonpayment of premium unless the canceling party has first given ten days' notice in writing to the issuing authority of intent to cancel the policy*"

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

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

S.F. No. 2357: A bill for an act relating to liquor; authorizing the city of Blaine to issue an on-sale intoxicating liquor license to the city of Blaine.

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

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

S.F. No. 2352: A bill for an act relating to alcoholic beverages; defining importers as brewers in the beer wholesaling act; amending Minnesota Statutes 1986, section 325B.01, subdivision 4.

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

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

S.F. No. 1739: A bill for an act relating to workers' compensation; providing for the calculation of compensation for volunteer firefighters; amending Minnesota Statutes 1986, section 176.011, subdivision 3.

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

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

S.F. No. 2121: A bill for an act relating to human services; appropriating money for administering service delivery improvement pilot projects.

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

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

S.F. No. 2324: A bill for an act relating to agriculture; appropriating money for bluegrass seed and turf production.

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

Page 1, after line 16, insert:

"Sec. 2. [ALFALFA EXTRACTION PROCESS.]

\$300,000 is appropriated from the general fund to the commissioner of agriculture to be matched on a 2 to 1 basis with other funds, equipment, and services to establish a pilot plant for a protein xanthophyll alfalfa extraction process. The commissioner must contract to establish a pilot plant for the process and operations of the plant with the required testing for markets.

Sec. 3. [SWEET SORGHUM RESEARCH AND DEMONSTRATION.]

\$94,000 is appropriated from the general fund to the commissioner of agriculture to contract for sweet sorghum research and demonstration projects that provide information about the feasibility of growing sweet sorghum as a Minnesota crop."

Amend the title as follows:

Page 1, line 3, before the period, insert ", alfalfa extraction process pilot plant, and sweet sorghum research and demonstration projects"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 1154: A bill for an act relating to motor vehicles; taxation; imposing a \$25 sales tax on certain collector motor vehicles; amending Minnesota Statutes 1986, sections 297B.02, subdivision 2, and by adding a subdivision; and 297B.025.

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

Page 1, line 18, delete "\$25" and insert "\$90"

Page 2, line 26, delete "1987" and insert "1988"

Amend the title as follows:

Page 1, line 2, delete "\$25" and insert "\$90"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S.F. No. 267: A bill for an act relating to transportation; increasing amount authorized for state transportation bonds for bridges; amending Laws 1979, chapter 280, sections 1 and 2, as amended.

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

Page 3, line 6, delete "1987" and insert "1988"

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

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

S.F. No. 1783: A bill for an act relating to motor vehicles; requiring mandatory annual inspection of motor vehicle emission control equipment on vehicles registered in the metropolitan area; prescribing powers and duties of the pollution control agency and the department of public safety; imposing fees for inspection; prescribing penalties; requiring that gasoline sold in the metropolitan area for use in motor vehicles must contain oxygenated fuel; requiring the commissioners of agriculture, transportation, pollution control agency, and public service to recommend an oxygenated fuel to the legislature; appropriating money; amending Minnesota Statutes 1986, section 296.16, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Page 2, line 22, delete everything after "(a)"

Page 2, line 23, delete "July 1, 1990,"

Pages 7 and 8, delete section 7

Page 8, line 8, delete "By January 1, 1989,"

Page 8, line 9, before "the" insert "of"

Page 8, line 10, after "shall" insert "*study the feasibility of requiring or encouraging the use of oxygenated fuel. By January 1, 1989, they shall make recommendations to the legislature concerning requirements or incentives for the use of oxygenated fuel, and may*"

Page 8, line 12, delete everything after "gasoline" and insert a period

Page 8, line 13, delete "selecting the recommended fuel,"

Page 8, after line 30, insert:

"Sec. 8. [EVALUATION OF OXYGENATED FUELS.]

The pollution control agency shall evaluate the costs and benefits of including an oxygenated fuels component in the vehicle inspection program and report its findings to the legislature by January 1, 1989."

Page 9, line 18, delete "8" and insert "7"

Page 9, line 19, delete "Sections 2 and 7 are" and insert "Section 2 is"

Page 9, line 20, delete "9, 10, and 11" and insert "8, 9, and 10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 11, after "to" insert "report"

Page 1, line 12, delete everything before "to" and after "legislature" insert "on their study of oxygenated fuels"

Page 1, line 13, delete everything after the semicolon

Page 1, line 14, delete everything before "proposing"

And when so amended the bill do pass and be re-referred to the Committee on Agriculture. Mr. Merriam questioned the reference thereon and,

under Rule 35, the bill was referred to the Committee on Rules and Administration.

SECOND READING OF SENATE BILLS

S.F. Nos. 1763, 1741, 1613, 1859, 1817, 2210, 2102, 2177, 2046, 1820, 1582, 1652, 1744, 1761, 1835, 1868, 994, 1304, 1861, 2376, 2133, 1672, 2033, 1795, 2357, 2352 and 1739 were read the second time.

MOTIONS AND RESOLUTIONS

Mrs. Lantry moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 994. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Marty be added as a co-author to S.F. No. 1669. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Marty be added as a co-author to S.F. No. 1695. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Marty be added as a co-author to S.F. No. 1719. The motion prevailed.

Mr. Spear moved that the name of Mr. Marty be added as a co-author to S.F. No. 1832. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 1978. The motion prevailed.

Mr. Marty moved that the name of Mr. Hughes be added as a co-author to S.F. No. 2021. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 2024. The motion prevailed.

Mr. DeCramer moved that the names of Ms. Reichgott; Peterson, D.C. and Olson be added as co-authors to S.F. No. 2281. The motion prevailed.

Mr. Peterson, R.W. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 2342. The motion prevailed.

Mr. Diessner moved that S.F. No. 2027 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 2028 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 2030 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 2031 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 2032 be withdrawn from the Committee on Employment and returned to its author. The motion prevailed.

Mr. Wegscheid introduced—

Senate Resolution No. 117: A Senate resolution congratulating Gerald E. Stelzel of Farmington for receiving the Minnesota Leader of the Year Award.

Referred to the Committee on Rules and Administration.

Ms. Olson, Messrs. Merriam and Jude introduced—

Senate Resolution No. 118: A Senate resolution congratulating the city of Plymouth for its recycling efforts.

Referred to the Committee on Rules and Administration.

Messrs. Lessard; Moe, R.D.; Merriam; Larson and Taylor introduced—

Senate Concurrent Resolution No. 22: A Senate concurrent resolution commending Daniel Smith for winning the 1988-1989 Federal Duck Stamp competition.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 22 be laid on the table. The motion prevailed.

Mr. Pehler moved that S.F. No. 1672, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Moe, R.D. moved that Senate Resolution No. 115 be withdrawn from the Committee on Rules and Administration and laid on the table. The motion prevailed.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

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

S.F. No. 232: Messrs. Cohen, Laidig and Pogemiller.

H.F. No. 257: Messrs. Moe, D.M.; Wegscheid and Freeman.

S.F. No. 1575: Messrs. Berg, Merriam and Lessard.

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Cohen; Pogemiller; Peterson, R.W. and Ramstad introduced—

S.F. No. 2429: A bill for an act relating to drivers' licenses; requiring destruction of records of revocation or suspension when rescinded; amending Minnesota Statutes 1986, section 171.12, by adding a subdivision.

Referred to the Committee on Judiciary.

Messrs. Storm, Belanger and Jude introduced—

S.F. No. 2430: A bill for an act relating to metropolitan government; providing a salary for a part-time chair of the regional transit board; amending Minnesota Statutes 1987 Supplement, section 15A.081, subdivisions 1 and 7.

Referred to the Committee on Governmental Operations.

Mr. Storm introduced—

S.F. No. 2431: A bill for an act relating to appropriations; deleting the positive general fund balance allocation to the Greater Minnesota Corporation and the budget and cash flow reserve; amending Minnesota Statutes 1987 Supplement, section 16A.1541.

Referred to the Committee on Finance.

Mr. Storm introduced—

S.F. No. 2432: A bill for an act relating to utilities; requiring an electric utility to compensate property owners for the loss of large trees due to construction of a high voltage transmission line; amending Minnesota Statutes 1986, section 116C.63, by adding a subdivision.

Referred to the Committee on Public Utilities and Energy.

Mr. Storm introduced—

S.F. No. 2433: A bill for an act relating to utilities; amending the definition of "high voltage transmission line"; amending Minnesota Statutes 1986, section 116C.52, subdivision 3.

Referred to the Committee on Public Utilities and Energy.

Mr. Laidig introduced—

S.F. No. 2434: A bill for an act relating to obscenity; providing civil and equitable remedies against owners of businesses in which obscene materials or performances are sold or exhibited; proposing coding for new law in Minnesota Statutes, chapter 617.

Referred to the Committee on Judiciary.

Mr. Laidig introduced—

S.F. No. 2435: A bill for an act relating to taxation; property tax refunds; restoring the full amount for 1986 claims plus ten percent; removing the appropriation limit for 1987 claims; appropriating money; repealing Laws 1987, chapter 268, article 3, section 12.

Referred to the Committee on Taxes and Tax Laws.

Mr. Laidig introduced—

S.F. No. 2436: A bill for an act relating to environmental protection; prohibiting the location of mixed municipal solid waste disposal facilities in metropolitan regional parks; amending Minnesota Statutes 1986, section 473.803, subdivision 1a.

Referred to the Committee on Environment and Natural Resources.

Messrs. Pehler, Stumpf, Spear and Laidig introduced—

S.F. No. 2437: A bill for an act relating to education; appropriating money to the Minnesota Hispanic Education Program, Inc.

Referred to the Committee on Education.

Mr. Ramstad and Ms. Olson introduced—

S.F. No. 2438: A bill for an act relating to retirement; excluding volunteer firefighters in the city of Minnetonka from membership in the public employees retirement association and police and fire fund.

Referred to the Committee on Governmental Operations.

Mr. Bertram introduced—

S.F. No. 2439: A bill for an act relating to veterans; requiring cities and towns to fly the POW-MIA flag; proposing coding for new law in Minnesota Statutes, chapter 471.

Referred to the Committee on Veterans.

Mr. Bertram introduced—

S.F. No. 2440: A bill for an act relating to education; requiring time for the patriotic observance of Memorial Day in the schools; amending Minnesota Statutes 1986, section 126.13.

Referred to the Committee on Education.

Mr. DeCramer introduced—

S.F. No. 2441: A bill for an act relating to education; allowing three districts to form an education district upon state board approval; amending Minnesota Statutes 1987 Supplement, section 122.91, subdivision 3.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 2442: A bill for an act relating to retirement; authorizing payment of survivor benefits to the divorced former spouse of a certain member of the public employees retirement association.

Referred to the Committee on Governmental Operations.

Mr. Merriam introduced—

S.F. No. 2443: A bill for an act relating to housing; providing the right of first refusal to manufactured home park residents; proposing coding for new law in Minnesota Statutes, chapter 327C.

Referred to the Committee on Economic Development and Housing.

Mr. Merriam introduced—

S.F. No. 2444: A bill for an act relating to game and fish; allowing possession and use of landing nets and landing nets discharging electric current; proposing coding for new law in Minnesota Statutes, chapter 97C.

Referred to the Committee on Environment and Natural Resources.

Mr. Peterson, R.W. introduced—

S.F. No. 2445: A bill for an act relating to lake improvement districts; providing for notice of their annual meetings; amending Minnesota Statutes 1986, section 378.545, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Messrs. Brandl; Davis; Moe, D.M.; Johnson, D.J. and Wegscheid introduced—

S.F. No. 2446: A bill for an act relating to taxation; imposing membership requirements on private golf clubs qualifying for taxation under the open space property tax law; amending Minnesota Statutes 1986, section 273.112, subdivisions 3 and 6.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Davis, Morse and Merriam introduced—

S.F. No. 2447: A bill for an act relating to agriculture; establishing an industrial by-product soil buffering materials demonstration project and study; appropriating money.

Referred to the Committee on Agriculture.

Mr. Benson introduced—

S.F. No. 2448: A bill for an act relating to retirement; Fillmore county; authorizing service credit in the public employees retirement association based on certain omitted deductions and contributions.

Referred to the Committee on Governmental Operations.

Mr. Waldorf introduced—

S.F. No. 2449: A bill for an act relating to retirement; requiring a majority vote of all members of the St. Paul police and fire department relief associations on consolidation with the public employees retirement association; amending Minnesota Statutes 1987 Supplement, section 353A.02, subdivision 17.

Referred to the Committee on Governmental Operations.

Mr. Belanger introduced—

S.F. No. 2450: A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Luther introduced—

S.F. No. 2451: A bill for an act relating to claims against the state; clarifying that a public defender appointed by the state board of public defense is an employee of the state; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1.

Referred to the Committee on Judiciary.

Mr. Metzen introduced—

S.F. No. 2452: A bill for an act relating to public safety; providing that bomb disposal workers are state employees when disposing of bombs outside the jurisdiction of their municipal employer, for purposes of tort claims and workers' compensation; amending Minnesota Statutes 1987 Supplement, section 3.732, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176.

Referred to the Committee on Governmental Operations.

Mr. DeCramer introduced—

S.F. No. 2453: A bill for an act relating to charitable gambling; licensing lessors of gambling devices; authorizing and regulating the use of video pull-tab devices at certain locations; regulating wholesalers and distributors of these devices; providing a tax; amending Minnesota Statutes 1986, sections 349.12, by adding a subdivision; 349.161, subdivisions 1 and 2; 349.162, subdivision 2; 349.163, subdivisions 1, 3, and by adding subdivisions; 349.211, subdivision 2a; 349.212, by adding a subdivision; 349.2121, subdivision 1; and 349.30, subdivision 2; Minnesota Statutes 1987 Supplement, sections 349.12, subdivision 15; 349.161, subdivisions 3 and 5; 349.212, subdivision 4; 349.2121, subdivision 4a and 10; and 349.2122; proposing coding for new law in Minnesota Statutes, chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. Lessard, Pogemiller, Bertram and Gustafson introduced—

S.F. No. 2454: A bill for an act relating to taxation; property; classifying utility property as commercial-industrial; classifying certain personal property; amending Minnesota Statutes 1986, section 273.13, by adding a subdivision; and Minnesota Statutes 1987 Supplement, section 273.13, subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Mehrkens, Vickerman, Diessner, Laidig and Bertram introduced—

S.F. No. 2455: A bill for an act relating to motor vehicles; providing for special license plates; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Transportation.

Messrs. Solon, Samuelson, Frank, Marty and Kroening introduced—

S.F. No. 2456: A bill for an act relating to energy; creating a legislative advisory task force on energy policies for low-income persons and providing for the duties of the task force.

Referred to the Committee on Public Utilities and Energy.

Messrs. Wegscheid, Pogemiller, Jude and Renneke introduced—

S.F. No. 2457: A bill for an act relating to public employment; state troopers; limiting the ratio of supervisors to troopers; amending Minnesota Statutes 1986, section 299D.03, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Benson introduced—

S.F. No. 2458: A bill for an act relating to claims against the state; appropriating funds for the payment of certain claims.

Referred to the Committee on Finance.

Mr. Davis introduced—

S.F. No. 2459: A bill for an act relating to education; authorizing the sale of bonds for the maximum effort school loan fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Solon and Gustafson introduced—

S.F. No. 2460: A bill for an act relating to education; appropriating money for an optical fiber telecommunications system and related interconnections.

Referred to the Committee on Education.

Messrs. Beckman, DeCramer, Vickerman and Frank introduced—

S.F. No. 2461: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Mr. Dicklich introduced—

S.F. No. 2462: A bill for an act relating to retirement; teachers retirement association; authorizing certain refund repayments; amending Minnesota Statutes 1986, section 354.50, by adding a subdivision.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 2463: A bill for an act relating to human services; clarifying the administration of human services programs; establishing a compliance system for certain public assistance programs; establishing a public assistance incentive fund; appropriating money; amending Minnesota Statutes

1986, sections 256.72; 256.81; 256.82, subdivision 1; 256.871, subdivision 6; 256.935, subdivision 1; 256.991; 256B.041, subdivisions 5 and 7; 256B.05, subdivision 1; 256B.19, subdivision 2; 256D.03, subdivision 6; 256D.04; 256D.36, subdivision 1; and 393.07, subdivision 2; Minnesota Statutes 1987 Supplement, sections 256.01, subdivision 2; 256B.091, subdivision 8; 256B.19, subdivision 1; 256D.03, subdivision 2; 393.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1987 Supplement, sections 245.775; and 256D.22.

Referred to the Committee on Health and Human Services.

Mr. Lessard introduced—

S.F. No. 2464: A bill for an act relating to game and fish; authorizing possession of handguns while hunting bear by archery; amending Minnesota Statutes 1986, section 97B.211, subdivision 1.

Referred to the Committee on Environment and Natural Resources.

Messrs. Luther; Johnson, D.J.; Pehler; Moe, R.D. and Novak introduced—

S.F. No. 2465: A bill for an act relating to state agencies; amending the authority of the Minnesota amateur sports commission; correcting references; exempting rulemaking from chapter 14; authorizing the commission to establish nonprofit corporations and charitable foundations; amending Minnesota Statutes 1987 Supplement, sections 16A.661, subdivision 3; 240A.02, subdivision 2; 240A.03, subdivisions 10, 12, and by adding a subdivision; and 297A.44, subdivision 1; and Laws 1987, chapter 400, section 13.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 2466: A bill for an act relating to human services; establishing a demonstration project for child and adolescent crisis intervention and suicide prevention; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Moe, D.M. introduced—

S.F. No. 2467: A bill for an act relating to state government; removing the expiration date of the governor's residence council and making the council permanent; amending Minnesota Statutes 1986, section 16B.27, subdivision 3.

Referred to the Committee on Governmental Operations.

Ms. Berglin introduced—

S.F. No. 2468: A bill for an act relating to consumer protection; regulating lay away sales to consumers; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Commerce.

Messrs. Berg, Bernhagen and Lessard introduced—

S.F. No. 2469: A bill for an act relating to natural resources; correcting certain provisions for net size for the taking of ciscoes; amending Minnesota Statutes 1986, section 97C.805, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Wegscheid introduced—

S.F. No. 2470: A bill for an act relating to securities; exempting certain over-the-counter securities from registration requirements; amending Minnesota Statutes 1987 Supplement, section 80A.15, subdivision 1.

Referred to the Committee on Commerce.

Mr. Belanger introduced—

S.F. No. 2471: A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

Referred to the Committee on Commerce.

Mr. Diessner introduced—

S.F. No. 2472: A bill for an act relating to crimes; increasing the penalties for issuing dishonored checks with aggregate value greater than \$200; amending Minnesota Statutes 1986, section 609.535, subdivision 2, and by adding a subdivision.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 2473: A bill for an act relating to workers' compensation; regulating self-insurance; establishing a self-insurer guaranty fund; proposing coding for new law as Minnesota Statutes, chapter 176C.

Referred to the Committee on Employment.

Mr. Wegscheid introduced—

S.F. No. 2474: A bill for an act relating to insurance; single premium annuity contracts; regulating the issuance to, and approval by, volunteer firefighters relief associations; amending Minnesota Statutes 1986, section 424A.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

Referred to the Committee on Governmental Operations.

Messrs. Ramstad; Larson; Johnson, D.E.; Benson and Gustafson introduced—

S.F. No. 2475: A bill for an act relating to workers' compensation; regulating workers' compensation benefits and administration; regulating workers' compensation insurance; requiring certain reports relating to workers' compensation; amending Minnesota Statutes 1986, sections 79.251, subdivisions 2, 3, 4, and 5; 79.252, subdivision 1; 176.011, subdivisions 3 and

18, and by adding a subdivision; 176.021, subdivision 3; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, and 5, and by adding a subdivision; 176.102, subdivisions 1, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, and 20; 176.131, subdivisions 1a, 2, 3, 4, and 5, and by adding a subdivision; 176.132, subdivisions 1 and 2; 176.645, subdivision 2; 176.66, subdivision 11; 480A.06, subdivision 4; Minnesota Statutes 1987 Supplement, sections 176.102, subdivisions 3, 3a, and 4; 176.111, subdivisions 15 and 21; 176.131, subdivisions 1 and 8; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1986, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07, subdivisions 1, 3, and 4; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; and 176.101, subdivisions 3a to 3u and 6; Minnesota Statutes 1987 Supplement, section 175A.07, subdivision 2.

Referred to the Committee on Employment.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that S.F. No. 2345 be withdrawn from the Committee on Finance and re-referred to the Committee on Economic Development and Housing. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 10, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate