

## SEVENTY-SECOND DAY

St. Paul, Minnesota, Monday, March 21, 1988

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

### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Ralph Johnson.

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

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

The President declared a quorum present.

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1772.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1988

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. 1711: A bill for an act relating to Aitkin county; permitting the county to regulate certain public land interests by ordinance.

Senate File No. 1711 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 17, 1988

Mr. Chmielewski moved that the Senate do not concur in the amendments by the House to S.F. No. 1711, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1779, 1877, 1980, 2372, 1795, 1995, 2038 and 2431.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 17, 1988

### FIRST READING OF HOUSE BILLS

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

H.F. No. 1779: A bill for an act relating to agriculture; changing certain licensing requirements of the consolidated food licensing law; amending Minnesota Statutes 1986, section 28A.06.

Referred to the Committee on Agriculture.

H.F. No. 1877: A bill for an act relating to labor; regulating the labor-management committee grant program; amending Minnesota Statutes 1986, sections 179.81, subdivisions 2 and 4; 179.82; 179.83, subdivision 1; 179.84, subdivision 1; and 179.85; repealing Minnesota Statutes 1986, sections 179.83, subdivision 2; and 179.84, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1732, now on General Orders.

H.F. No. 1980: A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; adding, deleting, and substituting routes on the trunk highway system; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2344.

H.F. No. 2372: A bill for an act relating to human services; setting forth goals for regional treatment centers in the continuum of mental health services; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2273, now on General Orders.

H.F. No. 1795: A bill for an act relating to human services; creating a task force to study building code standards for family and group family day care homes; changing building code requirements concerning certain child care facilities; amending Minnesota Statutes 1987 Supplement, sections 16B.61, subdivision 3; and 245A.09, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1617, now on General Orders.

H.F. No. 1995: A bill for an act relating to state building code; allowing use of double cylinder deadbolt locks in certain instances; amending Minnesota Statutes 1987 Supplement, section 16B.61, subdivision 3.

Referred to the Committee on Economic Development and Housing.

H.F. No. 2038: A bill for an act relating to employment; regulating youth employment programs; requiring that new jobs do not replace existing jobs; providing for compensation at the state or federal minimum wage; regulating employment contracts; authorizing the department of jobs and training to buy real estate and locate offices in Minneapolis; amending Minnesota Statutes 1986, sections 268.31, 268.32, and 268.34; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2039, now on General Orders.

H.F. No. 2431: A bill for an act relating to the St. Paul police relief association and the St. Paul fire department relief association; providing for the inclusion of retired members on the boards of directors of the relief associations.

Referred to the Committee on Governmental Operations.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 2095: A bill for an act relating to education; establishing the amount of the formula allowance for general education revenue for fiscal year 1990; amending Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 2.

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

Delete everything after the enacting clause and insert:

### "ARTICLE 1

#### GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1986, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the assessed valuation of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the mill rate as determined by the county auditor based upon the original assessed valuation is applied upon the changed

valuations, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. ~~In August of Each year,~~ the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 275.48. The abatement adjustment shall be recognized as revenue in the fiscal year in which it is received. The amount of the abatement adjustment shall be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding October according to the following:

(i) ~~sections 124A.03, subdivision 1, 124A.06, subdivision 3a, and 124A.08, subdivision 3a, section 124A.23~~ if the district is entitled to basic foundation receives general education aid according to that section 124A.02;

(ii) ~~section 124A.10, subdivision 3a,~~ if the district is entitled to third tier aid according to section 124A.10, subdivision 4;

(iii) ~~sections 124A.12, subdivision 3a, and 124A.14, subdivision 5a,~~ if the district is eligible for fourth tier aid according to section 124A.12, subdivision 4;

(iv) ~~sections 124A.03, subdivision 4, and 275.125, subdivision 2j,~~ if the district is entitled to summer school aid according to section 124.201; and

~~(v) (ii) section 275.125, subdivisions 5 and 5c,~~ if the district is entitled to receives transportation aid according to section 124.225, subdivision 8a;

(b) to the total amount of the district's certified levy in the preceding October pursuant according to sections 124A.03, ~~124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a 124A.23,~~ and 275.125, plus or minus auditor's adjustments.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124.214, subdivision 3, is amended to read:

Subd. 3. [EXCESS TAX INCREMENT.] If a return of excess tax increment is made to a school district pursuant to section 469.176, subdivision 2, or upon decertification of a tax increment district, the school district's aid entitlements and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(a) An amount must be subtracted from the school district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the school district, times

(2) the ratio of:

(A) the sum of the amounts of the school district's certified levy for the fiscal year in which the excess tax increment is paid according to the

following:

(i) ~~sections 124A.03, subdivision 1, 124A.06, subdivision 3a, and 124A.08, subdivision 3a, section 124A.23~~ if the school district is ~~entitled to basic foundation receives general education aid~~ according to ~~that section 124A.02;~~

(ii) ~~sections 124A.10, subdivision 3a, and 124A.20, subdivision 2,~~ if the school district is ~~entitled to third-tier aid~~ according to ~~section 124A.10, subdivision 4;~~

(iii) ~~sections 124A.12, subdivision 3a, and 124A.14, subdivision 5a,~~ if the school district is ~~eligible for fourth-tier aid~~ according to ~~section 124A.12, subdivision 4;~~

(iv) ~~section 124A.03, subdivision 4,~~ if the school district is ~~entitled to summer school aid~~ according to ~~section 124.201;~~ and

(v) ~~(ii) section 275.125, subdivisions 5 and 5c,~~ if the school district is ~~entitled to receives~~ transportation aid according to ~~section 124.225, subdivision 8a;~~

(B) to the total amount of the school district's certified levy for the fiscal year ~~pursuant according to sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, 124A.20, subdivision 2 124A.23, and 275.125,~~ plus or minus auditor's adjustments.

(b) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

- (1) the amount of the distribution of excess increment, and
- (2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district shall use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

This subdivision applies only to the total amount of excess increments received by a school district for a calendar year that exceeds \$25,000.

Sec. 3. Minnesota Statutes 1987 Supplement, section 124A.22, subdivision 2, is amended to read:

Subd. 2. [BASIC REVENUE.] The basic revenue for each district equals the formula allowance times the actual pupil units for the school year. The formula allowance is \$2,735 for the 1988-1989 school year. *The formula allowance is \$2,790 for fiscal year 1990.*

Sec. 4. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION MILL RATE.] The commissioner of revenue shall establish the general education mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The general education mill rate shall be a rate, rounded up to the nearest tenth of a mill, that, when applied to the adjusted assessed valuation for all districts, raises the amount specified in this subdivision. The general education mill rate for the ~~1989~~ 1990 fiscal

year shall be the rate that raises ~~\$1,079,000,000~~ \$1,100,580,000. The general education mill rate certified by the commissioner of revenue ~~must~~ may not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

Sec. 5. Minnesota Statutes 1987 Supplement, section 124A.23, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] (a) General education revenue may be used during the regular school year and the summer for general and special school purposes.

(b) General education revenue may not be used:

(1) for premiums for motor vehicle insurance protecting against injuries or damages arising from the operation of district-owned, leased, or controlled vehicles to transport pupils for which state aid is authorized under section 124.223; or

(2) for any purpose for which the district may levy according to section 275.125, subdivision 5e.

Sec. 6. Minnesota Statutes 1987 Supplement, section 124A.28, subdivision 1, is amended to read:

Subdivision 1. [USE OF THE REVENUE.] The compensatory education revenue under section 124A.22, subdivision 3, may be used only to meet the special educational needs of pupils whose educational achievement is below the level that is appropriate for pupils of their age. These needs may be met by providing at least some of the following:

(1) remedial instruction in reading, language arts, and mathematics to improve the achievement level of these pupils;

(2) additional teachers and teacher aides to provide more individualized instruction to these pupils;

(3) summer programs that enable these pupils to improve their achievement or that reemphasize material taught during the regular school year;

(4) in-service education for teachers, teacher aides, principals, and other personnel to improve their ability to recognize these pupils and provide appropriate responses to the pupils' needs;

(5) for instruction of these pupils, textbooks, workbooks, periodicals, pamphlets, photographs, reproductions, filmstrips, prepared slides, prerecorded video programs, sound recordings, desk charts, games, study prints and pictures, desk maps, models, learning kits, blocks and cubes, flashcards, instructional computer software programs, pencils, pens, crayons, notebooks, duplicating fluids, and papers;

(6) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services; and

(7) bilingual programs, bicultural programs, and programs for pupils of limited English proficiency.

## Sec. 7. [COST OF LIVING STUDY.]

*The legislative audit commission is encouraged to direct the legislative auditor to conduct a study of the differences among the costs of living in communities throughout the state and the effect that these differences have on educational expenditures by school districts. The study shall include an analysis of at least the following factors: food, housing, real estate taxes, utilities, transportation, medical costs, median income of families, median home values, median rental costs, and median monthly salaries for representative occupations.*

## Sec. 8. [REPEALER.]

*Notwithstanding any law enacted in 1988 that amends Minnesota Statutes 1987 Supplement, section 124A.27, subdivision 10, Minnesota Statutes 1987 Supplement, section 124A.27, subdivision 10, is repealed.*

## ARTICLE 2

## TRANSPORTATION

Section 1. Minnesota Statutes 1987 Supplement, section 124.225, subdivision 8a, is amended to read:

Subd. 8a. [AID.] (a) ~~For the 1986-1987 and 1987-1988 school years, a district's transportation aid shall equal the sum of its basic transportation aid pursuant to subdivision 8b, its nonregular transportation aid pursuant to subdivision 8i, and its nonregular transportation levy equalization aid pursuant to subdivision 8j, minus its contracted services aid reduction pursuant to subdivision 8k, minus the amount raised by 2.25 mills times the adjusted assessed valuation which is used to compute the transportation levy limitation for the levy attributable to that school year. A district may levy less than the amount raised by 2.25 mills. Transportation aid shall be computed as if the district had levied the amount raised by 2.25 mills.~~

(b) For the 1988-1989 school year and thereafter, a district's transportation aid is equal to the sum of its basic transportation aid under subdivision 8b, its nonregular transportation aid under subdivision 8i, and its nonregular transportation levy equalization aid under subdivision 8j, minus its contracted services aid reduction under subdivision 8k, *and* minus its basic transportation levy limitation for the levy attributable to that school year under section 275.125, subdivision 5.

(c) (b) If the total appropriation for transportation aid for any fiscal year is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's aid in proportion to the number of resident pupils in average daily membership in the district to the state total average daily membership, and shall reduce the ~~aid entitlement transportation levy~~ of off-formula districts in the same proportion.

Sec. 2. Minnesota Statutes 1987 Supplement, section 275.125, subdivision 5, is amended to read:

Subd. 5. [BASIC TRANSPORTATION LEVY.] Each year, a school district may levy for school transportation services an amount not to exceed the amount raised by the basic transportation mill rate times the adjusted assessed valuation of the district for the preceding year. The commissioner of revenue shall establish the basic transportation mill rate and certify it to the commissioner of education by August 1 of each year for levies payable in the following year. The basic transportation mill rate shall be a rate,

rounded up to the nearest hundredth of a mill, that, when applied to the adjusted assessed valuation of taxable property for all districts, raises the amount specified in this subdivision. The basic transportation mill rate for the 1987 payable 1988 levies and for transportation aid for the 1988-1989 school 1990 fiscal year shall be the rate that raises \$71,256,100 \$72,681,200. The basic transportation mill rate certified by the commissioner of revenue must may not be changed due to changes or corrections made to a district's adjusted assessed valuation after the mill rate has been certified.

### Sec. 3. [APPROPRIATIONS.]

*Subdivision 1. [DEPARTMENT OF EDUCATION.] There are appropriated from the general fund to the department of education the sums indicated in this section for the fiscal year ending June 30 in the year designated.*

*Subd. 2. [TRANSPORTATION AID FOR OPEN ENROLLMENT.] For transportation of pupils attending nonresident districts according to Minnesota Statutes 1987 Supplement, section 123.3515, or article 6, section 1, there is appropriated:*

*\$50,000 . . . . . 1988.*

*Any unexpended balance remaining in fiscal year 1988 does not cancel but is available for fiscal year 1989.*

## ARTICLE 3

### SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1987 Supplement, section 120.17, subdivision 3b, is amended to read:

Subd. 3b. [PROCEDURES FOR DECISIONS.] Every district shall utilize at least the following procedures for decisions involving identification, assessment, and educational placement of handicapped children:

(a) Parents and guardians shall receive prior written notice of:

(1) any proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) a proposed placement of their child in, transfer from or to, or denial of placement in a special education program; or

(3) the proposed provision, addition, denial or removal of special education services for their child;

(b) The district shall not proceed with the initial formal assessment of a child, the initial placement of a child in a special education program, or the initial provision of special education services for a child without the prior written consent of the child's parent or guardian. The refusal of a parent or guardian to consent may be overridden by the decision in a hearing held pursuant to clause (d) at the district's initiative;

(c) Parents and guardians shall have an opportunity to meet with appropriate district staff in at least one conciliation conference if they object to any proposal of which they are notified pursuant to clause (a). The conciliation process shall not be used to deny or delay a parent or guardian's right to a due process hearing. If the parent or guardian refuses efforts by the district to conciliate the dispute with the school district, the requirement of an opportunity for conciliation shall be deemed to be satisfied;

(d) Parents, guardians, and the district shall have an opportunity to obtain



an impartial due process hearing initiated and conducted in the school district where the child resides, if the parent or guardian continues to object to:

(1) a proposed formal educational assessment or proposed denial of a formal educational assessment of their child;

(2) the proposed placement of their child in, or transfer of their child to a special education program;

(3) the proposed denial of placement of their child in a special education program or the transfer of their child from a special education program;

(4) the proposed provision or addition of special education services for their child; or

(5) the proposed denial or removal of special education services for their child.

At least five calendar days before the hearing, the objecting party shall provide the other party with a brief written statement of the objection and the reasons for the objection.

The hearing shall take place before an impartial hearing officer mutually agreed to by the school board and the parent or guardian. If the school board and the parent or guardian are unable to agree on a hearing officer, the school board shall request the commissioner to appoint a hearing officer. The hearing officer shall not be a school board member or employee of the school district where the child resides or of the child's school district of residence, an employee of any other public agency involved in the education or care of the child, or any person with a personal or professional interest which would conflict with the person's objectivity at the hearing. A person who otherwise qualifies as a hearing officer is not an employee of the district solely because the person is paid by the district to serve as a hearing officer. If the hearing officer requests an independent educational assessment of a child, the cost of the assessment shall be at district expense. The proceedings shall be recorded and preserved, at the expense of the school district, pending ultimate disposition of the action.

(e) The decision of the hearing officer pursuant to clause (d) shall be rendered not more than 45 calendar days from the date of the receipt of the request for the hearing. A hearing officer may grant specific extensions of time beyond the 45-day period at the request of either party. The decision of the hearing officer shall be binding on all parties unless appealed to the hearing review officer by the parent, guardian, or the school board of the district where the child resides pursuant to clause (f).

The local decision shall:

(1) be in writing;

(2) state the controlling facts upon which the decision is made in sufficient detail to apprise the parties and the hearing review officer of the basis and reason for the decision;

(3) state whether the special education program or special education services appropriate to the child's needs can be reasonably provided within the resources available to the responsible district or districts;

(4) state the amount and source of any additional district expenditure necessary to implement the decision; and

(5) be based on the standards set forth in subdivision 3a and the rules of the state board.

(f) Any local decision issued pursuant to clauses (d) and (e) may be appealed to the hearing review officer within ~~45~~ 30 calendar days of receipt of that written decision, by the parent, guardian, or the school board of the district where the child resides.

If the decision is appealed, a written transcript of the hearing shall be made by the school district and shall be accessible to the parties involved within five calendar days of the filing of the appeal. The hearing review officer shall issue a final decision based on an impartial review of the local decision and the entire record within 30 calendar days after the filing of the appeal. The hearing review officer shall seek additional evidence if necessary and may afford the parties an opportunity for written or oral argument; provided any hearing held to seek additional evidence shall be an impartial due process hearing but shall be deemed not to be a contested case hearing for purposes of chapter 14. The hearing review officer may grant specific extensions of time beyond the 30-day period at the request of any party.

The final decision shall:

(1) be in writing;

(2) include findings and conclusions; and

(3) be based upon the standards set forth in subdivision 3a and in the rules of the state board.

(g) The decision of the hearing review officer shall be final unless appealed by the parent or guardian or school board to the court of appeals. The judicial review shall be in accordance with chapter 14.

(h) The commissioner of education, having delegated general supervision of special education to the appropriate staff, shall be the hearing review officer except for appeals in which:

(1) the commissioner has a personal interest in or specific involvement with the student who is a party to the hearing;

(2) the commissioner has been employed as an administrator by the district that is a party to the hearing;

(3) the commissioner has been involved in the selection of the administrators of the district that is a party to the hearing;

(4) the commissioner has a personal, economic, or professional interest in the outcome of the hearing other than the proper administration of the federal and state laws, rules, and policies;

(5) the appeal challenges a state or local policy which was developed with substantial involvement of the commissioner; or

(6) the appeal challenges the actions of a department employee or official.

For any appeal to which the above exceptions apply, the state board of education shall name an impartial and competent hearing review officer.

In all appeals, the parent or guardian of the handicapped student or the district that is a party to the hearing may challenge the impartiality or competence of the proposed hearing review officer by applying to the state board of education.

(i) Pending the completion of proceedings pursuant to this subdivision, unless the district and the parent or guardian of the child agree otherwise, the child shall remain in the child's current educational placement and shall not be denied initial admission to school.

(j) The child's school district of residence, if different from the district where the child actually resides, shall receive notice of and may be a party to any hearings or appeals pursuant to this subdivision.

Sec. 2. Minnesota Statutes 1987 Supplement, section 124.17, subdivision 1, is amended to read:

Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.

(a) A handicapped prekindergarten pupil who is enrolled for the entire ~~school~~ *fiscal* year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the ~~school~~ *fiscal* year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.

(b) A handicapped prekindergarten pupil who is enrolled for less than the entire ~~school~~ *fiscal* year in a program approved by the commissioner is counted as the greater of (1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year, or (2) the ratio of the number of hours of assessment and education service required in the ~~school~~ *fiscal* year by the pupil's individual education program plan to 875, but not more than one.

(c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A handicapped kindergarten pupil who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the ~~school~~ *fiscal* year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as one-half of a pupil unit.

(f) A pupil who is in any of grades one to six is counted as one pupil unit.

(g) ~~For the 1987-1988 school year, a pupil who is in any of grades seven to 12 is counted as 1.4 pupil units. For the 1988-1989 and later school years, A pupil who is in any of grades seven to 12 is counted as 1.35 pupil units.~~

Sec. 3. Minnesota Statutes 1986, section 124.48, subdivision 2, is amended to read:

Subd. 2. [REPORT TO LEGISLATURE.] By December 1 of each even-numbered year, the state board of education shall report to the education committees of the legislature about the status of Indian scholarships ~~and the, recipients, and the status of academic programs and student services~~

*for American Indian people in post-secondary institutions that enroll recipients of American Indian scholarships.*

Sec. 4. Minnesota Statutes 1986, section 126.45, is amended to read:  
126.45 [CITATION.]

Sections 126.45 to 126.55 may be cited as the American Indian language and culture education act of 1988.

Sec. 5. Minnesota Statutes 1986, section 126.46, is amended to read:  
126.46 [DECLARATION OF POLICY.]

The legislature finds that a more adequate education is needed for American Indian ~~pupils~~ people in the state of Minnesota. *The legislature recognizes the unique educational and culturally-related academic needs of American Indian people. The legislature also is concerned about the lack of American Indian teachers in the state.* Therefore, pursuant to the policy of the state to ensure equal educational opportunity to every individual, it is the purpose of sections 126.45 to 126.55 to provide for the establishment of American Indian language and culture education programs specially designed to meet these unique educational or culturally-related academic needs or both.

Sec. 6. Minnesota Statutes 1986, section 126.47, is amended to read:  
126.47 [DEFINITIONS.]

Subdivision 1. For the purposes of sections 126.45 to 126.55, the words, phrases, and terms defined in this section shall have the meanings given to them.

Subd. 2. "American Indian child" means:

(1) any child, living on or off a reservation, who is enrolled or eligible for enrollment in a federally recognized tribe; or

(2) any child who is of one-fourth or more Indian ancestry.

Subd. 3. "Advisory task force" means the state advisory task force on American Indian language and culture education programs.

Subd. 4. "Participating school" means any nonsectarian nonpublic, tribal, or alternative school offering a curriculum reflective of American Indian culture which is funded by and participates in the programs in sections 126.45 to 126.55 and "American Indian school" mean a school that:

(1) is not operated by a school district; and

(2) is eligible for a grant under Title IV of the Indian Education Act for the education of American Indian children.

*Participation in the American Indian language and culture program may primarily be by American Indian children.*

Sec. 7. Minnesota Statutes 1986, section 126.49, subdivision 1, is amended to read:

Subdivision 1. [AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION LICENSES.] The board of teaching shall grant initial and continuing teaching licenses in American Indian language and culture education that bear the same duration as other initial and continuing licenses. The board shall grant licenses to persons who present satisfactory evidence

that they:

(a) Possess competence in an American Indian language or possess unique qualifications relative to or knowledge and understanding of American Indian history and culture; or

(b) Possess a bachelor's degree or other academic degree approved by the board or meet such requirements as to course of study and training as the board may prescribe, or possess such relevant experience as the board may prescribe.

This evidence may be presented by affidavits, resolutions, or by such other methods as the board may prescribe. Individuals may present applications for licensure on their own behalf or these applications may be submitted by the superintendent or other authorized official of a school district or a nonsectarian nonpublic, tribal, or alternative school offering a curriculum reflective of, participating school, or an American Indian culture school.

**Sec. 8. [126.501] [RECRUITING AND RETAINING INDIAN TEACHERS.]**

*This section applies to a school board of a school district in which there are at least ten American Indian children enrolled. The school board shall actively recruit teacher applicants who are American Indian. Notwithstanding section 125.12, subdivisions 4, 6a, or 6b, 125.17, subdivisions 3 and 11, any other law to the contrary, or any provision of a contract entered into after April 15, 1988, to the contrary, when placing a teacher on unrequested leave of absence, the board may retain a probationary teacher or a teacher with less seniority in order to retain an American Indian teacher.*

Sec. 9. Minnesota Statutes 1986, section 126.51, subdivision 1, is amended to read:

Subdivision 1. [PARENT COMMITTEE.] School boards and participating American Indian schools shall provide for the maximum involvement of parents of children enrolled in American Indian language and culture education programs pursuant to sections 126.45 to 126.55, including language and culture education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, before implementing a program, each school district and participating board or American Indian school shall establish a parent advisory committee for that program. If a committee of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee shall serve as the committee required by this section and shall be subject to, at least, the requirements of this section. This committee shall afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of the American Indian language and culture education program and the educational needs of the American Indian children residing within the district's or school's attendance boundaries enrolled in the school or program. The committee shall also address the need for adult education programs for American Indian people in the community. The district school board or participating American Indian school shall ensure that the program is programs are planned, operated, and evaluated with the involvement of and in consultation with parents of children eligible to be served by the program programs.

Sec. 10. Minnesota Statutes 1986, section 126.51, is amended by adding a subdivision to read:

*Subd. 1a. [RESOLUTION OF CONCURRENCE.] By September 15 and June 15 of each school year, the school board or American Indian school shall submit to the department of education a copy of a resolution adopted by the parent committee. The copy must be signed by the chair of the committee and must state that the committee concurs with the educational programs for American Indian children offered by the school board or American Indian school.*

Sec. 11. Minnesota Statutes 1986, section 126.51, subdivision 2, is amended to read:

*Subd. 2. [MEMBERSHIP] The ~~committees~~ committee shall be composed solely of parents of children eligible to be enrolled in American Indian language and culture education programs; secondary students eligible to be served; American Indian language and culture education teachers and aides; American Indian teachers; counselors; adult American Indian people enrolled in educational programs; and representatives from community groups; provided, however, that. A majority of each committee shall be parents of children enrolled or eligible to be enrolled in the corresponding program, and that programs. The number of parents of American Indian and non-American Indian children shall reflect approximately the proportion of children of those groups enrolled in the program programs.*

Sec. 12. Minnesota Statutes 1986, section 126.51, subdivision 4, is amended to read:

*Subd. 4. [ALTERNATE COMMITTEE.] If the organizational membership or the board of directors of a participating an American Indian school consists solely of parents of children attending the school whose children are eligible to be enrolled in American Indian language and culture education programs, that membership or board may serve also as the parent advisory committee.*

Sec. 13. Minnesota Statutes 1986, section 126.52, is amended to read:

#### 126.52 [STATE BOARD OF EDUCATION DUTIES.]

*Subd. 5. [COMMUNITY INVOLVEMENT.] The state board shall provide for the maximum involvement of the state advisory task force forces on American Indian language and culture education, parents of American Indian children, secondary students eligible to be served, American Indian language and culture education teachers, American Indian teachers, teachers' aides, representatives of community groups, and persons knowledgeable in the field of American Indian language and culture education, in the formulation of policy and procedures relating to the administration of sections 126.45 to 126.55.*

*Subd. 8. [TECHNICAL ASSISTANCE.] The state board shall provide technical assistance to school districts, participating schools and post secondary post-secondary institutions for preservice and in-service training for American Indian language and culture education teachers and teacher's aides, teaching methods, curriculum development, testing and testing mechanisms, and the development of materials for American Indian language and culture education programs.*

*Subd. 9. [APPLICATION FOR FUNDS.] The state board shall apply for grants or funds money which are, or may become, be available under federal*

programs for American Indian language and culture education, including funds for administration, demonstration projects, training, technical assistance, planning and evaluation.

Subd. 11. [RULES.] The state board, upon the receipt of recommendations by the ~~advisory task force~~ *appropriate state committees*, may promulgate rules providing for standards and procedures appropriate for the implementation of and within the limitations of sections 126.45 to 126.55.

Sec. 14. Minnesota Statutes 1986, section 126.531, is amended to read:

126.531 [~~ADVISORY TASK FORCE COMMITTEE ON AMERICAN INDIAN LANGUAGE AND CULTURE EDUCATION PROGRAMS.~~]

Subdivision 1. The state board of education ~~may~~ *shall* create ~~an one or more American Indian language and culture education advisory task force committees. If created,~~ Members shall include representatives of *tribal bodies*, community groups, parents of children eligible to be served by the programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian language and culture education programs, persons involved in programs for American Indian children in ~~nonsectarian nonpublic, urban, community, tribal or alternative American Indian schools~~, and persons knowledgeable in the field of American Indian language and culture education. Members shall be appointed so as to be representative of significant segments of the population of American Indians.

Subd. 2. ~~The advisory task force~~ *Each committee* on American Indian language and culture education programs shall advise the state board in the administration of its duties under sections 126.45 to 126.55 *and other programs for the education of American Indian people, as determined by the state board.*

Subd. 3. ~~The advisory task force~~ *Each committee* shall ~~expire and the terms, compensation and removal of members shall be as provided for in be reimbursed for expenses according to section 15.059, subdivision 6. The state board shall determine the membership terms and the duration of each committee.~~

Sec. 15. [135A.11] [UNIQUE NEEDS AND ABILITIES OF AMERICAN INDIAN PEOPLE.]

Subdivision 1. [APPLICABILITY.] *This section applies to all the state and local governing boards of technical institutes, community colleges, state universities, and campuses of the University of Minnesota.*

Subd. 2. [PROGRAMS AND SERVICES.] *Each institution with ten or more American Indian students, in consultation with tribal designated representatives, shall develop academic programs and student services to meet the unique needs of American Indian people.*

Subd. 3. [AMERICAN INDIAN LANGUAGES.] *A student who is proficient in an American Indian language shall have the opportunity to be assessed, placed, or to receive credit for skills in that language in the same manner that a student is assessed, placed, or receives credit in any other modern or classical language.*

Subd. 4. [QUALIFICATIONS FOR AMERICAN INDIAN STUDIES AND SERVICES.] *American Indian individuals who understand and have demonstrated knowledge of American Indian language, history, or culture must*

*be considered to be competent to provide instruction in American Indian language, history, or culture programs. Qualifications to provide noninstructional services at post-secondary institutions for American Indian people must take into account unique knowledge of and understanding of American Indian language, history, or culture.*

Sec. 16. Laws 1987, chapter 398, article 3, section 39, subdivision 2, is amended to read:

Subd. 2. [SPECIAL EDUCATION AID.] For special education aid there is appropriated:

\$148,514,500 . . . . . 1988,

~~\$152,963,700~~ \$158,963,700 . . . . . 1989.

The appropriation for aid for fiscal year 1988 includes \$21,847,100 for aid for fiscal year 1987 payable in fiscal year 1988 and \$126,667,400 for aid for fiscal year 1988 payable in fiscal year 1988.

The appropriation for aid for fiscal year 1989 includes ~~\$22,728,200~~ \$28,728,200 for aid for fiscal year 1988 payable in fiscal year 1989 and \$130,235,500 for aid for fiscal year 1989 payable in fiscal year 1989.

The appropriations are based on aid entitlements of ~~\$149,395,600~~ \$155,395,600 for fiscal year 1988 and \$153,593,400 for fiscal year 1989.

Sec. 17. Laws 1987, chapter 398, article 3, section 39, subdivision 7, is amended to read:

Subd. 7. [AMERICAN INDIAN SCHOLARSHIPS.] For American Indian scholarships, according to Minnesota Statutes, section 124.48, there is appropriated:

\$1,581,800 . . . . . 1988,

\$1,581,800 . . . . . 1989.

*At least \$50,000 of the appropriation for fiscal year 1989 must be used for scholarships for students who are enrolled in teacher preparation programs.*

Any unexpended balance remaining in the first year does not cancel but is available for fiscal year 1989.

Sec. 18. [INDIAN SCHOOL COUNCIL.]

*Subdivision 1. [INTENTION.] It is the intention of the legislature to establish opportunities for American Indian control of Indian education through Indian public schools, an urban Indian school district or districts, or other means.*

*Subd. 2. [INDIAN SCHOOL COUNCIL.] (a) An Indian school council composed of 15 members is established to develop recommendations for Indian public schools, an urban Indian school district or districts, or other means of achieving Indian control of Indian education. The state board of education shall appoint two of its members to serve on the council. The board of independent school district No. 625, St. Paul, and the board of special school district No. 1, Minneapolis, shall each appoint one of its members to serve on the council. The remaining members must be appointed by the governor, with the assistance of the Indian affairs council, as provided in section 3.922, subdivision 6, clause (6).*



*(b) The council chair must be elected by the members of the council. Minnesota Statutes, section 15.059, subdivisions 3 and 4, apply to compensation and removal of members of the council. The council terminates on June 1, 1989. If requested by the council, the department of education and the Indian affairs council must provide assistance.*

*Subd. 3. [RECOMMENDATIONS.] (a) The council shall make recommendations about each of the items in this subdivision. It may make recommendations about additional options or issues.*

*(b) It shall consider the governance and administration of schools or programs for Indian education, including participation by Minnesota tribal governments in the governance and administration.*

*(c) It shall consider methods of forming schools or programs, including, but not limited to:*

*(1) forming a school within an existing school district with a separate governing board, similar to Minnesota Statutes, chapter 128B;*

*(2) forming a school district by dividing an existing district;*

*(3) forming a special purpose school district superimposed on one or more existing school districts, similar to Minnesota Statutes, chapter 136D; or*

*(4) forming a state school, similar to Minnesota Statutes, chapter 128A or 129C.*

*The structure may be similar to but different from any other existing school or school district.*

*(d) It shall consider a governing board or boards that may be appointed or elected, but which, in any case, shall include significant democratic participation by tribal governments and parents or guardians. The appointing authority or authorities must be specified for appointed members. The election process, including the qualification of voters, must be specified for elected members. The initial board members may be selected by a different method than subsequent board members.*

*(e) It shall consider financing, including:*

*(1) property taxes that may be levied by a school district, if formed; distributed on an equitable basis by the school district in which the school is located; or distributed on an equitable basis by each of the school districts in which the enrolled pupils reside;*

*(2) state aid for general education, special education, transportation, capital expenditures, community education, adult basic and continuing education, grants, and other special programs; and*

*(3) federal sources of funding.*

*(f) The council shall consider the educational programs to be offered and specify particular state aids that would be necessary. It shall specify from whom and to whom property taxes and state aid are to be paid.*

*(g) It shall consider ways to acquire and maintain facilities and equipment, including leasing existing facilities and equipment.*

*(h) It shall consider administration and staffing needs.*

*(i) It shall consider curriculum needs, including serving as a state resource center for Indian education.*

(j) *It shall consider student admission requirements, policies, and procedures.*

(k) *It shall consider how and where to provide transportation.*

**Subd. 4. [COUNCIL STAFF AND FACILITIES.]** *The department of education shall provide space within its facilities for council meetings. The department of education, through the Indian education section, shall provide support services. The council may contract for or employ professional and nonprofessional staff. The professional staff may be individuals currently employed by the state or on leave of absence from a school district. Upon request of a current employee of a school district for a leave of absence, the school board must grant the leave and make employer contributions to the employee's retirement program during the leave. Minnesota Statutes, section 125.60, subdivisions 3, 4, 5, 6a, 6b, and 8, govern the rights and duties of the employee and school board. The council may contract with consultants and for legal services, as needed.*

**Subd. 5. [REPORT TO LEGISLATURE.]** *By December 1, 1988, the council shall report its recommendations to the state board of education and the education committees of the legislature.*

**Sec. 19. [APPROPRIATION FOR INDIAN SCHOOL COUNCIL.]**

*There is appropriated from the general fund to the Indian school council, \$250,000 for fiscal year 1989 for the council to perform its duties.*

*For fiscal year 1989 only, a complement of two is authorized for the council. The complement may include one full-time professional, one half-time professional, and one half-time support staff.*

**Sec. 20. [APPROPRIATION FOR INDIAN TEACHER PROGRAM.]**

*There is appropriated from the general fund to the state board of education, for fiscal year 1989, \$71,000 to award a joint grant to the University of Minnesota, Duluth, and independent school district No. 709, Duluth. The grant is for a cooperative program to assist American Indian people to become early childhood or elementary school teachers. The grantees must provide assistance to two entering freshmen interested in becoming teachers, two teacher aides to advance their education, and two current teachers to begin a master of education program. The program must be evaluated by an outside evaluator.*

**Sec. 21. [REPEALER.]**

*Minnesota Statutes 1986, section 126.51, subdivision 3, is repealed.*

**Sec. 22. [EFFECTIVE DATE.]**

*Section 8 is effective the day following final enactment. The provisions of section 8 relating to placing a teacher on unrequested leave of absence apply to contracts entered into after the effective date of section 8.*

**ARTICLE 4**

**EDUCATION AGENCIES'**

**APPROPRIATIONS**

**Section 1.** *Laws 1987, chapter 398, article 10, section 2, subdivision 1, is amended to read:*

APPROPRIATIONS  
Available for the Year  
Ending June 30  
1988                      1989

Subdivision 1. Total		
Appropriation	\$12,649,300	\$12,551,600
		\$13,551,600
Complement	1988	1989
General Fund	224.0	224.0
Other	12.5	12.5
Federal	144.4	144.4
Total	380.9	380.9

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

The commissioner of education, with the approval of the commissioner of finance, may transfer unencumbered balances among the programs during the biennium. Transfers must be reported immediately to the senate and house of representatives education committees. During the biennium, the commissioner of education may transfer money among the various object of expenditure categories and activities within each program, unless restricted by executive order.

The commissioner of education, with the approval of the commissioner of finance, may transfer complement among funds if necessary. The commissioner must report material changes to the senate and house of representatives education committees.

The commissioner of education shall develop an organizational management plan for the department of education for the purpose of implementing state education policies as established by the legislature. The plan must be contained within the existing department budget and complement. The plan must include: (1) methods for effectively implementing legislative education policies; (2) methods of substantially increasing direct services to school district teachers, principals, superintendents, and school boards in meeting legislative requirements and the educational needs of students; and (3) methods of using regional organizations to increase direct services to districts.

The management analysis team of the department of administration shall evaluate the plan and report the findings and recommendations

to the house of representatives and senate education committees by January 15, 1988.

The commissioner of education shall present the organizational management plan to the house of representatives and senate education committees for approval by January 15, 1988.

Sec. 2. Laws 1987, chapter 398, article 10, section 2, subdivision 2, is amended to read:

Subd. 2. Educational Services

1988

1989

\$ 7,360,500    \$ ~~7,313,000~~    \$ 8,313,000

\$20,700 each year is from the trunk highway fund.

\$60,000 each year is from the public health fund.

The commissioner of education shall provide for direct local technical assistance to districts in meeting the curriculum requirements specified in the planning, evaluating, and reporting process. In addition to existing curriculum services, the commissioner shall enter into performance contract agreements for general curriculum specialist services with educational cooperative service units or other regional educational service agencies. If more than one agency submits a proposal to provide services to school districts within an educational cooperative service unit region, the department shall encourage the agencies to develop a joint proposal. The commissioner shall evaluate the performance agreements annually. This assistance shall be provided in conjunction with the educational effectiveness delivery system. \$400,000 in each year is for this purpose.

*The state curriculum advisory committee shall include in its duties implementation of family education in early childhood family education programs and elementary and secondary grades. It shall develop methods to integrate family education into the curricula, develop a scope and sequence, and review and recommend appropriate licensure requirements.*

\$157,500 in fiscal year 1988 and \$67,800 \$967,800 in fiscal year 1989 is for services to school districts related to acquired immune deficiency syndrome.

*The commissioner of education, in consultation with the commissioner of health, shall develop a state education program related to*

*preventing and reducing the risk of acquired immune deficiency syndrome. The program shall include, but not be limited to:*

- (1) curriculum development and updating;*
- (2) local and regional assistance to school districts to develop programs;*
- (3) regional assistance in training and consultation to parents and the community;*
- (4) in-service for all district staff;*
- (5) collaboration with other state agencies and organizations that have AIDS programs;*
- (6) coordination with local community health services; and*
- (7) involvement of state and local student organizations.*

*The department may contract, during fiscal year 1989 only, for personnel for the AIDS program.*

*Up to \$50,000 of the fiscal year 1989 appropriation is for independent evaluation of the state's AIDS education program.*

*\$50,000 in fiscal year 1988 and \$75,000 in fiscal year 1989 is for administration of state planning, evaluation and reporting.*

*\$75,000 each year is for technical assistance for local staff development plans and administration costs for implementing mentorship programs.*

*Beginning in fiscal year 1989, responsibility for the education research information service established by the council on quality education is transferred to the interagency resource and information center.*

*The governor's council on youth is discontinued.*

*\$198,300 each year is for the secondary vocational student organization center.*

*Two professional and one clerical complement are transferred from the special education section to the Faribault residential academies and resource center for the purpose of establishing a resource center for hearing-impaired, visually-impaired and multiply handicapped students. \$125,000 is available each year for this purpose.*

*One professional complement is added in each year in the curriculum services research information service learner outcomes.*

*The complement of the secondary vocational section is reduced by two each year.*

Two complement are transferred from federal to special purpose for the alcohol impaired driver program. \$100,000 each year is available from the ~~alcohol~~ alcohol impaired driver account for these complement.

One-half complement each year is for state agency library automation.

One complement is added to the community education section each year for additional ~~responsibilities~~ responsibilities related to youth.

*\$100,000 in fiscal year 1989 is to develop a restructured model for the delivery of secondary vocational education. It shall be developed by the commissioner, in consultation with the state director of vocational technical education, the executive director of the state council on vocational technical education, and a representative of the joint council of vocational teacher educators. The model shall designate various forms of curriculum that will incorporate basic skills education and instruction in higher order thinking skills into secondary vocational programs. It shall insure articulation of programs between secondary and post-secondary programs.*

*The commissioner may employ or contract for temporary staff to develop the restructured model. In developing the model, the commissioner shall provide for active participation by secondary and post-secondary vocational technical teachers, vocational teacher educators, special needs staff, general education teachers, school counselors, school administrators, and representatives of business, industry, and labor. By December 1, 1988, the commissioner shall report to the governor and the education committees of the legislature about the model and the plans and recommendations for implementation.*

### Sec. 3. HIGHER EDUCATION COORDINATING BOARD

1989

\$30,000

This appropriation is for the task force on instructional technology established by Laws 1987, chapter 401, section 35.

### Sec. 4. STATE BOARD OF EDUCATION

1989

\$100,000

The state board shall contract for a comprehensive study of desegregation costs for fiscal years 1988 and 1989 and for estimated costs for future years. The board must contract with outside consultants who have experience in program and financial auditing related to desegregation.

The study must identify: (1) the costs attributable to implementation of each district's desegregation plan; (2) the minimum costs necessary to comply with state board desegregation rules; and (3) the costs that would occur if the district were not required to comply with state board desegregation rules. The study must also determine the overlap in revenues and expenditures among desegregation revenue, and state and federal compensatory education revenue. The report must include district and building level analysis, with per student costs and staffing ratios provided where appropriate.

Selection of a consultant and determination of methodology must occur by June 1, 1988, with the approval of the Duluth, Minneapolis, and St. Paul school districts.

The state board shall submit recommendations for financing desegregation costs and programs, including options for a uniform allocation method of formula as opposed to a program budgeting approach. A report must be made to the governor, the three districts, and the education committees of the legislature by December 31, 1988. The appropriation must be available immediately after final enactment.

## ARTICLE 5

### OTHER SCHOOL DISTRICT FUNDING

Section 1. Minnesota Statutes 1986, section 129B.20, subdivision 1, is amended to read:

Subdivision 1. [FUNDING.] Each site shall receive \$1,250 each year for two years. *If fewer than 30 sites are selected, each site shall receive an additional proportionate share of money appropriated and not used.* Before receiving money for the second year, a long-range plan for arts education must be submitted to the department.

Sec. 2. Minnesota Statutes 1987 Supplement, section 136D.27, is amended to read:

136D.27 [~~TAX STATE AIDS AND LEVIES, CERTIFICATES OF INDEBTEDNESS.~~]

*Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.]* Each year the joint school board may certify to each participating school district tax levies

that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include ~~such~~ *these* tax levies in the next tax roll which it shall certify to the county auditor or auditors, and shall remit the collections of such levies to the board promptly when received. ~~Such~~ *These* levies shall not be included in computing the limitations upon the levy of any participating district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after ~~such~~ *these* levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of such levies, but in aggregate amounts such as will not exceed the portion of the levies which is then not collected and not delinquent.

*Subd. 2. [PROHIBITED LEVIES.] Notwithstanding section 136D.24 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by subdivision 1, sections 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.*

*Subd. 3. [PROHIBITED STATE AIDS.] Notwithstanding section 136D.24 or any law to the contrary, the department of education shall not pay, unless explicitly authorized by statute, any state aid, grant, credit, or other money to the joint school board, except the aid, credit, or money authorized by sections 121.201, 123.3514, 124.2137, 124.252, 124.32, 124.573, 124.574, and 124.646, and chapter 273.*

Sec. 3. Minnesota Statutes 1986, section 136D.74, is amended by adding a subdivision to read:

*Subd. 2a. [PROHIBITED LEVIES.] Notwithstanding subdivisions 2 and 4, section 136D.73, subdivision 3, or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by subdivision 1, sections 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.*

Sec. 4. Minnesota Statutes 1986, section 136D.74, is amended by adding a subdivision to read:

*Subd. 2b. [PROHIBITED STATE AIDS.] Notwithstanding subdivision 4 or any law to the contrary, the department of education shall not pay, unless explicitly authorized, any state aid, grant, credit, or other money to the intermediate school board, except the aid, credit, or money authorized by sections 121.201, 123.3514, 124.2137, 124.252, 124.32, 124.573, 124.574, and 124.646, and chapter 273.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 136D.87, is amended to read:

136D.87 [TAX LEVIES, CERTIFICATES OF INDEBTEDNESS.]

*Subdivision 1. [LEVIES FOR CERTAIN PROGRAMS.] Each year the*



joint school board may certify to each participating school district tax levies that shall not in any year exceed .6 mills on each dollar of adjusted assessed valuation for expenses for special education and .7 mills on each dollar of adjusted assessed valuation for expenses for secondary vocational education. Each participating school district shall include ~~such these~~ tax levies in the next tax roll which it shall certify to the county auditor or auditors and shall remit the collections of ~~such these~~ levies to the board promptly when received. ~~Such~~ These levies shall not be included in computing the limitations upon the levy of any participating district under sections 124A.03, 124A.06, subdivision 3a, 124A.08, subdivision 3a, 124A.10, subdivision 3a, 124A.12, subdivision 3a, 124A.14, subdivision 5a, and 275.125. The board may, any time after ~~such these~~ levies have been certified to the participating school districts, issue and sell certificates of indebtedness in anticipation of the collection of ~~such~~ levies, but in aggregate amounts ~~such as~~ that will not exceed the portion of the levies which is then not collected and not delinquent.

*Subd. 2. [PROHIBITED LEVIES.] Notwithstanding section 136D.84 or any other law to the contrary, the joint school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by subdivision 1, sections 127.05, 275.125, subdivisions 8c and 14a, 275.48, and 475.61, and for the joint school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 275.125, subdivision 4.*

*Subd. 3. [PROHIBITED STATE AIDS.] Notwithstanding section 136D.24 or any law to the contrary, the department of education shall not pay, unless explicitly authorized, any state aid, grant, credit, or other money to the joint school board, except for aid, credit, or money authorized by sections 121.201, 123.3514, 124.2137, 124.252, 124.32, 124.573, 124.574, and 124.646, and chapter 273.*

Sec. 6. Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

*Subd. 8e. [INTERDISTRICT COOPERATION LEVY.] This subdivision does not apply to special school district No. 1, independent school district Nos. 11, 625, 709, or to districts that are members of intermediate school district Nos. 287, 916, or 917. A district may levy each year according to this subdivision if it:*

*(1) is a member of an education district, according to sections 122.91 to 122.96; or*

*(2) has a cooperation agreement with other districts to expand curricular offerings in mathematics in grades 10 to 12, science in grades 10 to 12, foreign languages for two years, computer usage, or other programs recommended by the state board.*

*The levy shall not exceed one mill times the adjusted assessed valuation of the district for the preceding year. The proceeds of the levy may be used only to pay for instructional costs and administrative costs incurred in providing the curricular offerings. A district may not spend more than five percent of the amount of the levy for administration.*

Sec. 7. [COMMISSION ON EDUCATION REORGANIZATION.]

*Subdivision 1. [ESTABLISHED.] There is established a commission on*

*education reorganization that is composed of 23 members.*

*Subd. 2. [MEMBERSHIP.] The state board of education shall appoint 17 members. These members must represent various levels of education, sizes of school districts, and geographical areas of the state.*

*The state board shall appoint one member, from three names submitted by each group, from each of the following groups:*

- (1) state board of education;*
- (2) state curriculum advisory committee;*
- (3) Minnesota school boards association;*
- (4) association of stable or growing school districts;*
- (5) association of metropolitan school districts;*
- (6) Minnesota rural education association;*
- (7) Minnesota community education association;*
- (8) Minnesota association of school administrators;*
- (9) Minnesota association of secondary vocational administrators;*
- (10) Minnesota administrators of special education;*
- (11) Minnesota association of secondary school principals;*
- (12) Minnesota elementary school principals' association;*
- (13) Minnesota education association;*
- (14) Minnesota federation of teachers;*
- (15) Minnesota congress of parents, teachers, and students;*
- (16) independent school district Nos. 11 and 625 and special school district No. 1; and*
- (17) the business community.*

*In addition, six members of the legislature shall be appointed to the commission. The subcommittee on committees of the committee on rules and administration of the senate shall appoint three members of the senate education committee. The speaker of the house of representatives shall appoint three members of the house education committee.*

*The commissioner of education, or a designee, shall be an ex officio member of the commission and shall convene the first meeting of the commission by May 1, 1988.*

*The commission members shall elect the chair of the commission.*

*Subd. 3. [ITEMS FOR CONSIDERATION.] In considering education reorganization, the commission shall consider and make findings about the following:*

- (1) learning opportunities for learners, including, but not limited to:*
  - (i) minimum and maximum curricular offerings;*
  - (ii) alternatives to traditional instructional time or learning year;*
  - (iii) state board of education rules;*
  - (iv) learning and teaching options; and*

- (v) community education and its implications;
- (2) financial considerations, including, but not limited to:
  - (i) funding and tax equity;
  - (ii) implications for employees, including salaries, fringe benefits, and collective bargaining;
  - (iii) facility needs, uses, and alternatives, including construction of duplicative facilities by adjacent districts; and
  - (iv) community education and its implications;
- (3) alternative patterns of reorganization, including, but not limited to:
  - (i) various management organizational structures;
  - (ii) technology use;
  - (iii) incentives to reorganize;
  - (iv) research on education organization; and
  - (v) community education and its implications.

*Subd. 4. [SUBCOMMITTEES.] The commission shall appoint at least two subcommittees. One subcommittee shall address curriculum and learning opportunities. One subcommittee shall address organizational structures and finance. The members of both subcommittees shall be representative of various levels of education, sizes of school districts, and geographical areas of the state.*

*Subd. 5. [EXPENSES AND EXPIRATION.] The commission shall be governed by Minnesota Statutes, section 15.059, subdivision 6.*

*Subd. 6. [STAFF ASSISTANCE.] The education committees of the legislature and the department of education shall provide staff assistance to the commission and subcommittees.*

*Subd. 7. [FINDINGS.] The commission shall report its findings to the state board of education by January 1, 1989, and to the education committees of the legislature by February 1, 1989.*

#### **Sec. 8. [DEPARTMENT APPROPRIATIONS.]**

*Subdivision 1. [DEPARTMENT OF EDUCATION.] There are appropriated from the general fund to the department of education the sums indicated in this section for the fiscal years ending June 30 in the years designated.*

*Subd. 2. [INTEGRATION GRANTS.] For grants for integration expenditures there is appropriated:*

*\$11,679,100 . . . . . 1989.*

*Grant amounts may not exceed \$797,400 for independent school district No. 709, Duluth, \$5,869,453 for special school district No. 1, Minneapolis, and \$5,012,247 for independent school district No. 625, St. Paul. As a condition of receiving a grant, each district must continue to report desegregation costs according to the uniform financial accounting and reporting system and must provide the information requested for the state board of education study of desegregation costs.*

*Subd. 3. [HUTCHINSON SCHOOL DISTRICT.] To reimburse independent school district No. 423, Hutchinson, for expenses associated with participating in the National Bicentennial Competition on the Constitution and Bill of Rights, there is appropriated:*

*\$12,000 . . . . . 1988.*

*Subd. 4. [CHISHOLM SCHOOL DISTRICT.] For a grant for a leadership program in independent school district No. 695, Chisholm, there is appropriated:*

*\$20,000 . . . . . 1989.*

#### **Sec. 9. [COMMISSION APPROPRIATIONS.]**

*There is appropriated from the general fund to the legislative commission on public education \$100,000 for fiscal year 1989 for the commission on education reorganization to perform its duties.*

### **ARTICLE 6**

#### **MISCELLANEOUS**

##### **Section 1. [120.062] [ENROLLMENT OPTIONS PROGRAM.]**

*Subdivision 1. [ESTABLISHMENT.] An enrollment options program is established to enable any pupil to attend a school or program in a district in which the pupil does not reside, subject to the limitations in this section.*

*Subd. 2. [CLOSED DISTRICTS.] A school board may, by resolution, determine that nonresident pupils may not attend any of its schools or programs according to this section.*

*Subd. 3. [PUPIL APPLICATION PROCEDURES.] In order that a pupil may attend a school or program in a nonresident district, the pupil's parent or guardian must submit an application to the nonresident district by December 1, for enrollment during the following fiscal year. The application shall be on a form provided by the department of education. A particular school or program may be requested by the parent.*

*Subd. 4. [NONRESIDENT DISTRICT PROCEDURES.] By February 1, a district that does not exclude nonresident pupils, according to subdivision 2, shall notify the parent or guardian and the resident district in writing whether the application has been accepted or rejected. If an application is rejected, the district must state in the notification the reason for rejection.*

*Subd. 5. [BASIS FOR DECISIONS.] The school board must adopt, by resolution, specific standards for acceptance and rejection of applications. Standards may include the capacity of a program, class, grade level, or school building. Standards may not include previous academic achievement, athletic or other extracurricular ability, handicapping conditions, proficiency in the English language, or previous disciplinary proceedings.*

*Subd. 6. [DESEGREGATION PLANS.] A district that has a desegregation plan approved by the state board of education may limit the number of pupils who transfer into or out of the district. An application to transfer into or out of a district that has an approved desegregation plan shall be submitted according to the requirements of subdivision 4. If acceptance of all of the applications would result in the district being out of compliance with its desegregation plan, the district shall establish the number of majority and minority group pupils who may transfer into or out of the district. The district may accept or reject applications in a manner that will enable*

*compliance with the desegregation plan. The district shall notify the parent or guardian and the resident district according to the requirements of subdivision 4.*

*Subd. 7. [WAIVER OF DEADLINES.] Upon agreement of the resident and nonresident school boards, if applicable, the deadlines in subdivisions 3, 4, and 6 may be waived.*

*Subd. 8. [TRANSPORTATION.] If requested by the parent of a pupil, the nonresident district shall provide transportation within the district. The state shall pay transportation aid to the district according to section 124.225.*

*The resident district is not required to provide or pay for transportation between the pupil's residence and the border of the nonresident district. A parent may be reimbursed by the nonresident district for the costs of transportation from the pupil's residence to the border of the nonresident district if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government.*

*Subd. 9. [CREDITS TOWARD GRADUATION.] A nonresident district shall accept credits toward graduation that were awarded by another district. The nonresident district shall award a diploma to a nonresident pupil if the pupil meets its graduation requirements.*

*Subd. 10. [INFORMATION.] A district that does not exclude nonresident pupils according to subdivision 2 shall make information about the district, schools, programs, policies, and procedures available to all interested people.*

*Subd. 11. [GENERAL EDUCATION AID.] Adjustments to general education aid for the resident and nonresident districts shall be made according to section 124A.036, subdivision 5.*

*Sec. 2. Minnesota Statutes 1986, section 120.08, subdivision 2, is amended to read:*

*Subd. 2. A school board ~~in~~ of a district maintaining a secondary school may by a majority vote provide for the instruction of any resident pupil in a school district in an adjoining state ~~nearer to the pupil's place of residence than the school of the resident district, the distances being measured by the usual traveled routes.~~ Any charge for tuition or transportation, by the district ~~so attended or for transportation in the adjoining state,~~ shall be paid by the pupil's resident district ~~provided that such.~~ The pupil shall ~~continue to be considered a pupil of the resident district of residence for the payment purposes of apportionment and other state aids aid.~~*

*Sec. 3. [124A.31] [EQUITABLE COMPENSATION PENALTY.]*

*Subdivision 1. [IMPLEMENTATION.] A school district subject to sections 471.991 to 471.999 shall implement the plan to establish equitable compensation relationships set forth in its report to the commissioner of employee relations. The plan shall be implemented by December 31, 1991, unless a later date is approved by the commissioner. If a report was filed before October 1, 1987, and had an implementation date after December 31, 1991, the date in the report shall be approved by the commissioner.*

*Subd. 2. [AID REDUCTION FOR ADMINISTRATION COSTS.] By October 1, 1992, the commissioner of employee relations shall certify to the commissioner of education the school districts that have not complied*

with subdivision 1. For each of these school districts, the commissioner of education shall reduce general education aid for fiscal year 1993 by an amount equal to five percent of the district's administration costs for the 1990-1991 school year. If the reduction exceeds the district's general education aid, the reduction shall be made from other aids paid to the district.

**Subd. 3. [ADJUSTMENT OF YEARS.]** The commissioners of employee relations and education shall adjust the years designated in subdivision 2 for school districts with implementation dates after December 31, 1991.

**Subd. 4. [EXTENSIONS.]** The commissioner of employee relations must extend an implementation date upon a finding that failure to implement was attributable to severe hardship or to circumstances beyond the control of the district.

**Sec. 4. [125.115] [FULL-TIME TEACHER.]**

For the purposes of determining a probationary period according to sections 125.12 and 125.17, a teacher shall be considered full time if the teacher is a public employee, as defined in section 179A.03, subdivision 14.

**Sec. 5. Minnesota Statutes 1986, section 126.151, is amended to read:**

**126.151 [VOCATIONAL EDUCATION STUDENT ORGANIZATIONS.]**

**Subdivision 1. [ACTIVITIES OF THE ORGANIZATION.]** Any ~~pupil~~ student enrolled in a vocational technical education program approved by the state ~~board~~ boards of education and vocational technical education may belong to a vocational student organization ~~which~~ that is operated as an integral part of the vocational program. The commissioner of education and the state director of vocational technical education may provide necessary technical assistance and leadership to these organizations at the state level for administration of approved vocational student organizations and fiscal accounts, including administration of state and national conferences.

**Subd. 2. [ACCOUNTS OF THE ORGANIZATION.]** The state boards of education and vocational technical education may retain dues and other money collected on behalf of students participating in approved vocational student organizations and may deposit the money in separate accounts. The money in these accounts shall be available for expenditures for state and national activities related to specific organizations. Administration of money collected under this section is not subject to the provisions of chapters 15, 16A, and 16B, and may be deposited outside the state treasury. Money shall be administered under the policies of the applicable state board or agency relating to post-secondary vocational student organizations and is subject to audit by the legislative auditor. Any unexpended money shall not cancel but may be carried forward to the next fiscal year.

**Sec. 6. Minnesota Statutes 1987 Supplement, section 126.22, subdivision 2, is amended to read:**

**Subd. 2. [ELIGIBLE STUDENTS.]** The following students are eligible to participate in the high school graduation incentives program:

(a) any student who is between the ages of 12 and 16 and who:

(1) is at least two grade levels below the performance level for students of the same age in a locally determined achievement test; or

- (2) is at least one year behind in obtaining credits for graduation; or
- (3) is pregnant or is a parent; or
- (4) has been assessed as chemically dependent; or
- (5) has been absent from attendance at school without lawful excuse for one or more class periods on more than 15 *consecutive* days in the preceding or current school year;
- (b) any student who is between the ages of 16 and 19 who is attending school, and who is at least two grade levels below the performance level for students of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or is pregnant or is a parent, or has been assessed as chemically dependent; or

(c) any person between 16 and 21 years of age who has not attended a high school program for at least 15 *consecutive* days, excluding those days when school is not in session, and who is at least two grade levels below the performance level for students of the same age in a locally determined achievement test, or is at least one year behind in obtaining credits for graduation, or has been assessed as chemically dependent.

Sec. 7. Minnesota Statutes 1987 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] ~~Students who are eligible to participate under subdivision 2 may enroll in the following programs: (a) A student who is eligible according to subdivision 2, clause (a), (b), or (c), may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500 or according to section 121.11, subdivision 12, may enroll students who are eligible to participate under subdivision 2, clause (a), (b) or (c).~~

(b) ~~Students~~ *A student who is eligible to participate under according to subdivision 2, clause (b) or (c), may enroll in post-secondary courses under section 123.3514; and.*

(c) ~~Any public secondary education program may enroll any~~ *A student who is eligible to participate under subdivision 2, clause (a), (b), or (c), may enroll in any public secondary education program.*

(d) *The district of residence is responsible for the actual costs of providing special instruction and services for a handicapped student, as defined in section 120.03, who is enrolled in a program according to this section. The district of residence is also responsible for the individual education plan process.*

Sec. 8. Minnesota Statutes 1987 Supplement, section 126.23, is amended to read:

#### 126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in a nonsectarian alternative program operated by a private organization that has contracted with a school district to provide educational services for high school drop outs or other eligible students under section 126.22, subdivision 2, the resident district must reimburse the provider an amount equal to at least 50 percent of the ~~formula allowance plus the total tier revenue attributable to that~~ *basic revenue of the district for each pupil. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic*

revenue, according to section 124A.22, subdivision 2.

Sec. 9. Minnesota Statutes 1986, section 126.56, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENT.] To be eligible for a scholarship, a student shall:

- (1) be a United States citizen or permanent resident of the United States;
- (2) be a resident of Minnesota;
- ~~(2)~~ (3) attend an eligible program;
- ~~(3)~~ (4) have completed at least one year of secondary school but not have graduated from high school;
- ~~(4)~~ (5) have earned at least a B average during the semester or quarter prior to application, *or have earned at least a B average during the semester or quarter prior to application in the academic subject area applicable to the summer program the student wishes to attend;* and
- ~~(5)~~ (6) demonstrate need for financial assistance.

Sec. 10. [126.74] [PROGRAMS FOR PREGNANT PUPILS.]

*Each school district must provide an educational program, with appropriate adaptations and support services, for pregnant minors and minor parents who are required to attend school as a condition of receiving government benefits. The department of education must develop model programs and provide technical assistance to districts in adapting the models to their individual needs and in implementing the program.*

Sec. 11. Minnesota Statutes 1987 Supplement, section 129B.11, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] To be eligible for a grant, a group of districts must meet one of the following criteria:

- (1) create a consolidated district according to section 122.23, with the consolidated school district having at least 600 pupils in average daily membership;
- (2) establish an education district according to section 122.91;
- (3) form a group of districts that has an agreement under section 122.535 or 122.541 for discontinuing grades when the districts entering into the agreement have a total of at least 240 pupils in average daily membership in grades ten, 11, and 12; or
- (4) enter into a joint powers agreement for a technology cooperative where the school districts in the cooperative are contiguous ~~but are significant distances apart so that other forms of cooperation are not practical.~~

Sec. 12. Minnesota Statutes 1987 Supplement, section 129B.11, is amended by adding a subdivision to read:

Subd. 2a. [INTENTION TO CONSOLIDATE.] *A group of districts is eligible for a grant if each school board has adopted a resolution of intention to consolidate with the other districts in the group. If a grant is awarded to a group of districts under this subdivision and if the group does not actually consolidate within 24 months of receiving the grant, the department of education shall withhold payment of all state aids until the amount of the grant has been recovered.*



*The state board of education may establish additional conditions to a grant awarded under this subdivision.*

Sec. 13. Minnesota Statutes 1987 Supplement, section 129B.53, is amended by adding a subdivision to read:

*Subd. 2a. [CERTAIN ADULTS MAY ATTEND FREE.] A center may not charge a fee to anyone 21 years old or older who is completing requirements for a high school diploma or equivalency certificate at the center.*

Sec. 14. Minnesota Statutes 1987 Supplement, section 129B.55, is amended by adding a subdivision to read:

*Subd. 3. [REVENUE FOR ADULT PARTICIPANTS.] A center shall receive basic revenue, according to section 124A.22, subdivision 2, for people who are enrolled in courses of study necessary to earn a high school diploma or equivalency certificate. The average daily membership for a person enrolled in these courses shall equal the ratio of the total minutes for which a person is enrolled to the minutes required during the year for a secondary school pupil. Basic revenue for these people shall equal the formula allowance times the full-time equivalent actual pupil units.*

Sec. 15. [129B.56] [DESIGNATION AS CENTER.]

*The commissioner of education in cooperation with the state board of education shall establish a process for state designation and approval of area learning centers that meet the provisions of Minnesota Statutes, sections 129B.52 to 129B.55.*

*The four area learning centers designated in 1988 as exemplary shall be subject to the state approval process beginning July 1, 1990.*

*Area learning center designation shall begin July 1, 1988.*

Sec. 16. Minnesota Statutes 1986, section 136D.81, is amended to read:

136D.81 [DAKOTA AND GOODHUE COUNTY DISTRICTS, JOINT VOCATIONAL SCHOOL.]

Subdivision 1. [AGREEMENTS.] Two or more of the special school district numbered 6 and the independent school districts numbered 191, 192, 194, 195, 196, 197, 199 and, 200, 252, and 256, located wholly or partly in the ~~county~~ counties of Dakota or Goodhue, whether or not contiguous, may enter into agreements to accomplish jointly and cooperatively the acquisition, betterment, construction, maintenance, and operation of area vocational technical schools. Each school district which becomes a party to such an agreement is hereinafter referred to as a "participating school district." The agreement may provide for the exercise of such powers by the school board of one of the school districts on behalf of and for the benefit of other school districts, or by a joint school board created as set forth in sections 136D.81 to 136D.92. If the powers are to be carried out by one of the school districts, it shall in doing so have the same powers and duties and be subject to the same limitations as are herein provided for joint school boards.

Subd. 2. [HECB REVIEW.] No area vocational technical school shall be constructed pursuant to sections 136D.81 to 136D.92 until the location of such school and its program is first submitted for review and recommendation by the Minnesota higher education coordinating board.

Sec. 17. Minnesota Statutes 1986, section 354.52, subdivision 4, is

amended to read:

Subd. 4. At least once each month, the chief administrative officer of each employing school district or managing body of schools and institutions to which the provisions of this chapter apply shall transmit all amounts due to a *public pension or retirement fund* and furnish a signed statement indicating the amount due and transmitted, and shall transmit a statement containing such other information as the executive director of the fund shall require. Signing the statement shall have the force and effect of an oath as to the correctness of the amount due and transmitted. Any amount thus due and not transmitted shall accrue interest at the rate of six percent compounded annually commencing 15 days after the date first due until the amount is transmitted and shall be paid by the employing school district or other managing body. *If the amount due plus interest is not transmitted and paid 30 days after interest begins to accrue, a penalty equal to ten percent of the amount due is added, and interest then accrues on the penalty as well as the amount originally due.* The state treasurer shall credit all money received or withheld pursuant to the provisions of this chapter to the fund and the reports and date received by the state treasurer from each reporting agency shall be available for the board. Any person willfully failing to perform any of the duties imposed by this section shall be guilty of a misdemeanor.

Sec. 18. Minnesota Statutes 1986, section 354A.12, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Notwithstanding any law to the contrary, levies for teachers retirement fund associations in cities of the first class, including levies for any employer social security taxes for teachers covered by the Duluth teachers retirement fund association or the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association, are disallowed.

The employing units shall make the following employer contributions to teachers retirement fund associations:

(a) For any coordinated member of a teachers retirement fund association in a city of the first class, the employing unit shall pay the employer social security taxes in accordance with section 355.46, subdivision 3, clause (b);

(b) For any coordinated member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund association in an amount equal to the designated percentage of the salary of the coordinated member as provided below:

Duluth teachers retirement fund association	5.79 percent
Minneapolis teachers retirement fund association	4.50 percent
St. Paul teachers retirement fund association	4.50 percent

(c) For any basic member of one of the following teachers retirement fund associations in a city of the first class, the employing unit shall make a contribution to the respective retirement fund in an amount equal to the designated percentage of the salary of the basic member as provided below:

Minneapolis teachers retirement fund association	13.35 percent
St. Paul teachers retirement fund association	12.63 percent

The employer contributions required by this subdivision and the employer contributions due any other public pension or retirement fund shall be remitted directly to each teachers retirement fund or other fund association each month. An amount due and not transmitted begins to accrue interest at the rate of six percent compounded annually 15 days after the date due. If the amount due plus interest is not paid 30 days after interest begins to accrue, a penalty equal to ten percent of the amount due is added, and interest then accrues on the penalty as well as the amount originally due.

Payments for school district or area vocational technical institute employees who are paid from normal operating funds, shall be made from the appropriate fund of the district or area vocational technical institute.

Sec. 19. Laws 1959, chapter 462, section 3, subdivision 4, as amended by Laws 1963, chapter 645, section 3, and Laws 1967, chapter 661, section 3, is amended to read:

Subd. 4. Not later than the ~~15th last day of the last month~~ of each fiscal year the board shall adopt and cause to be published two separate budgets, an operating budget and a capital budget for the subsequent fiscal year. The board shall adopt and publish standards governing the content of its budgets and of its annual report.

#### Sec. 20. [LEARNING YEAR PROGRAM SITES.]

*Subdivision 1. [PROGRAM ESTABLISHED FOR TWO YEARS.] A program is established to designate learning year program sites for providing instruction throughout the entire year. The learning year programs may begin June 9, 1988, and end June 9, 1990. The programs must permit students in grades 9 through 12 to receive instruction throughout the entire year.*

*Students may participate in the program if they reside in:*

*(1) a district that has been designated a learning year program site under subdivision 2;*

*(2) a district that is a member of the same education district as a program site; or*

*(3) a district that participates in the same area learning center program as a program site.*

*Subd. 2. [STATE BOARD DESIGNATION.] Up to five districts may be designated learning year program sites by the state board of education. To be designated, a district must demonstrate to the commissioner of education that the district will:*

*(1) provide a program of instruction that permits students in grades 9 through 12 to receive instruction throughout the entire year; and*

*(2) maintain a record system that, for purposes of section 124.17, permits identification of membership attributable to students participating in the program. The purpose for identifying this membership is to ensure that a district will not be able to increase the total number of pupil units attributable to an individual student by providing a learning year program. The*

commissioner of education shall consult with the director of the education aids and levies section of the department of education when determining whether the record system of a participating district is adequate for this purpose.

**Subd. 3. [HOURS OF INSTRUCTION.]** Students participating in a program must be able to receive 4,200 hours of instruction so that they are able to complete the requirements of grades 9 through 12. If a student has not completed the graduation requirements of the district after completing 4,200 hours of instruction, the student may continue to enroll in courses needed for graduation until either the student meets the graduation requirements or the student is 21 years old, whichever occurs first.

For the purposes of Minnesota Statutes, section 120.101, subdivision 5, 1,020 hours of instruction shall constitute 170 days of instruction. Hours of instruction that occur between June 9 and June 30 shall be attributed to the fiscal year following the days of actual instruction.

**Subd. 4. [STUDENT PLANNING.]** A district must inform all junior and senior high school students and their parents about the learning year program. A continual learning plan for the 4,200 hours of education must be developed for each student with the participation of the student, parent or guardian, teachers, and other staff. The plan must identify the learning experiences needed for graduation and must specify the learning experiences that will occur each year. The student or district may modify the plan according to district schedule changes. The district may not modify the plan if the modification would result in delaying the student's time of graduation.

**Subd. 5. [TRANSPORTATION.]** Summer transportation expenditures for this program must be included in nonregular transportation according to Minnesota Statutes, sections 124.225, subdivision 8; and 275.125, subdivision 5c.

**Subd. 6. [CONTRACTS.]** A district may contract with a licensed employee to provide services in a learning year program that are in addition to the services provided according to the master contract of employment for teachers, entered into under chapter 179A, or an equivalent contract for licensed employees who are not teachers. These additional services and compensation, if any, for the services shall not become a part of the employee's continuing contract rights under Minnesota Statutes, section 125.12 or 125.17. The duration of a contract is negotiable, but may not extend beyond June 9, 1990.

**Subd. 7. [REVENUE COMPUTATION AND REPORTING.]** Aid and levy revenue computations shall be based on the total number of hours of education programs for pupils in average daily membership for each fiscal year. For purposes of section 124.17, average daily membership shall be computed by dividing the total number of hours of participation for the fiscal year by 1,050. Hours of participation that occur between June 9 and June 30 shall be attributed to the fiscal year following the hours of actual participation. Thirty hours may be used for teacher workshops, staff development, or parent-teacher conferences. As part of each pilot program, the department of education, the commissioner of education, and each district must report and evaluate the changes needed to adjust the dates of the fiscal year for aid and levy computation and fiscal reporting. For revenue computation purposes, the learning year program shall generate revenue based on the formulas for the fiscal year in which the services

are provided.

State aid and levy revenue computation for the learning year programs begins July 1, 1988, for fiscal year 1989.

Subd. 8. [EXEMPTION.] To operate the pilot program, the state board of education may exempt the district from specific rules relating to student and financial accounting, reporting, and revenue computation.

Sec. 21. [HIBBING, TOWER, VIRGINIA SCHOOL DISTRICT BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 701, Hibbing, may issue bonds in an aggregate principal amount not exceeding \$3,500,000, and independent school district No. 708, Tower, may issue bonds in an aggregate principal amount not exceeding \$1,000,000, and independent school district No. 706, Virginia, may issue bonds in an aggregate principal amount not exceeding \$2,500,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. They may spend the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.

Subd. 2. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 80 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 3. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision 2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

Subd. 4. [DISTRICT LEVY.] The school board shall by resolution levy on all property in the school district subject to the general ad valorem school tax levies, and not subject to taxation under Minnesota Statutes, sections 298.23 to 298.28, a direct annual ad valorem tax for each year of the term of the bonds in amounts that, if collected in full, will produce the amounts needed to meet when due 20 percent of the principal and

interest payments on the bonds. A copy of the resolution shall be filed, and the necessary taxes shall be extended, assessed, collected, and remitted in accordance with Minnesota Statutes, section 475.61.

Subd. 5. [LEVY LIMITATIONS.] Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

Subd. 6. [BONDING LIMITATIONS.] Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

Subd. 7. [TERMINATION OF APPROPRIATION.] The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.

Subd. 8. [LOCAL APPROVAL.] This section is effective for independent school district No. 701 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 708 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3, and for independent school district No. 706 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

## Sec. 22. [SCHOOL DISTRICT NO. 710 BONDS.]

Subdivision 1. [AUTHORIZATION.] Independent school district No. 710, St. Louis county, may issue bonds in an aggregate principal amount not exceeding \$1,000,000, in addition to any bonds already issued or authorized, to provide funds to construct, equip, furnish, remodel, rehabilitate, and acquire land for school facilities and buildings. The district may spend the proceeds of the bond sale for those purposes and any architects', engineers', and legal fees incidental to those purposes or the sale. Except as permitted by this section, the bonds shall be authorized, issued, sold, executed, and delivered in the manner provided by Minnesota Statutes, chapter 475. A resolution of the board levying taxes for the payment of the bonds and interest on them as authorized by this section and pledging the proceeds of the levies for the payment of the bonds and interest on them shall be deemed to be in compliance with the provisions of chapter 475 with respect to the levying of taxes for their payment.

Subd. 2. [APPROPRIATION.] There is annually appropriated from the distribution of taconite production tax revenues to the taconite environmental protection fund pursuant to section 298.28, subdivision 11, and to the northeast Minnesota economic protection trust pursuant to section 298.28, subdivisions 9 and 11, in equal shares, an amount sufficient to pay when due 100 percent of the principal and interest on the bonds issued pursuant to subdivision 1. If the annual distribution to the northeast Minnesota economic protection trust is insufficient to pay its share after fulfilling any obligations of the trust under section 298.225 or 298.293, the deficiency shall be appropriated from the taconite environmental protection fund.

Subd. 3. [DISTRICT OBLIGATIONS.] Bonds issued under authority of this section shall be the general obligations of the school district, for which its full faith and credit and unlimited taxing powers shall be pledged. If there are any deficiencies in the amount received pursuant to subdivision

2, they shall be made good by general levies, not subject to limit, on all taxable properties in the district in accordance with Minnesota Statutes, section 475.74. If any deficiency levies are necessary, the school board may effect a temporary loan or loans on certificates of indebtedness issued in anticipation of them to meet payments of principal or interest on the bonds due or about to become due.

**Subd. 4. [LEVY LIMITATIONS.]** Taxes levied pursuant to this section shall be disregarded in the calculation of any other tax levies or limits on tax levies provided by other law.

**Subd. 5. [BONDING LIMITATIONS.]** Bonds may be issued under authority of this section notwithstanding any limitations upon the indebtedness of a district, and their amounts shall not be included in computing the indebtedness of a district for any purpose, including the issuance of subsequent bonds and the incurring of subsequent indebtedness.

**Subd. 6. [TERMINATION OF APPROPRIATION.]** The appropriation authorized in subdivision 2 shall terminate upon payment or maturity of the last of those bonds.

**Subd. 7. [LOCAL APPROVAL.]** This section is effective for independent school district No. 710 the day after its governing body complies with Minnesota Statutes, section 645.021, subdivision 3.

#### **Sec. 23. [EXCESS TRANSPORTATION FUNDS.]**

Notwithstanding Minnesota Statutes, section 121.912, a district that has discontinued operation of a district-owned bus fleet or a substantial portion of a fleet may, during fiscal year 1989, make a permanent transfer from the account entitled pupil transportation fund appropriated for bus purchases to the unreserved account in the transportation fund.

#### **Sec. 24. [REPEALER.]**

Minnesota Statutes 1986, section 120.0752, as amended by Laws 1987, chapter 398, article 7, section 4, is repealed. Minnesota Statutes 1987 Supplement, section 123.3515, is repealed. Laws 1984, chapter 463, article 7, section 45, is repealed.

#### **Sec. 25. [EFFECTIVE DATE.]**

Sections 1 and 10 are effective for the 1989-1990 school year and thereafter. Sections 9, 17, and 18 are effective the day following final enactment.

Section 16 is effective the day following final enactment. A district specified in section 16 located wholly or partly in Goodhue county may become a participating district upon adoption of an approving resolution by its school board and the board of intermediate school district No. 917, upon compliance with Minnesota Statutes, section 136D.85, and upon execution of an agreement with the board of intermediate school district No. 917.

Section 24 is effective July 1, 1989.

### **ARTICLE 7**

#### **EDUCATION FACILITIES**

##### **Section 1. [121.148] [SCHOOL DISTRICT CONSTRUCTION.]**

**Subdivision 1. [MORATORIUM.]** A school board may not construct any new buildings or educational facilities except according to the procedures

in this section and section 121.15.

Subd. 2. [PROCEDURES.] *If a school board determines that it is necessary to construct a new building or facility, it must comply with the requirements of section 121.15.*

Subd. 3. [APPROVAL OF CONSTRUCTION.] *If the commissioner approves of the construction, according to section 121.15, the school board may proceed with the construction according to the requirements of applicable laws.*

Subd. 4. [DISAPPROVAL OF CONSTRUCTION.] *If the commissioner disapproves of the construction according to section 121.15, the school board shall reconsider construction by resolution of the board. The question of whether to construct the building or facility must be submitted to the voters at a referendum at the next regular election. Unless 60 percent of the voters at the election approve of constructing the building, the board shall not proceed with construction.*

Sec. 2. Minnesota Statutes 1986, section 121.15, is amended to read:

**121.15 [REVIEW AND COMMENT APPROVAL FOR SCHOOL DISTRICT CONSTRUCTION.]**

Subdivision 1. [CONSULTATION APPLICATION.] *A school district shall ~~consult with~~ apply to the ~~department~~ commissioner of education before developing any plans and specifications to construct, remodel, or improve the building or site of an educational facility, other than an area vocational technical institute. This ~~consultation application~~ shall occur before a referendum for bonds, solicitation for bids, or use of ~~capital funds~~ school facilities revenue according to section ~~275.125~~, ~~subdivision 11a~~, ~~clause (e)~~, is initiated 4.*

Subd. 2. [PLAN SUBMITTAL.] *The ~~department of education~~ commissioner, after the ~~consultation application~~ required in subdivision 1, may require a school district ~~engaging in a construction, remodeling, or site improvement project~~ to submit the following for approval:*

(a) two sets of preliminary plans for each new building or addition, and

(b) one set of final plans for each construction, remodeling, or site improvement project. *The ~~department of education~~ commissioner shall approve or disapprove the plans within 60 days after submission. A school district shall not award contracts before the department approves the plans.*

*Final plans shall meet all applicable state laws, rules, and codes concerning public buildings, including sections 16B.59 to 16B.73. The ~~department of education's approval shall be limited to compliance with applicable state laws, rules, and codes and shall reasonably conform to the recommended educational standards established by the department of education.~~ The department may furnish to a school district plans and specifications for temporary school buildings containing two classrooms or less.*

Subd. 3. [FINAL PLANS.] *If ~~no~~ a construction contract has not been awarded within two years of approval, the approval shall ~~no longer not~~ be valid. After approval, final plans and the approval shall be filed with the department of education. If substantial changes are made to ~~approved~~ plans after final approval, documents reflecting the changes shall be submitted to the ~~department of education~~ commissioner for approval. Upon completing a project, the school board shall certify to the ~~department~~ commissioner.*



that the project was completed according to the approved plans.

Subd. 4. [CONDEMNATION OF SCHOOL BUILDINGS.] The ~~department of education~~ *commissioner* may condemn school buildings and sites ~~which that~~ the state board of education determines are unfit or unsafe for that use.

Subd. 5. [RULEMAKING.] The state board of education may adopt rules for public school buildings.

Subd. 6. [REVIEW AND COMMENT APPROVAL.] No referendum for bonds or solicitation of bids for new construction, expansion, or remodeling of an educational facility ~~which that~~ requires a ~~capital~~ *an* expenditure in excess of \$400,000 per school site shall be initiated prior to ~~review and comment approval~~ by the commissioner. A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Subd. 7. [INFORMATION REQUIRED.] A school board proposing to construct a facility described in subdivision 6 shall submit to the commissioner a proposal containing information including at least the following:

(a) the geographic area proposed to be served, whether within or outside the boundaries of the school district;

(b) the ~~population~~ *people* proposed to be served, including census findings and projections *for the next ten years* of the number of preschool and school-aged people in the area;

(c) the reasonably anticipated need for the facility or service to be provided;

(d) a description of the construction in reasonable detail, including: the ~~capital~~ expenditures contemplated; the estimated annual operating cost, including the anticipated salary and number of new staff necessitated by the proposal; and an evaluation of the energy efficiency and effectiveness of the construction, including estimated annual energy costs;

(e) ~~so far as is known~~, existing facilities within the area to be served ~~that offer the same or similar service~~; the extent *to which* existing facilities or services are used; the extent to which *alternate* space is available ~~from other sources~~, including *other school districts, post-secondary institutions for higher education*, or other public buildings; and the anticipated effect that the ~~proposal~~ *facility* will have on existing facilities and services;

(f) the anticipated benefit *of the facility* to the area ~~that will result from the facility~~;

(g) if known, the relationship of the proposed construction to any priorities ~~which that~~ have been established for the area to be served;

(h) the availability and manner of financing the facility and the estimated date to begin and complete the facility; and

(i) desegregation requirements that cannot be met by any other reasonable means.

Subd. 8. [REVIEW OF PROPOSALS.] In reviewing each proposal, the commissioner shall ~~submit to the school board~~, within 60 days of receiving the proposal, ~~the review and comment about the educational and economic advisability of approve or disapprove~~ the project. The ~~review and comment decision~~ shall be based on information submitted with the proposal and other information the commissioner determines is necessary.

*Subd. 8a. [DISAPPROVAL.] The commissioner shall disapprove a project if the district could:*

*(1) purchase or lease a suitable facility in the district or an adjacent district that is not more than 12 miles from the proposed project; or*

*(2) enter into a cooperative facility agreement with another district.*

**Subd. 9. [PUBLICATION.]** At least 20 days but not more than 60 days before a referendum for bonds or solicitation of bids to construct a facility, the school board shall publish the commissioner's ~~review and comment approval or disapproval~~ in a ~~legal~~ newspaper of general circulation in the area. Supplementary information shall be available to the public.

**Subd. 10. [REPORT.]** Before January 15 of each year, the commissioner shall report to the legislature about the number and nature of proposals for projects submitted according to this section, the nature of the review and ~~comment on the educational and economic advisability, and any recommendations whether the projects were approved or disapproved.~~

**Sec. 3. Minnesota Statutes 1987 Supplement, section 121.912, subdivision 1, is amended to read:**

**Subdivision 1. [LIMITATIONS.]** Except as provided in this subdivision, sections 121.9121, 123.36, 4, 475.61, and 475.65, a school district may not permanently transfer money from (1) an operating fund to a nonoperating fund; (2) a nonoperating fund to another nonoperating fund; or (3) a nonoperating fund to an operating fund. Permanent transfers may be made from any fund to any other fund to correct for prior fiscal years' errors discovered after the books have been closed for that year. Permanent transfers may be made from the general fund to any other operating funds if the resources of the other fund are not adequate to finance approved expenditures from that other fund. Permanent transfers may also be made from the general fund to eliminate deficits in another fund when that other fund is being discontinued. When a district discontinues operation of a district-owned bus fleet or a substantial portion of a fleet, permanent transfers may be made from the fund balance account entitled "pupil transportation fund appropriated for bus purchases" to the capital expenditure fund, with the approval of the commissioner. The levy authorized pursuant to section ~~275.125, subdivision 11a~~ 124.244, shall be reduced by an amount equal to the amount transferred. Any school district may transfer any amount from the unappropriated fund balance account in its transportation fund to any other operating fund or to the appropriated fund balance account for bus purchases in its transportation fund.

**Sec. 4. [124.243] [SCHOOL FACILITIES REVENUE.]**

*Subdivision 1. A school board shall by resolution adopted by a two-thirds vote of its governing body and after notice and hearing adopt a capital facility program. The program shall include repair and restoration for its existing district-owned facilities and plans for new construction. The program must set forth the facilities to be improved, a schedule of work not more than five years from the adoption or amendment of the program, the estimated cost of the improvements to be made, and the proposed methods of financing the program. The program is subject to commissioner approval under section 121.15. If the school district is a district under section 473.852, subdivision 11, the program must be made part of the capital improvement program of the district according to the procedures in section 473.863. The program must be reviewed by the*

*district annually before July 1 of each subsequent year, after notice and hearing. After the review, the program may be amended to include the ensuing five-year period.*

*Subd. 2. [REVENUE AMOUNT.] School facilities revenue for a district equals the lesser of:*

- (1) \$150 times its actual pupil units for the school year; or*
- (2) the difference between \$450 times the actual pupil units for the school year and the unreserved balance in the school facilities account on June 30 of the second prior school year.*

*Subd. 3. [SCHOOL FACILITIES LEVY.] To obtain school facilities revenue, a district may levy an amount not to exceed two mills times the adjusted assessed valuation of the district for the preceding year.*

*Subd. 4. [ALTERNATE LEVY.] If a district's school facilities revenue is less than \$150 times the actual pupil units for the school year, the levy shall be the following amount:*

- (1) the levy determined in subdivision 2, times*
- (2) the ratio of the school facilities revenue to an amount equal to \$150 times the actual pupil units.*

*Subd. 5. [SCHOOL FACILITIES AID.] A district's school facilities aid is the difference between the school facilities revenue and the school facilities levy. If the district does not levy the entire amount permitted, the aid is reduced proportionately.*

*Subd. 6. [USES OF REVENUE.] School facilities revenue may be used only for capital improvements for school facilities that are used primarily for academic instruction, special education, secondary vocational instruction, or community education, including the following:*

- (1) to acquire land;*
- (2) to acquire or construct facilities, if approved by the commissioner of education according to applicable statutes and rules;*
- (3) to rent or lease facilities;*
- (4) to improve and repair sites, buildings, and permanent attached fixtures;*
- (5) to eliminate barriers or increase access to facilities by handicapped individuals;*
- (6) to comply with the uniform fire code adopted according to chapter 299F;*
- (7) to remove asbestos from school facilities, encapsulate asbestos, or make asbestos related repairs;*
- (8) to clean up and dispose of polychlorinated biphenyls found in school facilities;*
- (9) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;*
- (10) for energy audits for school facilities and to make modifications if the audit indicates the costs can be recovered within ten years;*
- (11) to improve facilities that are leased according to section 123.36,*

subdivision 10;

(12) to pay special assessments levied against school property, but not to pay assessments for service charges; and

(13) to pay principal and interest on state loans for energy conservation according to section 116J.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298.

Subd. 7. [PROHIBITED USES.] Revenue under this section may not be used for the acquisition or betterment of athletic fields, gymnasiums in separate buildings, stadia, school bus garages, or other facilities primarily used for post-secondary vocational education, administration, or non-instructional purposes.

Subd. 8. [SEPARATE ACCOUNT.] School facilities revenue must be placed in a separate account within the capital expenditure fund.

Subd. 9. [FUND TRANSFERS.] Money in the account for school facilities revenue may not be transferred into any other account or fund, except that, subject to subdivisions 6 and 7, the school board may, by resolution, transfer money into the debt service fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475.

Subd. 10. [INTEREST INCOME.] All interest income attributable to the school facilities revenue account shall be credited to the account.

Sec. 5. Minnesota Statutes 1987 Supplement, section 124.244, is amended to read:

#### 124.244 [CAPITAL EXPENDITURE EQUIPMENT REVENUE.]

Subdivision 1. [REVENUE AMOUNT.] The capital expenditure equipment revenue for each district equals ~~\$153~~ \$100 times its actual pupil units counted according to section 124.17, subdivision 1, for the school year.

Subd. 2. [CAPITAL EXPENDITURE EQUIPMENT LEVY.] To obtain capital expenditure equipment revenue, a district may levy an amount not to exceed three mills times the adjusted assessed valuation of the district for the preceding year.

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] A district's capital expenditure equipment aid is the difference between the capital expenditure equipment revenue and the capital expenditure equipment levy. If a district does not levy the entire amount permitted, capital expenditure equipment aid must be reduced in proportion to the actual amount levied.

Subd. 4. [USES OF REVENUE.] Capital expenditure Equipment revenue may be used only for the following purposes:

- (1) to acquire land for school purposes;
- (2) to acquire or construct buildings for school purposes, if approved by the commissioner of education according to applicable statutes and rules;
- (3) to rent or lease buildings for school purposes;
- (4) to equip, reequip, improve, and repair school sites, buildings and permanent attached fixtures;
- (5) to eliminate barriers or increase access to school buildings by handicapped individuals;

(6) to bring school buildings into compliance with the uniform fire code adopted according to chapter 299F;

(7) to remove asbestos from school buildings, encapsulate asbestos, or make asbestos-related repairs;

(8) to clean up and dispose of polychlorinated biphenyls found in school buildings;

(9) to clean up, remove, dispose of, and make repairs related to storing heating fuel or transportation fuels such as alcohol, gasoline, fuel oil, and special fuel, as defined in section 296.01;

(10) for energy audits for school buildings and to make modifications if the audit indicates the costs can be recovered within ten years;

(11) to improve buildings that are leased according to section 123.36, subdivision 10;

(12) to pay special assessments levied against school property but not to pay assessments for service charges;

(13) to pay capital expenditure assessments of an educational cooperative service unit;

(14) to pay principal and interest on state loans for energy conservation according to section 116J.37 or loans made under the northeast Minnesota economic protection trust fund act according to sections 298.292 to 298.298;

(15) (2) to purchase or lease computers and related materials, copying machines, and telecommunications equipment, and other noninstructional equipment;

(16) (3) to purchase or lease equipment for secondary vocational education programs or senior secondary industrial arts instructional programs; and

(17) (4) to purchase textbooks.

#### Sec. 6. [124.82] [BUILDING CONSTRUCTION DOWN PAYMENT PROGRAM.]

*Subdivision 1. [CREATION OF A DOWN PAYMENT ACCOUNT.] A school district may create a down payment account as a separate account in its construction fund. All proceeds from the down payment levy must be deposited in this account.*

*Subd. 2. [USES OF THE ACCOUNT.] Money in the down payment account may be used as a down payment for the future costs of acquisition and betterment for a project that has been approved according to section 121.15.*

*Subd. 3. [FACILITIES DOWN PAYMENT LEVY REFERENDUM.] A district may levy the millage approved by a majority of the electors voting on the question to provide funds for a down payment for an approved project. The election must take place no more than five years before the estimated date of commencement of the project. The referendum shall be held on a date set by the school board. A referendum for a project not receiving approval by the commissioner must be approved by at least 60 percent of the voters at the election. The referendum may be called by the school board and may be held:*

*(1) separately, prior to an election for the issuance of obligations for*

the approved project under chapter 475; or

(2) in conjunction with an election for the issuance of obligations for the approved project under chapter 475; or

(3) notwithstanding section 475.59, as a conjunctive question authorizing both the down payment levy and the issuance of obligations for the approved project under chapter 475. Any obligations authorized for an approved project may be issued within five years of the date of the election.

The ballot must provide a general description of the proposed project, state the estimated total cost of the project, state that the project has been approved or disapproved by the commissioner of education, state the maximum amount of the down payment levy in mills, state the amount that will be raised by that millage in the first year it is to be levied, and state the maximum number of years that the levy authorization will apply.

The ballot must contain a textual portion with the information required in this section and a question stating substantially the following:

"Shall the down payment levy proposed by the board of . . . . . School District No. . . . . be approved?"

If approved, the amount provided by the approved millage applied to each year's taxable valuation shall be authorized for certification for the number of years approved.

In the event a conjunctive question proposes to authorize both the down payment levy and the issuance of obligations for the project, appropriate language authorizing the issuance of obligations shall also be included in the question.

The district must notify the commissioner of education of the results of the referendum.

**Subd. 4. [EXCESS BUILDING CONSTRUCTION FUND LEVY PROCEEDS.]** Any funds remaining in the down payment account that are not applied to the payment of the costs of the approved project prior to its final completion must be transferred to the district's debt redemption fund.

**Sec. 7.** Minnesota Statutes 1986, section 275.125, is amended by adding a subdivision to read:

**Subd. 4a. [DOWN PAYMENT LEVY.]** A school district may levy the amount authorized for a down payment levy according to section 6.

**Sec. 8. [EFFECTIVE DATES.]**

Sections 1 and 2 are effective the day following final enactment for projects that have not been submitted to the department for review and comment under Minnesota Statutes 1986, section 121.15. Sections 4 and 5 are effective for revenue for the 1989-1990 school year and thereafter."

Delete the title and insert:

"A bill for an act relating to education; establishing general education revenue for fiscal year 1990; modifying aspects of educational programs for American Indian people; providing for certain levying authority and limitations; modifying certain levies, aid, and grant programs; establishing learning year program sites; providing for revenue for school facilities; appropriating money; amending Minnesota Statutes 1986, sections 120.08, subdivision 2; 121.15; 124.214, subdivision 2; 124.48, subdivision 2; 126.151; 126.45;

126.46; 126.47; 126.49, subdivision 1; 126.51, subdivisions 1, 2, 4, and by adding a subdivision; 126.52; 126.531; 126.56, subdivision 2; 129B.20, subdivision 1; 136D.74, by adding subdivisions; 136D.81; 275.125, by adding subdivisions; 354.52, subdivision 4; 354A.12, subdivision 2; Minnesota Statutes 1987 Supplement, sections 120.17, subdivision 3b; 121.912, subdivision 1; 124.17, subdivision 1; 124.214, subdivision 3; 124.225, subdivision 8a; 124.244; 124A.22, subdivision 2; 124A.23, subdivisions 1 and 5; 124A.28, subdivision 1; 126.22, subdivisions 2 and 3; 126.23; 129B.11, subdivision 2, and by adding a subdivision; 129B.53, by adding a subdivision; 129B.55, by adding a subdivision; 136D.27; 136D.87; 275.125, subdivision 5; Laws 1959, chapter 462, section 3, subdivision 4, as amended; Laws 1987, chapter 398, articles 3, section 39, subdivisions 2 and 7; and 10, section 2, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 120, 121, 124, 124A, 125, 126, 129B, and 135A; repealing Minnesota Statutes 1986, sections 120.0752, as amended; 126.51, subdivision 3; Minnesota Statutes 1987 Supplement, sections 123.3515; 124A.27, subdivision 10; and Laws 1984, chapter 463, article 7, section 45."

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. 1948: A bill for an act relating to drivers' licenses; allowing stepparent married to custodial parent of minor to approve minor's driver's license application; amending Minnesota Statutes 1986, section 171.04.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

H.F. No. 81: A bill for an act relating to local government; providing for the use of certain city reserve funds; amending Minnesota Statutes 1986, section 471.572, subdivision 3.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

H.F. No. 2469: A bill for an act relating to agriculture; regulating sales of anhydrous ammonia; proposing coding for new law in Minnesota Statutes, chapter 239.

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

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

S.F. No. 2042: A bill for an act relating to agriculture; appropriating money for purple loosestrife eradication grants.

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

Page 1, line 10, delete "*farmers*" and insert "*private landowners*"

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

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

S.F. No. 2491: A bill for an act relating to metropolitan government; establishing various requirements on agency organization, work programs, budgets, and reports; amending Minnesota Statutes 1986, sections 473.13, subdivision 1; 473.146, subdivision 3; 473.173, subdivision 6; 473.245; and 473.375, subdivision 16; Minnesota Statutes 1987 Supplement, section 473.1623, subdivisions 4 and 6.

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

Page 2, after line 9, insert:

"Sec. 2. Minnesota Statutes 1986, section 473.13, is amended by adding a subdivision to read:

*Subd. 1a. [PROGRAM EVALUATION.] The budget procedure of the council must include a substantive assessment and evaluation of the effectiveness of each significant program of the council, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. The council shall transmit the evaluation to the legislature annually."*

Page 2, line 19, after "needs" insert "and problems"

Page 2, line 20, strike the first "and" and insert ", including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2)"

Page 2, line 22, strike "(2)" and insert "(3)"

Page 2, line 24, strike "(3)" and insert "(4)"

Page 2, line 26, strike "(4)" and insert "(5)"

Page 2, line 28, strike "(5)" and insert "(6)"

Page 2, line 31, delete "(6)" and insert "(7)"

Page 3, line 35, before "consulting" insert "proposed or anticipated" and after "contracts" insert "or projects"

Page 3, line 36, before the period insert "or project"

Page 4, line 20, after "on" insert "employee" and after "salaries" insert "under clause (1)"

Page 4, line 23, after "benefits" insert "granted to individuals"

Page 4, line 24, before the period, insert "or agency"

Pages 5 and 6, delete sections 6 and 7 and insert:

"Sec. 7. Minnesota Statutes 1986, section 473.38, is amended by adding a subdivision to read:



*Subd. 4. [PROGRAM EVALUATION.] The budget procedure of the board must include a substantive assessment and evaluation of the effectiveness of each significant program of the board, with, to the extent possible, quantitative information on the status, progress, costs, benefits, and effects of each program. The board shall transmit the evaluation to the legislature annually."*

Page 6, line 14, after "APPLICATION" insert "; EFFECTIVE DATE"

Page 6, line 16, before the period, insert ", on the day following final enactment"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the semicolon, insert ", and by adding a subdivision"

Page 1, line 7, delete everything before "Minnesota" and insert "473.38, by adding a subdivision;"

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

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

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.

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

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

S.F. No. 1940: A bill for an act relating to transportation; excluding certain publicly owned transit buses in Duluth from certain definitions of school bus.

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

Page 1, line 10, delete "children" and insert "secondary students"

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

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

S.F. No. 2041: A bill for an act relating to agriculture; shifting the responsibility for eradication of purple loosestrife in certain public waters and wetlands; amending Minnesota Statutes 1986, section 18.191.

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

Delete everything after the enacting clause and insert:

"Section 1. [18.192] [CONTROL OF PURPLE LOOSESTRIPE ON PUBLIC WATERS AND WETLANDS.]

*Subdivision 1. [DEFINITION OF PUBLIC WATERS AND WETLANDS.] "Public waters and wetlands" means public waters and wetlands designated under section 105.391.*

*Subd. 2. [COMMISSIONER'S RESPONSIBILITY FOR PUBLIC WATERS ON PRIVATE LANDS.] An owner of nonfederal lands underlying public waters and wetlands is not required to control or eradicate purple loosestrife, *lythrum salicaria*, below the ordinary high water level of the public waters or wetlands. The commissioner of natural resources is responsible for control and eradication of purple loosestrife on public waters and wetlands, except public waters and wetlands that are located on land owned or managed by the United States.*

*Subd. 3. [TERMINATION OF COMMISSIONER'S AUTHORITY ON ASSUMPTION BY LANDOWNER.] The responsibility of the commissioner of natural resources to control and eradicate purple loosestrife on public waters and wetlands located on private lands and the authority to enter private lands is terminated ten days after receipt by the commissioner of a written statement from the landowner that the landowner assumes responsibility for control and eradication of purple loosestrife under sections 18.171 to 18.315."*

Amend the title as follows:

Page 1, line 2, delete "shifting" and insert "clarifying"

Page 1, line 4, delete everything after the semicolon and insert "proposing coding for new law in Minnesota Statutes, chapter 18."

Page 1, delete line 5

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 referred

S.F. No. 2286: A bill for an act relating to environment; amending certain statutes administered by the environmental quality board; prohibiting delegation of responsibilities; authorizing certain enforcement actions; prohibiting construction of certain projects; requiring project proposers to pay costs of environmental impact statements; appropriating money; amending Minnesota Statutes 1986, sections 116C.04, by adding a subdivision; 116D.04, by adding subdivisions; and 116D.045, subdivisions 1, 2, 3, and 4; Minnesota Statutes 1987 Supplement, section 116C.03, subdivision 2; repealing Minnesota Statutes 1986, section 116D.045, subdivision 5.

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

Page 2, delete lines 10 to 22 and insert:

*"Subd. 2b. If an environmental assessment worksheet or an environmental impact statement is required for a governmental action under subdivision 2a, a project may not be started and a final governmental decision may not be made to grant a permit, approve a project, or begin a project, until:*

*(1) a petition for an environmental assessment worksheet is dismissed;*

*(2) a negative declaration has been issued on the need for an environmental impact statement;*

*(3) the environmental quality board has determined an environmental impact statement is adequate; or*

*(4) a variance has been granted from making an environmental impact statement by the environmental quality board."*

Page 2, line 25, delete "A provision of" and delete ", a rule adopted"

Page 2, line 26, delete everything before "may"

Page 2, delete line 29

Page 2, line 30, delete "subdivision"

Page 2, line 31, before the period, insert ", the attorney general may bring an action under this subdivision"

Page 2, lines 34 and 35, strike ", no later than January 1, 1977,"

Page 3, line 5, strike "in accordance with subdivision 5 and"

Page 3, strike lines 6 and 7

Page 3, line 8, strike "1977"

Page 3, line 25, reinstate the stricken language and delete the new language and insert a period

Page 3, delete lines 26 and 27

Page 3, line 34, strike "with"

Page 3, lines 35 and 36, delete the new language

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

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

H.F. No. 1277: A bill for an act relating to transportation; providing for state park road account funds to be used for lake access roads; amending Minnesota Statutes 1986, section 162.06, subdivision 5.

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

Page 1, line 14, strike "but"

Page 1, line 15, strike "not to exceed the sum of \$600,000 annually"

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. 2382: A bill for an act relating to commerce; clarifying certain procedures and fees relating to the statewide uniform commercial code computerized filing system; amending Minnesota Statutes 1987 Supplement, sections 336.9-407; 336.9-411; and 336.9-413.

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 1987: A bill for an act relating to state government; regulating state employment; establishing policies regarding full-time and part-time employees; amending Minnesota Statutes 1986, sections 16A.11, subdivision 3; 16A.123, subdivision 3; 43A.01, by adding a subdivision; 43A.05, subdivision 5; 43A.24, subdivision 1, and by adding a subdivision; and 43A.25.

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

Delete everything after the enacting clause and insert:

"Section 1. [STUDY.]

*The commissioner of employee relations shall conduct a study of the use of part-time employees in the executive branch work force. In conducting the study, the commissioner must consult with exclusive representatives of state employees. The commissioner shall report the results of the study to the legislature by June 30, 1989. The report must include:*

*(1) the evaluation of a policy that encourages use of full-time, as opposed to part-time, executive branch employees;*

*(2) the circumstances under which it is essential for executive branch agencies to use part-time employees;*

*(3) a summary showing the percentages of employees in each executive branch appointing authority, and in each job classification with more than ten incumbents, that are full-time unlimited, part-time unlimited, full-time or part-time seasonal, intermittent, temporary, and emergency, as of the date that the commissioner compiles the summary;*

*(4) an analysis of overall trends in the use of part-time, intermittent, and temporary employees in the executive branch over the past five years, and of significant trends in the use of part-time employees in individual executive branch agencies;*

*(5) an evaluation of alternative methods of assuring that all state employees, whether employed full-time or part-time, have adequate hospital and medical insurance benefits; and*

*(6) recommendations for changes in law needed to accomplish the policies in clauses (1) and (5).*

*The summary required by clause (3) must note which job classifications are male-dominated, female-dominated, and balanced."*

Delete the title and insert:

"A bill for an act relating to state government; requiring the commissioner of employee relations to study the use of part-time employees in the executive branch work force; requiring a report."

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

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

H.F. No. 2558 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
		2558	2224		

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 1534 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1534	1469				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 2559 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2559	2288				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 2092 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2092	1952				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2092 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2092 and insert the language after the enacting clause of S.F. No. 1952, the first engrossment; further, delete the title of H.F. No. 2092 and insert the title of S.F. No. 1952, the first engrossment.

And when so amended H.F. No. 2092 will be identical to S.F. No. 1952, and further recommends that H.F. No. 2092 be given its second reading and substituted for S.F. No. 1952, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2029 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2029	1911				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2029 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2029 and insert the language after the enacting clause of S.F. No. 1911, the first engrossment; further, delete the title of H.F. No. 2029 and insert the title of S.F. No. 1911, the first engrossment.

And when so amended H.F. No. 2029 will be identical to S.F. No. 1911, and further recommends that H.F. No. 2029 be given its second reading and substituted for S.F. No. 1911, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2018 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2018	1786				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2018 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2018 and insert the language after the enacting clause of S.F. No. 1786, the first engrossment; further, delete the title of H.F. No. 2018 and insert the title of S.F. No. 1786, the first engrossment.

And when so amended H.F. No. 2018 will be identical to S.F. No. 1786, and further recommends that H.F. No. 2018 be given its second reading and substituted for S.F. No. 1786, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1950 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1950	1897				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 2120 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2120	1859				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 1966 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1966	2177				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1966 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1966 and insert the language after the enacting clause of S.F. No. 2177; further, delete the title of H.F. No. 1966 and insert the title of S.F. No. 2177.

And when so amended H.F. No. 1966 will be identical to S.F. No. 2177, and further recommends that H.F. No. 1966 be given its second reading and substituted for S.F. No. 2177, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2036 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2036	1934				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2036 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2036 and insert the language after the enacting clause of S.F. No. 1934, the first engrossment; further, delete the title of H.F. No. 2036 and insert the title of S.F. No. 1934, the first engrossment.

And when so amended H.F. No. 2036 will be identical to S.F. No. 1934, and further recommends that H.F. No. 2036 be given its second reading and substituted for S.F. No. 1934, and that the Senate File be indefinitely



postponed.

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

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

H.F. No. 1913 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1913	2054				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 2340 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2340	2124				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2340 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2340 and insert the language after the enacting clause of S.F. No. 2124, the first engrossment; further, delete the title of H.F. No. 2340 and insert the title of S.F. No. 2124, the first engrossment.

And when so amended H.F. No. 2340 will be identical to S.F. No. 2124, and further recommends that H.F. No. 2340 be given its second reading and substituted for S.F. No. 2124, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1486 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1486	1442				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1486 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1486 and insert the language after the enacting clause of S.F. No. 1442, the second engrossment; further, delete the title of H.F. No. 1486 and insert the title of S.F. No. 1442, the second engrossment.

And when so amended H.F. No. 1486 will be identical to S.F. No. 1442, and further recommends that H.F. No. 1486 be given its second reading and substituted for S.F. No. 1442, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1748 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1748	1972				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1748 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1748 and insert the language after the enacting clause of S.F. No. 1972, the first engrossment; further, delete the title of H.F. No. 1748 and insert the title of S.F. No. 1972, the first engrossment.

And when so amended H.F. No. 1748 will be identical to S.F. No. 1972, and further recommends that H.F. No. 1748 be given its second reading and substituted for S.F. No. 1972, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 1923 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

**GENERAL ORDERS****CONSENT CALENDAR****CALENDAR**

H.F. No.

S.F. No.

H.F. No.

S.F. No.

H.F. No.

S.F. No.

1923

1668

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1923 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1923 and insert the language after the enacting clause of S.F. No. 1668, the first engrossment; further, delete the title of H.F. No. 1923 and insert the title of S.F. No. 1668, the first engrossment.

And when so amended H.F. No. 1923 will be identical to S.F. No. 1668, and further recommends that H.F. No. 1923 be given its second reading and substituted for S.F. No. 1668, and that the Senate File be indefinitely postponed.

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

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

H.F. No. 2025 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

**GENERAL ORDERS****CONSENT CALENDAR****CALENDAR**

H.F. No.

S.F. No.

H.F. No.

S.F. No.

H.F. No.

S.F. No.

2025

1982

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2025 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2025 and insert the language after the enacting clause of S.F. No. 1982, the first engrossment; further, delete the title of H.F. No. 2025 and insert the title of S.F. No. 1982, the first engrossment.

And when so amended H.F. No. 2025 will be identical to S.F. No. 1982, and further recommends that H.F. No. 2025 be given its second reading and substituted for S.F. No. 1982, and that the Senate File be indefinitely postponed.

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

**SECOND READING OF SENATE BILLS**

S.F. Nos. 1948, 2491, 1940, 2286 and 1987 were read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 81, 2469, 1710, 1277, 2558, 1534, 2559, 2092, 2029, 2018, 1950, 2120, 1966, 2036, 1913, 2340, 1486, 1748, 1923 and 2025 were read the second time.

**MOTIONS AND RESOLUTIONS**

Mr. Dahl moved that the name of Mr. Luther be added as a co-author to S.F. No. 1462. The motion prevailed.

Mr. Freeman moved that his name be stricken as chief author and the name of Mr. Luther be added as chief author to S.F. No. 1532. The motion prevailed.

Ms. Berglin moved that the name of Mr. Brandl be added as a co-author to S.F. No. 1583. The motion prevailed.

Ms. Berglin moved that the name of Mr. Morse be added as a co-author to S.F. No. 1680. The motion prevailed.

Mr. Pogemiller moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 2506. The motion prevailed.

Messrs. Dahl; Johnson, D.J. and Merriam introduced—

Senate Concurrent Resolution No. 24: A Senate concurrent resolution deploring acts of violence, threats of violence, and other criminal acts against reproductive health care facilities, and exhorting law enforcement agencies to investigate such acts and apprehend and prosecute those responsible for their perpetration.

Mr. Moe, R.D. moved that Senate Concurrent Resolution No. 24 be laid on the table. The motion prevailed.

Mr. Storm introduced—

Senate Resolution No. 124: A Senate resolution congratulating the Edina Hornets Hockey Team for winning the 1988 State High School Hockey Championship.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

**CONSENT CALENDAR**

H.F. No. 1922: A bill for an act relating to crimes; prohibiting the sale or distribution of contraceptives on elementary and secondary school grounds; repealing the prohibition against the sale of articles relating to prevention of conception or disease; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 617; repealing Minnesota Statutes 1986, section 617.251.

Pursuant to Rule No. 9, there being three objectors, H.F. No. 1922 was stricken from the Consent Calendar and placed on General Orders.

H.F. No. 1766: A bill for an act relating to local government; making explicit the power of towns to take certain action at a special meeting; amending Minnesota Statutes 1986, section 477A.018, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

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

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

So the bill passed and its title was agreed to.

H.F. No. 1926: A bill for an act relating to emergency services; permitting political subdivisions to authorize aid under certain conditions; amending Minnesota Statutes 1986, section 12.27, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 2056: A bill for an act relating to state lands; requiring corrective deed to be issued to Basilica of St. Mary of Minneapolis for state lands authorized to be conveyed to Basilica of St. Mary's, Inc.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1816: A bill for an act relating to traffic regulations; requiring motor vehicle lessors to provide child passenger restraints on request; amending Minnesota Statutes 1987 Supplement, section 169.685, subdivision 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam and Peterson, R.W. voted in the negative.

So the bill passed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2270 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 67 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

### GENERAL ORDERS

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

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

S.F. Nos. 1646, 1686, 1228, 1918, 1822, 1673, 1121, 1826, 1701, 1970, 1086 and H.F. Nos. 1867, 1846, 1790, 1806, 1940, 1784, 1989, 1732, 1831, 1850, 1858 and 1817, which the committee recommends to pass.

S.F. No. 573, which the committee recommends be re-referred to the Committee on Governmental Operations.

S.F. No. 890, which the committee recommends be returned to its author.

S.F. No. 1542, which the committee recommends be returned to its author.

H.F. No. 320, which the committee recommends to pass with the following amendment offered by Mr. Peterson, R.W.:

Delete everything after the enacting clause and insert:

"Section 1. [REPEALER.]

*Minnesota Statutes 1986, sections 459.15, 459.16, 459.17, and 459.18 are repealed."*

Delete the title and insert:

"A bill for an act relating to public rest rooms; eliminating provisions regulating public rest rooms maintained by statutory cities and cities of the fourth class; repealing Minnesota Statutes 1986, sections 459.15 to 459.18."

The motion prevailed. So the amendment was adopted.

S.F. No. 1875, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Page 2, line 7, after the first "of" insert "*Minnesota Statutes, chapter*

44,"

Page 2, delete lines 10 and 11

Page 2, line 12, delete "(3)" and insert "(2)"

Page 2, line 16, delete "(4)" and insert "(3)"

Page 2, line 20, delete "sections" and insert "section" and after "4," insert "or"

Page 2, lines 20 and 21, delete "; or 197.46"

The motion prevailed. So the amendment was adopted.

S.F. No. 1587, which the committee recommends to pass with the following amendments offered by Messrs. Vickerman and Knutson:

Mr. Vickerman moved to amend S.F. No. 1587 as follows:

Page 1, line 12, after "machines" insert "*dispensing food, beverages, or milk*"

The motion prevailed. So the amendment was adopted.

Mr. Knutson moved to amend the Vickerman amendment to S.F. No. 1587, adopted by the Senate March 21, 1988, as follows:

Page 1, line 2, after "*food*," insert "*nonalcoholic*"

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

S.F. No. 1564, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Page 1, delete lines 13 to 18

Renumber the clauses in sequence

Page 3, line 8, delete "(i)" and insert "(1)"

Page 3, line 10, delete "(ii)" and insert "(2)"

Page 3, line 12, delete "(iii)" and insert "(3)"

Page 3, line 25, before "*Notwithstanding*" insert "*Until January 1, 1990, and*"

Page 3, delete section 3

Page 3, line 33, delete everything after the first period

Renumber the sections in sequence

The motion prevailed. So the amendment was adopted.

H.F. No. 1853, which the committee recommends to pass with the following amendment offered by Ms. Peterson, D.C.:

Amend H.F. No. 1853, as amended pursuant to Rule 49, adopted by the Senate March 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1758.)

Page 2, after line 10, insert:

"Sec. 2. [62A.30] [COVERAGE FOR DIAGNOSTIC PROCEDURES FOR CANCER.]

*Subdivision 1. [SCOPE OF COVERAGE.] This section applies to all*



*policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, but does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis, or policies that provide only accident coverage.*

**Subd. 2. [REQUIRED COVERAGE.]** *Every policy, plan, certificate, or contract referred to in subdivision 1 issued or renewed after August 1, 1988, must provide coverage for routine screening procedures for cancer, including mammograms and Pap smears, when ordered or performed by a physician in accordance with the standard practice of medicine."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "requiring coverage for routine diagnostic procedures for cancer;"

Page 1, line 11, before the period, insert "proposing coding for new law in Minnesota Statutes, chapter 62A"

The motion prevailed. So the amendment was adopted.

H.F. No. 85, which the committee recommends to pass with the following amendment offered by Mr. Dahl:

Amend H.F. No. 85, the unofficial engrossment, as follows:

Pages 3 and 4, delete section 2

Page 16, after line 21, insert:

"Sec. 12. [EFFECTIVE DATE.]

*This act is effective October 1, 1988."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1749, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 1, line 17, after the period, insert "*No bond required from a developer or a contractor on a development project for any works of construction may be waived or reduced under this section.*"

Page 2, line 5, after the period, insert "*No bond required from a developer or a contractor on a development project for any works of construction may be waived or reduced under this subdivision.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1867, which the committee recommends to pass with the following amendment offered by Ms. Piper:

Page 12, line 16, after "complete" insert "*and usable as promised at time of sale,*"

Page 12, line 17, after "section" insert a comma

Page 12, line 19, after the period, insert "*The performance bond must meet the criteria in this section except that if the structure is partially completed, the bond must cover only the remaining construction costs necessary to complete the structure as promised at time of sale.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2083, which the committee recommends to pass, subject to the following motions:

Mr. Vickerman moved that the amendment made to H.F. No. 2083 by the Committee on Rules and Administration in the report adopted March 10, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Vickerman then moved to amend H.F. No. 2083 as follows:

Page 1, line 11, delete "*must*" and insert "*over two months old may*"

Page 3, line 35, after "*age*" insert "*or*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2137, which the committee recommends to pass with the following amendment offered by Mr. Pehler:

Page 1, line 21, before the semicolon, insert "*or continue to employ a registered nurse not yet certified as a public health nurse who is enrolled in a program that would lead to certification within four years of the effective date of this section*"

Page 1, lines 22 and 23, delete "*or health-related*"

Page 1, line 24, delete "*services*" and insert "*personnel*"

Page 1, line 25, delete "*that are provided by personnel*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1742, which the committee recommends to pass with the following amendments offered by Messrs. Stumpf, Berg and Freeman:

Mr. Stumpf moved to amend S.F. No. 1742 as follows:

Page 5, line 5, after "*owner*" insert "*, except a former owner who is actively engaged in farming as defined in section 500.24, subdivision 2, paragraph (a),*"

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 1742 as follows:

Page 4, line 36, before the period, insert "*or to cure a title defect, an express statement conveying the right may be made to a person to whom the agricultural land has been transferred by the state or federal agency or corporation*"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend S.F. No. 1742 as follows:

Page 5, line 10, delete "*treble*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1620, which the committee recommends to pass with the following amendment offered by Ms. Piper:

Page 2, line 4, after the period, insert "*In establishing services the commissioner shall cooperate with existing agencies to avoid duplication of available services to the extent feasible.*"

The motion prevailed. So the amendment was adopted.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

### REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S.F. No. 1336: A bill for an act relating to traffic regulations; providing for restrictions on vehicles transporting firewood on highways; amending Minnesota Statutes 1986, section 169.81, by adding a subdivision.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 169.80, subdivision 1, is amended to read:

Subdivision 1. [LIMITATIONS.] It is a misdemeanor for a person to drive or move, or for the owner to cause or knowingly permit to be driven or moved, on a highway a vehicle or vehicles of a size or weight exceeding the limitations stated in sections 169.80 to 169.88, or otherwise in violation of sections 169.80 to 169.88, *other than section 2*, and the maximum size and weight of vehicles as prescribed in sections 169.80 to 169.88 shall be lawful throughout this state, and local authorities shall have no power or authority to alter these limitations except as express authority may be granted in sections 169.80 to 169.88.

When all the axles of a vehicle or combination of vehicles are weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight of the vehicle or combination of vehicles so weighed.

When each of the axles of any group that contains two or more consecutive axles of a vehicle or combination of vehicles have been weighed separately the sum of the weights of the axles so weighed shall be evidence of the total gross weight on the group of axles so weighed.

When, in any group of three or more consecutive axles of a vehicle or combination of vehicles any axles have been weighed separately and two or more axles consecutive to each other in the group have been weighed together, the sum of the weights of the axles weighed separately and the axles weighed together shall be evidence of the total gross weight of the group of axles so weighed.

The provisions of sections 169.80 to 169.88 governing size, weight, and

load shall not apply to fire apparatus, or to implements of husbandry temporarily moved upon a highway, or to loads of loose hay or corn stalks if transported by a horse-drawn vehicle or drawn by a farm tractor, or to a vehicle operated under the terms of a special permit issued as provided by law. For purposes of sections 169.80 to 169.88, a specialized vehicle resembling a low-slung two-wheel trailer having a short bed or platform shall be deemed to be an implement of husbandry when the vehicle is used exclusively to transport implements of husbandry; and the term "temporarily moved upon a highway" shall mean a movement not to exceed 50 miles.

In addition to any other special permits authorized, an annual permit may be issued authorizing movements on interstate highways and movements exceeding 50 miles on noninterstate highways of oversize vehicles and loads when the vehicles or combination of vehicles are used exclusively to transport implements of husbandry. Annual permits are issued in accordance with the applicable provisions of section 169.86, except that the transporting vehicle or combination of vehicles may be moved at the discretion of the permittee without prior route approval from the permit issuing office of the department of transportation if:

(a) The overall width of the transporting vehicle, including load, does not exceed 14 feet;

(b) The transporting vehicle otherwise complies with equipment requirements and length, height and weight limitations prescribed by this chapter;

(c) The movement is made after the hour of sunrise and not later than 30 minutes after sunset;

(d) The movement is not made when visibility is impaired by weather, fog or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Sundays after 12 o'clock noon, and holidays;

(e) The transporting vehicle shall display at the front and rear end of the load or vehicle a pair of flashing amber lights, as provided in section 169.59, subdivision 4, whenever the overall width of the vehicle exceeds ten feet, six inches; and

(f) The movement, if made on a trunk highway, is made on a trunk highway with a surfaced roadway width of not less than 24 feet.

The fee for an annual permit is \$24."

Page 1, line 20, delete everything after the period

Page 1, delete line 21 and insert:

"Sec. 3. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1988, and applies to violations occurring on or after that date."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the second "on" insert "trunk"

Page 1, line 4, delete "section" and insert "sections 169.80, subdivision 1; and"

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

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

S.F. No. 2221: A bill for an act relating to motor vehicles; motorcycles; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, 171.06, subdivision 2a.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 126.115, subdivision 3, is amended to read:

Subd. 3. [APPROPRIATION.] All funds in the motorcycle safety fund created by section 171.06, subdivision 2a are hereby annually appropriated to the commissioner of public safety to carry out the purposes of subdivisions 1 and 2. The commissioner of public safety may make grants from the fund to the commissioner of education at such times and in such amounts as the commissioner deems necessary to carry out the purposes of subdivisions 1 and 2. Not more than five percent of the funds so appropriated shall be expended to defray the administrative costs of carrying out the purposes of subdivisions 1 and 2, and not more than ~~50~~ 60 percent of the money so appropriated shall be expended for the combined purpose of training and coordinating the activities of motorcycle safety instructors and making reimbursements to schools and other approved organizations."

Page 1, line 14, delete "\$9" and insert "\$7.50"

Page 1, line 25, strike "\$4" and insert "\$6"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to motor vehicles; motorcycles; increasing percentage of money appropriated from motorcycle safety fund to commissioner of public safety that may be spent for training and coordinating activities of instructors and making reimbursements to schools and others; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, sections 126.115, subdivision 3; and 171.06, subdivision 2a."

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 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 report to the legislature on

their study of oxygenated fuels; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Pages 7 and 8, delete sections 7 and 8 and insert:

"Sec. 7. Minnesota Statutes 1986, section 296.16, is amended by adding a subdivision to read:

*Subd. 1a. [MINIMUM OXYGEN CONTENT.] Unleaded gasoline with an octane rating of 90 or less may not be sold in the metropolitan area, as defined in section 473.121, for use in motor vehicles unless it is a gasoline blend consisting of 3.5 percent oxygen content by weight.*

Sec. 8. [RECOMMENDATION OF AN OXYGENATED FUEL.]

*By January 1, 1989, the commissioners of the departments of agriculture, transportation, and public service, and the pollution control agency shall recommend to the legislature a specific oxygenated fuel and a formula for combining that fuel with gasoline, to meet the requirement imposed by section 7. In selecting the recommended fuel, the following must be considered:*

*(1) the goals of improving air quality in Minnesota and meeting federal air quality standards;*

*(2) the impact of federal legislation imposing a requirement that gasoline be blended with oxygenated fuel;*

*(3) the possibility of a reduced need for an inspection and maintenance program;*

*(4) the effect on engine use and wear of the various oxygenated fuels, and the impact of their use on the warranties of motor vehicles, and other gasoline-powered internal combustion engines;*

*(5) the energy efficiency of the various fuels;*

*(6) the physical feasibility of blending the fuels with gasoline;*

*(7) the current and potential availability of each oxygenated fuel from sources in Minnesota;*

*(8) the effect on the highway users distribution fund; and*

*(9) other relevant matters."*

Page 9, line 17, delete "7" and insert "8"

Page 9, line 18, delete "Section 2 is" and insert "Sections 2 and 7 are"

Page 9, line 19, delete everything before "and" and insert "1991. Sections 9"

Amend the title as follows:

Page 1, line 13, after the semicolon, insert "amending Minnesota Statutes 1986, section 296.16, by adding a subdivision;"

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

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

H.F. No. 2463: A bill for an act relating to state agencies; authorizing the iron range resources and rehabilitation board to purchase fire insurance for facilities operated by the board; amending Minnesota Statutes 1986, section 15.38, by adding a subdivision.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

H.F. No. 2265: 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.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1986, section 97A.051, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF ORDERS AND RULES.] *(a) Before an order or rule is published, the commissioner must consult with the chairs of the environment and natural resources committees of the house of representatives and senate or the chairs' designees and obtain their advisory recommendations. The recommendations are advisory only. Failure or refusal to make a recommendation promptly is considered a positive recommendation.*

*(b) All orders and rules promulgated by the commissioner or the director that affect matters in more than three counties must be published once in a legal newspaper in Minneapolis, St. Paul, and Duluth. The orders and rules that do not affect more than three counties must be published once in a legal newspaper in each county affected. An order or rule is not effective until seven days after the publication.*

Sec. 2. Minnesota Statutes 1986, section 97A.435, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] Persons eligible for a turkey license shall be determined by this section and commissioner's order. A person is eligible for a turkey license only if the person is a resident and at least age 16 before the season opens *or possesses a firearms safety certificate.*

Sec. 3. Minnesota Statutes 1986, section 97B.001, subdivision 2, is amended to read:

Subd. 2. [PERMISSION REQUIRED TO ENTER AGRICULTURAL LAND TO HUNT OR OPERATE VEHICLES.] Except as provided in subdivisions 5 ~~and~~, 6, ~~and~~ section 4, a person may not enter agricultural land to hunt or operate a motor vehicle for pleasure purposes, unless the person obtains permission of the owner, occupant, or lessee.

Sec. 4. Minnesota Statutes 1986, section 97B.001, is amended by adding a subdivision to read:

Subd. 9. [EXPERIMENTAL FOX HUNTING.] *Beginning in calendar*

years 1988 and 1989 from December 16 until February 15, a person on foot taking fox may enter land that is not posted without permission.

Sec. 5. Minnesota Statutes 1987 Supplement, section 97B.035, subdivision 1, is amended to read:

Subdivision 1. [HUNTING WITH BOWS RELEASED BY MECHANICAL DEVICES.] (a) A person may not hunt with a bow drawn, held, or released by a mechanical device, except with a disabled hunter permit issued under section 97B.315 or section 7 or as provided in paragraph (b).

(b) A person may use a mechanical device attached to the bowstring if the person's own strength draws, holds, and releases the bowstring.

Sec. 6. Minnesota Statutes 1987 Supplement, section 97B.315, is amended to read:

97B.315 [CROSSBOW PERMITS.]

The commissioner may issue a special permit, without a fee, to take deer with a crossbow to a person that is unable to hunt in another manner by archery because of a permanent physical disability. The disability, established by medical evidence, and the inability to hunt in another manner by archery must be verified in writing by a licensed physician. The person must obtain an archery deer license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 7. [97B.603] [CROSSBOW PERMITS.]

The commissioner may issue a special permit, without a fee, to take small game except waterfowl with a crossbow to a person that is unable to hunt by archery because of a permanent physical disability. The disability, established by medical evidence, and the inability to hunt by archery must be verified in writing by a licensed physician. The person must obtain a small game license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 8. [97B.723] [HUNTERS UNDER AGE 16.]

A person under age 16 must be accompanied by an adult to take turkeys.

Sec. 9. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 3. [BLACKBIRD, COWBIRD, GRACKLE, MAGPIE, AND CROW DEPREDAATION.] (a) Yellow-headed red-winged, bi-colored red-winged, Rusty's, and Brewer's blackbirds, cowbirds, grackles, magpies, and crows may be taken if:



(1) committing or about to commit depredation on ornamental or shade trees, agricultural crops, livestock, or wildlife; or

(2) concentrated in numbers and in a manner to constitute a health hazard or other nuisance.

(b) Birds taken under this subdivision or their plumage may not be sold or offered for sale, but may be possessed, transported, and otherwise disposed of or utilized.

Sec. 10. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

*Subd. 4. [CROW SEASON.] The commissioner shall prescribe a 124-day open season and restrictions for taking crows. During the open season, there is no limit on the number of crows taken or possessed.*

Sec. 11. Minnesota Statutes 1987 Supplement, section 97C.211, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] A person may not operate a private fish hatchery without a private fish hatchery license. A private fish hatchery is a facility for raising fish, including minnows, for sale for, stocking waters or for, angling, or processing.

Sec. 12. Minnesota Statutes 1987 Supplement, section 97C.211, subdivision 2a, is amended to read:

Subd. 2a. [ACQUISITION OF FISH.] (a) A private fish hatchery may not obtain fish outside of the state unless the fish or the source of the fish are approved by the commissioner. The commissioner may not apply more stringent requirements to fish or a source of fish from outside the state than are applied to fish and sources of fish from within the state. The commissioner must either approve or deny the acquisition within 30 days after receiving a written request for approval. The request may be for annual acquisition if the fish acquired will be processed and not released into public waters.

(b) If the commissioner denies approval, a written notice must be submitted to the applicant stating the reasons for the denial and the commissioner must:

(1) designate approved sources to obtain the desired fish or fish eggs; or

(2) sell the fish or fish eggs from state fish hatcheries at fair market value.

Sec. 13. [97C.347] [LANDING NETS.]

*Subdivision 1. [USE AND POSSESSION.] A person may use and possess a landing net to net a fish taken by angling.*

*Subd. 2. [ELECTRIC LANDING NETS.] A person may net fish taken by angling with a landing net that discharges an electric current if the net is designed to temporarily immobilize the fish so that it can be safely released.*

Sec. 14. Minnesota Statutes 1986, section 97C.515, is amended by adding a subdivision to read:

*Subd. 4. [PRIVATE FISH HATCHERY.] A person with a private fish hatchery license may transport minnows from outside the state to the*

*private fish hatchery. The commissioner may require inspection of the minnows in the same manner as required for minnows raised and transported within the state."*

Page 2, after line 3, insert:

"Sec. 16. Minnesota Statutes 1987 Supplement, section 378.22, subdivision 2, is amended to read:

Subd. 2. [POSTING REQUIREMENTS.] (a) Where an aeration system is used on the ice of public waters, signs shall be posted by the permittee at a height of from four to six feet in a rectangular pattern at each corner of the open water, and additional signs between the corner signs so that a sign is posted at least every 100 feet.

(b) Additional signs shall be posted by the permittee on the shoreline of the public waters at each public access point and other areas commonly used by the public for access to the lake.

(c) The signs shall comply with the applicable order of the commissioner of natural resources.

Sec. 17. Minnesota Statutes 1986, section 378.22, is amended by adding a subdivision to read:

Subd. 6. [PUBLIC WATERS WITHOUT ACCESS.] (a) *Notwithstanding section 105.42, a riparian landowner may aerate public waters without a permit if the public waters do not have a public access and the person aerating the public waters owns all of the riparian land or all of the possessory rights to the riparian lands.*

(b) *The provisions of this section do not apply to the aeration under this subdivision except the public waters must be posted as provided under subdivision 2, paragraphs (a) and (c).*

Sec. 18. [REPEALER.]

*Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1, is repealed."*

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to game and fish; requiring an opportunity for recommendations before commissioner's orders are issued; allowing disabled persons to hunt small game with crossbows; authorizing an experimental fox season; authorizing fox hunting on lands that are not posted without permission; authorizing a crow season; allowing acquisition of minnows from outside of state for private hatchery purposes; authorizing landing nets that discharge an electric current; allowing aeration of public waters on private land under certain conditions; amending Minnesota Statutes 1986, sections 97A.051, subdivision 3; 97A.435, subdivision 2; 97B.001, subdivision 2, and by adding a subdivision; 97B.731, by adding subdivisions; 97C.515, by adding a subdivision; 97C.805, subdivision 2; 378.22, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 97B.035, subdivision 1; 97B.315; 97C.211, subdivisions 1 and 2a; 378.22, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1."

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

adopted.

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

S.F. No. 1804: A bill for an act relating to motor vehicles; providing for registration of motor vehicles by long-term lessees; imposing a fee; amending Minnesota Statutes 1986, sections 168.011, by adding a subdivision; 168.013, subdivision 7; 168.041, subdivision 7; 168.10, subdivision 1; 168.11, subdivision 1; 168.13; 168.33, subdivision 3; and 168A.10, by adding a subdivision; repealing Minnesota Statutes 1986, section 168.30.

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

Page 1, line 16, delete "*motor vehicle is*" and insert "*passenger automobile, as defined in subdivision 7, is under lease for a term of 180 days or more, the lessee is deemed to be the registered owner, for purposes of registration only, provided that the application for renewal of the registration of a passenger automobile described in this subdivision shall be sent to the lessor.*"

Page 1, delete lines 17 and 18

Page 6, line 5, delete "\$1" and insert "\$2"

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

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

S.F. No. 1610: A bill for an act relating to advertising devices; providing for specific service signs relating to rural commercial businesses to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2, 10, and by adding a subdivision; and 160.293, subdivisions 1 and 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 160.292, subdivision 2, is amended to read:

Subd. 2. "Specific service sign" means a rectangular sign panel not greater than 1-1/2 feet by six feet displaying *the name of a rural agricultural business, place of worship, motel, restaurant, resort, or recreational camping area business name* and, where appropriate, the direction to and distance to the *rural agricultural business, camping area, motel, restaurant, or resort.*

Sec. 2. Minnesota Statutes 1986, section 160.292, subdivision 10, is amended to read:

Subd. 10. "Specific service" means *restaurants and rural agricultural businesses, places of worship, and motels, resorts, or recreational camping areas that provide sleeping accommodations for the recreational traveler traveling public.*

Sec. 3. Minnesota Statutes 1986, section 160.293, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] Specific service signs are to be used to

create and implement a system of signing for the purpose of displaying ~~motel, restaurant, resort and recreational camping area~~ *specific service* information to the traveling public on nonfreeway type trunk highways in rural areas.

Sec. 4. Minnesota Statutes 1986, section 160.293, subdivision 3, is amended to read:

Subd. 3. [NUMBER OF TRUNK HIGHWAY INTERSECTIONS.] A specific service sign for a *rural agricultural business, place of worship, restaurant, motel, resort or recreational camping area* is limited to one intersection on the trunk highway system.

Sec. 5. Minnesota Statutes 1986, section 160.295, is amended by adding a subdivision to read:

*Subd. 5. [RURAL AGRICULTURAL BUSINESS.] A rural agricultural business must be open a minimum of eight hours per day, six days per week, and 12 months per year. However, a seasonal business may qualify if it is open eight hours per day and six days per week during the normal seasonal period."*

Delete the title and insert:

"A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses and places of worship to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision."

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

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

S.F. No. 1060: A bill for an act relating to transportation; motor carriers; requiring brakes for towed vehicles over 3,000 pounds; requiring brakes on all wheels of motor vehicles; amending Minnesota Statutes 1986, section 169.67, subdivisions 3 and 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 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles and manufactured homes.

(b) "Motor vehicle" also includes an all-terrain vehicle, as defined in section 84.92, subdivision 8, which (1) has at least four wheels, (2) is owned and operated by a physically handicapped person, and (3) displays both physically handicapped license plates and a physically handicapped certificate issued under section 169.345, subdivision 3. After July 31, 1985,

(c) Motor vehicle does not include ~~a three-wheel off-road~~ *an all-terrain vehicle as defined in section 84.92, subdivision 8; except (1) an all-terrain vehicle described in clause (b), or (2) that if the three-wheel off-road an all-terrain vehicle was licensed as a motor vehicle before August 1, 1985, in which case the owner may continue to license it as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.*

Sec. 2. Minnesota Statutes 1986, section 169.67, subdivision 3, is amended to read:

Subd. 3. [TRAILERS, SEMITRAILERS, TANK TRAILERS.] Every trailer, semitrailer, or other vehicle of a gross weight of 1,500 pounds or more, when drawn or pulled upon a highway, shall be equipped with brakes adequate to control the movement of and to stop and to hold such vehicle, and so designed as to be applied by the driver of a towing motor vehicle from its cab, except (a) trailers owned by farmers when transporting agricultural products produced on the owner's farm or supplies back to the farm of the owner of the trailer, (b) custom service vehicles drawn by motor vehicles equipped with brakes capable of stopping both vehicles within the distance required by law for vehicles with four-wheel brakes *and contractors' custom service vehicles not exceeding 30,000 pounds gross weight and 45 miles per hour when drawn by a motor vehicle capable of stopping the combination of vehicles within the performance standards of subdivision 5,* (c) trailers or semitrailers when used by retail dealers delivering implements of husbandry, (d) motor vehicles drawn by motor vehicles equipped with brakes capable of stopping the combination of vehicles within the performance requirements of this section, (e) tank trailers not exceeding 8,500 pounds gross weight used solely for transporting liquid fertilizer or gaseous fertilizer under pressure, or distributor trailers not exceeding 8,500 pounds gross weight used solely for transporting and distributing dry fertilizer, when hauled by a truck capable of stopping with loaded trailer attached in the distance specified by subdivision 5 for vehicles equipped with four-wheel brakes, providing the gross weight of such trailer or semitrailer other than those described in clause (e) when drawn by a pleasure vehicle shall not exceed 3,000 pounds, or when drawn by a truck or tractor shall not exceed 6,000 pounds, and except disabled vehicles towed to a place of repair.

Sec. 3. Minnesota Statutes 1986, section 169.67, subdivision 4, is amended to read:

Subd. 4. [SERVICE BRAKES ON ALL WHEELS; EXCEPTIONS.] Every ~~new~~ motor vehicle, trailer, or semitrailer, ~~sold in this state manufactured after June 30, 1988,~~ and operated upon the highways shall be equipped with service brakes upon all wheels of every such vehicle, *except mobile cranes not exceeding 45 miles per hour and capable of stopping within the performance standards of subdivision 5, and except that any motor-cycle, any semitrailer of less than 1,500 pounds gross weight, a third wheel, of a swivel type, on a house trailer, a temporary auxiliary axle attached to a motor vehicle during the period of road restrictions for the purpose of relieving weight of another axle, when the temporary auxiliary axle and the axle to be relieved do not exceed the combined gross weight of 18,000 pounds, and the vehicle to which such temporary axle is attached meets the brake requirements of this section, need not be equipped with brakes; and except, further, that brakes are not required on the front wheels of*

vehicles *manufactured before July 1, 1988*, having three or more axles or upon more than one wheel of a motorcycle provided the brakes on the other wheels are adequate to stop the vehicle in accordance with the braking performance requirements of subdivision 5.

Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective July 1, 1988."*

Delete the title and insert:

"A bill for an act relating to transportation; providing for brakes on motor vehicles manufactured after June 30, 1988; amending Minnesota Statutes 1986, sections 168.011, subdivision 4; and 169.67, subdivisions 3 and 4."

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

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

S.F. No. 2344: A bill for an act relating to highways; designating I-90 as AMVETS memorial highway; amending Minnesota Statutes 1986, section 161.14, by adding a subdivision.

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

Page 1, after line 14, insert:

"Sec. 2. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 231.]

*Subdivision 1. [ROUTE DISCONTINUED.] Route No. 231 as contained and described in Minnesota Statutes 1986, section 161.115, is discontinued and removed from the trunk highway system.*

*Subd. 2. [AGREEMENT REQUIRED.] Legislative Route No. 231 is not removed from the trunk highway system until transfer of jurisdiction has been agreed to by the commissioner of transportation and the city of Moorhead, and a copy of the agreement, signed by the commissioner and the presiding officer of the Moorhead city council, has been filed in the office of the commissioner.*

*Subd. 3. [REVISOR INSTRUCTION.] The revisor of statutes shall delete the route identified in subdivision 1 in the next and subsequent editions of Minnesota Statutes following the completion of the agreement.*

Sec. 3. [TRUNK HIGHWAY SYSTEM; NEW ROUTE SUBSTITUTED FOR EXISTING ROUTE.]

*Subdivision 1. [ADDITIONAL ROUTE.] There is added to the trunk highway system a new route in Minnesota Statutes, section 161.115, described as follows:*

*Route No. 254. Beginning at a point on Route No. 391 easterly of Blue Earth, thence extending in a general southerly direction to a point in or adjacent to Frost.*

*Subd. 2. [SUBSTITUTION.] The route established in subdivision 1 is substituted for Route No. 254 as contained and described in Minnesota Statutes 1986, section 161.115. Route No. 254 as contained and described in that section is discontinued and removed from the trunk highway system*

when an agreement to transfer jurisdiction of a portion of the old route has been signed by the commissioner of transportation and the chair of the Faribault county board and filed in the office of the commissioner.

**Subd. 3. [DIRECTIONS TO REVISOR.]** *The revisor of statutes, in compiling the next and subsequent editions of Minnesota Statutes, shall substitute the route established in subdivision 1 for the route discontinued and removed from the trunk highway system according to subdivision 2.*

**Sec. 4. [TRUNK HIGHWAY SYSTEM; REMOVAL OF ROUTE NO. 296.]**

**Subdivision 1. [ROUTE DISCONTINUED.]** *Route No. 296 as contained and described in Minnesota Statutes 1986, section 161.115, is discontinued and removed from the trunk highway system.*

**Subd. 2. [AGREEMENT REQUIRED.]** *Legislative Route No. 296 is not removed from the trunk highway system until transfer of jurisdiction has been agreed to by the commissioner of transportation, the city of Rochester, and Olmsted county and a copy of the agreement signed by the commissioner, the presiding officer of the Rochester city council, and the chair of the Olmsted county board has been filed in the office of the commissioner.*

**Subd. 3. [REVISOR INSTRUCTION.]** *The revisor of statutes shall delete the route identified in subdivision 1 in the next and subsequent editions of Minnesota Statutes following the completion of the agreement."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "discontinuing and removing legislative routes No. 231 and No. 296 from trunk highway system; adding new route to trunk highway system in substitution of existing route, subject to turnback agreement; directing revisor of statutes to make route substitutions;"

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. 1975: A bill for an act relating to human services; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; amending Minnesota Statutes 1987 Supplement, sections 256B.35, subdivision 1; and 256B.431, subdivisions 2b and 3a.

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 144A.04, is amended by adding a subdivision to read:

**Subd. 7. [MINIMUM NURSING STAFF REQUIREMENT.]** *Notwithstanding the provisions of Minnesota Rules, part 4655.5600, the minimum staffing standard for nursing personnel in nursing homes is as follows:*

*(a) The minimum number of hours of nursing personnel to be provided in a nursing home is the greater of two hours per resident per 24 hours*

*or 0.95 hours per standardized resident day.*

*(b) For purposes of this subdivision, "hours of nursing personnel" means the paid, on-duty, productive nursing hours of all nurses and nursing assistants, calculated on the basis of any given 24-hour period. "Productive nursing hours" means all on-duty hours during which nurses and nursing assistants are engaged in nursing duties. Examples of nursing duties may be found in Minnesota Rules, parts 4655.5900, 4655.6100, and 4655.6400. Not included are vacations, holidays, sick leave, in-service classroom training, or lunches. Also not included are the nonproductive nursing hours of the in-service training director. In homes with more than 60 licensed beds, the hours of the director of nursing are excluded. "Standardized resident day" means the sum of the number of residents in each case mix class multiplied by the case mix weight for that resident class, as found in Minnesota Rules, part 9549.0059, subpart 2, calculated on the basis of a facility's census for any given day.*

*(c) Calculation of nursing hours per standardized resident day is performed by dividing total hours of nursing personnel for a given period by the total of standardized resident days for that same period.*

Sec. 2. Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or the addition of a new licensed nursing home bed, under the following conditions:

(a) to replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) to certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) to certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to



the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes;

(d) to license a new nursing home bed in a facility that meets one of the exceptions contained in clauses (a) to (c);

(e) to license nursing home beds in a facility that has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has either commenced any required construction as defined in clause (b) before May 1, 1985, or has, before May 1, 1985, received from the commissioner approval of plans for phased-in construction and written authorization to begin construction on a phased-in basis. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the nursing home licensure rules;

(f) to certify or license new beds in a new facility that is to be operated by the commissioner of veterans' affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans' affairs or the United States Veterans Administration;

(g) to license or certify beds in a new facility constructed to replace a facility that was destroyed after June 30, 1987, by fire, lightning, or other hazard provided:

(1) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(2) at the time the facility was destroyed the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(3) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility;

(4) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5; and

(5) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility;

(h) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, or to license or certify beds in a facility for which the total costs of remodeling or renovation exceed ten percent of the appraised value of the facility or \$200,000, whichever is less, if the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the remodeling or renovation;

(i) to license or certify beds in a facility that has been involuntarily

delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner within 120 days after delicensure or decertification;

(j) to license or certify beds in a project recommended for approval by the interagency board for quality assurance under section 144A.073;

(k) to license nursing home beds in a hospital facility that are relocated from a different hospital facility under common ownership or affiliation, provided: (1) the hospital in which the nursing home beds were originally located ceases to function as an acute care facility, or necessary support services for nursing homes as required for licensure under sections 144A.02 to 144A.10, such as dietary service, physical plant, housekeeping, physical therapy, occupational therapy, and administration, are no longer available from the original hospital site; and (2) the nursing home beds are not certified for participation in the medical assistance program;

(l) to license or certify beds that are moved from one location to another within an existing identifiable complex of hospital buildings, from a hospital-attached nursing home to the hospital building, or from a separate nursing home under common ownership with or control of a hospital to the hospital when a hospital-attached nursing home is moved simultaneously to the hospital. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the relocation. At the time of the licensure and certification of the nursing home beds, the commissioner of health shall delicense the same number of acute care beds within the existing complex of hospital buildings or building. When a separate nursing home and a hospital-attached nursing home under common ownership or control are simultaneously relocated to a hospital building, a combined cost report must be submitted for the cost reporting year ending September 30, 1987, and the freestanding nursing home limits apply. Relocation of nursing home beds under this clause is subject to the limitations in section 144A.073, subdivision 5;

(m) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(n) to license new nursing home beds in a continuing care retirement community affiliated with a national referral center engaged in substantial programs of patient care, medical research, and medical education meeting state and national needs that receives more than 40 percent of its residents from outside the state for the purpose of meeting contractual obligations to residents of the retirement community, provided the facility makes a written commitment to the commissioner of human services that it will not seek medical assistance certification for the new beds; or

(o) to certify or license new beds in a new facility on the Red Lake Indian reservation for which payments will be made under the Indian Health Care Improvement Act, Public Law Number 94-437, at the rates specified in United States Code, title 42, section 1396d(b); or

(p) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure and if the cost of any remodeling of the facility does not exceed ten percent of the appraised value of the facility or \$200,000,

*whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase in the future. The provisions contained in section 144A.073 regarding the upgrading of the facilities does not apply to facilities that satisfy these requirements.*

Sec. 3. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 1, is amended to read:

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

(a) "Conversion" means the relocation of a nursing home bed from a nursing home to an attached hospital.

(b) "Renovation" means extensive remodeling of, or construction of an addition to, a facility on an existing site with a total cost exceeding ten percent of the appraised value of the facility or \$200,000, whichever is less.

(c) "Replacement" means the demolition and reconstruction of all or part of an existing facility.

(d) "Upgrading" means a change in the level of licensure of a bed from a boarding care bed to a nursing home bed in a certified boarding care facility ~~that is attached to a nursing home or a boarding care bed in a freestanding boarding care facility that currently meets all health department standards for a nursing home.~~

Sec. 4. Minnesota Statutes 1987 Supplement, section 144A.073, subdivision 7, is amended to read:

Subd. 7. [UPGRADING RESTRICTIONS.] Proposals submitted or approved under this section involving upgrading must satisfy the following conditions:

(a) ~~No proposal for upgrading may be approved after June 30, 1989.~~

(b) ~~No more than one proposal for upgrading may be approved for a facility.~~

(c) ~~Upgrading is limited to a total of ten beds.~~

(d) ~~The facility must meet minimum nursing home care standards.~~

(e) ~~Upgrading must not result in an increase in per diem operating costs, except for the upgrading of those freestanding boarding care facilities which currently meet existing nursing home building and space standards.~~

(f) ~~(b) If beds are upgraded to nursing home beds, the number of boarding care beds in a facility must not increase in the future.~~

(g) ~~(c) The average occupancy rate in the existing nursing home beds in an attached facility must be greater than 96 percent according to the most recent annual statistical report of the department of health.~~

(h) ~~The cost of remodeling the facility to meet current nursing home construction standards must not exceed ten percent of the appraised value of the facility or \$200,000, whichever is less.~~

Sec. 5. Minnesota Statutes 1986, section 144A.08, is amended by adding a subdivision to read:

Subd. 1b. [SUMMER TEMPERATURE AND HUMIDITY.] *A nursing home, or part of a nursing home that includes resident-occupied space,*

constructed after June 30, 1988, must meet the interior summer design temperature and humidity recommendations in chapter 7 of the 1982 applications of the handbook published by the American Society of Heating, Refrigerating and Air-Conditioning Engineers, Inc., as amended.

Sec. 6. Minnesota Statutes 1987 Supplement, section 256B.35, subdivision 1, is amended to read:

Subdivision 1. [PERSONAL NEEDS ALLOWANCE.] (a) Notwithstanding any law to the contrary, welfare allowances for clothing and personal needs for individuals receiving medical assistance while residing in any skilled nursing home, intermediate care facility, or medical institution including recipients of supplemental security income, in this state shall not be less than ~~\$40~~ \$45 per month from all sources. *When benefit amounts for social security or supplemental security income recipients are increased pursuant to United States Code, title 42, sections 415(i) and 1382f, the commissioner shall, effective in the month in which the increase takes effect, increase by the same percentage the clothing and personal needs allowance for individuals receiving medical assistance while residing in any skilled nursing home or intermediate care facility. The commissioner of human services shall provide timely notice to local agencies, providers, and recipients of increases under this provision.*

*Provided that this (b) The personal needs allowance may be paid as part of the Minnesota supplemental aid program, notwithstanding the provisions of section 256D.37, subdivision 2, and payments to the recipients from of Minnesota supplemental aid funds may be made once each three months beginning in October 1977, covering liabilities that accrued during the preceding three months.*

Sec. 7. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

Subd. 2i. [OPERATING COSTS AFTER JULY 1, 1988.] (a) [OTHER-OPERATING-COST LIMITS.] *For the rate year beginning July 1, 1988, the commissioner shall increase the other-operating-cost limits established in Minnesota Rules, part 9549.0055, subpart 2, item E, to the percent of the median that approximates the 75th percentile of the array of allowable historical other-operating-cost per diems and index these limits as in Minnesota Rules, part 9549.0056, subparts 3 and 4. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted other-operating-cost limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 3 and 4.*

(b) [CARE-RELATED OPERATING COST LIMITS.] *For the rate year beginning July 1, 1988, the commissioner shall increase the care-related operating cost limits established in Minnesota Rules, part 9549.0055, subpart 2, items A and B, to the percent of the median that approximates the 90th percentile of the arrays of the allowable historical case mix operating cost standardized per diems and the allowable historical other-care-related operating cost per diems and index those limits as in Minnesota Rules, part 9549.0056, subparts 1 and 2. The limits must be established in accordance with subdivision 2b, paragraph (d). For rate years beginning on or after July 1, 1989, the adjusted care-related limits must be indexed as in Minnesota Rules, part 9549.0056, subparts 1 and 2.*

(c) [SALARY ADJUSTMENT PER DIEM.] *For the rate period October*

1, 1988, through June 30, 1990, the commissioner shall add the appropriate salary adjustment per diem calculated in clause (1) or (2) to the total operating cost payment rate of each nursing home. The salary adjustment per diem for each nursing home must be determined as follows:

(1) for each nursing home that reports salaries for registered nurses, licensed practical nurses, and aides, orderlies and attendants separately, the commissioner shall determine the salary adjustment per diem by multiplying the total salaries, payroll taxes, and fringe benefits allowed in each operating cost category, except management fees and administrator and central office salaries and the related payroll taxes and fringe benefits, by four percent and then dividing the resulting amount by the nursing home's actual resident days; and

(2) for each nursing home that does not report salaries for registered nurses, licensed practical nurses, aides, orderlies, and attendants separately, the salary adjustment per diem is the weighted average salary adjustment per diem increase determined under clause (1).

Each nursing home that receives a salary adjustment per diem pursuant to this subdivision shall adjust nursing home employee salaries by a minimum of the amount determined in clause (1) or (2). The commissioner shall review allowable salary costs, including payroll taxes and fringe benefits, for the reporting year ending September 30, 1989, to determine whether or not each nursing home complied with this requirement. The commissioner shall report the extent to which each nursing home complied to the legislative commission on long-term health care by August 1, 1990.

(d) [PENSION CONTRIBUTIONS.] (1) For rate years beginning on or after July 1, 1988, the commissioner shall exempt allowable employee pension contributions separately reported by a nursing home on its annual cost report from the care-related operating cost limits and the other-operating-cost limits.

(2) Hospital-attached homes that provide allowable employee pension contributions may report the costs that are allocated to nursing home operations independently for verification by the commissioner. For rate years beginning on or after July 1, 1989, amounts verified as allowable employee pension contributions are exempt from care-related operating cost limits and other-operating-cost limits.

(e) [NEW BASE YEAR.] The commissioner shall establish the reporting year ending September 30, 1989, as a new base year.

Sec. 8. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

*Subd. 3d. [HOSPITAL ATTACHED CONVALESCENT AND NURSING CARE FACILITIES.] If a community-operated hospital and attached convalescent and nursing care facility suspended operation of the hospital on April 30, 1986, the surviving nursing care facility must be allowed to continue its status as a hospital-attached convalescent and nursing care facility for reimbursement purposes for three years after the hospital suspended operation.*

Sec. 9. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

*Subd. 3e. [BETTERMENTS AND ADDITIONS.] Notwithstanding any contrary provision of chapter 256B, or a rule adopted under chapter 256B,*

a nursing home that commenced construction on a betterment and addition costing \$700,000 or more prior to the expiration of Minnesota Rules, 12 MCAR 2.05001 to 2.05016 (Temporary)(1983) shall have its property-related payment rate step-up as a result of the betterment and addition calculated as set forth in 12 MCAR 2.05011.B.3 in the case of betterments, and 12 MCAR 2.05011.D in the case of additions. For purposes of this subdivision, the terms "betterment" and "addition" have the meaning set forth in 12 MCAR 2.05002 and the term "commenced construction" has the meaning set forth in section 144A.071, subdivision 3.

Sec. 10. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

**Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.]** (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. Beginning January 1, 1989, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1).

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing homes for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing homes except those whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use 95 percent of capacity days. For a nursing home whose average length of stay in a skilled level of care within a nursing home is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall increase each nursing home's property-related payment rate by 25 cents per resident per day. For the rate year beginning July 1, 1990, the commissioner shall increase each nursing home's equipment allowance as established in Minnesota Rules, part 9549.0060, subpart 10, by 25 cents per resident per day. For rate years beginning on or after July 1, 1991, the adjusted equipment allowance must be adjusted annually for inflation as in Minnesota Rules, part 9549.0060, subpart 10, item E.

(e) [REFINANCING.] If a nursing home is approved and refinanced under section 11, the commissioner shall adjust the nursing home's property-related payment rate for the savings that result from refinancing. The adjustment to the property-related payment rate must be as follows:

(1) The commissioner shall recalculate the nursing home's rental per diem by substituting the new allowable annual principle and interest payments for those of the refinanced debt.

(2) *The nursing home's property-related payment rate must be decreased by the difference between the nursing home's current rental per diem and the rental per diem determined under clause (1).*

*If a nursing home payment rate is adjusted according to this paragraph, the adjusted payment rate is effective the first of the month following the date of the refinancing for both medical assistance and private paying residents. The nursing home's adjusted property-related payment rate is effective until June 30, 1990.*

Sec. 11. Minnesota Statutes 1986, section 256B.431, is amended by adding a subdivision to read:

*Subd. 3g. [PROPERTY COSTS AFTER JULY 1, 1990, FOR CERTAIN FACILITIES.] For rate years beginning on or after July 1, 1990, nonhospital-attached nursing homes that, on or after January 1, 1976, but prior to December 31, 1985, were newly licensed after new construction, or increased their licensed beds by a minimum of 35 percent through new construction, and whose building capital allowance is less than their allowable annual principle and interest on allowable debt prior to the application of the replacement-cost-new per bed limit and whose remaining weighted average debt amortization schedule as of January 1, 1988, exceeded 15 years, must receive a property-related payment rate equal to the greater of their rental per diem or their annual allowable principal and allowable interest without application of the replacement-cost-new per bed limit plus their equipment allowance. A nursing home that is eligible for a property-related payment rate under this subdivision and whose property-related payment rate in a subsequent rate year is its rental per diem must continue to have its property-related payment rates established for all future rate years based on the rental reimbursement method in Minnesota Rules, part 9549.0060. The commissioner may require the nursing home to apply for refinancing as a condition of receiving special rate treatment under this subdivision.*

Sec. 12. Minnesota Statutes 1987 Supplement, section 256B.431, subdivision 4, is amended to read:

*Subd. 4. [SPECIAL RATES.] (a) For the rate years beginning July 1, 1983, and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983, and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2a, to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2f, the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for*

determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.

(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated under rules promulgated by the commissioner.

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under Minnesota Rules, parts 9520.0500 to 9520.0690, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) *For fiscal years beginning on or after January 1, 1988, the facility's payment rate shall be established using the following method: The commissioner shall divide the real estate taxes and special assessments payable as stated in the facility's current property tax statement by actual resident days to compute a real estate tax and special assessment per diem. Next, the prior year's payment rate less the real estate tax and special assessment per diem must be adjusted by the higher of (1) the percentage change in the consumer price index (CPI-U U.S. city average) as published by the Bureau of Labor Statistics between the previous two Septembers, new series index (1967-100), or (2) 2.5 percent, to determine an adjusted payment rate. The facility's payment rate is the adjusted payment rate plus the real estate tax and special assessment per diem.*

(5) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

For the rate year beginning July 1, 1985, each nursing home total payment rate must be effective two calendar months from the first day of the month after the commissioner issues the rate notice to the nursing home. From



July 1, 1985, until the total payment rate becomes effective, the commissioner shall make payments to each nursing home at a temporary rate that is the prior rate year's operating cost payment rate increased by 2.6 percent plus the prior rate year's property-related payment rate and the prior rate year's real estate taxes and special assessments payment rate. The commissioner shall retroactively adjust the property-related payment rate and the real estate taxes and special assessments payment rate to July 1, 1985, but must not retroactively adjust the operating cost payment rate.

(d) For the purposes of Minnesota Rules, part 9549.0060, subpart 13, item F, the following types of transactions shall not be considered a sale or reorganization of a provider entity:

- (1) the sale or transfer of a nursing home upon death of an owner;
- (2) the sale or transfer of a nursing home due to serious illness or disability of an owner as defined under the social security act;
- (3) the sale or transfer of the nursing home upon retirement of an owner at 62 years of age or older;
- (4) any transaction in which a partner, owner, or shareholder acquires an interest or share of another partner, owner, or shareholder in a nursing home business provided the acquiring partner, owner, or shareholder has less than 50 percent ownership after the acquisition;
- (5) a sale and leaseback to the same licensee which does not constitute a change in facility license;
- (6) a transfer of an interest to a trust;
- (7) gifts or other transfers for no consideration;
- (8) a merger of two or more related organizations;
- (9) a transfer of interest in a facility held in receivership;
- (10) a change in the legal form of doing business other than a publicly held organization which becomes privately held or vice versa;
- (11) the addition of a new partner, owner, or shareholder who owns less than 20 percent of the nursing home or the issuance of stock; or
- (12) an involuntary transfer including foreclosure, bankruptcy, or assignment for the benefit of creditors.

Any increase in allowable debt or allowable interest expense or other cost incurred as a result of the foregoing transactions shall be a nonallowable cost for purposes of reimbursement under Minnesota Rules, parts 9549.0010 to 9549.0080.

(e) For rate years beginning on or after July 1, 1986, the commissioner may exclude from a provision of Minnesota Rules, parts 9549.0010 to 9549.0080, any facility that is certified by the commissioner of health as an intermediate care facility, licensed by the commissioner of human services as a chemical dependency treatment program, and enrolled in the medical assistance program as an institution for mental disease. The commissioner of human services shall establish a medical assistance payment rate for these facilities. Chapter 14 does not apply to the procedures and criteria used to establish the ratesetting structure. The ratesetting method is not appealable.

Sec. 13. Minnesota Statutes 1986, section 256B.50, subdivision 1, is

amended to read:

Subdivision 1. [SCOPE.] A ~~nursing home provider~~ may appeal from a ~~decision arising from the application of standards or methods determination of a payment rate established pursuant to sections 256B.41 and 256B.47 this chapter and reimbursement rules of the commissioner if the appeal, if successful, would result in a change to the nursing home's provider's payment rate, or appraised value. The appeal procedures also apply to appeals of payment rates calculated under Minnesota Rules, parts 9510.0010 to 9510.0480 filed with the commissioner on or after May 1, 1984. Appeals must be filed in accordance with procedures in this section. This section does not apply to a request from a resident or nursing home for reconsideration of the classification of a resident under section 144.0722.~~

Subd. 1a. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given.

(a) "Determination of a payment rate" means the process by which the commissioner establishes the payment rate paid to a provider pursuant to this chapter, including determinations made in desk audit, field audit, or pursuant to an amendment filed by the provider.

(b) "Provider" means a nursing home as defined in section 256B.421, subdivision 7, or a facility as defined in section 256B.501, subdivision 1.

(c) "Reimbursement rules" means Minnesota Rules, parts 9510.0010 to 9510.0480, 9510.0500 to 9510.0890, and rules adopted by the commissioner pursuant to sections 256B.41 and 256B.501, subdivision 3.

Subd. 1b. [FILING AN APPEAL.] To appeal, the ~~nursing home provider~~ shall ~~notify~~ file with the commissioner in writing of its intent to appeal ~~within 30 days and submit a written notice of appeal; the appeal request must be received by the commissioner within 60 days of receiving notice of the date the payment rate determination or decision of the payment rate was mailed. The notice of appeal request shall must specify each disputed item; the reason for the dispute; an estimate of; the total dollar amount involved for each disputed item; and the dollar amount per bed in dispute for each separate disallowance, allocation, or adjustment of each cost item or part of a cost item; the computation that the nursing home provider believes is correct; the authority in statute or rule upon which the nursing home provider relies for each disputed item; the name and address of the person or firm with whom contacts may be made regarding the appeal; and other information required by the commissioner.~~

Subd. 1c. [CONTESTED CASE PROCEDURES.] Except as provided in subdivision 2, the appeal ~~shall~~ must be heard by an administrative law judge according to sections 14.48 to 14.56; ~~or upon agreement by both parties according to a modified appeals procedure established by the commissioner and the administrative law judge.~~ In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established ~~shall~~ must be the rate paid and ~~shall~~ must remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to this section and sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.501, and 256B.502, a ~~nursing home provider~~ shall comply with section 14.44.

Sec. 14. Minnesota Statutes 1986, section 256B.50, is amended by adding a subdivision to read:

*Subd. 1d. [EXPEDITED APPEAL REVIEW PROCESS.] (a) Within 120 days of the receipt of an appeal according to subdivision 1, the department shall review an appealed adjustment equal to or less than \$100 annually per licensed bed of the provider, make a determination concerning the adjustment, and notify the provider of the determination. Except as allowed in paragraph (g), this review does not apply to an appeal of an adjustment made to, or proposed on, an amount already paid to the provider. In this subdivision, an adjustment is each separate disallowance, allocation, or adjustment of a cost item or part of a cost item as submitted by a provider according to forms required by the commissioner.*

*(b) For an item on which the provider disagrees with the results of the determination of the department made under paragraph (a), the provider may, within 60 days of the date of the review notice, file with the office of administrative hearings and the department its written argument and documents, information, or affidavits in support of its appeal. If the provider fails to make a submission in accordance with this paragraph, the department's determinations on the disputed items must be upheld.*

*(c) Within 60 days of the date the department received the provider's submission under paragraph (b), the department may file with the office of administrative hearings and serve upon the provider its written argument and documents, information, and affidavits in support of its determination. If the department fails to make a submission in accordance with this paragraph, the administrative law judge shall proceed pursuant to paragraph (d) based on the provider's submission.*

*(d) Upon receipt by the office of administrative hearings of the department's submission made under paragraph (c) or upon the expiration of the 60-day filing period, whichever is earlier, the chief administrative law judge shall assign the matter to an administrative law judge. The administrative law judge shall consider the submissions of the parties and all relevant rules, statutes, and case law. The administrative law judge may request additional argument from the parties if it is deemed necessary to reach a final decision, but shall not allow witnesses to be presented or discovery to be made in the proceeding. Within 60 days of receipt by the office of administrative hearings of the department's submission or the expiration of the 60-day filing period in paragraph (c), whichever is earlier, the administrative law judge shall make a final decision on the items in issue, and shall notify the provider and the department by first-class mail of the decision on each item. The decision of the administrative law judge is the final administrative decision, is not appealable, and does not create legal precedent, except that the department may make an adjustment contrary to the decision of the administrative law judge based upon a subsequent cost report amendment or field audit that reveals information relating to the adjustment that was not known to the department at the time of the final decision.*

*(e) For a disputed item otherwise subject to the review set forth in this subdivision, the department and the provider may mutually agree to bypass the expedited review process and proceed to a contested case hearing at any time prior to the time for the department's submission under paragraph (c).*

*(f) When the department determines that the appeals of two or more*

providers otherwise subject to the review set forth in this subdivision present the same or substantially the same adjustment, the department may remove the disputed items from the review in this subdivision, and the disputed items shall proceed in accordance with subdivision 1c. The department's decision to remove the appealed adjustments to contested case proceeding is final and is not reviewable.

(g) For a disputed item otherwise subject to the review in this subdivision, the department or a provider may petition the chief administrative law judge to issue an order allowing the petitioning party to bypass the expedited review process. If the petition is granted, the disputed item must proceed in accordance with subdivision 1c. In making the determination, the chief administrative law judge shall consider the potential impact and precedential and monetary value of the disputed item. A petition for removal to contested case hearing must be filed with the chief administrative law judge and the opposing party on or before the date on which its submission is due under paragraph (b) or (c). Within 20 days of receipt of the petition, the opposing party may submit its argument opposing the petition. Within 20 days of receipt of the argument opposing the petition, or if no argument is received, within 20 days of the date on which the argument was due, the chief administrative law judge shall issue a decision granting or denying the petition. If the petition is denied, the petitioning party has 60 days from the date of the denial to make a submission under paragraph (b) or (c).

(h) The department and a provider may mutually agree to use the procedures set forth in this subdivision for any disputed item not otherwise subject to this subdivision.

(i) Nothing shall prevent either party from making its submissions and arguments under this subdivision through a person who is not an attorney.

(j) This subdivision applies to all appeals for rate years beginning after June 30, 1988.

Sec. 15. Minnesota Statutes 1986, section 256B.50, is amended by adding a subdivision to read:

*Subd. 1e. [ATTORNEYS FEES AND COSTS.] (a) Notwithstanding section 3.762, paragraph (a), for an issue appealed under subdivision 1, the prevailing party in a contested case proceeding or, if appealed, in subsequent judicial review, must be awarded reasonable attorney fees and costs incurred in litigating the appeal, if the prevailing party shows that the position of the opposing party was not substantially justified. The procedures for awarding fees and costs set forth in section 3.764 must be followed in determining the prevailing party's fees and costs except as otherwise provided in this subdivision. For purposes of this subdivision, "costs" means subpoena fees and mileage, transcript costs, court reporter fees, witness fees, postage and delivery costs, photocopying and printing costs, amounts charged the commissioner by the office of administrative hearings, and direct administrative costs of the department; and "substantially justified" means that a position had a reasonable basis in law and fact, based on the totality of the circumstances prior to and during the contested case proceeding and subsequent review.*

(b) When an award is made to the department under this subdivision, attorney fees must be calculated at the cost to the department. When an award is made to a provider under this subdivision, attorney fees must be

calculated at the rate charged to the provider except that attorney fees awarded must be the lesser of the attorney's normal hourly fee or \$100 per hour.

(c) In contested case proceedings involving more than one issue, the administrative law judge shall determine what portion of each party's attorney fees and costs is related to the issue or issues on which it prevailed and for which it is entitled to an award. In making that determination, the administrative law judge shall consider the amount of time spent on each issue, the precedential value of the issue, the complexity of the issue, and other factors deemed appropriate by the administrative law judge.

(d) When the department prevails on an issue involving more than one provider, the administrative law judge shall allocate the total amount of any award for attorney fees and costs among the providers. In determining the allocation, the administrative law judge shall consider each provider's monetary interest in the issue and other factors deemed appropriate by the administrative law judge.

(e) Attorney fees and costs awarded to the department for proceedings under this subdivision must not be reported or treated as allowable costs on the provider's cost report.

(f) Fees and costs awarded to a provider for proceedings under this subdivision must be reimbursed to them by reporting the amount of fees and costs awarded as allowable costs on the provider's cost report for the reporting year in which they were awarded. Fees and costs reported pursuant to this subdivision must be included in the general and administrative cost category but are not subject to either the general and administrative or other-operating-cost limits.

(g) If the provider fails to pay the awarded attorney fees and costs within 120 days of the final decision on the award of attorney fees and costs, the department may collect the amount due through any method available to it for the collection of medical assistance overpayments to providers. Interest charges must be assessed on balances outstanding after 120 days of the final decision on the award of attorney fees and costs. The annual interest rate charged must be the rate charged by the commissioner of revenue for late payment of taxes that is in effect on the 121st day after the final decision on the award of attorney fees and costs.

(h) Amounts collected by the commissioner pursuant to this subdivision must be deemed to be recoveries pursuant to section 256.01, subdivision 2, clause 15.

(i) This subdivision applies to all contested case proceedings set on for hearing by the commissioner on or after the effective date of this section, regardless of the date the appeal was filed.

Sec. 16. Minnesota Statutes 1986, section 256B.50, is amended by adding a subdivision to read:

Subd. 1f. [LEGAL AND RELATED EXPENSES.] Legal and related expenses for unresolved challenges to decisions by governmental agencies shall be separately identified and explained on the provider's cost report for each year in which the expenses are incurred. When the challenge is resolved in favor of the governmental agency, the provider shall notify the department of the extent to which its challenge was unsuccessful or the cost report filed for the reporting year in which the challenge was resolved.

*In addition, the provider shall inform the department of the years in which it claimed legal and related expenses and the amount of the expenses claimed in each year relating to the unsuccessful challenge. The department shall reduce the provider's medical assistance rate in the subsequent rate year by the total amount claimed by the provider for legal and related expenses incurred in an unsuccessful challenge to a decision by a governmental agency.*

Sec. 17. Minnesota Statutes 1986, section 256B.50, is amended by adding a subdivision to read:

*Subd. 1g. [APPEAL SUPPLEMENT.] (a) For an appeal filed with the commissioner regarding payment rates calculated pursuant to Minnesota Rules, parts 9510.0010 to 9510.0480, or parts 9510.0500 to 9510.0890, or prior provisions of these rules, that was not subject to the provisions of this section or section 256B.501, subdivision 3, at the time it was filed, the appellant must file an appeal supplement. The appeal supplement must be filed no later than December 31, 1988, and must specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the provider believes is correct, the authority in statute or rule upon which the provider relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and any other information required by the commissioner. Failure to file the appeal supplement is jurisdictional and the commissioner may accordingly dismiss the appeal, and the rate established by the commissioner shall take effect.*

*(b) Filing of an appeal supplement must not be construed to correct any legal defect in the original appeal.*

*(c) An appeal for which an appeal supplement is filed pursuant to this subdivision must be set on for a contested case hearing, made part of the expedited appeal process with the agreement of both the provider and the department, or otherwise resolved by December 31, 1989.*

Sec. 18. Minnesota Statutes 1987 Supplement, section 256B.50, subdivision 2, is amended to read:

*Subd. 2. [APPRAISED VALUE.] (a) ~~An~~ A nursing home may appeal the determination of its appraised value, as determined by the commissioner pursuant to section 256B.431 and rules established thereunder. A written notice of appeal request concerning the appraised value of a nursing home's real estate as established by an appraisal conducted after July 1, 1986, ~~shall~~ must be filed with the commissioner within 60 days of the date the determination was made and shall state the appraised value the nursing home believes is correct for the building, land improvements, and attached equipment and the name and address of the firm with whom contacts may be made regarding the appeal. The appeal request shall include a separate appraisal report prepared by an independent appraiser of real estate which supports the total appraised value claimed by the nursing home. The appraisal report shall be based on an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, must be in a form comparable to that used in the commissioner's appraisal, and must pertain to the same time period covered by the appealed appraisal. The appraisal report shall include information related to the training, experience, and qualifications of the appraiser who conducted and prepared the appraisal report for the nursing home.*

(b) A nursing home which has filed an appeal request prior to the effective date of Laws 1987, chapter 403, concerning the appraised value of its real estate as established by an appraisal conducted before July 1, 1986, must submit to the commissioner the information described under paragraph (a) within 60 days of the effective date of Laws 1987, chapter 403, in order to preserve the appeal.

(c) An appeal request which has been filed pursuant to the provisions of paragraph (a) or (b) shall be finally resolved through an agreement entered into by and between the commissioner and the nursing home or by the determination of an independent appraiser based upon an on-site inspection of the nursing home's real estate using the depreciated replacement cost method, in a form comparable to that used in the commissioner's appraisal, and pertaining to the same time period covered by the appealed appraisal. The appraiser shall be selected by the commissioner and the nursing home by alternately striking names from a list of appraisers approved for state contracts by the commissioner of administration. The appraiser shall make assurances to the satisfaction of the commissioner and the nursing home that the appraiser is experienced in the use of the depreciated cost method of appraisals and that the appraiser is free of any personal, political, or economic conflict of interest that may impair the ability to function in a fair and objective manner. The commissioner shall pay costs of the appraiser through a negotiated rate for services of the appraiser.

(d) The decision of the appraiser is final and is not appealable. Exclusive jurisdiction for appeals of the appraised value of nursing homes lies with the procedures set out in this subdivision. No court of law shall possess subject matter jurisdiction to hear appeals of appraised value determinations of nursing homes.

Sec. 19. Laws 1987, chapter 403, article 4, section 13, is amended to read:

Sec. 13. [STUDY AND REPORT.]

(a) The interagency board for quality assurance shall study the following issues and report to the legislature by December 15, 1988, on its findings and recommendations:

(1) the advisability of changing the definition of "hardship" for purposes of the nursing home moratorium;

(2) the advisability of defining the need for nursing home beds in terms of the population aged 75 and older; and

(3) the existence of a geographic maldistribution of long-term care beds and alternative care services in the state.

(b) *In addition to the issues in paragraph (a), the interagency board shall study and make recommendations concerning the policy and fiscal impact of the changes made in Public Law Number 100-203 relating to the elimination of the intermediate care facility certification level in 1990. The interagency board shall consider at least the following: the need for continuation of the services currently offered by certified boarding care home beds, the need for additional beds in the state licensed as nursing homes, the fiscal impact associated with the reconstruction or replacement of facilities that do not meet nursing home standards, the costs of establishing an alternative funding source for the payment of services currently provided in these facilities, and the need to promulgate licensure standards.*

*If the interagency board recommends that facilities be licensed as nursing homes, the interagency board shall recommend specific procedures for the granting of the licenses and identify methods for the licensing or funding of facilities that may be considered out of compliance with federal law on October 1, 1990. The board shall provide recommendations to the legislature for legislative changes that are necessary to implement the board's recommendations. The costs associated with the board's recommendations must be provided to the commissioner of human services and included in the medical assistance forecast and the agency budget requests for the 1990-91 biennium.*

**Sec. 20. [REPORT ON VENTILATION AND AIR CONDITIONING IN NURSING HOMES.]**

*By January 1, 1989, the interagency board for quality assurance shall report to the legislature on ventilation and air conditioning systems in nursing homes. The report must include:*

*(1) a review of the nature and extent of air conditioning and ventilation systems that now exist in nursing homes in the state;*

*(2) the number and nature of complaints received by the commissioner of health or the office of health facility complaints relating to summer heat or humidity in nursing homes;*

*(3) the adequacy of existing systems to provide residents and staff with a reasonable level of comfort and health;*

*(4) a review of the options for improving air conditioning and ventilation systems in nursing homes including estimates of the costs of each option to residents, nursing homes, and the medical assistance program, and an analysis of public and private financing mechanisms for the costs of improvements; and*

*(5) recommendations for legislative changes.*

**Sec. 21. [APPROVED COMPLEMENT INCREASED.]**

*The complement of the office of administrative hearings is increased by one full-time equivalent position.*

**Sec. 22. [NURSING HOME SPECIAL ASSESSMENT FOR SEWER RENTAL.]**

*Notwithstanding contrary provisions of Minnesota Statutes, section 256B.431, for purposes of determining the amount of a reported actual special assessment to be included in a nursing home's operating cost, the commissioner of human services shall include an expense charged to a nursing home by the municipality of Minnesota through a sewer rental charge assessed against the nursing home for a wastewater treatment facility.*

**Sec. 23. [REPORT ON HOSPITAL-ATTACHED NURSING HOME PROPERTY PAYMENTS.]**

*The commissioner shall study property-related payments for hospital-attached nursing homes and report to the legislative commission on long-term health care by February 1, 1989, with recommendations on appropriate cost allocation methods to be used for property-related reimbursement.*

**Sec. 24. [EFFECTIVE DATE.]**



*Sections 1 to 8 and 10 to 23 are effective the day following final enactment. Section 9 is effective the day following final enactment and applies to nursing home rate years that began on or after July 1, 1988."*

Delete the title and insert:

"A bill for an act relating to health and human services; increasing the nursing home resident personal allowance; changing nursing home property-related costs and operating costs provisions; authorizing the housing finance agency to make loans to nursing homes; establishing summer temperature and humidity requirements for new nursing homes; requiring a study of air conditioning and ventilation in nursing homes; requiring a report on the impact of federal law changes; amending Minnesota Statutes 1986, sections 144A.04, by adding a subdivision; 144A.08, by adding a subdivision; 256B.431, by adding subdivisions; 256B.50, subdivision 1, and by adding subdivisions; Minnesota Statutes 1987 Supplement, sections 144A.071, subdivision 3; 144A.073, subdivisions 1 and 7; 256B.35, subdivision 1; 256B.431, subdivision 4; and 256B.50, subdivision 2; Laws 1987, chapter 403, article 4, section 13."

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

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

S.F. No. 1832: A bill for an act relating to human services; expanding and improving child care services; defining terms; setting forth duties of the commissioner; providing grants for child care programs, facilities, and training; providing a toll-free telephone number; establishing an interagency advisory committee; requiring counties to keep a waiting list; expanding resource and referral assistance to employers; requiring a study; appropriating money; amending Minnesota Statutes 1986, sections 245.83, and by adding subdivisions; 245.84, subdivision 1; 268.911, subdivision 3; Minnesota Statutes 1987 Supplement, sections 245A.04, by adding a subdivision; and 268.91, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.84, subdivision 4; 245.86; and 245.87.

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

Delete everything after the enacting clause and insert:

"Section 1. [CITATION.]

*Sections 1 to 12 may be cited as the "child care development act of 1988."*

Sec. 2. Minnesota Statutes 1986, section 245.83, is amended to read:  
245.83 [CHILD CARE SERVICES; DEFINITIONS.]

Subdivision 1. [DEFINITIONS.] As used in sections 245.83 to 245.87 245.858 the words defined in this section shall have the meanings given them.

Subd. 2. [CHILD CARE SERVICES.] "Child care services" means *child care provided in family day care homes, group day care centers homes, nursery schools, day nurseries, child day care centers, play groups, head*

start and parent cooperatives, as defined by rules of the commissioner, and in-home child care as defined in the Minnesota plan for social services to families and children.

Subd. 3. [CHILD.] "Child" means ~~any~~ a person 14 12 years of age old or younger, or a person age 13 or 14 who is handicapped, as defined in section 120.03.

Subd. 3a. [CHILD CARE.] "Child care" means the care of a child by someone other than a parent or legal guardian outside the child's own home for gain or otherwise, on a regular basis, for any part of a 24-hour day.

Subd. 3b. [CHILD CARE WORKER.] "Child care worker" means a person who cares for children for compensation, including a licensed provider of child care services, an employee of a provider, and a person who has applied for a license as a provider.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of human services.

Subd. 4a. [FACILITY IMPROVEMENT EXPENSES.] "Facility improvement expenses" include building improvements, equipment, toys, and supplies.

Subd. 5. [INTERIM FINANCING.] "Interim financing" means funds to carry out such activities as are necessary for family day care homes, group family day care homes and ~~cooperative~~ child care centers to receive and maintain state licensing, to expand an existing program or to improve program quality, and to provide operating funds for a period of six consecutive months following receipt of state licensing by a family day care home, group family day care home, or ~~cooperative~~ child care center.

Subd. 6. [RESOURCE AND REFERRAL PROGRAM.] "Resource and referral program" means a program that provides information to parents, including referrals and coordination of community child care resources for parents and public or private providers of care. Services may include parent education, technical assistance for providers, staff development programs, and referrals to social services.

Subd. 7. [STAFF TRAINING OR DEVELOPMENT EXPENSES.] "Staff training or development expenses" include the cost to a child care worker of tuition, transportation, required materials and supplies, and wages for a substitute while the child care worker is engaged in a training program.

Subd. 8. [TRAINING PROGRAM.] "Training program" means child development courses offered by an accredited post-secondary institution; or similar training approved by a county board or the department of human services. To qualify as a training program under this section, a course of study must teach specific skills that a child care worker needs to meet staff qualifications established by licensing requirements.

### Sec. 3. [245.833] [DUTIES OF COMMISSIONER.]

In addition to the powers and duties already conferred by law, the commissioner of human services shall:

(1) administer the child care fund, including the sliding fee program, authorized under section 268.91;

(2) monitor the child care resource and referral programs established

under section 268.911; and

(3) encourage child care providers to participate in a nationally-recognized accreditation system for early childhood programs.

**Sec. 4. [245.836] [GRANTS FOR CHILD CARE SERVICES.]**

**Subdivision 1. [GRANTS ESTABLISHED.]** The commissioner shall award grants to develop child care services, including facility improvement expenses, interim financing, resource and referral programs, and staff training expenses. The commissioner shall develop a grant application form, distribute forms to regional grant review advisory task forces established under subdivision 2, inform county social service agencies about the availability of child care services grants, and set a date by which applications must be received by the commissioner.

**Subd. 2. [DISTRIBUTION OF FUNDS.]** The commissioner shall distribute money appropriated for child care services among the 12 development regions designated by the governor under section 462.385, in proportion to the ratio of the number of children to the number of licensed child care slots available in each region. Out of the amount allocated for each development region the commissioner shall award grants based on the recommendation of the regional grant review advisory task force. In addition, the commissioner shall:

(1) award no more than 75 percent of the money either to child care facilities for the purpose of facility improvement or interim financing or to child care workers for staff training expenses; and

(2) redistribute funds not awarded by January 1, 1989, without regard to the distribution formula in this subdivision.

**Subd. 3. [REGIONAL GRANT REVIEW ADVISORY TASK FORCES.]** In each development region, the commissioner shall appoint a person to chair a child care grant review advisory task force. In each development region with a regional development commission, except for region 11, the commission shall appoint a child care grant review advisory task force under section 462.394. In region 11 the commissioner shall appoint one or more advisory task forces to review grant applications. In each region with no regional development commission, each county board shall designate a representative to a regional child care grant review advisory task force. Members appointed under this subdivision must be parents of children in child care, providers of child care, or citizens with a demonstrated interest in child care issues. Regional grant review advisory task forces shall review and make recommendations to the commissioner on applications for grants under this section. Task force members may be reimbursed for expenses in accordance with section 15.059, subdivision 6, for up to six meetings per year. The advisory task force shall not expire but shall otherwise be governed by section 15.059. In regions where no regional development commission exists, the commissioner may designate a public or private entity to act as fiscal agent. The commissioner may pay the expenses of the child care grant review advisory task force directly or through an agent. Regional task forces shall complete their reviews and forward their recommendations to the commissioner by the date set under subdivision 1.

**Subd. 4. [FUNDING PRIORITIES; FACILITY IMPROVEMENT AND**

**INTERIM FINANCING.]** *In evaluating applications for funding and making recommendations to the commissioner, the regional grant review advisory task forces shall give priority to:*

(1) *new programs or projects, or the expansion or enrichment of existing programs or projects;*

(2) *programs or projects in areas where a demonstrated need for child care facilities has been shown, with special emphasis on programs or projects in areas where there is a shortage of licensed child care;*

(3) *programs and projects that serve sick children, infants, children with special needs, and children from low-income families; and*

(4) *unlicensed providers who wish to become licensed.*

**Subd. 5. [FUNDING PRIORITIES; TRAINING GRANTS.]** *In evaluating applications for training grants and making recommendations to the commissioner, the regional grant review advisory task forces shall give priority to:*

(1) *applicants who will be working in facilities caring for sick children, infants, children with special needs, and children from low-income families;*

(2) *applicants who will be working in geographic areas where there is a shortage of child care;*

(3) *unlicensed providers who wish to become licensed;*

(4) *child care providers seeking accreditation; and*

(5) *entities which apply for funds for scholarships for child care workers attending educational or training programs sponsored by the entity.*

**Subd. 6. [ADVISORY TASK FORCE.]** *The commissioner shall convene a statewide advisory task force which shall advise the commissioner on grants and other child care issues. Each regional grant review advisory task force formed under subdivision 3 shall appoint a representative to the advisory task force. The commissioner may convene meetings of the task force as needed, up to four meetings per year. Terms of office and removal from office are governed by the appointing body. The commissioner shall compensate members for their expenses in accordance with section 15.059 for meetings of the task force. The advisory task force shall not expire but shall otherwise be governed by section 15.059.*

**Sec. 5. Minnesota Statutes 1986, section 245.84, subdivision 1, is amended to read:**

**Subdivision 1. [AUTHORITY.]** *The county board is authorized to provide child care services, to make grants from the community social service fund, special tax revenue, or its general fund, or other sources to any municipality, corporation or combination thereof for the cost of providing technical assistance and child care services, or to contract for services with any licensed day care facility, as the board deems necessary or proper to carry out the purposes of sections 245.83 to 245.87 245.858.*

*The board is further authorized to make grants to or contract with any municipality, incorporated licensed child care facility or resource and referral program, or corporation or combination thereof for any of the following purposes:*

(a) *For creating new licensed day care facilities and expanding existing*

facilities including, but not limited to, supplies, equipment, and facility renovation and remodeling;

(b) For improving licensed day care facility programs, including, but not limited to, staff specialists, staff training, supplies, equipment, and facility renovation and remodeling;

(c) For supportive child development services including, but not limited to, in-service training, curriculum development, consulting specialist, resource centers, and program and resource materials;

(d) For carrying out programs including, but not limited to, staff, supplies, equipment, facility renovation, and training;

(e) For interim financing; and

(f) For carrying out the resource and referral program services identified in section 268.911, subdivision 3.

#### Sec. 6. [245.854] [GRANTS TO EMPLOYERS.]

*Subdivision 1. [GRANT AMOUNTS; COVERED EXPENSES.] The commissioner shall administer a program to provide grants to employers who want to provide child care services for the benefit of their employees at the site of employment or within close proximity to the site of employment, and who meet the priorities listed in subdivision 2. The grant shall be equal to 50 percent of total expenditures paid or incurred by the employer during a two-year period to establish a child care facility for use by the children of employees, including expenditures for planning, site preparation, construction, renovation, site acquisition, equipment installed for permanent use, and kitchen appliances for use in delivering meals to the children. No employer may receive a grant in excess of \$50,000 under this section. The grant may be paid in either of the first two years of the child care services operation.*

*If two or more employers share in the cost of establishing or operating a facility for the children of their employees, the commissioner shall apportion the grant between the employers in relation to the respective share paid by each employer to the total expenditures for the services during the year. The total amount of the grant apportioned may not exceed \$50,000 for a single facility.*

*Grants may also be made to employers seeking to provide child care services for the benefit of their employees by enhancing, expanding, or developing services in the community. Grants may be made for the same purposes as those given for grants for on-site facilities and may total no more than 50 percent of total expenditures over a two-year period. Grants may not exceed \$10,000 for a single facility.*

*Subd. 2. [GRANT PRIORITIES.] In reviewing grant proposals for funding, the commissioner shall give priority to programs or projects in an area where a demonstrated need for licensed child care facilities has been shown, and to employers who will:*

*(1) provide child care services at the site of employment, within reasonable walking distance of the employment site, or at a site agreeable to employees;*

*(2) provide child care services for infants and toddlers;*

*(3) extend all employee benefits to the child care workers on the same*

basis as provided to their employees;

(4) allow employees with children using the child care services provided under this section flexibility in work schedules to enable visiting time;

(5) agree to pay child care workers at least 125 percent of the county average rate for child care workers; and

(6) ensure that child care services are affordable to all employees.

The employer may not receive any profit from the provision of the child care services or rent from the child care site. In addition, an employer receiving a grant under this section must continue to provide the child care services program for four years after state funding under this section has ended. If the employer does not continue the program, the state's attorney general shall seek to recover the full amount of the grant from the employer.

#### Sec. 7. [245.856] [ADVISORY TASK FORCE ON CHILD CARE.]

Subdivision 1. [MEMBERSHIP.] By July 1, 1988, the commissioner of the state planning agency shall convene and chair an advisory task force on child care. Members of the committee, in addition to the commissioner of the state planning agency, are:

(1) the commissioner, or a designee of the commissioner, of the departments of health, human services, jobs and training, and education;

(2) one representative appointed by each of the four public higher education systems;

(3) three county representatives appointed by the association of Minnesota counties;

(4) three providers representing family day care, day care centers, and before-and-after-school programs, appointed by the commissioner of the state planning agency;

(5) one local school district representative appointed by the state board of education;

(6) two parents appointed by the commissioner of the state planning agency;

(7) two employers appointed by the commissioner of the state planning agency; and

(8) two representatives from child care resource and referral programs appointed by the commissioner.

#### Subd. 2. [DUTIES.] The task force shall:

(1) review current state and local programs related to child care;

(2) review available data on the need for child care services;

(3) survey and report on all components of the child care system including, but not limited to: availability of licensed child care slots; numbers of children in various kinds of child care settings; staff wages, rate of staff turnover, and qualifications of child care workers; cost of child care by type of service and ages of children; and child care availability through school systems;

(4) study the existing public and private funding sources for child care

*services and the development of child care services, including the AFDC special needs program, the sliding fee child care program, the maternal and child nutrition program, county funding, Title XX funding, and private foundation, corporate, community social services act, or nonprofit funding to child care services providers and parents. The study shall determine the extent to which:*

*(i) individual funding sources meet existing needs and what level of funding comes from each source;*

*(ii) the need for subsidized child care services for low-income parents is being met;*

*(iii) present funding mechanisms are efficient or can be made more efficient;*

*(iv) alternative or improved methods may encourage private funding for child care services;*

*(v) the funding level has an impact on availability of child care facilities; and*

*(vi) child care reimbursement rates are meeting actual costs for quality child care;*

*(5) survey and report on the extent to which existing child care services fulfill the need for child care, giving particular attention to the need for part-time care and for care of infants, sick children, children with special needs, and low-income children; and*

*(6) make recommendations for developing a coordinated system of child care.*

*An interim report of the task force's findings and recommendations shall be submitted to the legislature by January 1, 1989, with a final report due January 1, 1990.*

Sec. 8. Minnesota Statutes 1987 Supplement, section 245A.04, is amended by adding a subdivision to read:

*Subd. 9. [INSPECTIONS.] The commissioner shall assign the equivalent of one license inspector to make unannounced inspections of child care centers. After one year the value of unannounced inspections shall be assessed.*

Sec. 9. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3, is amended to read:

*Subd. 3. [ALLOCATION.] (a) By June 1 of each odd-numbered year, the commissioner shall notify all county and human services boards and post-secondary educational systems of their allocation. If the appropriation is insufficient to meet the needs in all counties, the amount must be prorated among the counties. Each county that receives funds under this section must keep a written record and report to the commissioner the number of eligible families who have applied for a child care subsidy. Counties may perform a cursory determination of eligibility when a family requests information about child care assistance. A family which appears to be eligible must be put on a waiting list if funds are not immediately available.*

*(b) Except for set-aside money allocated under subdivisions 3a, 3b, 3c, and 3d, the commissioner shall allocate money appropriated between the*

metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total appropriation goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the money among counties on the basis of the number of families below the poverty level, as determined from the most recent special census, and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year, as determined by the commissioner of human services.

(c) Once each quarter, the commissioner shall review the use of child care fund allocations by county. ~~In accordance with the formula found in paragraph (b).~~ The commissioner may reallocate unexpended or unencumbered money among those counties who have expended their full portion. Any unexpended money from the first year of the biennium may be carried forward to the second year of the biennium.

Sec. 10. Minnesota Statutes 1987 Supplement, section 268.91, subdivision 3b, is amended to read:

Subd. 3b. [SET-ASIDE MONEY FOR AFDC PRIORITY GROUPS.] (a) Set-aside money for AFDC priority groups must be allocated among the counties based on the average monthly number of caretakers receiving AFDC under the age of 21 and the average monthly number of AFDC cases open 24 or more consecutive months. For each fiscal year the average monthly caseload shall be based on the 12-month period ending March 31 of the previous fiscal year. The commissioner may reallocate quarterly unexpended or unencumbered set-aside money to counties that expend their full allocation. The county shall use the set-aside money for AFDC priority groups.

(b) The county shall develop cooperative agreements with the employment and training service provider for coordination of child care funding with employment, training, and education programs for aid to families with dependent children priority groups. The cooperative agreement shall specify that individuals receiving employment, training, and education services under an employability plan from the employment and training service provider shall, as resources permit, be guaranteed set-aside money for child care assistance from the county of their residence.

(c) Counties may contract for administration of the program or may arrange for or contract for child care funds to be used by other appropriate programs, in accordance with this section and as permitted by federal law and regulations.

(d) If the commissioner finds, on or after January 1 of a fiscal year, that set-aside money for AFDC priority groups is not being fully utilized, the commissioner may permit counties to use set-aside money for other eligible applicants, as long as priority for use of the money will continue to be given to the AFDC priority groups.

(e) A county may claim federal reimbursement under the AFDC special needs program for money spent for persons listed in subdivision 3a, clause (1). The commissioner shall allocate any federal earnings to the county. The county shall use the money to expand services to AFDC recipients and former AFDC recipients listed in subdivision 3a, paragraph (a), clauses (1) and (2), under the child care sliding fee program.

Sec. 11. Minnesota Statutes 1986, section 268.91, subdivision 7, is



amended to read:

Subd. 7. [SLIDING FEE SCALE.] In setting the sliding fee schedule, the commissioner shall exclude from the amount of income used to determine eligibility an amount for federal and state income and social security taxes attributable to that income level according to federal and state standardized tax tables. *The commissioner shall base the parent fee on the ability of the family to pay for child care.* The fee schedule must be designed to use any available tax credits ~~and to progress smoothly from appropriated assistance to assistance through tax credits.~~

Sec. 12. Minnesota Statutes 1986, section 268.911, subdivision 3, is amended to read:

Subd. 3. [PROGRAM SERVICES.] The commissioner may make grants to public or private nonprofit entities to fund child care resource and referral programs. Child care resource and referral programs must serve a defined geographic area.

(a) Each program shall identify all existing child care services through information provided by all relevant public and private agencies in the areas of service, and shall develop a resource file of the services which shall be maintained and updated at least quarterly. These services must include family day care homes; public and private day care programs; full-time and part-time programs; infant, preschool, and extended care programs; and programs for school age children.

The resource file must include: the type of program, hours of program service, ages of children served, fees, location of the program, eligibility requirements for enrollment, and transportation available to the program. The file may also include program information and special needs services.

(b) Each program shall establish a referral process which responds to parental need for information and which fully recognizes confidentiality rights of parents. The referral process must afford parents maximum access to all referral information. This access must include telephone referral available for no less than 20 hours per week.

Each child care resource and referral agency shall publicize its services through popular media sources, agencies, *employers*, and other appropriate methods.

(c) Each program shall maintain ongoing documentation of requests for service. All child care resource and referral agencies must maintain documentation of the number of calls and contacts to the child care information and referral agency or component. A program may collect and maintain the following information:

- (1) ages of children served;
- (2) time category of child care request for each child;
- (3) special time category, such as nights, weekends, and swing shift; and
- (4) reason that the child care is needed.

(d) Each program shall have available the following information as an educational aid to parents:

- (1) information on aspects of evaluating the quality and suitability of child care services, including licensing regulation, financial assistance available, child abuse reporting procedures, appropriate child development

information;

(2) information on available parent, early childhood, and family education programs in the community.

(e) A program may provide technical assistance to existing and potential providers of all types of child care services *and employers*. This assistance shall include:

(1) information on all aspects of initiating new child care services including licensing, zoning, program and budget development, and assistance in finding information from other sources;

(2) information and resources which help existing child care providers to maximize their ability to serve the children and parents of their community;

(3) dissemination of information on current public issues affecting the local and state delivery of child care services;

(4) facilitation of communication between existing child care providers and child-related services in the community served; *and*

(5) recruitment of licensed providers; *and*

(6) *options, and the benefits available to employers utilizing the various options, to expand child care services to employees.*

Services prescribed by this section must be designed to maximize parental choice in the selection of child care and to facilitate the maintenance and development of child care services and resources.

(f) Child care resource and referral information must be provided to all persons *and employers* requesting services and to all types of child care providers.

(g) Public or private entities may apply to the commissioner for funding. The maximum amount of money which may be awarded to any entity for the provision of service under this subdivision is \$60,000 per year. A local match of up to 25 percent is required.

### Sec. 13. [RULES.]

*The commissioner of human services may adopt rules to administer and implement the provisions of sections 4 and 6.*

### Sec. 14. [COMPLEMENT.]

*The complement of the department of human services is increased by four positions to administer child care programs.*

### Sec. 15. [APPROPRIATIONS.]

*\$2,500,000 is appropriated from the general fund for the purposes of section 268.91, subdivision 3.*

*\$1,100,000 is appropriated from the general fund to the commissioner of human services for the purposes of expanding and improving child care development services under section 4.*

*\$400,000 is appropriated from the general fund to the commissioner of human services for the purpose of allocating grants under the provisions of section 6 and providing technical assistance. The appropriation is available until expended. The amount of the appropriation available to the commissioner for technical assistance must not exceed seven percent.*

*\$350,000 is appropriated from the general fund to the commissioner of human services for the purposes of section 12.*

*\$200,000 is appropriated from the general fund to the commissioner of human services for administration of child care programs.*

Sec. 16. [REPEALER.]

*Minnesota Statutes 1986, sections 245.86 and 245.87, are repealed."*

Delete the title and insert:

"A bill for an act relating to human services; expanding and improving child care services; defining terms; setting forth duties of the commissioner; providing grants for child care programs, facilities, and training; establishing an advisory task force; requiring counties to keep a waiting list; expanding resource and referral assistance to employers; appropriating money; amending Minnesota Statutes 1986, sections 245.83; 245.84, subdivision 1; 268.91, subdivision 7; 268.911, subdivision 3; Minnesota Statutes 1987 Supplement, sections 245A.04, by adding a subdivision; and 268.91, subdivisions 3 and 3b; proposing coding for new law in Minnesota Statutes, chapter 245; repealing Minnesota Statutes 1986, sections 245.86; and 245.87."

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

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

S.F. No. 1935: A bill for an act relating to health; requiring medical screening of former Conwed Corporation employees; authorizing the commissioner of health to contract with experts; requiring a report; appropriating money.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 145A.14, is amended by adding a subdivision to read:

*Subd. 3. [HUMAN IMMUNODEFICIENCY VIRUS EDUCATION AND RISK REDUCTION GRANTS.]*

*(a) The commissioner shall make special grants to community health boards to establish and maintain public education, health promotion services, and local technical assistance intended to limit the transmission of the human immunodeficiency virus. Funding may not be used for alternative testing programs or services to persons with AIDS-related illnesses.*

*(b) To qualify for a grant under this subdivision, the community health plan or plan revision submitted by the community health board must contain a proposal for the delivery of education and health promotion services and local technical assistance.*

*(c) Applicants must submit for approval a plan and budget for the use of funds, in the form and detail provided for in the community health plan.*

*(d) Funds appropriated for grants under this subdivision will be allocated as follows:*

*(1) one-third shall be distributed to community health boards in proportion to the number of counties and eligible cities;*

*(2) one-third shall be distributed to community health boards in proportion to population; and*

*(3) one-third shall be distributed to community health boards in proportion to the number of reported AIDS cases.*

*(e) Grants awarded to qualified programs under this subdivision shall not exceed 75 percent of the annual cost of the qualified program for the fiscal year for which the grant is awarded.*

*(f) Applicants must keep records, including records of expenditures to be audited as the commissioner specifies."*

Page 2, after line 12, insert:

*"\$2,400,000 is appropriated from the general fund to the commissioner of health for grants to be awarded under section 1."*

Page 2, line 14, delete "1 to 3" and insert "2 to 4" and after the period, insert *"The commissioner of health and the attorney general shall seek reimbursement from Conwed Corporation and its successors for the costs of the health screenings and related costs."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing AIDS education and risk reduction grants;"

Page 1, line 5, before the period, insert "; amending Minnesota Statutes 1987 Supplement, section 145A.14, by adding a subdivision"

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

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

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.

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

Page 1, delete lines 10 to 25

Page 2, delete lines 1 to 6 and insert:

*"Subd. 2a. [REPRESENTATIVE PAYEE.] Notwithstanding subdivision 1, the commissioner shall adopt rules, and may adopt emergency rules, governing the assignment of a representative payee and management of the general assistance grant of a drug dependent person as defined in section 254A.02, subdivision 5. The representative payee is responsible for deciding how the drug dependent person's benefits can best be used to meet that person's needs. The determination of drug dependency must be made by an assessor qualified under Minnesota Rules, part 9530.6615, subpart 2, to perform an assessment of chemical use. Upon receipt of the assessor's determination of drug dependency, the county shall determine*

*whether a representative payee will be assigned to manage the person's benefits. The chemical use assessment and the county determination are subject to the administrative and judicial review provisions of section 256.045. If, at the time of application or at any other time, there is a reasonable basis for questioning whether a person can responsibly manage that person's money due to possible drug dependency, the person may be referred for a chemical health assessment, and only emergency assistance payments or general assistance vendor payments may be provided until the assessment is complete. The assignment to representative payee status must be reviewed at least every 12 months. The county shall designate the representative payee after consultation with the recipient. The designation of representative payee is subject to the administrative and judicial review provisions of section 256.045."*

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

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

S.F. No. 1996: A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; requiring certain reports; prescribing a civil penalty; amending Minnesota Statutes 1986, section 500.24, subdivisions 3 and 4; and Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2, is amended to read:

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

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

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

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

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

- (1) its shareholders do not exceed five in number;
- (2) all its shareholders, other than any estate are natural persons;
- (3) it does not have more than one class of shares; and
- (4) its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and

(5) shareholders holding ~~a majority of the shares~~ *60 percent or more of the interest in the corporation* must be residing on the farm or actively engaging in farming; and

(6) *it, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.*

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

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

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

(h) *"Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of the partners are corporations. A family farm partnership does not cease to qualify as a family farm partnership because of a devise or bequest of interest in the partnership.*

(i) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) *it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;*

(2) *its partners do not exceed five in number;*

(3) *all its partners, other than an estate, are natural persons;*

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

(5) *its general partners hold at least 20 percent of the interest in the partnership and reside on the farm or are actively engaging in farming;*

(6) *its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations; and*

(7) it, directly or indirectly, does not own or otherwise have an interest, whether legal, beneficial, or otherwise, in a title to more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

Sec. 2. Minnesota Statutes 1986, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation ~~or~~, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation ~~or~~, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Provided, however, that the restrictions ~~provided~~ in this subdivision ~~shall~~ do not apply to the following corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to (r) under which the agricultural land is owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to (r):

(a) A bona fide encumbrance taken for purposes of security;

(b) A family farm corporation ~~or~~, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;

(c) Agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) Agricultural land operated for research or experimental purposes with the approval of the commissioner of agriculture, provided that any commercial sales from such farm ~~shall~~ the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to the effective date of section 1 must comply with all requirements of this clause except the requirement for initial approval of the project;

(e) Agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod;

(f) Agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres,

not to exceed the acreage under lease to such corporation as of May 20, 1973, *or to the limited partnership as of May 1, 1988*, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, *for a corporation or May 1, 1988, for a limited partnership* in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) Agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious or charitable nonprofit corporation or by a pension or investment fund *or limited partnership*; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation *or limited partnership* which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) Agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, *or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2*, for which the corporation *or limited partnership* has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation *or limited partnership* may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation ~~or~~, an authorized farm corporation, *a family farm partnership, or an authorized farm partnership*, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) Agricultural lands acquired by a pension or investment fund or a corporation *or limited partnership* by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years *after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988*, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year *or five-year* period except under a lease to a family farm unit, a family farm corporation ~~or~~, an authorized farm corporation, *a family farm partnership, or an authorized farm partnership*. The aforementioned ten-year *or five-year* limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund or corporate *or limited partnership* grantee or assignee or the successor of such pension or investment fund or corporation *or limited partnership*;

(j) Agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described



in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, ~~or~~ a family farm corporation, *or a family farm partnership*;

(k) Agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973 for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) All agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d) but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) A corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) Agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of subdivision 3 under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975 in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) Agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978 and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) An interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) Agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;

*(r) The acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986, section 500.24, subdivision 2, paragraph (d), or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;*

*(s) Agricultural land acquired by a nonprofit corporation formed for*

*religious purposes or acquired by a limited partnership with all of the limited partnership interests held by a nonprofit corporation formed for religious purposes and the general partner is a family farm, family farm corporation, or family farm limited partnership, that leases or sells to, or farms with a family farm, family farm corporation, or a family farm limited partnership.*

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

Subd. 3a. [LEASE AGREEMENT; CONSERVATION PRACTICE PROTECTION CLAUSE.] A corporation, *pension or investment fund, or limited partnership*, other than a family farm corporation ~~or~~, an authorized farm corporation, *a family farm partnership, or an authorized farm partnership*, when leasing farm land to a family farm unit, a family farm corporation, ~~or~~ an authorized farm corporation, *a family farm partnership, or an authorized farm partnership* under provisions of subdivision 3, clause (i), must include within the lease agreement a provision prohibiting intentional damage or destruction to a conservation practice on the agricultural land.

Sec. 4. Minnesota Statutes 1986, section 500.24, subdivision 3b, is amended to read:

Subd. 3b. [PROTECTION OF CONSERVATION PRACTICES.] If a corporation, *pension or investment fund, or limited partnership*, other than a family farm corporation ~~or~~, an authorized farm corporation, *a family farm partnership, or authorized farm partnership*, during the period of time it holds agricultural land under subdivision 3, clause (i), intentionally destroys a conservation practice as defined in section 40.19, subdivision 5, to which the state has made a financial contribution, the corporation, *pension or investment fund, or limited partnership* must pay the commissioner of agriculture, for deposit in the general fund, an amount equal to the state's total contributions to that conservation practice plus interest from the time of investment in the conservation practice. Interest must be calculated at an annual percentage rate of 12 percent.

Sec. 5. Minnesota Statutes 1986, section 500.24, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] (a) *The chief executive officer of every pension or investment fund or, corporation which, or limited partnership, except a family farm corporation or a family farm limited partnership, that holds any interest in agricultural land or land used for the breeding, feeding, pasturing, growing, or raising of livestock, dairy or poultry, or products thereof, or land used for the production of agricultural crops or fruit or other horticultural products, other than a bona fide encumbrance taken for purposes of security, or which is engaged in farming or proposing to commence farming in this state after May 20, 1973, shall file with the commissioner of agriculture a report containing the following information and documents:*

(1) The name of the pension or investment fund ~~or~~, corporation, *or limited partnership* and its place of incorporation, *certification, or registration;*

(2) The address of the pension or investment plan headquarters or of the registered office of the corporation in this state, the name and address of its registered agent in this state and, in the case of a foreign corporation *or limited partnership*, the address of its principal office in its place of

incorporation, *certification, or registration*;

(3) The acreage and location listed by quarter-quarter section, township and county of each lot or parcel of land in this state owned or leased by the pension or investment fund, *limited partnership*, or corporation and used for the growing of crops or the keeping or feeding of poultry or livestock;

(4) The names and addresses of the officers, administrators, directors or trustees of the pension or investment fund, or of the officers, shareholders owning more than 10 percent of the stock, including the percent of stock owned by each such shareholder, and the members of the board of directors of the corporation, *and the general and limited partners and the percentage of interest in the partnership by each partner; and*

(5) The farm products which the pension or investment fund, *limited partnership*, or corporation produces or intends to produce on its agricultural land;

(6) *With the first report, a copy of the title to the property where the farming operations are or will occur indicating the particular exception claimed under subdivision 3, clauses (a) to (r); and*

(7) *With the first or second report, a copy of the conservation plan proposed by the soil and water conservation district, and with subsequent reports a statement of whether the conservation plan was implemented.*

The report of a corporation seeking to qualify hereunder as a family farm corporation ~~or~~, an authorized farm corporation, *a family farm partnership, or authorized farm partnership* shall contain the following additional information: The number of shares *or the partnership interests* owned by persons residing on the farm or actively engaged in farming, or their relatives within the third degree of kindred according to the rules of the civil law or their spouses; the name, address and number of shares owned by each shareholder *or partnership interests owned by each partner*; and a statement as to percentage of gross receipts of the corporation derived from rent, royalties, dividends, interest and annuities. No pension or investment fund, *limited partnership*, or corporation shall commence farming in this state until the commissioner of agriculture has inspected the report and certified that its proposed operations comply with the provisions of this section.

(b) Every pension or investment fund, *limited partnership*, or corporation as described in clause (a) shall, prior to April 15 of each year, file with the commissioner of agriculture a report containing the information required in clause (a), based on its operations in the preceding calendar year and its status at the end of the year. *A pension or investment fund, limited partnership, or corporation that does not file the report by April 15 must pay a \$500 civil penalty. The penalty is a lien on the land being farmed under subdivision 3 until the penalty is paid.*

(c) Failure to file a required report, or the willful filing of false information, shall constitute a gross misdemeanor.

Sec. 6. Minnesota Statutes 1986, section 500.24, subdivision 5, is amended to read:

Subd. 5. [ENFORCEMENT.] With reason to believe that a corporation, *limited partnership*, or pension or investment fund is violating subdivision 3, the attorney general shall commence an action in the district court in

which any agricultural lands relative to such violation are situated, or if situated in two or more counties, in any county in which a substantial part of the lands are situated. The attorney general shall file for record with the county recorder or the registrar of titles of each county in which any portion of said lands are located a notice of the pendency of the action as provided in section 557.02. If the court finds that the lands in question are being held in violation of subdivision 3, it shall enter an order so declaring. The attorney general shall file for record any such order with the county recorder or the registrar of titles of each county in which any portion of said lands are located. Thereafter, the pension or investment fund, *limited partnership*, or corporation owning such land shall have a period of five years from the date of such order to divest itself of such lands. The aforementioned five year limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund, *limited partnership*, or corporate grantee or assignee or the successor of such pension or investment fund, *limited partnership*, or corporation. Any lands not so divested within the time prescribed shall be sold at public sale in the manner prescribed by law for the foreclosure of a mortgage by action. In addition, any prospective or threatened violation may be enjoined by an action brought by the attorney general in the manner provided by law.

Sec. 7. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 6, is amended to read:

Subd. 6. [DISPOSAL OF LAND.] (a) A state or federal agency, *limited partnership*, or a corporation, other than a family farm corporation or an authorized farm corporation, may not lease or sell agricultural land or a farm homestead that was acquired by enforcing a debt against the agricultural land or farm homestead, including foreclosure of a mortgage, accepting a deed in lieu of foreclosure, terminating a contract for deed, or accepting a deed in lieu of terminating a contract for deed, before offering or making a good faith effort to offer the land for sale or lease to the immediately preceding former owner at a price no higher than the highest price offered by a third party that is acceptable to the seller or lessor. The offer must be made on the notice to offer form under subdivision 7. Selling or leasing property to a third party at a price is prima facie evidence that the price is acceptable to the seller or lessor.

(b) For purposes of this subdivision, the term "a price no higher than the highest price offered by a third party" means the acceptable cash price offered by a third party or the acceptable time-price offer made by a third party. A cash price offer is one that involves simultaneous transfer of title for payment of the entire amount of the offer. If the acceptable offer made by a third party is a time-price offer, the seller or lessor must make the same time-price offer or an equivalent cash offer to the immediately preceding former owner. An equivalent cash offer is equal to the total of the payments made over a period of the time-price offer discounted by yield curve of the United States treasury notes and bonds on the first business day of the month in which the offer is personally delivered or mailed for time periods similar to the time period covered by the time-price offer, plus 2.0 percent. A time-price offer is an offer that defers payment of a portion of the price and does not involve a transfer of fee title until payment of the entire amount of the offer is made.

(c) This subdivision applies to a seller when the property is sold and to a lessor each time the property is leased, for five years after the agricultural land is acquired except:

(1) an offer to lease to the immediately preceding former owner is required only until the immediately preceding owner fails to accept an offer to lease the property or the property is sold; and

(2) an offer to sell to the immediately preceding former owner is required until the property is sold.

(d) The notice of an offer under subdivision 7 that is personally delivered with a signed receipt or sent by certified mail with a receipt of mailing to the immediately preceding former owner's last known address is a good faith offer.

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

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

(g) The immediately preceding former owner must exercise the right to lease agricultural land or a homestead located on agricultural land in writing within 15 days after an offer to lease under this subdivision is mailed with a receipt of mailing or personally delivered. The immediately preceding former owner must exercise the right to buy the agricultural land or farm homestead located on agricultural land, in writing, within 65 days after an offer to buy under this subdivision is mailed with a receipt of mailing or is personally delivered. Within ten days after exercising the right to lease or buy by accepting the offer, the immediately preceding owner must fully perform according to the terms of the offer including paying the amounts due. A seller may sell and a lessor may lease the agricultural land or farm homestead subject to this subdivision to the third party in accordance with their lease or purchase agreement if:

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

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

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

(i) As prima facie evidence that an offer to sell or lease agricultural land or a farm homestead has terminated, a receipt of mailing the notice under subdivision 7 and an affidavit, signed by a person authorized to act on behalf of a state, federal agency, or corporation selling or leasing the agricultural land or a farm homestead may be filed in the office of the county recorder or registrar of titles of the county where the agricultural land or farm homestead is located. The affidavit must state that:

(1) notice of an offer to buy or lease the agricultural land or farm homestead was provided to the immediately preceding former owner at a price not higher than the highest price offered by a third party that is acceptable;

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

homestead has expired;

(3) the immediately preceding former owner has not exercised the right to buy or lease the agricultural land or farm homestead as provided in this subdivision or has accepted an offer and has not fully performed according to the terms of the offer; and

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

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

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

Sec. 8. Minnesota Statutes 1987 Supplement, section 500.24, subdivision 7, is amended to read:

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

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

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

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

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

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

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

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

( . . . . . The state, federal agency, *limited partnership*, or corporation . . . . . ) OFFERS TO (SELL, LEASE) THE AGRICULTURAL LAND DESCRIBED ABOVE FOR A CASH PRICE OF \$( . . . . . cash price or equivalent cash price for lease and lease period, or cash price or equivalent cash price for sale of land . . . . . ), WHICH IS NOT HIGHER THAN THE

PRICE OFFERED BY ANOTHER PARTY. THE PRICE IS OFFERED ON THE FOLLOWING TERMS:

(Terms, if any, of acceptable offer)

IF YOU WANT TO ACCEPT THIS OFFER YOU MUST NOTIFY ( . . . the state, federal agency, *limited partnership*, or corporation . . . ) IN WRITING THAT YOU ACCEPT THE OFFER OR SIGN UNDERNEATH THE FOLLOWING PARAGRAPH AND RETURN A COPY OF THIS NOTICE BY (15 for a lease, 65 for a sale) DAYS AFTER THIS NOTICE IS PERSONALLY DELIVERED OR MAILED TO YOU. THE OFFER IN THIS NOTICE TERMINATES ON ( . . . date of termination - 15 days for lease and 65 days for sale after date of mailing or personal delivery . . . ).

#### ACCEPTANCE OF OFFER

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

.....  
Signature of Former Owner Accepting Offer

.....  
Date"

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

(c) For an offer to lease, a copy of the lease containing the price and terms of the highest offer made by a third party that is acceptable to the lessor and a signed affidavit by the lessor affirming that the lease is true, accurate, and made in good faith must be included with the notice under this subdivision. At the lessor's discretion, reference to the third party's identity may be deleted from the copy of the lease agreement.

(d) The affidavit under paragraphs (b) and (c) is subject to section 609.48.

Sec. 9. [EFFECTIVE DATE.]

*This act is effective May 1, 1988."*

Delete the title and insert:

"A bill for an act relating to agriculture; limiting ownership of agricultural land by certain corporations and limited partnerships; amending Minnesota Statutes 1986, section 500.24, subdivisions 3, 3a, 3b, 4, and 5; Minnesota Statutes 1987 Supplement, section 500.24, subdivisions 2, 6, and 7."

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

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

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.

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

Delete everything after the enacting clause and insert:

"Section 1. [17.7241] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 6.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.*

*Subd. 3. [INDUSTRIAL BY-PRODUCT SOIL BUFFERING MATERIAL.] "Industrial by-product soil buffering material" means an industrial waste or by-product or the by-product of municipal water treatment processes containing calcium or magnesium or both in a form that may neutralize soil acidity.*

*Subd. 4. [LIMESTONE.] "Limestone" means a material consisting essentially of calcium carbonate or a combination of calcium carbonate with magnesium carbonate capable of neutralizing soil acidity.*

*Subd. 5. [SOIL BUFFERING MATERIALS.] "Soil buffering materials" means materials whose calcium or magnesium or both are capable of neutralizing soil acidity.*

*Subd. 6. [STOCKPILE.] "Stockpile" means a supply of agricultural soil buffering material stored for future use.*

*Subd. 7. [TNP] "TNP" means total neutralizing power and is the number of pounds of neutralizing value in one ton of a soil buffering material.*

Sec. 2. [17.7242] [SOIL BUFFERING DEMONSTRATION PROJECT AND STUDY.]

*Subdivision 1. [PURPOSE.] The purpose of the demonstration project required under sections 1 to 6 is to identify appropriate and mutually beneficial methods for the utilization of industrial by-product soil buffering materials. Proper utilization will minimize current waste disposal problems, provide a market for an underutilized resource, and make available to farmers an effective, low-cost soil buffering product.*

*Subd. 2. [AUTHORITY.] The commissioner must coordinate the design and implementation of a demonstration project to examine the technical feasibility, economic benefits, and environmental impacts of utilizing industrial by-product soil buffering materials as a substitute for limestone and other traditional soil buffering materials.*

*Subd. 3. [PROCEDURES DEVELOPED.] The demonstration project will identify and recommend as proposed standards appropriate procedures for the sampling, analysis, TNP labeling storage, stockpiling, transportation, and application of industrial by-product soil buffering materials. After TNP labeling standards have been established, which shall be no later than March 1, 1989, they shall be provided to the landowner or tenant prior to land application or stockpiling.*



*Subd. 4. [SCOPE.] The demonstration project must be on a scale deemed by the commissioner to be efficient and manageable while providing the greatest practicable utilization of industrial by-product soil buffering materials for agricultural purposes.*

**Sec. 3. [17.7423] [RESPONSIBILITIES OF THE COMMISSIONER.]**

*Subdivision 1. [BROAD PARTICIPATION.] The commissioner shall seek participation in the demonstration project by other persons, institutions, and organizations having an interest in soil buffering materials and industrial by-product soil buffering materials including the pollution control agency, one or more counties, one or more soil and water conservation districts, and the University of Minnesota.*

*Subd. 2. [PUBLIC EDUCATION.] The commissioner shall seek to maximize the public education benefit of the demonstration program.*

**Sec. 4. [17.7424] [ENVIRONMENTAL CONTROLS.]**

*Subdivision 1. [SAMPLING; ANALYSIS.] The commissioner and the commissioner's agents may sample, inspect, make analysis of, and test industrial by-product soil buffering materials used in the demonstration project and study at a time and place and to an extent the commissioner considers necessary to determine whether the agricultural soil buffering materials are suitable for the project. The commissioner and the commissioner's agents may enter public or private premises where demonstration projects are being conducted in order to have access to:*

- (1) soil buffering materials used in the demonstration project;*
- (2) sampling of sites actually or reportedly exposed to agricultural soil buffering materials;*
- (3) inspection of storage, handling, transportation, use, or disposal areas of industrial by-product soil buffering materials;*
- (4) inspection or investigation of complaints of injury to humans, wildlife, domesticated animals, crops, or the environment;*
- (5) observation of the use and application of the soil buffering material;*
- (6) inspection of records related to the production, transportation, stockpiling, use, or disposal of industrial by-product soil buffering material; and*
- (7) other purposes necessary to implement sections 1 to 6.*

*Subd. 2. [RECEIPT FOR INSPECTION SAMPLES; REPORT ON ANALYSES.] Before leaving inspected premises, the commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge.*

*Subd. 3. [EMERGENCY INSPECTION.] The commissioner and the commissioner's agents may enter public or private property without a notice of inspection if a suspected incident involving industrial by-product soil buffering materials may threaten public health or the environment.*

**Sec. 5. [17.7425] [REPORT.]**

*The commissioner shall report to the house of representatives and senate committees on agriculture, by March 1, 1989, and on March 1 of each*

*year afterwards, about the activities, findings, and recommendations related to the demonstration project.*

Sec. 6. [APPROPRIATION.]

*\$70,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the demonstration project and study of industry by-product soil buffering materials. Of this amount, up to \$50,000 is available to the commissioner for expenses of administering and coordinating the demonstration project. The balance of the appropriation may be used by the commissioner for material testing and analysis and other activities related to the demonstration project and performed by the University of Minnesota or other qualified participants or organizations. The appropriation is available until June 29, 1991.*

Sec. 7. [REPEALER.]

*Sections 1 to 5 are repealed June 30, 1991.*

Sec. 8. [EFFECTIVE DATE.]

*This act is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 4, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 17"

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

H.F. No. 2735: A resolution memorializing the President to immediately direct the Secretary of Agriculture to halt the forced movement of Farmer-Owned Reserve grains to commercial warehouses.

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

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

S.F. No. 2128: A bill for an act relating to food; requiring labeling of certain foods that may contain banned substances harmful to human health; making findings; prescribing country of origin labeling for fresh, processed, and prepared foods; requiring findings and rules to determine goods requiring country of origin labeling; requiring seizure of mislabeled food; establishing liability for persons injured for mislabeled food; prescribing penalties; amending Minnesota Statutes 1986, section 31.12.

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

Delete everything after the enacting clause and insert:

"Section 1. [FOOD LABELING STUDY.]

*The commissioners of agriculture, health, and the pollution control agency shall jointly investigate and report on:*

*(1) the extent to which countries other than the United States allow application of pesticides to fruits, vegetables, and grains, and administration of animal drugs and antibiotics that are banned for use in the*

*United States;*

*(2) the extent to which fruits, grains, vegetables, livestock, meats, and other foods with residues of pesticides, animal drugs, and antibiotics are imported into this state from foreign countries and sold for human consumption;*

*(3) a procedure for labeling fruits, grains, vegetables, meats, and other foods in order to protect the health of the citizens of this state; and*

*(4) other options for protecting consumers from adverse health effects.*

*The commissioners must cooperate with appropriate members of the food industry, government agencies, consumers, public interest groups, and others in formulating the report.*

*The report must be submitted to the agriculture, health and human services, and environment and natural resources committees of each house of the legislature by January 2, 1989.*

**Sec. 2. [APPROPRIATION.]**

*\$50,000 is appropriated from the general fund to the commissioner of agriculture for the report required under section 1. The complement of the department of agriculture is increased by one position."*

Delete the title and insert:

*"A bill for an act relating to food; requiring a study of pesticides, animal drugs and antibiotics in food; appropriating money."*

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. 2076: A bill for an act relating to agriculture; appropriating money for a seller-sponsored loan program for beginning farmers.

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 41B.01, subdivision 2, is amended to read:

Subd. 2. [PURPOSE.] Sections 41B.01 to 41B.23 create and establish the Minnesota rural finance authority and establish a program under which state bonds are authorized to be issued and proceeds of their sale are appropriated under the authority of article XI, section 5, clause (h) of the Minnesota Constitution, to develop the state's agricultural resources by extending credit on real estate security. The purpose of the rural finance authority's programs and of the bonds issued to finance or provide security for the programs is to purchase participation interests in loans, *including seller-sponsored loans* to be made available by agricultural lenders to farmers on terms and conditions not otherwise available from other credit sources. It is hereby found and declared that there presently exist in the state economic conditions which have severely adversely affected the economic viability of farms to the detriment of the rural economy and to the detriment of the economy of the state of Minnesota as a whole. It is further found and declared that as a result of public agricultural policies, agricultural

market conditions, and other causes, the condition of the farm economy of the state of Minnesota is such as to jeopardize the continued existence and successful operation of farms in this state, necessitating the establishment of the programs in sections 41B.01 to 41B.23 to provide new sources of credit on favorable terms and conditions. It is further found and declared that providing credit for farmers on favorable terms and conditions will serve and promote the public welfare by assuring the viability of farm operations, by preventing erosion of the tax base in rural areas, by reducing foreclosures on farm property, and by enhancing the financial stability of farmers and of the businesses which depend on farmers as customers. It is further found and declared that in establishing a Minnesota rural finance authority and in authorizing the programs in sections 41B.01 to 41B.23, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of improving and otherwise promoting their health, welfare, and prosperity and that the Minnesota rural finance authority, as created and established, is empowered to act on behalf of the people of the state of Minnesota in serving this public purpose for the benefit of the general public.

Sec. 2. Minnesota Statutes 1986, section 41B.02, is amended by adding a subdivision to read:

*Subd. 18. [SELLER-SPONSORED LOAN.] "Seller-sponsored loan" means a loan in which part or all of the price of a farm is financed by a loan from the seller of the farm who is a natural person, a partnership, or a family farm corporation as defined in section 500.24, located in Minnesota. The loan must be secured by a real estate mortgage evidenced by one or more notes that may carry different interest rates or by a contract for deed. The definition of a seller-sponsored loan under this subdivision does not include a loan between persons within the second degree of kindred according to common law.*

Sec. 3. Minnesota Statutes 1987 Supplement, section 41B.03, subdivision 3, is amended to read:

**Subd. 3. [BEGINNING FARMER LOANS.]** In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan, *including a seller-sponsored loan, in which the authority holds an interest, must:*

- (1) have sufficient education, training, or experience in the type of farming for which the loan is desired;
- (2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$100,000 \$150,000;
- (3) demonstrate a need for the loan;
- (4) demonstrate an ability to repay the loan;
- (5) demonstrate that the agricultural land to be purchased will be used by the borrower for agricultural purposes; and
- (6) demonstrate that farming will be the principal occupation of the borrower.

Sec. 4. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 1, is amended to read:

**Subdivision 1. [ESTABLISHMENT.]** The authority may establish, develop criteria, and implement a beginning farmer program. The program must

assist persons entering farming who have not owned a farm before entering the beginning farmer program. *The program may include assistance for persons entering or reentering farming through the use of seller-sponsored loans.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 41B.039, subdivision 2, is amended to read:

Subd. 2. [STATE PARTICIPATION.] The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of ~~one-fourth~~ 35 percent of the principal amount of the loan or \$25,000 \$50,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

Sec. 6. Minnesota Statutes 1987 Supplement, section 41B.05, is amended to read:

41B.05 [GENERAL POWERS OF THE AUTHORITY.]

For the purpose of exercising the specific powers granted in section 41B.04 and effectuating the other purposes of sections 41B.01 to 41B.23 the authority has the general powers granted in this section.

- (a) It may sue and be sued.
- (b) It may have a seal and alter the seal.
- (c) It may make, and from time to time, amend and repeal rules consistent with sections 41B.01 to 41B.23.
- (d) It may acquire, hold, and dispose of *real or* personal property for its corporate purposes.
- (e) It may enter into agreements, contracts, or other transactions with any federal or state agency, any person and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 41B.01 to 41B.23.
- (f) It may acquire real property, or an interest therein, in its own name, by purchase or foreclosure, where such acquisition is necessary or appropriate.
- (g) It may provide general technical services related to rural finance.
- (h) It may provide general consultative assistance services related to rural finance.
- (i) It may promote research and development in matters related to rural finance.
- (j) It may enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of farms financed in whole or in part by the proceeds of qualified agricultural loans.
- (k) It may enter into agreements with other appropriate federal, state, or local governmental units to foster rural finance. It may give advance reservations of loan financing as part of the agreements, with the understanding that the authority will only approve the loans pursuant to normal procedures, and may adopt special procedures designed to meet problems inherent in such programs.

(l) It may undertake and carry out studies and analyses of rural financing needs within the state and ways of meeting such needs including: data with respect to geographical distribution; farm size; the distribution of farm credit needs according to debt ratios and similar factors; the amount and quality of available financing and its distribution according to factors affecting rural financing needs and the meeting thereof; and may make the results of such studies and analyses available to the public and may engage in research and disseminate information on rural finance.

(m) It may survey and investigate the rural financing needs throughout the state and make recommendations to the governor and the legislature as to legislation and other measures necessary or advisable to alleviate any existing shortage in the state.

(n) It may establish cooperative relationships with such county and multicounty authorities as may be established and may develop priorities for the utilization of authority resources and assistance within a region in cooperation with county and multicounty authorities.

(o) It may contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms it deems necessary or desirable, to assist in the exercise of any of the powers granted in sections 41B.01 to 41B.23 and to carry out the objectives of sections 41B.01 to 41B.23 and may pay for the services from authority funds.

(p) It may establish cooperative relationships with counties to develop priorities for the use of authority resources and assistance within counties and to consider county plans and programs in the process of setting the priorities.

(q) It may delegate any of its powers to its officers or staff.

(r) It may enter into agreements with qualified agricultural lenders or others insuring or guaranteeing to the state the payment of all or a portion of qualified agricultural loans.

(s) It may enter into agreements with eligible agricultural lenders providing for advance reservations of purchases of participation interests in restructuring loans, if the agreements provide that the authority may only purchase participation interests in restructuring loans under the normal procedure. The authority may provide in an agreement for special procedures or requirements designed to meet specific conditions or requirements.

*(t) It may allow farmers who are natural persons to combine programs of the federal Agriculture Credit Act of 1987 with programs of the rural finance administration."*

Delete the title and insert:

"A bill for an act relating to agriculture; including seller-sponsored loans in the beginning farmer loan program; amending Minnesota Statutes 1986, section 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1 and 2; and 41B.05."

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. 2293: A bill for an act relating to human services; providing medical assistance to certain work activity programs; establishing pilot program; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Delete everything after the enacting clause and insert:

"Section 1. [FEASIBILITY STUDY FOR HABILITATION SERVICES.]

*The commissioner of human services, in consultation with the commissioner of jobs and training, shall study the feasibility of providing medical assistance reimbursement to work activity programs for training and habilitative services provided to participants. The commissioner shall report the findings to the legislature by December 1, 1988. For the purposes of this section, a work activity program is as defined in section 129A.01."*

Delete the title and insert:

"A bill for an act relating to human services; requiring a study of the feasibility of reimbursing work activity programs through the medical assistance program."

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

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

H.F. No. 2615: A bill for an act relating to health; providing for a temporary license for freestanding 24-hour emergency medical centers until permanent rules are adopted.

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. 2525: A resolution memorializing the President and Congress of the United States to enact a program of national health insurance.

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

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

S.F. No. 1853: A bill for an act relating to general assistance medical care; making prisoners eligible for benefits; amending Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 145.853, subdivision 2, is amended to read:

Subd. 2. In seeking to determine whether a disabled person suffers from an illness, a law enforcement officer shall make a reasonable search for an identifying device and an identification card of the type described in section 145.852, subdivision 2 and examine them for emergency information. The law enforcement officer may not search for an identifying device or an identification card in a manner or to an extent that would appear to a reasonable person in the circumstances to cause an unreasonable risk of worsening the disabled person's condition. *The law enforcement officer may not remove an identifying device or an identification card from the possession of a disabled person unless the removal is necessary for law enforcement purposes or to protect the safety of the disabled person.*

Sec. 2. Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3, is amended to read:

Subd. 3. [GENERAL ASSISTANCE MEDICAL CARE; ELIGIBILITY.] General assistance medical care may be paid for any person:

(1) who is eligible for assistance under section 256D.05 or 256D.051 and is not eligible for medical assistance under chapter 256B; or

(2) who is a resident of Minnesota; whose income as calculated under chapter 256B is not in excess of the medical assistance standards or whose excess income is spent down pursuant to chapter 256B; and whose equity in resources is not in excess of \$1,000 per assistance unit. Exempt real and liquid assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in chapter 256B.

*General assistance medical care may be paid for a person, regardless of age, who is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, if the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.*

Eligibility is available for the month of application and for three months prior to application if the person was eligible in those prior months. A redetermination of eligibility must occur every 12 months.

Sec. 3. Minnesota Statutes 1986, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

(1) Engages in brawling or fighting; or

(2) Disturbs an assembly or meeting, not unlawful in its character; or

(3) Engages in offensive, obscene, or abusive language or in boisterous and noisy conduct tending reasonably to arouse alarm, anger, or resentment in others.



*A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure."*

Delete the title and insert:

"A bill for an act relating to human services; limiting the authority of a police officer to remove identification from a disabled person; providing that disorderly conduct caused by an epileptic seizure is not a crime; making certain prisoners eligible for general assistance medical benefits; amending Minnesota Statutes 1986, sections 145.853, subdivision 2; and 609.72, subdivision 1; Minnesota Statutes 1987 Supplement, section 256D.03, subdivision 3."

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

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

S.F. No. 1284: A bill for an act relating to education; establishing a regent candidate search commission to assist the legislature in identifying candidates for the board of regents; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 137.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 3.971, subdivision 1, is amended to read:

Subdivision 1. To perform financial audits the legislative auditor shall postaudit and make a complete examination and verification of all accounts, records, inventories, vouchers, receipts, funds, securities, and other assets of all state departments, and boards, *including the board of regents of the University of Minnesota*, state commissions, and other state agencies at least once a year, if funds and personnel permit, and oftener if deemed necessary or as directed by the legislature or the legislative audit commission. Audits may include detailed checking of every transaction or test checking as the legislative auditor deems best. The books of the state treasurer and commissioner of finance may be examined monthly. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with by all departments and agencies of the state government.

A copy of all postaudits, reports and results of examinations made by the legislative auditor shall be deposited with the legislative reference library.

Sec. 2. [137.0245] [BUDGETARY INFORMATION.]

*The board of regents of the University of Minnesota shall make available to the commissioner of finance all books, accounts, documents, and property that the commissioner desires to inspect. The regents shall afford the commissioner reasonable facilities for conducting these inspections.*

Sec. 3. Minnesota Statutes 1987 Supplement, section 137.025, subdivision 1, is amended to read:

Subdivision 1. The commissioner of finance shall pay no money to the University of Minnesota pursuant to a direct appropriation, other than an

appropriation for buildings, until ~~the university first certifies to the commissioner of finance determines that its the~~ aggregate balances of the university in the temporary investment pool, cash, or separate investments, resulting from all state maintenance and special appropriations do not exceed \$7,000,000, or any other amount specified in the act making the appropriation, plus one-third of all tuition and fee payments from the previous fiscal year. Upon this ~~certification determination~~, 1/12 of the annual appropriation to the university shall be paid at the beginning of each month. Additional payments shall be made by the commissioner of finance whenever the state appropriations and tuition aggregate balances in the temporary investment pool, cash, or separate investments are reduced below the indicated levels.

Sec. 4. Minnesota Statutes 1986, section 137.025, subdivision 2, is amended to read:

Subd. 2. The commissioner of finance shall pay no money to the university of Minnesota pursuant to a direct appropriation for buildings until *the commissioner has determined that all balances separately invested, including cash, and those in the temporary investment pool attributable to all state building funds shall be reduced below \$5,000,000, or any other amount specified in the act making the appropriation. Payment shall then be made upon certification of the amounts needed for construction payments, but so as not to increase the building balances in cash, separately invested, or in the temporary investment pool, to a total above the indicated level.*

Delete the title and insert:

"A bill for an act relating to education; clarifying the authority of the legislative auditor to conduct financial audits of the assets of the University of Minnesota; assuring access to university financial information; requiring certain determinations by the commissioner of finance; amending Minnesota Statutes 1986, sections 3.971, subdivision 1; 137.025, subdivision 2; Minnesota Statutes 1987 Supplement, section 137.025, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 137."

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

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

S.F. No. 2419: A bill for an act relating to youth employment; providing planning grants for the design of youth employment programs; appropriating money.

Reports the same back with the recommendation that the bill be re-referred to the Committee on Rules and Administration without recommendation. Report adopted.

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

S.F. No. 2425: A bill for an act relating to creditors' remedies; regulating executions, redemptions, exemptions, and garnishments; revising, clarifying, and standardizing procedures; providing certain sanctions; updating certain forms; lengthening the period of effectiveness of summary executions; modifying an employer's obligations with regard to a garnishment summons; proposing coding for new law in Minnesota Statutes, chapters

550 and 571; repealing Minnesota Statutes 1986, sections 550.041; 550.05; 550.14; 550.141; and 571.41 to 571.69.

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

Page 1, line 24, delete "to" and insert "on"

Page 1, line 25, delete "Upon receipt," and insert:

"Within 30 days after receipt of the execution, the judgment creditor shall also serve upon the third party a nonearnings disclosure form that must be substantially in the form set forth below. If the execution is upon earnings, the judgment creditor shall serve upon the third party the execution earnings disclosure form as set forth in section 550.1411, subdivision 4.

COUNTY OF ..... JUDICIAL DISTRICT  
 ..... (Creditor)  
 against .....  
 ..... (Debtor)  
 and ..... EXECUTION  
 ..... NONEARNINGS DISCLOSURE  
 ..... (Third Party)

On the . . . . . day of . . . . . , 19 . . . , the time of service of execution herein, there was due and owing the debtor from the third party the following:

(1) Money. Enter on the line below any amounts due and owing the judgment debtor, except earnings, from the third party.

(2) Property. Describe on the line below any personal property, instruments, or papers belonging to the debtor and in the possession of the third party.

(3) Set-off. Enter on the line below the amount of any set-off, defense, lien, or claim which the third party claims against the amount set forth on lines (1) and (2) above. State the facts by which such set-off, defense, lien, or claim is claimed. (Any indebtedness to a third party incurred by the debtor within ten days prior to the receipt of the first execution on a debt is void as to the creditor.)

(4) Exemption. Enter on the line below any amounts or property claimed by the judgment debtor to be exempt from execution.

(5) Adverse Interest. Enter on the line below any amounts claimed by other persons by reason of ownership or interest in the judgment debtor's property.

(6) Enter on the line below the total of lines (4), (5), and (6).

(7) Enter on the line below the difference obtained (never less than zero) when line (6) is subtracted from the sum of lines (1) and (2).

(8) Enter on the line below 110 percent of the amount of the creditor's claim which remains unpaid.

.....  
(9) Enter on the line below the lessor of line (8) and line (9). You are hereby instructed to remit this amount only if it is \$10 or more.  
.....

#### AFFIRMATION

I, ..... (person signing Affirmation) am the third party or I am authorized by the third party to complete this nonearnings disclosure, and have done so truthfully and to the best of my knowledge.

Date: .....

.....  
Signature

.....  
Title

.....  
Telephone Number"

Page 1, line 26, delete "subdivision 2" and insert "subdivisions 2 to 6" and after "remit" insert "and disclose"

Page 2, line 10, delete "set out in section 571.912" and insert "adopted by rule under section 571.933"

Page 2, line 12, after the period, insert "However, if this subdivision is being used to execute on funds that have previously been garnished in compliance with section 571.71, the judgment creditor is not required to serve an additional exemption notice. In that event, the execution shall only be effective as to the funds that were subject to the prior garnishment."

Page 2, line 30, delete "of" in both places and insert "to" in both places

Page 3, line 20, delete everything after "form"

Page 3, line 21, delete everything before the period and insert "adopted by rule under section 571.933"

Page 3, lines 27 and 31, delete "notice of motion and motion" and insert "request for hearing and notice of hearing"

Page 3, line 29, delete "of" and insert "to"

Page 3, line 30, delete "has" and insert "had"

Page 5, line 4, after "DISCLOSE" insert "OR REMIT" and after "to" insert "disclose or"

Page 5, line 10, after "disclose" insert "or remit"

Page 6, line 12, delete "set out in section 571.912" and insert "adopted by rule under section 571.933"

Page 6, line 32, delete "of" in both places and insert "to" in both places

Page 7, line 3, delete "claimed" and after "to" insert "claim"

Page 7, line 22, delete everything after "form"

Page 7, line 23, delete everything before the period and insert "adopted by rule under section 571.933"

Page 7, line 34, delete "institution" and insert "institution"

Page 8, delete lines 34 to 36 and insert:

*"Subdivision 1. [PROCEDURE.] When earnings are levied upon, this section must be complied with, in addition to the general provisions specified in either section 550.0411 or 550.141."*

Page 9, line 21, delete *"set out in section 571.925"* and insert *"adopted by rule under section 571.933"*

Page 9, lines 26 and 34, delete *"550.041"* and insert *"550.0411"*

Page 10, line 3, after *"FORM"* insert *"AND WORKSHEET"*

Page 10, line 5, after *"form"* insert *"and an earnings disclosure worksheet"*

Page 10, line 6, delete *"following form:"* and insert *"form adopted by rule under section 571.933."*

Delete page 10, line 7, to page 15, line 18

Page 15, line 26, after *"execution"* insert *"earnings"*

Page 15, line 29, after the second *"the"* insert *"execution earnings"*

Page 16, line 18, delete *"DISCLOSE"* and insert *"REMIT"*

Page 16, line 25, delete *"disclose"* and insert *"remit"*

Page 17, line 14, delete *"571.91 to 571.915"* and insert *"571.911 to 571.914"*

Page 17, line 16, delete *"571.927"* and insert *"571.926"*

Page 17, line 21, delete *"statutory"* and after *"forms"* insert *"adopted by rule under section 571.933"*

Page 20, line 9, delete *"a"* and insert *"the applicable"*

Page 20, line 10, delete *"set forth in section 571.75"* and insert *"adopted by rule under section 571.933"*

Page 20, line 13, after *"If"* insert a comma

Page 20, line 14, delete *"571.913"* and insert *"571.912"*

Page 20, line 36, delete *"statutory"* and after *"forms"* insert *"adopted by rule under section 571.933"*

Page 21, line 1, delete *"statutory"*

Page 21, line 10, delete *"NOTICE"* and insert *"NOTICES"*

Page 21, line 12, delete everything after the period

Page 21, delete lines 13 to 36 and insert:

*"Separate garnishment exemption notices must be adopted by rule under section 571.933 for:*

*(1) the garnishment of earnings, which notice must be served ten or more days before the service of the garnishment summons;*

*(2) the garnishment of funds in a financial institution, which notice must be served with the garnishment summons; and*

*(3) all other cases, which notice must be served with the garnishment summons."*

Page 22, delete lines 1 to 35

Page 23, line 20, delete *"district courts"* and insert *"District Courts"*

Page 24, line 32, delete "following" and after "form" insert "adopted by rule under section 571.933"

Delete page 24, line 34, to page 27, line 8

Page 27, line 16, after "disclosure" insert "and earnings disclosure worksheet"

Page 28, line 2, after "of" insert "the garnishee to"

Page 28, line 15, after "forms" insert "and earnings disclosure worksheet"

Page 28; line 16, delete "following" and after "forms" insert "adopted by rule under section 571.933"

Page 28, lines 18 and 21, after "form" insert "adopted by rule under section 571.933"

Delete page 28, line 24, to page 35, line 21, and insert:

"Subd. 3. [ORAL DISCLOSURE.] Before or after the service of a written disclosure by a garnishee under subdivision 1, upon a showing by affidavit upon information and belief that an oral examination of the garnishee would provide a complete disclosure of relevant facts, any party to the garnishment proceedings may obtain an ex parte order requiring the garnishee, or a representative of the garnishee designated by name or by title, to appear for oral examination before the court or a referee appointed by the court.

Subd. 4. [SUPPLEMENTAL COMPLAINT.] If a garnishee holds property or other indebtedness by a title that is void as to the debtor's creditors, the property may be garnished although the debtor would be barred from maintaining an action to recover the property or indebtedness. In this and all other cases where the garnishee denies liability, the creditor may move the court at any time before the garnishee is discharged, on notice to both the debtor and the garnishee for an order making the garnishee a party to the action and granting the creditor leave to file a supplemental complaint against the garnishee and the debtor. The supplemental complaint shall set forth the facts upon which the creditor claims to charge the garnishee. If probable cause is shown, the motion shall be granted. The supplemental complaint shall be served upon both the garnishee and the debtor, either or both of whom may answer. All subsequent proceedings and trial shall be pursuant to Rules of Civil Procedure for the District Courts of Minnesota as in other actions."

Page 38, line 7, delete "who" and insert a comma

Page 41, line 31, delete everything before the period and insert "adopted by rule under section 571.933"

Page 41, line 35, after "under" insert "section"

Pages 42 to 45, delete section 27

Page 45, line 19, delete "[571.913]" and insert "[571.912]"

Page 46, line 10, delete "[571.914]" and insert "[571.913]"

Page 46, line 20, delete everything before the period and insert "adopted by rule under section 571.933"

Delete page 46, line 35, to page 48, line 33

Page 48, line 34, delete "[571.915]" and insert "[571.914]"

Page 49, lines 5 and 8, delete "571.927" and insert "571.926"

Page 49, line 31, delete "[517.922]" and insert "[571.922]"

Page 50, line 33, delete everything after "form" and insert "adopted by rule under section 571.933"

Page 50, line 34, delete "chapter"

Page 51, line 1, delete "in" and insert "after"

Page 51, line 18, delete "after" and insert "before" and delete "a subsequent" and insert "another"

Pages 51 to 54, delete section 36

Page 54, line 4, delete "[571.926]" and insert "[571.925]"

Page 54, line 14, delete "[571.927]" and insert "[571.926]"

Page 55, line 30, after "in" insert "a"

Page 57, line 35, delete "the following"

Page 57, line 36, delete "following language:" and insert "form adopted by rule under section 571.933. The notice of hearing must be accompanied by an exemption notice."

Delete page 58, line 1, to page 59, line 18

Page 60, line 7, delete "the following"

Page 60, line 8, delete "following language:" and insert "form adopted by rule under section 571.933. The notice of hearing must be accompanied by an exemption notice."

Delete page 60, line 9, to page 61, line 21

Page 62, line 2, delete "seizure" and insert "garnishment"

Page 62, line 16, delete "requiring seizure" and insert "permitting prejudgment garnishment"

Page 63, line 12, delete "6" and insert "7"

Page 63, after line 23, insert:

"Sec. 40. [571.933] [ADOPTION OF FORMS.]

*The commissioner of commerce may appoint an advisory task force to recommend the adoption of the forms referred to in sections 1 to 39. The commissioner shall by rule adopt forms as required by sections 1 to 39.*"

Page 63, after line 29, insert:

"Sec. 42. [EFFECTIVE DATES.]

*Section 40 is effective the day following final enactment. Sections 1 to 39 and 41 are effective January 1, 1989.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "updating certain" and insert "providing for the adoption of"

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. 2023: A bill for an act relating to real property; requiring recording of transfers of contracts for deed; providing penalties; amending Minnesota Statutes 1986, section 507.235.

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 507.235, is amended to read:

Subdivision 1. [FILING REQUIRED.] All contracts for deed executed on or after January 1, 1984, shall be recorded by the vendee within six four months in the office of the county recorder or registrar of titles in the county in which the land is situated located. Any other person may record the contract.

A person receiving an assignment of a vendee's interest in a contract for deed that is transferred on or after January 1, 1989, shall record the assignment within four months of the date of transfer in the office of the county recorder or registrar of titles in the county in which the land is located. For the purpose of this section, "assignment" means an assignment or other transfer of all or part of a vendee's interest in a contract for deed. Any other person may record an assignment.

Subd. 2. [PENALTY FOR FAILURE TO FILE.] (a) If a contract for deed is not filed A vendee who fails to record a contract for deed, as required by subdivision 1, is subject to a civil penalty, payable under subdivision 5, is imposed equal to 0-15 two percent of the principal amount of the contract debt. Payments of the penalty shall be deposited in the general fund of the county. The penalty shall be may be enforced as a lien against the vendee's interest in the property and shall have the same priority and be collected in the same manner provided for real property taxes.

(b) A person receiving an assignment of a vendee's interest in a contract for deed who fails to record the assignment as required by subdivision 1 is subject to a civil penalty, payable under subdivision 5, equal to two percent of the original principal amount of the contract debt. Payments of the penalty must be deposited in the general fund of the county. The penalty may be enforced as a lien against the vendee's interest in the property.

Subd. 3. [DISCLOSURE.] (a) Whenever a contract for deed or assignment of a vendee's interest in a contract for deed is not recorded and a city or county attorney requires information concerning the contract for deed or assignment of contract for deed for the performance of the attorney's duties on behalf of the city or county, the city or county attorney may request disclosure under paragraph (b).

(b) A vendor, vendee, or current or former holder of a vendor's or vendee's interest in a contract for deed, a person who collects payments made under a contract for deed, or a person in possession of the property subject to a contract for deed shall, on written request that includes a copy of this section made by the city or county attorney of the city or county in which the property is located, disclose all information known to the person relating to:

(1) the identity and residence or office mailing address of the parties



to the contract for deed; and

(2) any assignments of the contract for deed.

The disclosure also must include any legible, true and correct copies of each contract for deed and assignment documents in the possession of or reasonably available to the person required to disclose.

The information must be disclosed in writing to the city or county attorney within 14 days of receipt of the written request.

*Subd. 4. [CRIMINAL PENALTY.] A person who is required to record a contract for deed or an assignment of a contract for deed under subdivision 1 and who fails to record the contract for deed or assignment within 14 days of receipt of the notice required under subdivision 5 is guilty of a misdemeanor. A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may prosecute criminal violations of this section. This criminal liability is in addition to civil liability imposed under this section.*

*Subd. 5. [CIVIL ENFORCEMENT.] (a) A city in which the land is located or, if the land is not located within a city, the county in which the land is located, may enforce the provisions of this section. The city or county may bring an action to compel the recording of a contract for deed or any assignments of a contract for deed, an action to impose the civil penalty, or an action to compel disclosure of information.*

*(b) Prior to bringing an action under this subdivision to compel recording or to impose the penalty, or an action under subdivision 4, the city or county must provide written notice to the person, subject to subdivision 1, of the person's duty to record the contract for deed or the assignment. If the person so notified fails to record the contract for deed or assignment documents within 14 days of receipt of the notice, an action may be brought.*

*(c) It is an affirmative defense in an enforcement action under this section that the contract for deed or assignment document is not recordable and that the defendant has provided to the city or county attorney true and correct copies of the documents within 14 days after receipt of the notice.*

*(d) In an action brought under this subdivision, the city or county attorney may recover costs and disbursements, including reasonable attorney fees."*

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. 2055: A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based non-residential treatment; defining procedures for community-based nonresidential commitment; requiring procedures for release before commitment and provisional discharge; ensuring insurance coverage for court-ordered treatment; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62A.152, subdivision 2; and 62D.102; proposing coding for new

law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, 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 253B.02, is amended by adding a subdivision to read:

*Subd. 1a. [CASE MANAGER.] "Case manager" has the definition given in section 245.462, subdivision 4, for persons with mental illness.*

Sec. 2. Minnesota Statutes 1986, section 253B.02, is amended by adding a subdivision to read:

*Subd. 4b. [COMMUNITY-BASED TREATMENT.] "Community-based treatment" means community support services programs defined in section 245.462, subdivision 6; day treatment services defined in section 245.462, subdivision 8; outpatient services defined in section 245.462, subdivision 21; and residential treatment services as defined in section 245.462, subdivision 23.*

Sec. 3. Minnesota Statutes 1986, section 253B.02, subdivision 13, is amended to read:

**Subd. 13. [MENTALLY ILL PERSON.] "Mentally ill person" means any person who has an organic disorder of the brain or a substantial psychiatric disorder of thought, mood, perception, orientation, or memory which grossly impairs judgment, behavior, capacity to recognize reality, or to reason or understand, which**

**(a) is manifested by instances of grossly disturbed behavior or faulty perceptions; and**

**(b) poses a substantial likelihood of physical harm to self or others as demonstrated by:**

**(i) a failure to obtain necessary food, clothing, shelter, or medical care as a result of the impairment, or**

**(ii) a recent attempt or threat to physically harm self or others, or**

**(iii) a failure to obtain necessary food, clothing, shelter or medical care, as a result of the impairment.** This impairment excludes (a) epilepsy, (b) mental retardation, (c) brief periods of intoxication caused by alcohol or drugs, or (d) dependence upon or addiction to any alcohol or drugs.

Sec. 4. Minnesota Statutes 1986, section 253B.02, subdivision 19, is amended to read:

**Subd. 19. [TREATMENT FACILITY.] "Treatment facility" means a hospital, community mental health center, or other institution treatment provider qualified to provide care and treatment for mentally ill, mentally retarded, or chemically dependent persons.**

Sec. 5. Minnesota Statutes 1986, section 253B.03, subdivision 5, is amended to read:

**Subd. 5. [PERIODIC ASSESSMENT.] A patient has the right to periodic medical assessment. The head of a treatment facility shall have the physical and mental condition of every patient assessed as frequently as necessary,**

but not less often than annually. *If a person is committed as mentally retarded for an indeterminate period of time, the three-year judicial review must include the annual reviews for each year as outlined in Minnesota Rules, part 9525.0075, subpart 6.*

Sec. 6. Minnesota Statutes 1986, section 253B.09, subdivision 1, is amended to read:

Subdivision 1. [STANDARD OF PROOF.] If the court finds by clear and convincing evidence that the proposed patient is a mentally ill, mentally retarded, or chemically dependent person and, that after careful consideration of reasonable alternative dispositions, including but not limited to, dismissal of petition, voluntary outpatient care, informal admission to a treatment facility, appointment of a guardian or conservator, or release before commitment as provided for in subdivision 4, it finds that there is no suitable alternative to judicial commitment, the court shall commit the patient to the least restrictive treatment ~~facility~~ *program* which can meet the patient's treatment needs consistent with section 253B.03, subdivision 7. *In deciding on the least restrictive program, the court shall consider a range of treatment alternatives including, but not limited to, community-based nonresidential treatment, community residential treatment, partial hospitalization, acute care hospital, and regional treatment center services. The court shall also consider the proposed patient's treatment preferences and willingness to participate in the treatment ordered. The court may not commit a patient to a facility or program that is not capable of meeting the patient's needs.*

Sec. 7. [253B.093] [COMMUNITY-BASED TREATMENT.]

Subdivision 1. [FINDINGS.] *In addition to the findings required under section 253B.09, subdivision 2, an order committing a person to community-based treatment must include:*

(1) *a written plan for services to the patient;*

(2) *a finding that the proposed treatment is available and accessible to the patient and that public or private financial resources are available to pay for the proposed treatment;*

(3) *conditions the patient must meet in order to obtain an early release from commitment or to avoid a hearing for further commitment; and*

(4) *consequences of the patient's failure to follow the commitment order. Consequences may include commitment to another setting for treatment.*

Subd. 2. [CASE MANAGER.] *When a court commits a patient with mental illness to community-based treatment, the court shall appoint a case manager from the county agency or other entity under contract with the county agency to provide case management services.*

Subd. 3. [REPORTS.] *The case manager shall report to the court at least once every 90 days. The case manager shall immediately report a substantial failure of the patient or provider to comply with the conditions of the commitment.*

Subd. 4. [MODIFICATION OF ORDER.] *An order for community-based treatment may be modified upon agreement of the parties and approval of the court.*

Subd. 5. [NONCOMPLIANCE.] *The case manager may petition for a reopening of the commitment hearing if a patient or provider fails to comply*

with the terms of an order for community-based treatment.

**Subd. 6. [IMMUNITY FROM LIABILITY.]** No facility or person is financially liable, personally or otherwise, for actions of the patient if the facility or person follows accepted professional judgment, practice, and standards in the management, supervision, and treatment of the patient. For purposes of this subdivision, "person" means official, staff, employee of the facility, physician, or other individual who is responsible for the management, supervision, or treatment of a patient's community-based treatment under this section.

**Sec. 8. [253B.095] [RELEASE BEFORE COMMITMENT.]**

**Subdivision 1. [COURT RELEASE.]** After the hearing and before a commitment order has been issued, the court may release a proposed patient to the custody of an individual or agency upon conditions that guarantee the care and treatment of the patient. A person against whom a criminal proceeding is pending may not be released. Continuances may not extend beyond 14 days. When the court stays an order for commitment for more than 14 days beyond the date of the initially scheduled hearing, the court shall issue an order that meets the requirements of this section.

**Subd. 2. [STAY BEYOND 14 DAYS.]** An order staying commitment for more than 14 days must include:

- (1) a written plan for services to which the proposed patient has agreed;
- (2) a finding that the proposed treatment is available and accessible to the patient and that public or private financial resources are available to pay for the proposed treatment; and
- (3) conditions the patient must meet to avoid imposition of the stayed commitment order.

A person receiving treatment under this section has all rights under this chapter.

**Subd. 3. [CASE MANAGER.]** When a court releases a patient with mental illness under this section, the court shall appoint a case manager.

**Subd. 4. [REPORTS.]** The case manager shall report to the court at least once every 90 days. The case manager shall immediately report a substantial failure of a patient or provider to comply with the conditions of the release.

**Subd. 5. [DURATION.]** The maximum duration of an order under this section is six months. The court may continue the order for a maximum of an additional 12 months if, after notice and hearing, under sections 253B.08 and 253B.09 the court finds that (1) the person continues to be mentally ill, and (2) an order is needed to protect the patient or others.

**Subd. 6. [MODIFICATION OF ORDER.]** An order under this section may be modified upon agreement of the parties and approval of the court.

**Subd. 7. [REVOCATION OF ORDER.]** The court, on its own motion or upon the petition of any person, and after notice and a hearing, may revoke any release and commit the proposed patient under this chapter.

**Sec. 9. Minnesota Statutes 1986, section 253B.15, subdivision 1, is amended to read:**

Subdivision 1. [PROVISIONAL DISCHARGE.] The head of the treatment facility may provisionally discharge any patient without discharging the commitment, unless the patient was found by the committing court to be mentally ill and dangerous to the public.

Each patient released on provisional discharge shall have an aftercare plan developed which specifies *the services and treatment to be provided as part of the aftercare plan, the financial resources available to pay for the services specified*, the expected period of provisional discharge, the precise goals for the granting of a final discharge, and conditions or restrictions on the patient during the period of the provisional discharge.

The aftercare plan shall be reviewed on a quarterly basis by the patient, designated agency and other appropriate persons. The aftercare plan shall contain the grounds upon which a provisional discharge may be revoked. The provisional discharge shall terminate on the date specified in the plan unless specific action is taken to revoke or extend it.

Sec. 10. Minnesota Statutes 1986, section 253B.15, is amended by adding a subdivision to read:

*Subd. 1a. [CASE MANAGER.] Before a provisional discharge is granted, a representative of the designated agency must be identified as the case manager. The case manager shall ensure continuity of care by being involved with the treatment facility and the patient prior to the provisional discharge. The case manager shall coordinate plans for and monitor the patient's aftercare program.*

Sec. 11. Minnesota Statutes 1986, section 253B.15, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE; NOTICE.] When the possibility of revocation becomes apparent, the designated agency shall notify the patient, *the patient's attorney*, and all participants in the plan, and every effort shall be made to prevent revocation.

Revocation shall be commenced by a notice of intent to revoke provisional discharge, which shall be served upon the patient, the patient's attorney, and the designated agency. The notice shall set forth the grounds upon which the intention to revoke is based, and shall inform the patient of the rights of a patient under this chapter.

Sec. 12. Minnesota Statutes 1986, section 253B.15, subdivision 5, is amended to read:

Subd. 5. [RETURN TO FACILITY.] ~~The head of the treatment facility~~ *case manager* may apply to the committing court for an order directing that the patient be returned to the facility. The court may order the patient returned to the facility prior to a review hearing only upon finding that immediate return to the facility is necessary to avoid serious, imminent harm to the patient or others. If a voluntary return is not arranged, the head of the treatment facility may request a health officer, a welfare officer, or a peace officer to return the patient to the treatment facility from which the patient was released or to any other treatment facility which consents to receive the patient. If necessary, the head of the treatment facility may request the committing court to direct a health or peace officer in the county where the patient is located to return the patient to the treatment facility or to another treatment facility which consents to receive the patient. The expense of returning the patient to a treatment facility shall be paid

by the commissioner unless paid by the patient or the patient's relatives.

Sec. 13. Minnesota Statutes 1986, section 253B.15, subdivision 6, is amended to read:

Subd. 6. [EXCEPTION.] During the first 60 days of a provisional discharge, the ~~head of the treatment facility~~ *case manager*, upon finding that either of the conditions set forth in subdivision 2 exists, may revoke the provisional discharge without being subject to the provisions of subdivisions 2 to 5.

Sec. 14. Minnesota Statutes 1986, section 253B.15, subdivision 7, is amended to read:

Subd. 7. [MODIFICATION AND EXTENSION OF PROVISIONAL DISCHARGE.] (a) *A provisional discharge may be modified upon agreement of the parties.*

(b) *A provisional discharge may be extended only in those circumstances where the patient has not achieved the goals set forth in the provisional discharge plan or continues to need the supervision or assistance provided by an extension of the provisional discharge. In determining whether the provisional discharge is to be extended, the head of the facility shall consider the willingness and ability of the patient to voluntarily obtain needed care and treatment.*

~~(b)~~ (c) *The designated agency shall recommend extension of a provisional discharge only after a preliminary conference with the patient and other appropriate persons. The patient shall be given the opportunity to object or make suggestions for alternatives to extension.*

~~(c)~~ (d) *Any recommendation for extension shall be made in writing to the head of the facility and to the patient at least 30 days prior to the expiration of the provisional discharge. The written recommendation submitted shall include: the specific grounds for recommending the extension, the date of the preliminary conference and results, the anniversary date of the provisional discharge, the termination date of the provisional discharge, and the proposed length of extension. If the grounds for recommending the extension occur less than 30 days before its expiration, the written recommendation shall occur as soon as practicable.*

~~(d)~~ (e) *The head of the facility shall issue a written decision regarding extension within five days after receiving the recommendation from the designated agency.*

Sec. 15. Minnesota Statutes 1986, section 253B.16, subdivision 1, is amended to read:

Subdivision 1. [DATE.] *The head of a treatment facility shall discharge any patient admitted as mentally ill, ~~mentally retarded~~ or chemically dependent when certified by the head of the facility to be no longer in need of institutional care and treatment or at the conclusion of any period of time specified in the commitment order, whichever occurs first. The head of a treatment facility shall discharge any person admitted as mentally retarded when that person's screening team has determined, under section 256B.092, subdivision 8, that the person's needs can be met by services provided in the community and a plan has been developed in consultation with the interdisciplinary team to place the person in the available community services.*

## Sec. 16. [REPEALER.]

*Minnesota Statutes 1986, section 253B.09, subdivision 4, is repealed.*

## Sec. 17. [EFFECTIVE DATE.]

*This act is effective January 1, 1989."*

Delete the title and insert:

"A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based treatment; defining procedures for community-based commitment; requiring procedures for release before commitment and provisional discharge; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4."

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

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

S.F. No. 2122: A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 138.17, by adding a subdivision; and 473.843, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 13.04, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE WHEN DATA IS NOT ACCURATE OR COMPLETE.] (a) An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: ~~(a)~~ (1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or ~~(b)~~ (2) notify the individual that the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

The determination of the responsible authority may be appealed pursuant to the provisions of the administrative procedure act relating to contested cases. *Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.*

*(b) Data on individuals that have been successfully challenged by an individual must be altered, modified, or destroyed by a state agency, political subdivision, or statewide system without regard to the requirements of section 138.17.*

*After altering, modifying, or destroying successfully challenged data, a state agency, political subdivision, or statewide system may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order was issued, a summary of the dispute between the parties.*

Sec. 2. Minnesota Statutes 1986, section 13.67, is amended to read:

**13.67 [EMPLOYEE RELATIONS DATA.]**

The following data collected, created, or maintained by the department of employee relations are classified as nonpublic data pursuant to section 13.02, subdivision 9:

(a) The commissioner's plan prepared by the department, pursuant to section 3.855, which governs the compensation and terms and conditions of employment for employees not covered by collective bargaining agreements until the plan is submitted to the legislative commission on employee relations;

(b) Data pertaining to grievance or interest arbitration that has not been presented to the arbitrator or other party during the arbitration process;

(c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies; ~~and~~

(d) The managerial plan prepared by the department pursuant to section 43A.18 that governs the compensation and terms and conditions of employment for employees in managerial positions, as specified in section 43A.18, subdivision 3, and for employees in the career executive service pursuant to section 43A.18, subdivision 3, clause (c), until the plan is submitted to the legislative commission on employee relations; ~~and~~

*(e) Claims experience and all related information received from carriers and claims administrators participating in either the state group insurance plan or the public employees insurance plan as defined in chapter 43A, and survey information collected from employees and employers participating in these plans, except when the department determines that release of the data will not be detrimental to the plan.*

Sec. 3. Minnesota Statutes 1986, section 13.791, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] ~~Unless the data is summary data or is otherwise classified by statute or federal law, all~~ Data collected and maintained by the department of jobs and training that pertain to individuals applying for or receiving rehabilitation services ~~is~~ are private data on individuals, *except the name, business address, and business telephone number of individuals licensed under section 248.07, subdivision 8.*

**Sec. 4. [13.792] [MINNESOTA ZOOLOGICAL GARDEN DATA.]**

The following data maintained by the Minnesota zoological garden are classified as private or nonpublic:

*(1) research information about prospects and donors gathered to aid in determining appropriateness of solicitation and level of gift request;*



(2) *specific data in prospect lists that would identify prospects to be solicited, dollar amounts to be requested, and name of solicitor;*

(3) *portions of solicitation letters and proposals that identify the prospect being solicited and the dollar amount being requested;*

(4) *letters, pledge cards, and other responses received from prospective donors in response to solicitations;*

(5) *portions of thank-you letters and other gift acknowledgment communications that would identify the name of the donor and the specific amount of the gift, pledge, or pledge payment; and*

(6) *data detailing dates of gifts and specific gift amounts made by donors to the Minnesota zoo, except that the zoo may publish names of donors and gift ranges.*

Sec. 5. Minnesota Statutes 1986, section 144.335, subdivision 2, is amended to read:

Subd. 2. [PATIENT ACCESS.] (a) Upon request, a provider shall supply to a patient complete and current information possessed by that provider concerning any diagnosis, treatment and prognosis of the patient in terms and language the patient can reasonably be expected to understand.

(b) Upon a patient's written request, a provider, at a reasonable cost to the patient, shall furnish to the patient (1) copies of the patient's health record, including but not limited to laboratory reports, X-rays, prescriptions, and other technical information used in assessing the patient's health condition, or (2) the pertinent portion of the record relating to a ~~specific condition, or (3) specified by the patient.~~ *With the consent of the patient, the provider may instead furnish only a summary of the record. The provider may exclude from the health record written speculations and impressions about the patient's health condition.*

(c) If a provider, as defined in subdivision 1, clause (b) (1), reasonably determines that the information is detrimental to the physical or mental health of the patient, or is likely to cause the patient to inflict self harm, or to harm another, the provider may withhold the information from the patient and may supply the information to an appropriate third party or to another provider, as defined in subdivision 1, clause (b)(1). The other provider or third party may release the information to the patient.

(d) A provider as defined in subdivision 1, clause (b)(2), shall release information upon written request unless, prior to the request, a provider as defined in subdivision 1, clause (b)(1), has designated and described a specific basis for withholding the information as authorized by paragraph (c).

Sec. 6. Minnesota Statutes 1986, section 171.12, is amended by adding a subdivision to read:

Subd. 3a. [RECORD DESTROYED WHEN REVOCATION OR SUSPENSION RESCINDED.] *Notwithstanding subdivision 3 or section 138.163, when an order for revocation or suspension of a driver's license is rescinded, the commissioner shall destroy all records of the revocation or suspension.*

Sec. 7. [221.0315] [INVESTIGATIVE DATA PROVIDED.]

*The commissioner may provide to the board investigative data about a petitioner or carrier that is subject to the jurisdiction of the board. When*

*the data are transferred to the board, the commissioner shall notify the petitioner or carrier in writing that the data are being provided to the board.*

Sec. 8. Minnesota Statutes 1986, section 363.061, is amended by adding a subdivision to read:

*Subd. 4. [CHARGING PARTY ACCESS.] Data comprised of materials and documentation provided by a charging party that is part of an open or closed case file is accessible to the charging party in accordance with section 13.04, subdivision 3. The charging party may consent to the release of the data to the charging party's attorney or other legal representative.*

Sec. 9. [REPEALER.]

*Minnesota Statutes 1986, section 13.72, subdivision 3, is repealed."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for patient access to medical records;"

Page 1, delete lines 5 to 7 and insert "13.04, subdivision 4; 13.67; 13.791, subdivision 1; 144.335, subdivision 2; 171.12, by adding a subdivision; and 363.061, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3."

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. 2506: A bill for an act relating to child support; authorizing parties to waive automatic income withholding when there is a child support or maintenance order; providing that a court shall stay service of an automatic withholding order if an obligor establishes an escrow account for payment of child support or maintenance; amending Minnesota Statutes 1987 Supplement, section 518.613, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 518.

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

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

H.F. No. 1767: A bill for an act relating to commerce; real property; requiring notice of foreclosure by advertisement to separately list record owners with no legally protected interest in the real estate; proposing coding for new law in Minnesota Statutes, chapter 580.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

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

S.F. No. 1788: A bill for an act relating to the office of the secretary of state; providing for the simplification of various filings with that office; eliminating certain filings; eliminating the requirement that documents be notarized, verified, or acknowledged; reducing the number of signatures

required; setting fees for copies of documents filed with the office of the secretary of state; permitting the correction of documents; setting fees for various filings; allowing the annual registration to fulfill the requirement that an active status report be filed; conforming the business corporation act to the uniform fraudulent conveyances act; increasing the penalties for failure to file an assumed business name; changing the time period during which audits of legal newspapers may occur; amending Minnesota Statutes 1986, sections 5.12; 300.025; 300.49; 302A.115, subdivisions 1 and 7; 302A.551, subdivision 3; 302A.821, subdivision 1; 303.06; 303.10, subdivision 2; 303.11; 303.14, subdivisions 1 and 3; 303.16, subdivision 3; and by adding a subdivision; 306.70; 306.74; 308.06; 308.14, subdivisions 2 and 4; 308.15, subdivisions 1 and 4; 308.59; 317.04, subdivision 3; 317.08, subdivision 1; 317.27, subdivisions 1 and 5; 317.33; 317.35; 317.45, subdivision 4; 318.02, subdivision 1; 322A.12; 322A.14; 322A.73; 322A.74; 333.01; 333.055, subdivision 4; 333.06; 333.20, subdivision 2; 333.22, subdivision 2; 333.23; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivision 11; 302A.139; 302A.615, subdivision 1; 308.58, subdivision 2; 322A.70; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

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

Page 2, line 11, delete "ACKNOWLEDGEMENT" and insert "ACKNOWLEDGMENT"

Page 2, line 15, delete "*Notwithstanding any requirement of Minnesota Statutes,*"

Page 5, line 13, delete "\$35" and insert "\$25"

Page 10, line 21, after the semicolon, insert "and"

Page 10, line 31, after "file" insert "*either (a)*"

Page 10, line 34, after the comma, insert "*or (b) with the secretary of state,*"

Page 29, line 3, strike the first "partner"

Page 29, line 4, before the semicolon, insert "*partners*"

Page 32, after line 30, insert:

"Sec. 44. Minnesota Statutes 1986, section 333.055, subdivision 1, is amended to read:

Subdivision 1. Filing of a certificate hereunder shall be effective for a term of ten years from the date of filing and upon application filed within the six month period prior to the expiration of such term or a renewal thereof, on a form prescribed by the secretary of state, the certificate may be renewed for additional ten year terms. A renewal fee as specified herein, payable to the secretary of state, shall accompany the application for renewal.

The secretary of state shall notify each ~~person~~ *filing business* holding a certificate hereunder of the necessity of renewal thereof by writing to the last known address of the ~~person~~ *business* at least six months prior to the certificate's expiration date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 28, delete the first "subdivision" and insert "subdivisions 1 and"

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

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

S.F. No. 1540: A bill for an act relating to the sentencing guidelines commission; changing the membership of the commission; amending Minnesota Statutes 1986, section 244.09, subdivision 2.

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 244.09, subdivision 2, is amended to read:

Subd. 2. The sentencing guidelines commission shall consist of the following:

- (1) The chief justice of the supreme court or a designee;
- (2) One judge of the court of appeals, appointed by the chief justice of the supreme court;
- (3) ~~Two~~ One district court ~~judges~~ judge appointed by the chief justice of the supreme court;
- (4) One public defender appointed by the governor upon recommendation of the state public defender;
- (5) One county attorney appointed by the governor upon recommendation of the board of governors of the county attorneys council;
- (6) The commissioner of corrections or a designee;
- (7) One peace officer as defined in section 626.84 appointed by the governor;
- (8) One probation officer or parole officer appointed by the governor; and
- (9) ~~Two~~ Three public members appointed by the governor, one of whom shall be a victim of a crime defined as a felony.

*When an appointing authority selects individuals for membership on the commission, the authority shall make reasonable efforts to appoint qualified members of protected groups, as defined in section 43A.02, subdivision 33.*

One of the members shall be designated by the governor as chair of the commission.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective upon the expiration of either the current term of office or the appointment to the commission of a district judge appointed under section 244.09, subdivision 2, clause (3), whichever is earlier."*

Amend the title as follows:

Page 1, line 4, delete "1986" and insert "1987 Supplement"

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. 2125: A bill for an act relating to sentencing; directing the sentencing guidelines commission to study certain sentencing issues; requiring the commission to report back to the legislature with proposed changes to respond to these issues; proposing coding for new law in Minnesota Statutes, chapter 244.

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

Page 1, line 10, delete "[244.12]"

Page 1, line 12, after "The" insert "sentencing guidelines"

Page 1, delete lines 24 to 26 and insert:

*"(1) should criteria and procedures be developed to limit the length of aggravated durational departures from presumptive sentences;"*

Amend the title as follows:

Page 1, delete lines 6 and 7 and insert "issues."

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. 2071: A bill for an act relating to crimes; requiring a neighborhood impact statement to be submitted as part of the presentence investigation report for controlled substance offenses; amending Minnesota Statutes 1986, section 609.115, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 609.115, subdivision 1, is amended to read:

Subdivision 1. [PRESENTENCE INVESTIGATION.] When a defendant has been convicted of a misdemeanor or gross misdemeanor, the court may, and when the defendant has been convicted of a felony, the court shall, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused by it to others and to the community. *When the crime is a felony violation of chapter 152 involving the sale or distribution of a controlled substance, the report shall include a description of any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense was committed.*

The report shall also include the information relating to crime victims required under section 611A.037, subdivision 1. If the court directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed.

In misdemeanor cases the report may be oral.

When a defendant has been convicted of a felony, and before sentencing, the court shall cause a sentencing worksheet to be completed to facilitate the application of the Minnesota sentencing guidelines. The worksheet shall be submitted as part of the presentence investigation report.

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections. The officer conducting the presentence or predispositional investigation shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the information required under section 611A.037, subdivision 2.

Pending the presentence investigation and report, the court with the consent of the commissioner may commit the defendant to the custody of the commissioner of corrections who shall return the defendant to the court when the court so orders.

Presentence investigations shall be conducted and summary hearings held upon reports and upon the sentence to be imposed upon the defendant in accordance with this section, section 244.10, and the rules of criminal procedure.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1988, and applies to crimes committed on or after that date."*

Amend the title as follows:

Page 1, line 5, delete "1986" and insert "1987 Supplement"

Page 1, line 6, delete everything after the comma and insert "subdivision 1."

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

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

S.F. No. 1727: A bill for an act relating to government data practices; defining employment and training data as private data on individuals; defining employment and training service providers; defining employment and training services; providing for the dissemination of employment and training data; amending Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section, "personnel data" means data on individuals collected because the individual is or was an employee of or an applicant for employment by, performs services on a voluntary basis for, or acts as an independent contractor with a state agency, statewide system or political subdivision or is a member of an advisory

board or commission. "Personnel data" includes data on individuals who apply for or are enrolled in employment and training programs funded with federal, state, or local resources unless the data are welfare data under section 13.46.

Sec. 2. [13.47] [EMPLOYMENT AND TRAINING DATA.]

*Subdivision 1. [DEFINITION.] (a) "Employment and training data" means data on individuals collected, maintained, used, or disseminated because an individual applies for, is currently enrolled in, or has been enrolled in employment and training programs funded with federal, state, or local resources.*

*(b) "Employment and training service provider" means an administrative entity certified by the commissioner of jobs and training to deliver employment and training services under section 268.0122, subdivision 3, or an organization that contracts with a certified administrative entity or the department of jobs and training to deliver employment and training services.*

*Subd. 2. [CLASSIFICATION.] Employment and training data are private data on individuals.*

*Subd. 3. [DISSEMINATION.] Employment and training data may be disseminated:*

*(a) to other employment and training service providers to coordinate the employment and training services for the data subject or to determine eligibility or suitability for services from other programs;*

*(b) to local and state welfare agencies for monitoring the eligibility of the participant for assistance programs, or for any employment or training program administered by those agencies.*

Sec. 3. Minnesota Statutes 1986, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation, prosecution, criminal or civil proceeding relating to the administration of a program;
- (5) to personnel of the welfare system who require the data to determine eligibility, amount of assistance, and the need to provide services of additional programs to the individual;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers,

upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;

(9) to the Minnesota department of jobs and training for the purpose of monitoring the eligibility of the data subject for unemployment compensation, for any employment or training program administered, *supervised, or certified* by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons; or

(11) data maintained by residential facilities as defined in section 245.782, subdivision 6, may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person.

(b) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

#### Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective June 1, 1988."*

Delete the title and insert:

"A bill for an act relating to government data practices; defining employment and training data as private data on individuals; providing for the dissemination of certain data; amending Minnesota Statutes 1986, section 13.46, subdivision 2; Minnesota Statutes 1987 Supplement, section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13."

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. 2207: A bill for an act relating to marriage dissolution; providing for parties to a dissolution to disclose assets and liabilities; requiring the supreme court to prepare forms for disclosure; providing sanctions for misrepresentations or omissions or failure to file any disclosure; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Page 1, line 27, delete everything after the period

Page 2, delete line 1

Page 2, line 2, delete everything before "return"

Page 2, lines 4, 6, 25, 26, and 33, delete "shall" and insert "must"

Page 2, lines 8 and 25, delete "pursuant to" and insert "under"



Page 2, line 9, after the period, insert "*The completed disclosure form need not be filed with the court.*"

Page 2, line 11, before the comma, insert "*as required under subdivision 1*"

Page 2, line 15, delete the second comma and insert "*or*"

Page 2, line 16, delete "*, or the division of marital property*"

Page 2, line 19, delete "*which*" and insert "*that*"

Page 2, line 21, after "*court*" insert a comma and delete the colon

Page 2, delete line 22

Page 2, line 23, delete the paragraph coding and delete "(2)"

Page 3, line 1, delete "*shall*" and insert "*must*"

Page 3, after line 6, insert:

"Sec. 2. [518.146] [SEALING RECORDS.]

*For good cause shown, on application of either party, the records of a marriage dissolution, annulment, or legal separation, except for the portion of the decree granting the dissolution, annulment, or legal separation, may be sealed."*

Page 3, line 8, delete everything after "*effective*"

Page 3, line 9, delete everything before "*for*" and insert "*March 1, 1989,*"

Page 3, line 13, delete everything after "*by*" and insert "*December 31, 1988.*"

Page 3, delete line 14

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "*allowing the court to seal records;*"

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. 2139: A bill for an act relating to establishment of rates for intermediate care facilities for the mentally retarded (ICF/MR); changing the procedures for determining ICF/MR rates beginning in 1988; amending Minnesota Statutes 1986, section 256B.501, by adding subdivisions.

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

Page 4, lines 4 and 22, delete "*1989*" and insert "*1988*"

Page 4, line 32, after the comma, insert "*and the maintenance operating cost limit in Minnesota Rules, part 9553.0050, subpart 1, item A, subitem (2).*"

Page 4, line 33, after "limit" insert "*and the maintenance operating cost limit*"

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

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

S.F. No. 2081: A bill for an act relating to health; authorizing the public facilities authority to make health care planning grants and capital equipment loans available to small hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 446A.

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

Page 1, delete section 1

Page 2, line 5, after the period, insert "*A small hospital that applies for a grant must include in its application a description of its geographic service area in terms of standard political subdivisions. If another hospital is located within the geographic service area of the hospital or within 40 miles of the hospital, the applicant hospital must consult with the other hospital or hospitals in preparing a grant application and the application must either be a joint application from the hospitals or include a statement from each of the other hospitals that states that the hospital was consulted concerning the preparation of the application and that it will not submit a separate grant application on its own behalf.*"

Page 3, line 16, delete "2" and insert "1"

Renumber the sections in sequence

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

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

S.F. No. 2159: A bill for an act relating to human services; affecting the demonstration project for uninsured low-income persons; adding Crow Wing county to the demonstration project geographic area; allowing additional demonstration projects; appropriating money; amending Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 2, and by adding a subdivision; repealing Minnesota Statutes 1987 Supplement, section 256B.73, subdivision 10.

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

Page 1, line 16, after "shall" insert "*cooperate with local coalitions to*"

Page 2, after line 5, insert:

"Sec. 3. Laws 1987, chapter 337, section 131, is amended to read:

Sec. 131. [REPEALER.]

Minnesota Statutes 1986, sections 62A.12; and 67A.43, subdivision 3, are repealed.

Minnesota Rules, parts 2700.2400; 2700.2410; 2700.2420; 2700.2430; and 2700.2440, are repealed.

~~Section 123 is repealed effective July 1, 1988, if the project implementation phase has not begun by that date."~~

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "and Laws 1987, chapter 337, section 131;"

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

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

H.F. No. 421: A bill for an act relating to health; authorizing the commissioner of health to issue subpoenas in certain instances; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.054] [SUBPOENA POWER.]

*The commissioner may, as part of an investigation to determine whether a serious health threat exists or to locate persons who may have been exposed to an agent which can seriously affect their health, issue subpoenas to require the attendance and testimony of witnesses and production of books, records, correspondence, and other information relevant to any matter involved in the investigation. The commissioner or the commissioner's designee may administer oaths to witnesses or take their affirmation. The subpoenas may be served upon any person named therein anywhere in the state by any person authorized to serve subpoenas or other processes in civil actions of the district courts. If a person to whom a subpoena is issued does not comply with the subpoena, the commissioner may apply to the district court in any district and the court shall order the person to comply with the subpoena. Failure to obey the order of the court may be punished by the court as contempt of court. No person may be compelled to disclose privileged information as described in section 595.02, subdivision 1. The fees for the service of a subpoena must be paid in the same manner as prescribed by law for a service of process issued out of a district court. Witnesses must receive the same fees and mileage as in civil actions.*

Sec. 2. [EFFECTIVE DATE.]

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

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. 1635: A bill for an act relating to human services; providing for swing bed payments under medical assistance in certain circumstances; amending Minnesota Statutes 1987 Supplement, section 256B.02, subdivision 8.

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

Page 2, lines 8 to 10, delete the new language and insert “, unless:

*(a) the facility in which the swing bed is located is eligible as a sole community provider, as defined in Code of Federal Regulations, title 42, section 412.92, or the facility is a public hospital owned by a governmental entity with 15 or fewer licensed acute-care beds;*

*(b) the health care financing administration approves the necessary state plan amendments;*

*(c) the patient was screened as provided in section 256B.091;*

*(d) the patient no longer requires acute-care services;*

*(e) no nursing home beds are available within 25 miles of the facility; and*

*(f) the daily medical assistance payment for nursing care for the patient in the swing bed is the statewide average medical assistance skilled nursing care per diem as computed annually by the commissioner of human services on July 1 of each year”*

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

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

S.F. No. 2275: A bill for an act relating to juveniles; eliminating statutory references to “dependency” and “neglect” and substituting the term “child in need of protection or services”; eliminating juvenile court jurisdiction over children who are “habitually disobedient”; transferring alleged truants and runaways to the court’s protective services jurisdiction; transferring certain young alleged delinquents to the court’s protective services jurisdiction; limiting the duration of the court’s continuing jurisdiction over truants; permitting the juvenile court to declare mature minors completely or partially emancipated; limiting the juvenile court’s contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivision 21, and by adding a subdivision; 260.103, subdivision 1; 260.111; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 1, 4, and 4a; 260.156; 260.171, subdivision 4; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1 and 4; 260.194; 260.221; 260.235; 260.255; 260.291, subdivisions 1 and 4; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 260; repealing Minnesota Statutes 1986, section 260.015, subdivisions 6 and 10.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1986, section 242.19, subdivision 2, is amended to read:

Subd. 2. [DISPOSITIONS.] When a child has been committed to the commissioner of corrections by a juvenile court, upon a finding of delinquency, the commissioner may for the purposes of treatment and rehabilitation:

(a) order the child's confinement to the Minnesota correctional facility-Red Wing or the Minnesota correctional facility-Sauk Centre, which shall accept the child, or to a group foster home under the control of the commissioner of corrections, or to private facilities or facilities established by law or incorporated under the laws of this state that may care for delinquent children;

(b) order the child's release on parole under such supervisions and conditions as the commissioner believes conducive to law-abiding conduct, treatment and rehabilitation;

(c) order reconfinement or renewed parole as often as the commissioner believes to be desirable;

(d) revoke or modify any order, except an order of discharge, as often as the commissioner believes to be desirable;

(e) discharge the child when the commissioner is satisfied that the child has been rehabilitated and that such discharge is consistent with the protection of the public;

(f) if the commissioner finds that the child is eligible for probation or parole and it appears from the commissioner's investigation that conditions in the child's or the guardian's home are not conducive to the child's treatment, rehabilitation, or law-abiding conduct, refer the child, together with the commissioner's findings, to a county welfare board or a licensed child placing agency for placement in a foster care or, when appropriate, for initiation of ~~dependency or neglect~~ *child in need of protection or services* proceedings as provided in sections 260.011 to 260.301. The commissioner of corrections shall reimburse county welfare boards for foster care costs they incur for the child while on probation or parole to the extent that funds for this purpose are made available to the commissioner by the legislature. The juvenile court shall order the parents of a child on probation or parole to pay the costs of foster care under section 260.251, subdivision 1, according to their ability to pay, and to the extent that the commissioner of corrections has not reimbursed the county welfare board.

Sec. 2. Minnesota Statutes 1986, section 260.011, subdivision 2, is amended to read:

Subd. 2. The purpose of the laws relating to juvenile courts is to secure for each child alleged or adjudicated ~~neglected or dependent in need of protection or services~~ and under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will serve the spiritual, emotional, mental, and physical welfare of the child and the best interests of the state; to provide judicial procedures which protect the welfare of the child; to preserve and strengthen the child's family ties whenever possible, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal; and, when

removal from the child's own family is necessary, to secure for the child custody, care and discipline as nearly as possible equivalent to that which should have been given by the parents.

The purpose of the laws relating to children alleged or adjudicated to be delinquent is to promote the public safety and reduce juvenile delinquency by maintaining the integrity of the substantive law prohibiting certain behavior and by developing individual responsibility for lawful behavior. This purpose should be pursued through means that are fair and just, that recognize the unique characteristics and needs of children, and that give children access to opportunities for personal and social growth.

The laws relating to juvenile courts shall be liberally construed to carry out these purposes.

Sec. 3. Minnesota Statutes 1986, section 260.015, is amended by adding a subdivision to read:

*Subd. 2a. [CHILD IN NEED OF PROTECTION OR SERVICES.] "Child in need of protection or services" means a child who is in need of protection or services because the child:*

- (1) is abandoned or without parent, guardian, or custodian;*
- (2) has been a victim of physical or sexual abuse or resides with a victim of domestic child abuse as defined in subdivision 24;*
- (3) is without necessary food, clothing, shelter, education, or other required care for the child's physical or mental health or morals because the child's parent, guardian, or custodian is unable or unwilling to provide that care;*
- (4) is without the special care made necessary by a physical, mental, or emotional condition because the child's parent, guardian, or custodian is unable or unwilling to provide that care;*
- (5) is medically neglected, which includes, but is not limited to, the withholding of medically indicated treatment from a disabled infant with a life-threatening condition. The term "withholding of medically indicated treatment" means the failure to respond to the infant's life-threatening conditions by providing treatment, including appropriate nutrition, hydration, and medication which, in the treating physician's or physicians' reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all conditions, except that the term does not include the failure to provide treatment other than appropriate nutrition, hydration, or medication to an infant when, in the treating physician's or physicians' reasonable medical judgment:*
  - (i) the infant is chronically and irreversibly comatose;*
  - (ii) the provision of the treatment would merely prolong dying, not be effective in ameliorating or correcting all of the infant's life-threatening conditions, or otherwise be futile in terms of the survival of the infant; or*
  - (iii) the provision of the treatment would be virtually futile in terms of the survival of the infant and the treatment itself under the circumstances would be inhumane;*
- (6) is one whose parent, guardian, or other custodian for good cause desires to be relieved of the child's care and custody;*
- (7) has been placed for adoption or care in violation of law;*

(8) is without proper parental care because of the emotional, mental, or physical disability, or state of immaturity of the child's parent, guardian, or other custodian;

(9) is one whose occupation, behavior, condition, environment, or associations are such as to be injurious or dangerous to the child or others;

(10) has committed a delinquent act before becoming ten years old;

(11) is a runaway; or

(12) is an habitual truant.

Sec. 4. Minnesota Statutes 1986, section 260.015, subdivision 21, is amended to read:

Subd. 21. [JUVENILE PETTY OFFENDER; JUVENILE PETTY OFFENSE.] A "juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section 609.685, or a violation of a local ordinance, other than a juvenile alcohol or controlled substance offense, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult or where a child is uncontrolled by a parent, guardian, or other custodian by reason of being wayward or habitually disobedient. A child who commits a juvenile petty offense is a "juvenile petty offender."

Sec. 5. Minnesota Statutes 1986, section 260.015, subdivision 22, is amended to read:

Subd. 22. [JUVENILE ALCOHOL OFFENDER OFFENSE.] "Juvenile alcohol offender offense" means a child who violates violation by a child of any provision of section 340A.503 or an equivalent local ordinance.

Sec. 6. Minnesota Statutes 1986, section 260.015, subdivision 23, is amended to read:

Subd. 23. [JUVENILE CONTROLLED SUBSTANCE OFFENDER OFFENSE.] "Juvenile controlled substance offender offense" means a child who violates violation by a child of section 152.09, subdivision 1, clause (2), with respect to a small amount of marijuana or an equivalent local ordinance.

Sec. 7. Minnesota Statutes 1986, section 260.111, subdivision 1, is amended to read:

Subdivision 1. [CHILDREN WHO ARE DELINQUENT, NEGLECTED, DEPENDENT IN NEED OF PROTECTION OR SERVICES, OR NEGLECTED AND IN FOSTER CARE.] Except as provided in sections 260.125 and 260.193, the juvenile court has original and exclusive jurisdiction in proceedings concerning any child who is alleged to be delinquent, a juvenile traffic offender, a juvenile petty offender, a habitual truant, a runaway, a juvenile alcohol or controlled substance offender, neglected in need of protection or services, or neglected and in foster care, or dependent, and in proceedings concerning any minor alleged to have been a delinquent, a juvenile petty offender, a habitual truant, a runaway, or a juvenile alcohol or controlled substance offender or a juvenile traffic offender prior to having become 18 years of age. The juvenile court shall deal with such a minor as it deals with any other child who is alleged to be delinquent or a juvenile traffic offender.

Sec. 8. Minnesota Statutes 1986, section 260.111, subdivision 3, is

amended to read:

Subd. 3. [JURISDICTION OVER MATTERS RELATING TO DOMESTIC CHILD ABUSE.] The juvenile court has jurisdiction in proceedings concerning any alleged acts of domestic child abuse. In a jurisdiction which utilizes referees in ~~dependency and neglect actions~~ *child in need of protection or services matters*, the court or judge may refer actions under this subdivision to a referee to take and report the evidence in the action. If the respondent does not appear after service is duly made and proved, the court may hear and determine the proceeding as a default matter. Proceedings under this subdivision shall be given docket priority by the court.

Sec. 9. Minnesota Statutes 1986, section 260.111, is amended by adding a subdivision to read:

Subd. 4. [JURISDICTION OVER PARENTS AND GUARDIANS.] A parent, guardian, or custodian of a child who is subject to the jurisdiction of the court is also subject to the jurisdiction of the court in any matter in which that parent, guardian, or custodian has a right to notice under section 260.135 or 260.141, or the right to participate under section 260.155. In any proceeding concerning a child alleged to be in need of protection or services, the court has jurisdiction over a parent, guardian, or custodian for the purposes of a disposition order issued under section 28.

Sec. 10. Minnesota Statutes 1986, section 260.121, subdivision 1, is amended to read:

Subdivision 1. [VENUE.] Except where otherwise provided, venue for any proceedings under section 260.111 shall be in the county where the child is found, or the county of the child's residence. When it is alleged that a child is ~~neglected in need of protection or services~~, venue may be in the county where the child is found, in the county of residence, or in the county where the alleged ~~neglect conditions causing the child's need for protection or services~~ occurred. If delinquency, ~~habitual truancy, running away~~, a juvenile petty offense, a ~~juvenile alcohol or controlled substance offense~~, or a juvenile traffic offense is alleged, proceedings shall be brought in the county of residence or the county where the alleged delinquency, ~~habitual truancy, running away~~, juvenile petty offense, ~~juvenile alcohol or controlled substance offense~~ or juvenile traffic offense occurred.

Sec. 11. Minnesota Statutes 1986, section 260.121, subdivision 2, is amended to read:

Subd. 2. [TRANSFER.] The judge of the juvenile court may transfer any proceedings brought under section 260.111, except adoptions, to the juvenile court of a county having venue as provided in subdivision 1, at any stage of the proceedings and in the following manner. When it appears that the best interests of the child, society, or the convenience of proceedings will be served by a transfer, the court may transfer the case to the juvenile court of the county of the child's residence. With the consent of the receiving court, the court may also transfer the case to the juvenile court of the county where the child is found or, if delinquency, ~~habitual truancy, running away~~, a juvenile petty offense, ~~juvenile alcohol or controlled substance offense~~ or a juvenile traffic offense is alleged, to the county where the alleged delinquency, ~~habitual truancy, running away~~, juvenile petty offense, ~~juvenile alcohol or controlled substance offense~~ or juvenile traffic offense occurred. The court transfers the case by ordering a continuance and by forwarding



to the court administrator of the appropriate juvenile court a certified copy of all papers filed, together with an order of transfer. The judge of the receiving court may accept the findings of the transferring court or may direct the filing of a new petition or notice under section 260.015, subdivision 23, or 260.132 and hear the case anew.

Sec. 12. Minnesota Statutes 1986, section 260.131, subdivision 1, is amended to read:

Subdivision 1. Any reputable person, including but not limited to any agent of the commissioner of human services, having knowledge of a child in this state or of a child who is a resident of this state, who appears to be delinquent, ~~neglected, dependent in need of protection or services~~, or neglected and in foster care, may petition the juvenile court in the manner provided in this section.

Sec. 13. Minnesota Statutes 1986, section 260.132, subdivision 1, is amended to read:

Subdivision 1. [NOTICE.] When a peace officer, or attendance officer in the case of a habitual truant, has probable cause to believe that a child is a ~~runaway, a habitual truant in need of protection or services under section 3, clause (11) or (12)~~, or a juvenile petty offender, the officer may issue a notice to the child to appear in juvenile court in the county in which the child is found or in the county of the child's residence or, in the case of a juvenile petty offense, the county in which the offense was committed. The officer shall file a copy of the notice to appear with the juvenile court of the appropriate county. If a child fails to appear in response to the notice, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Sec. 14. Minnesota Statutes 1986, section 260.132, subdivision 3, is amended to read:

Subd. 3. [NOTICE TO PARENT.] Whenever a notice to appear or petition is filed alleging that a child is a ~~runaway, a habitual truant in need of protection or services under section 3, clause (11) or (12)~~, or a juvenile petty offender, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense alleged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1.

Sec. 15. Minnesota Statutes 1986, section 260.133, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY ORDER.] If it appears from the notarized petition or by sworn affidavit that there are reasonable grounds to believe the child is in immediate and present danger of domestic child abuse, the court may grant an ex parte temporary order for protection, pending a full hearing. The court may grant relief as it deems proper, including an order:

(1) restraining any party from committing acts of domestic child abuse; or

(2) excluding the alleged abusing party from the dwelling which the family or household members share or from the residence of the child.

However, no order excluding the alleged abusing party from the dwelling

may be issued unless the court finds that:

(1) the order is in the best interests of the child or children remaining in the dwelling; and

(2) a remaining adult family or household member is able to care adequately for the child or children in the absence of the excluded party.

Before the temporary order is issued, the local welfare agency shall advise the court and the other parties who are present that appropriate social services will be provided to the family or household members during the effective period of the order.

An ex parte temporary order for protection shall be effective for a fixed period not to exceed 14 days. Within five days of the issuance of the temporary order, the petitioner shall file a ~~dependency and neglect~~ petition with the court pursuant to section 260.131, *alleging that the child is in need of protection or services* and the court shall give docket priority to the petition.

The court may renew the temporary order for protection one time for a fixed period not to exceed 14 days if a ~~dependency and neglect~~ petition *alleging that the child is in need of protection or services* has been filed with the court and if the court determines, upon informal review of the case file, that the renewal is appropriate.

Sec. 16. Minnesota Statutes 1986, section 260.135, subdivision 1, is amended to read:

Subdivision 1. After a petition has been filed and unless the parties hereinafter named voluntarily appear, the court shall set a time for a hearing and shall issue a summons requiring the person who has custody or control of the child to appear with the child before the court at a time and place stated. The summons shall have a copy of the petition attached, and shall advise the parties of the right to counsel and of the consequences of failure to obey the summons. The court shall give docket priority to any ~~dependency, neglect~~ *child in need of protection or services*, neglected and in foster care, or delinquency petition that contains allegations of child abuse over any other case except those delinquency matters where a child is being held in a secure detention facility. As used in this subdivision, "child abuse" has the meaning given it in section 630.36, subdivision 2.

Sec. 17. Minnesota Statutes 1986, section 260.135, subdivision 3, is amended to read:

Subd. 3. If a petition alleging ~~neglect, or dependency~~ *a child's need for protection or services*, or a petition to terminate parental rights is initiated by a person other than a representative of the department of human services or county welfare board, the court administrator shall notify the county welfare board of the pendency of the case and of the time and place appointed.

Sec. 18. Minnesota Statutes 1987 Supplement, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, a ~~habitual truant~~,

a runaway in need of protection or services under section 3, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. Hearings may be continued or adjourned from time to time and, in the interim, the court may make any orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301. The court shall exclude the general public from these hearings and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court; except that, the court shall open the hearings to the public in delinquency proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the hearing offense. In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the reference or adjudicatory hearings, and (2) the disposition of the case. Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 19. Minnesota Statutes 1986, section 260.155, subdivision 4, is amended to read:

Subd. 4. [GUARDIAN AD LITEM.] (a) The court shall appoint a guardian ad litem to protect the interests of the minor when it appears, at any stage of the proceedings, that the minor is without a parent or guardian, or that the minor's parent is a minor or incompetent, or that the parent or guardian is indifferent or hostile to the minor's interests, and in every proceeding alleging ~~neglect or dependency~~ *a child's need for protection or services under section 3, clauses (1) to (10)*. In any other case the court may appoint a guardian ad litem to protect the interests of the minor when the court feels that such an appointment is desirable. The court shall appoint the guardian ad litem on its own motion or in the manner provided for the appointment of a guardian ad litem in the district court.

(b) The court may waive the appointment of a guardian ad litem pursuant to clause (a), whenever counsel has been appointed pursuant to subdivision 2 or is retained otherwise, and the court is satisfied that the interests of the minor are protected.

(c) In appointing a guardian ad litem pursuant to clause (a), the court shall not appoint the party, or any agent or employee thereof, filing a petition pursuant to section 260.131.

Sec. 20. Minnesota Statutes 1986, section 260.155, subdivision 4a, is amended to read:

Subd. 4a. [EXAMINATION OF CHILD.] In any ~~dependency, neglect,~~ *child in need of protection or services proceeding* or neglected and in foster care proceeding the court may, on its own motion or the motion of any party, take the testimony of a child witness informally when it is in the child's best interests to do so. Informal procedures that may be used by the court include taking the testimony of a child witness outside the courtroom. The court may also require counsel for any party to the proceeding to submit questions to the court before the child's testimony is taken, and to submit additional questions to the court for the witness after questioning

has been completed. The court may excuse the presence of the child's parent, guardian, or custodian from the room where the child is questioned in accordance with subdivision 5.

Sec. 21. Minnesota Statutes 1987 Supplement, section 260.156, is amended to read:

260.156 [CERTAIN OUT-OF-COURT STATEMENTS ADMISSIBLE.]

An out-of-court statement made by a child under the age of ten years, or a child ten years of age or older who is mentally impaired, as defined under section 609.341, subdivision 6, alleging, explaining, denying, or describing any act of sexual contact or penetration performed with or on the child or any act of physical abuse or neglect of the child by another, not otherwise admissible by statute or rule of evidence, is admissible in evidence in any ~~dependency, neglect~~ *child in need of protection or services*, neglected and in foster care, or domestic child abuse proceeding or any proceeding for termination of parental rights if:

(a) the court finds that the time, content, and circumstances of the statement and the reliability of the person to whom the statement is made provide sufficient indicia of reliability; and

(b) the proponent of the statement notifies other parties of an intent to offer the statement and the particulars of the statement sufficiently in advance of the proceeding at which the proponent intends to offer the statement into evidence, to provide the parties with a fair opportunity to meet the statement.

For purposes of this section, an out-of-court statement includes a video, audio, or other recorded statement.

Sec. 22. Minnesota Statutes 1986, section 260.171, subdivision 1, is amended to read:

Subdivision 1. If a child is taken into custody as provided in section 260.165, the parent, guardian, or custodian of the child shall be notified as soon as possible. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, *run away from the child's parent, guardian, or custodian or otherwise* not remain in the care or control of the person to whose lawful custody the child is released, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person. That person shall promise to bring the child to the court, if necessary, at the time the court may direct. If the person taking the child into custody believes it desirable, that person may request the parent, guardian, custodian, or other person designated by the court to sign a written promise to bring the child to court as provided above. The intentional violation of such a promise, whether given orally or in writing, shall be punishable as contempt of court.

The court may require the parent, guardian, custodian or other person to whom the child is released, to post any reasonable bail or bond required by the court which shall be forfeited to the court if the child does not appear as directed. The court may also release the child on the child's own promise to appear in juvenile court.

Sec. 23. Minnesota Statutes 1986, section 260.171, subdivision 4, is amended to read:

Subd. 4. If the person who has taken the child into custody determines

that the child should be placed in a secure detention facility or a shelter care facility, that person shall advise the child and as soon as is possible, the child's parent, guardian, or custodian:

(a) of the reasons why the child has been taken into custody and why the child is being placed in a secure detention facility or a shelter care facility; and

(b) of the location of the secure detention facility or shelter care facility. If there is reason to believe that disclosure of the location of the shelter care facility would place the child's health and welfare in immediate endangerment, disclosure of the location of the shelter care facility shall not be made; and

(c) that the child's parent, guardian, or custodian and attorney or guardian ad litem may make an initial visit to the secure detention facility or shelter care facility at any time. Subsequent visits by a parent, guardian, or custodian may be made on a reasonable basis during visiting hours and by the child's attorney or guardian ad litem at reasonable hours; and

(d) that the child may telephone parents and an attorney or guardian ad litem from the secure detention facility or shelter care facility immediately after being admitted to the facility and thereafter on a reasonable basis to be determined by the director of the facility; and

(e) that the child may not be detained for acts as defined in section 260.015, subdivision 5, at a secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and

(f) that the child may not be detained pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), at a shelter care facility longer than 72 hours, excluding Saturdays, Sundays and holidays, unless a petition has been filed within that time and the court orders the child's continued detention, pursuant to section 260.172; and

(g) of the date, time, and place of the detention hearing; and

(h) that the child and the child's parent, guardian, or custodian have the right to be present and to be represented by counsel at the detention hearing, and that if they cannot afford counsel, counsel will be appointed at public expense for the child, if it is a delinquency matter, or for any party, if it is a ~~dependency, neglect~~ *child in need of protection or services*, neglected and in foster care, or termination of parental rights matter.

Sec. 24. Minnesota Statutes 1986, section 260.172, subdivision 1, is amended to read:

Subdivision 1. Except a child taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), a hearing shall be held within 36 hours of a child's being taken into custody, excluding Saturdays, Sundays and holidays, to determine whether the child should continue in detention. Within 72 hours of a child being taken into custody pursuant to section 260.165, subdivision 1, clause (a) or (c)(2), excluding Saturdays, Sundays and holidays, a hearing shall be held to determine whether the child should continue in custody. Unless there is reason to believe that the child would endanger self or others, not return for a court hearing, *run away from the child's parent, guardian, or custodian or otherwise* not remain in the care or control of the person to whose lawful custody the child is released, or

that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian or other suitable person.

Sec. 25. Minnesota Statutes 1986, section 260.173, subdivision 3, is amended to read:

Subd. 3. [PLACEMENT.] If the child had been taken into custody and detained as one who is alleged to be delinquent, a ~~habitual truant, a runaway in need of protection or services under section 3, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender~~ by reason of:

(a) Having committed an offense which would not constitute a violation of a state law or local ordinance if the child were an adult; or

(b) Having been previously adjudicated delinquent, ~~habitually truant, a runaway in need of protection or services under section 3, clause (11) or (12), or a juvenile petty offender, or a juvenile alcohol or controlled substance offender,~~ or conditionally released by the juvenile court without adjudication, has violated probation, parole, or other field supervision under which the child had been placed as a result of behavior described in this subdivision; the child may be placed only in a shelter care facility.

Sec. 26. Minnesota Statutes 1986, section 260.181, subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] The court may dismiss the petition or otherwise terminate its jurisdiction on its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, *and except as otherwise provided in this subdivision*, the jurisdiction of the court shall continue until the individual becomes 19 years of age if the court determines it is in the best interest of the individual to do so. *Court jurisdiction under section 3, clause (12), may not continue past the child's 17th birthday.*

Sec. 27. Minnesota Statutes 1986, section 260.191, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITIONS.] (a) If the court finds that the child is ~~neglected, dependent, in need of protection or services~~ or neglected and in foster care, it shall enter an order making any of the following dispositions of the case:

(a) (1) place the child under the protective supervision of the county welfare board or child placing agency in the child's own home under conditions prescribed by the court directed to the correction of the ~~neglect or dependency of the child~~ *child's need for protection or services*;

(b) (2) transfer legal custody to one of the following:

(1) (i) a child placing agency; or

(2) (ii) the county welfare board.

In placing a child whose custody has been transferred under this paragraph, the agency and board shall follow the order of preference stated in section 260.181, subdivision 3;

(c) (3) if the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to

provide this treatment or care, the court may order it provided. If the court's order for mental health treatment is based on a diagnosis made by a treatment professional, the court may order that the diagnosing professional not provide the treatment to the child if it finds that such an order is in the child's best interests; or

(4) if the court believes that the child has sufficient maturity and judgment and that it is in the best interests of the child, the court may order a child 16 years old or older to be allowed to live independently, either alone or with others as approved by the court under supervision the court considers appropriate, if the county board has specifically authorized this dispositional alternative for a child whose parent, guardian, or custodian resides in that county.

(b) If the child was adjudicated in need of protection or services because the child is a runaway or habitual truant, the court may order any of the following dispositions in addition to or as alternatives to the dispositions authorized under paragraph (a):

(1) counsel the child or the child's parents, guardian, or custodian;

(2) place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court, including reasonable rules for the child's conduct and the conduct of the parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child; or with the consent of the commissioner of corrections, place the child in a group foster care facility which is under the commissioner's management and supervision;

(3) subject to the court's supervision, transfer legal custody of the child to one of the following:

(i) a reputable person of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(ii) a county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(4) require the child to pay a fine of up to \$100. The court shall order payment of the fine in a manner that will not impose undue financial hardship upon the child;

(5) require the child to participate in a community service project;

(6) order the child to undergo a chemical dependency evaluation and, if warranted by the evaluation, order participation by the child in a drug awareness program or an inpatient or outpatient chemical dependency treatment program;

(7) if the court believes that it is in the best interests of the child and of public safety that the child's driver's license be canceled, the court may recommend to the commissioner of public safety that the child's license be canceled for any period up to the child's 18th birthday. The commissioner is authorized to cancel the license without a hearing. At any time before the expiration of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize; or

(8) require the child to perform any other activities or participate in

any other treatment programs deemed appropriate by the court.

Sec. 28. Minnesota Statutes 1986, section 260.191, is amended by adding a subdivision to read:

*Subd. 1e. [CASE PLAN.] For each disposition ordered, the court shall order the appropriate agency to prepare a written case plan developed after consultation with and participation by the child and the child's parent, guardian, or custodian. The case plan shall comply with the requirements of section 257.071, where applicable. The case plan shall, among other matters, specify the actions to be taken by the child and the child's parent, guardian, or custodian to comply with the court's disposition order, and the services to be offered and provided by the agency to the child and the child's parent, guardian, or custodian. The court shall review the case plan and, upon approving it, incorporate the plan into its disposition order. The court may review and modify the terms of the case plan in the manner provided in subdivision 2.*

Sec. 29. Minnesota Statutes 1986, section 260.191, subdivision 4, is amended to read:

*Subd. 4. When it is in the best interests of the child or the child's parents to do so and when either the allegations contained in the petition have been admitted, or when a hearing has been held as provided in section 260.155 and the allegations contained in the petition have been duly proven, before a finding of ~~neglect or dependency~~ need for protection or services or a finding that a child is neglected and in foster care has been entered the court may continue the case for a period not to exceed 90 days on any one order. Such a continuance may be extended for one additional successive period not to exceed 90 days and only after the court has reviewed the case and entered its order for an additional continuance without a finding that the child is ~~neglected, dependent, in need of protection or services~~ or neglected and in foster care. During this continuance the court may enter any order otherwise permitted under the provisions of this section.*

Sec. 30. Minnesota Statutes 1986, section 260.195, is amended to read:

**260.195 [JUVENILE ALCOHOL OR CONTROLLED SUBSTANCE OFFENDER PETTY OFFENDERS; PROCEDURES; DISPOSITIONS.]**

*Subdivision 1. [ADJUDICATION.] A petty offender who has committed a juvenile alcohol or controlled substance offender offense shall be adjudicated a "juvenile alcohol petty offender or juvenile controlled substance offender," and shall not be adjudicated delinquent, unless, as in the case of any other child alleged to be delinquent, a petition is filed in the manner provided in section 260.131, summons issued, notice given, a hearing held, and the court finds as a further fact that the child is also delinquent within the meaning and purpose of the laws related to juvenile courts.*

*Subd. 2. [PROCEDURE.] When a peace officer has probable cause to believe that a child is a juvenile alcohol or controlled substance petty offender, the officer may issue a notice to the child to appear in juvenile court in the county in which the alleged violation occurred. The officer shall file a copy of the notice to appear with the juvenile court of the county in which the alleged violation occurred. Filing with the court a notice to appear containing the name and address of the child who is alleged to be a juvenile alcohol or controlled substance petty offender, specifying the offense charged, and the time and place of the alleged violation has the effect of a petition giving the juvenile court jurisdiction. Any reputable*



person having knowledge that a child is a ~~juvenile alcohol or controlled substance~~ *petty* offender may petition the juvenile court in the manner provided in section 260.131. Whenever a notice to appear or petition is filed alleging that a child is a ~~juvenile alcohol or controlled substance~~ *petty* offender, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense charged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1. If a child fails to appear in response to the notice provided by this subdivision, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Subd. 3. [DISPOSITIONS.] If the juvenile court finds that a child is a ~~juvenile alcohol or controlled substance~~ *petty* offender, the court may require the child to:

- (a) Pay a fine of up to \$100;
- (b) Participate in a community service project;
- (c) Participate in a drug awareness program; or
- (d) Order the child to undergo a chemical dependency evaluation and if warranted by this evaluation, order participation by the child in an inpatient or outpatient chemical dependency treatment program; or
- (e) Perform any other activities or participate in any other treatment programs deemed appropriate by the court.

In all cases where the juvenile court finds that a child has purchased or attempted to purchase an alcoholic beverage in violation of section 340.731, if the child has a driver's license or permit to drive, and if the child used a driver's license or permit to purchase or attempt to purchase the alcoholic beverage, the court shall forward its finding in the case and the child's driver's license or permit to the commissioner of public safety. Upon receipt, the commissioner shall revoke the child's license or permit for a period of 30 days.

None of the dispositional alternatives described in clauses (a) to (e) shall be imposed by the court in a manner which would cause an undue hardship upon the child.

Subd. 4. [ALTERNATIVE DISPOSITION.] In addition to dispositional alternatives authorized by subdivision 3, in the case of a third or subsequent finding by the court pursuant to an admission in court or after trial that a child ~~is~~ *has committed* a juvenile alcohol or controlled substance ~~offender~~ *offense*, the juvenile court shall order a chemical dependency evaluation of the child and if warranted by the evaluation, the court may order participation by the child in an inpatient or outpatient chemical dependency treatment program, or any other treatment deemed appropriate by the court.

Subd. 5. [FINDINGS REQUIRED.] Any order for disposition authorized by this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

- (a) Why the best interests of the child are served by the disposition ordered; and
- (b) What alternative dispositions were considered by the court and why

they were not appropriate in the instant case.

Subd. 6. [REPORT.] The juvenile court shall report to the office of state court administrator each disposition made under this section and sections 260.185, 260.191, and 260.192, and ~~260.194~~ where placement is made outside of this state's jurisdictional boundaries. Each report shall contain information as to date of placement, length of anticipated placement, program costs, reasons for out of state placement, and any other information as the office requires to determine the number of out of state placements, the reasons for these placements, and the costs involved. The report shall not contain the name of the child. Any information contained in the reports relating to factors identifying a particular child is confidential and may be disclosed only by order of the juvenile court. Any person violating this subdivision as to release of this confidential information is guilty of a misdemeanor.

Subd. 7. [EXPUNGEMENT.] The court may expunge the adjudication of a child as a ~~juvenile alcohol or controlled substance~~ petty offender at any time it deems advisable.

Sec. 31. Minnesota Statutes 1987 Supplement, section 260.221, is amended to read:

260.221 [GROUNDS FOR TERMINATION OF PARENTAL RIGHTS.]

The juvenile court may, upon petition, terminate all rights of a parent to a child in the following cases:

(a) With the written consent of a parent who for good cause desires to terminate parental rights; or

(b) If it finds that one or more of the following conditions exist:

(1) That the parent has abandoned the child; or

(2) That the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able; or

(3) That a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth; or

(4) That a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be permanently detrimental to the physical or mental health of the child; or

(5) That following upon a determination of ~~neglect or dependency~~ *a child's need for protection or services*, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the determination; or

(6) That in the case of a child born to a mother who was not married to

the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.26 and either the person has not filed a notice of intent to retain parental rights under section 259.261 or that the notice has been successfully challenged; or

(7) That the child is neglected and in foster care.

For purposes of clause (a), an adoptive parent may not terminate parental rights to an adopted child for a reason that would not apply to a birth parent seeking termination of parental rights to a child under clause (a).

Sec. 32. Minnesota Statutes 1986, section 260.235, is amended to read:

260.235 [DISPOSITION; PARENTAL RIGHTS NOT TERMINATED.]

If, after a hearing, the court does not terminate parental rights but determines that ~~conditions of neglect or dependency exist~~ *the child is in need of protection or services*, or that the child is neglected and in foster care, the court may find the child ~~neglected, dependent, is in need of protection or services~~ or neglected and in foster care and may enter an order in accordance with the provisions of section 260.191.

Sec. 33. Minnesota Statutes 1986, section 260.255, is amended to read:

260.255 [JURISDICTION OVER PERSONS CONTRIBUTING TO DELINQUENCY OR ~~NEGLECT~~ *NEED FOR PROTECTION OR SERVICES*; COURT ORDERS.]

Subdivision 1. The juvenile court has jurisdiction over persons contributing to the delinquency or ~~neglect~~ *need for protection or services* of a child under the provisions of subdivision 2 or 3.

Subd. 2. If in the hearing of a case of a child alleged to be delinquent or ~~neglected in need of protection or services~~ it appears by a fair preponderance of the evidence that any person has violated the provisions of section 260.315, the court may make any of the following orders:

(a) Restrain the person from any further act or omission in violation of section 260.315; or

(b) Prohibit the person from associating or communicating in any manner with the child; or

(c) Provide for the maintenance or care of the child, if the person is responsible for such, and direct when, how, and where money for such maintenance or care shall be paid.

Subd. 3. Before making any order under subdivision 2 the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the charges made against the person and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court.

Sec. 34. Minnesota Statutes 1986, section 260.291, subdivision 1, is amended to read:

Subdivision 1. [PERSONS ENTITLED TO APPEAL; PROCEDURE.] An appeal may be taken by the aggrieved person from a final order affecting a substantial right of the aggrieved person, including but not limited to an order adjudging a child to be ~~dependent, neglected in need of protection~~

or services, neglected and in foster care, delinquent, or a juvenile traffic offender. The appeal shall be taken within 30 days of the filing of the appealable order. The court administrator shall notify the person having legal custody of the minor of the appeal. Failure to notify the person having legal custody of the minor shall not affect the jurisdiction of the appellate court. The order of the juvenile court shall stand, pending the determination of the appeal, but the reviewing court may in its discretion and upon application stay the order.

Sec. 35. Minnesota Statutes 1986, section 260.301, is amended to read:  
260.301 [CONTEMPT.]

Any person knowingly interfering with an order of the juvenile court is in contempt of court. *However, a child who is under the continuing jurisdiction of the court for reasons other than delinquency may not be adjudicated as a delinquent solely on the basis of having knowingly interfered with or disobeyed an order of the court.*

Sec. 36. Minnesota Statutes 1986, section 260.315, is amended to read:

260.315 [CONTRIBUTING TO ~~NEGLECT~~ NEED FOR PROTECTION OR SERVICES OR DELINQUENCY.]

Any person who by act, word or omission encourages, causes or contributes to the ~~neglect need for protection or services~~ or delinquency of a child, or to a child's status as a ~~habitual truant, runaway, juvenile petty offender, juvenile alcohol offender, or juvenile controlled substance offender,~~ is guilty of a misdemeanor.

Sec. 37. Minnesota Statutes 1986, section 260.35, is amended to read:  
260.35 [TESTS, EXAMINATIONS.]

Thereafter it shall be the duty of the commissioner of human services through the bureau of child welfare and county welfare boards to arrange for such tests, examinations, and investigations as are necessary for the proper diagnosis, classification, treatment, care and disposition of the child as necessity and the best interests of the child shall from time to time require. When it appears that a ~~dependent or neglected~~ child *found to be in need of protection or services* is sound of mind, free from disease, and suitable for placement in a foster home for care or adoption, the commissioner may so place the child or delegate such duties to a child-placing agency accredited as provided by law, or authorize the child's care in the county by and under the supervision of the county welfare board.

Sec. 38. Minnesota Statutes 1986, section 260.36, is amended to read:  
260.36 [SPECIAL PROVISIONS IN CERTAIN CASES.]

When the commissioner of human services shall find that a child transferred to the commissioner's guardianship after parental rights to the child are terminated or that a child committed to the commissioner's guardianship as a ~~dependent or neglected~~ child *in need of protection or services* is handicapped physically or whose mentality has not been satisfactorily determined or who is affected by habits, ailments, or handicaps that produce erratic and unstable conduct, and is not suitable or desirable for placement in a home for permanent care or adoption, the commissioner of human services shall make special provision for the child's care and treatment designed to the child, if possible, for such placement or to become self-supporting. The facilities of the commissioner of human services and all

state treatment facilities, the Minnesota general hospital, and the child guidance clinic of its psychopathic department, as well as the facilities available through reputable clinics, private child-caring agencies, and foster boarding homes, accredited as provided by law, may be used as the particular needs of the child may demand. When it appears that the child is suitable for permanent placement or adoption, the commissioner of human services shall cause the child to be placed as provided in section 260.35. If the commissioner of human services is satisfied that the child is mentally retarded the commissioner may bring the child before the probate court of the county where the child is found or the county of the child's legal settlement for examination and commitment as provided by law.

Sec. 39. Minnesota Statutes 1986, section 484.73, subdivision 2, is amended to read:

Subd. 2. [EXCLUSIONS.] Judicial arbitration may not be used to dispose of matters relating to guardianship, conservatorship, or civil commitment, matters within the juvenile court jurisdiction involving ~~neglect, dependency, children in need of protection or services~~ or delinquency, matters involving termination of parental rights under sections 260.221 to 260.245, or matters arising under sections 518B.01, 626.557, or 144.651 to 144.652.

Sec. 40. [REPEALER.]

*Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194, are repealed."*

Delete the title and insert:

"A bill for an act relating to juveniles; eliminating statutory references to "dependency" and "neglect" and substituting the term "child in need of protection or services"; eliminating juvenile court jurisdiction over children who are "habitually disobedient"; transferring alleged truants and runaways to the court's protective services jurisdiction; transferring certain young alleged delinquents to the court's protective services jurisdiction; limiting the duration of the court's continuing jurisdiction over truants; expanding the court's dispositional authority in certain child protection cases; limiting the juvenile court's contempt authority over nondelinquents; amending Minnesota Statutes 1986, sections 242.19, subdivision 2; 260.011, subdivision 2; 260.015, subdivisions 21, 22, 23, and by adding a subdivision; 260.111, subdivisions 1, 3, and by adding a subdivision; 260.121, subdivisions 1 and 2; 260.131, subdivision 1; 260.132, subdivisions 1 and 3; 260.133, subdivision 2; 260.135, subdivisions 1 and 3; 260.155, subdivisions 4 and 4a; 260.171, subdivisions 1 and 4; 260.172, subdivision 1; 260.173, subdivision 3; 260.181, subdivision 4; 260.191, subdivisions 1, 4, and by adding a subdivision; 260.195; 260.235; 260.255; 260.291, subdivision 1; 260.301; 260.315; 260.35; 260.36; and 484.73, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 260.155, subdivision 1; 260.156; and 260.221; repealing Minnesota Statutes 1986, sections 260.015, subdivisions 6 and 10; 260.103; and 260.194."

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. 2496: A bill for an act relating to jobs and training; establishing demonstration projects to create housing for homeless people; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

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 268.0111, is amended by adding a subdivision to read:

*Subd. 4a. [HOMELESS INDIVIDUAL.] "Homeless individual" or "homeless person" means:*

*(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and*

*(2) an individual who has a primary nighttime residence that is:*

*(i) a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations,*

*(ii) an institution that provides a temporary residence for individuals intended to be institutionalized, or*

*(iii) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for humans.*

*The term "homeless individual" does not include any individual imprisoned or otherwise detained pursuant to federal or state law.*

Sec. 2. [268.39] [LIFE SKILLS AND EMPLOYMENT GRANTS.]

*The commissioner may provide grants to organizations for the development and administration of life skills and employment plans for homeless individuals that reside in residential units constructed or rehabilitated under section 3. Grants awarded under this section may also be used for the management of these residential units. The organizations that receive grants under this section must coordinate their efforts with organizations that receive grants under section 3.*

*A life skills and employment plan must be developed for each tenant residing in a dwelling that receives funding under section 3. The plan may include preapprentice and apprenticeship training in the area of housing rehabilitation. If preapprentice and apprenticeship training is part of a plan, the organization must consult with labor organizations experienced in working with apprenticeship programs. The completion or compliance with the individual life skills and employment plan must be required for a tenant to remain in a unit constructed or rehabilitated under section 3.*

*The application for a grant under this section must include a plan that must provide for:*

*(1) training for tenants in areas such as cleaning and maintenance, payment of rent, and roommate skills, and*

*(2) tenant selection and rental policies that ensure rental of units to people who are homeless, if applicable.*

*The applicant must provide a proposed occupancy contract if applicable,*

the name and address of the rental agent if applicable, and other information the commissioner considers necessary with the application.

The commissioner may adopt permanent rules to administer this grant program.

Sec. 3. Minnesota Statutes 1986, section 462A.05, is amended by adding a subdivision to read:

*Subd. 29. [HOUSING GRANTS FOR HOMELESS INDIVIDUALS.] The agency may provide grants to eligible mortgagors for the purpose of purchasing, rehabilitating, and constructing housing for homeless individuals as defined in section 1. The agency may determine the conditions, if any, under which all or a portion of the grant will be repaid and appropriate security, if any, for repayment of the grant. In establishing this grant program, the agency must consult the commissioner of jobs and training. The applicant must consult with advocates for the homeless, representatives from neighborhood groups and representatives of labor organizations in preparing the proposal.*

Grants awarded under this section may not exceed \$25,000 per residential unit. Priority must be given to viable proposals with the lowest total cost. Applicants must consider the use of donated or leased, abandoned or empty dwellings owned by a public entity including, but not limited to, a housing redevelopment authority, community development authority, public housing authority, the federal Department of Housing and Urban Development or the Farmers Home Administration. Any residential unit purchased, rehabilitated or constructed under this section must be allocated in the following order:

- (1) homeless families with at least one dependent,
- (2) other homeless individuals,
- (3) other very low income families or individuals whose incomes are equal to or less than 30 percent of the median income for the Minneapolis St. Paul metropolitan area, and
- (4) families or individuals that receive public assistance and do not qualify in any other priority group.

Proposals must include a plan for (a) maintaining the ownership of the property and managing the dwelling for rental to homeless individuals and families and very low income families; (b) selling rehabilitated dwellings to homeless individuals and families or very low income families; or (c) selling, leasing or conveying to organizations that will manage the dwelling for rental to homeless individuals and families and very low income families. These organizations may include organizations awarded grants under section 2.

Eligible mortgagors must demonstrate that the grants awarded under this section will not exceed 50 percent of the project's total cost. A project's total cost includes, but is not limited to, acquisition costs, rehabilitation costs and related costs. In cases where the property is donated, the acquisition costs are the pre-rehabilitated estimated market value as established for property tax purposes. Donated property may be used to satisfy the match requirement.

Sec. 4. Minnesota Statutes 1986, section 462A.21, is amended by adding a subdivision to read:

*Subd. 14. It may make housing grants for homeless individuals as provided in section 3 and may pay the costs and expenses for the development and operation of the program.*

**Sec. 5. [APPROPRIATION.]**

*(a) \$ . . . . . is appropriated from the general fund to the commissioner of jobs and training for grants awarded under section 2.*

*(b) \$ . . . . . is appropriated from the general fund to the housing development fund established in section 462A.20 for grants awarded under section 3."*

Delete the title and insert:

"A bill for an act relating to jobs and training; establishing grant programs for housing for homeless persons; appropriating money; amending Minnesota Statutes 1986, sections 268.0111, by adding a subdivision; 462A.05, by adding a subdivision; and 462A.21, by adding a subdivision; and proposing coding for new law in Minnesota Statutes, chapter 268."

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

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

S.F. No. 752: A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19; 151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.06, subdivision 2a; 151.11; 151.28; and 151.31.

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 151.01, subdivision 2, is amended to read:

**Subd. 2. [PHARMACY.]** The term "pharmacy" means a drug store or other established place regularly registered by the state board of pharmacy, in which prescriptions, drugs, medicines, chemicals, and poisons are compounded, dispensed, vended, or sold at retail "Pharmacy" means an established place of business in which prescriptions, drugs, medicines, chemicals, and poisons are prepared, compounded, dispensed, vended, or sold to or for the use of patients and from which related clinical pharmacy services are delivered.

Sec. 2. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

**Subd. 27. [PRACTICE OF PHARMACY.]** "Practice of pharmacy" means (1) the interpretation and evaluation of prescriptions or drug orders; (2) the compounding, dispensing, or labeling of drugs and devices (except



labeling by a manufacturer or packager of nonprescription drugs or commercially packaged legend drugs and devices); (3) the participation in clinical interpretations of drug therapy for assurance of safe and effective use of drugs; (4) participation in drug selection and drug utilization reviews; (5) participation in the storage of drugs and the maintenance of records therefor; (6) the responsibility for advising on therapeutic values, content, hazards and uses of drugs and devices; and (7) the offering or performing of those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of a pharmacy.

Sec. 3. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

*Subd. 28. [DEVICE.] "Device" means an instrument, apparatus, implement, machine, contrivance, implant, in-vitro reagent, or other similar or related article including a component, part, or accessory, that is:*

*(1) recognized in the official National Formulary or the U.S.P. or any supplement to them;*

*(2) intended for use in the diagnosis of disease or other conditions, or in the cure, mitigation, treatment, or prevention of disease in man or other animals;*

*(3) intended to affect the structure or function of the body of man or other animals, and that does not achieve any of its principal intended purposes through chemical action within or on the body of man or other animals and is not dependent upon being metabolized for the achievement of any of its principal intended purposes; or*

*(4) restricted under federal law to sale by or on the order of a licensed practitioner.*

Sec. 4. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

*Subd. 29. [VETERINARY LEGEND DRUG.] "Veterinary legend drug" means a drug that is required by federal law to bear the following statement: "Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian."*

Sec. 5. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

*Subd. 30. [LEGEND MEDICAL GAS.] "Legend medical gas" means a liquid or gaseous substance used for medical purposes and that is required by federal law to bear the following statement: "Caution: Federal law prohibits dispensing without a prescription."*

Sec. 6. Minnesota Statutes 1986, section 151.01, is amended by adding a subdivision to read:

*Subd. 31. [DISPENSE.] "Dispense or dispensing" means the preparation or delivery of a drug pursuant to a lawful order of a practitioner in a suitable container appropriately labeled for subsequent administration to or use by a patient or other individual entitled to receive the drug.*

Sec. 7. Minnesota Statutes 1986, section 151.04, is amended to read:

151.04 [RECOMMENDED NAMES.]

The Minnesota state pharmaceutical association *and the Minnesota society of hospital pharmacists* may jointly recommend five names for each pharmacist to be appointed.

Sec. 8. Minnesota Statutes 1986, section 151.06, subdivision 1, is amended to read:

Subdivision 1. (a) [POWERS AND DUTIES.] The board of pharmacy shall have the power and it shall be its duty:

(1) to regulate the practice of pharmacy;

(2) to regulate the manufacture, wholesale, and retail sale of drugs ~~or medicines and medical devices~~ within this state;

(3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States pharmacopoeia and the national formulary, or any revisions thereof, or standards adopted under the federal act as the standard;

(4) ~~It may, by its duly authorized representative,~~ to enter and inspect ~~by its authorized representative~~ any and all places where drugs ~~or~~ medicines, ~~medical devices, medical gases, or veterinary drugs or devices~~ are sold, vended, given away, compounded, dispensed, manufactured, whole-saled or held; it may secure samples or specimens of any ~~drug or medicine~~ drugs, medicines, medical devices, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of ~~drugs or medicines~~ these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;

(5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;

(6) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:

~~(a)~~ (i) fraud or deception in connection with the securing of such license or registration;

~~(b)~~ (ii) in the case of a pharmacist, conviction in any court of a felony;

~~(c)~~ (iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;

~~(d)~~ (iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;

~~(e)~~ (v) unprofessional conduct or conduct endangering public health;

~~(f)~~ (vi) gross immorality;

~~(g)~~ (vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;

~~(h)~~ (viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;

~~(i)~~ (ix) violation of any of the provisions of this chapter or any of the rules of the state board of pharmacy;

⊕ (x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;

⊕ (xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy; or

(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state;

(7) to employ necessary assistants and make rules for the conduct of its business; and

(8) to perform such other duties and exercise such other powers as the provisions of the act may require;.

(b) [TEMPORARY SUSPENSION.] *In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the administrative procedure act. The pharmacist shall be provided with at least 20 days notice of any hearing held under this subdivision.*

⊕ (c) [RULES.] For the purposes aforesaid it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter.

#### Sec. 9. [151.09] [INACTIVE STATUS LICENSE.]

*The board may, by rule, establish standards for an inactive status of licensure for previously licensed pharmacists who have retired from active practice, have left the state, or have otherwise ceased to be actively engaged in the practice of pharmacy in this state.*

Sec. 10. Minnesota Statutes 1986, section 151.101, is amended to read:

#### 151.101 [INTERNSHIP]

The board may license as an intern any natural persons who have satisfied the board that they are of good moral character, not physically or mentally unfit, and who have successfully completed the educational requirements for intern licensure prescribed by the board. The board shall prescribe standards and requirements for *interns, pharmacist-preceptors, and internship training* but may not require more than one year of such training.

The board in its discretion may accept internship experience obtained in another state provided the internship requirements in such other state are in the opinion of the board equivalent to those herein provided.

Sec. 11. Minnesota Statutes 1986, section 151.15, is amended to read:

#### 151.15 [COMPOUNDING DRUGS UNLAWFUL UNDER CERTAIN CONDITIONS.]

*Subdivision 1. [LOCATION.] It shall be unlawful for any person to compound, dispense, vend, or sell at ~~retail~~, drugs, medicines, chemicals, or poisons in any place other than a pharmacy, except as provided in this chapter.*

*Subd. 2. [PROPRIETORS OF PHARMACIES.]* No proprietor of a pharmacy shall permit the compounding or dispensing of prescriptions except by a pharmacist, ~~or by an assistant pharmacist,~~ or by a pharmacist intern under the personal supervision of a pharmacist; or the vending or selling ~~at retail~~ of drugs, medicines, chemicals, or poisons in the proprietor's pharmacy except under the personal supervision of a pharmacist ~~or of an assistant pharmacist in the temporary absence of the pharmacist.~~

*Subd. 3. [UNLICENSED PERSONS; VETERINARY LEGEND DRUGS.]* *It shall be unlawful for any person other than a licensed veterinarian or pharmacist to compound or dispense veterinary legend drugs except as provided in this chapter.*

*Subd. 4. [UNLICENSED PERSONS; LEGEND DRUGS.]* *It shall be unlawful for any person other than a licensed practitioner or pharmacist to compound or dispense legend drugs except as provided in this chapter.*

Sec. 12. Minnesota Statutes 1986, section 151.19, is amended to read:

151.19 [REGISTRATION OF PHARMACIES; LICENSE, FEE; FEES.]

*Subdivision 1. [PHARMACY REGISTRATION.]* The board shall require and provide for the annual registration of every pharmacy now or hereafter doing business within this state. Upon the payment of a fee to be set by the board, the board shall issue a ~~license~~ registration certificate in such form as it may prescribe to such persons as may be qualified by law to conduct a pharmacy. Such ~~license~~ certificate shall be ~~exposed~~ displayed in a conspicuous place in the pharmacy for which it is issued and expire on the thirtieth day of June following the date of issue. It shall be unlawful for any person to conduct a pharmacy unless such ~~license~~ certificate has been issued to the person by the board.

*Subd. 2. [NONRESIDENT PHARMACIES.]* *The board shall require and provide for an annual nonresident special pharmacy registration for all pharmacies located outside of this state that regularly dispense medications for Minnesota residents and mail, ship, or deliver prescription medications into this state. Nonresident special pharmacy registration shall be granted by the board upon the disclosure and certification by a pharmacy:*

*(1) that it is licensed in the state in which the dispensing facility is located and from which the drugs are dispensed;*

*(2) the location, names, and titles of all principal corporate officers and all pharmacists who are dispensing drugs to residents of this state;*

*(3) that it complies with all lawful directions and requests for information from the board of pharmacy of all states in which it is licensed or registered, except that it shall respond directly to all communications from the board concerning emergency circumstances arising from the dispensing of drugs to residents of this state;*

*(4) that it maintains its records of drugs dispensed to residents of this state so that the records are readily retrievable from the records of other drugs dispensed;*

*(5) that it cooperates with the board in providing information to the board of pharmacy of the state in which it is licensed concerning matters related to the dispensing of drugs to residents of this state; and*

*(6) that during its regular hours of operation, but not less than six days per week, for a minimum of 40 hours per week, a toll-free telephone service*

is provided to facilitate communication between patients in this state and a pharmacist at the pharmacy who has access to the patients' records; the toll-free number must be disclosed on the label affixed to each container of drugs dispensed to residents of this state.

*Subd. 3. [SALE OF OTHER DRUGS AND DEVICES.] The board shall require and provide for the annual registration of every person or establishment not licensed as a pharmacy or a practitioner engaged in the retail sale or distribution of federally restricted medical devices or medical gases, or of veterinary drugs or devices. Upon the payment of a fee to be set by the board, the board shall issue a registration certificate in such form as it may prescribe to those persons or places that may be qualified to sell or distribute these items. The certificate shall be displayed in a conspicuous place in the business for which it is issued and expire on the date set by the board. It is unlawful for a person to sell or distribute these items unless a certificate has been issued to him by the board.*

Sec. 13. Minnesota Statutes 1986, section 151.211, is amended to read:

151.211 [RECORDS OF PRESCRIPTIONS.]

All prescriptions dispensed shall be kept on file in at the ~~pharmacy~~ location in which such dispensing occurred for a period of at least two years. No prescription shall be refilled except with the written or verbal consent of the prescriber; ~~provided that~~. The date of such refill must be recorded and initialed upon the original prescription or within the electronically maintained record of the original prescription by the pharmacist, ~~assistant pharmacist or~~ pharmacist intern, or practitioner who refills the prescription.

Sec. 14. Minnesota Statutes 1986, section 151.212, subdivision 1, is amended to read:

*Subdivision 1. [PRESCRIPTION DRUGS.] Drugs dispensed pursuant to a prescription shall bear a label permanently affixed to the immediate container in which the drug is dispensed and which is received by the purchaser. The label shall bear the name of the manufacturer or distributor of the finished dosage form of the drug and all other information required by law and by rules of the board.*

Sec. 15. Minnesota Statutes 1986, section 151.212, is amended by adding a subdivision to read:

*Subd. 3. [VETERINARY DRUGS.] Drugs dispensed, sold, or distributed in any manner pursuant to the order of a licensed veterinarian shall bear a label permanently affixed to the container in which the drug is dispensed and which is received by the purchaser. The label shall bear the name of the manufacturer or distributor of the finished dosage form of the drug and all other information required by law and the rules of the board.*

Sec. 16. Minnesota Statutes 1986, section 151.25, is amended to read:

151.25 [LICENSURE REGISTRATION OF MANUFACTURERS OR WHOLESALERS; FEE; PROHIBITIONS.]

The board shall require and provide for the annual ~~licensure~~ registration of every person engaged in manufacturing or selling at wholesale drugs, medicines, chemicals or poisons for medicinal purposes, now or hereafter doing business ~~within~~ with accounts in this state. Upon a payment of a fee as set by the board, the board shall issue a ~~license~~ registration certificate

in such form as it may prescribe to such manufacturer or wholesaler. Such ~~license~~ registration certificate shall be ~~exposed~~ displayed in a conspicuous place in such manufacturer's or wholesaler's place of business for which it is issued and expire on the ~~13th day of June following the date of issue date set by the board~~. It shall be unlawful for any person to manufacture or sell at wholesale drugs, medicines, chemicals or poisons for medicinal purposes unless such a ~~license~~ certificate has been issued to the person by the board. It shall be unlawful for any person engaged in the manufacture or selling at wholesale, or the person's agent, to sell legend drugs to other than a pharmacy, except as provided in this chapter.

Sec. 17. Minnesota Statutes 1986, section 151.26, subdivision 1, is amended to read:

Subdivision 1. Nothing in this chapter shall subject a person duly licensed in this state to practice medicine, dentistry, or veterinary medicine, to inspection by the state board of pharmacy, nor prevent ~~such a~~ the person from ~~compounding or using~~ administering drugs, medicines, chemicals, or poisons in the person's practice, nor prevent ~~one a~~ a duly licensed ~~to practice~~ ~~medicine practitioner~~ from furnishing to a patient ~~such properly packaged and labeled~~ drugs, medicines, chemicals, or poisons ~~the licensed person deems proper as may be considered appropriate in the treatment of such patient; unless the person is engaged in the dispensing, sale, or distribution of drugs and the board provides reasonable notice of an inspection.~~

*Except for the provisions of section 151.37, nothing in this chapter applies to or interferes with the dispensing, in its original package and at no charge to the patient, of a legend drug, other than a controlled substance, that was packaged by a manufacturer and provided to the dispenser for distribution as a professional sample.*

Nothing in this chapter shall prevent the sale of drugs, medicines, chemicals, or poisons at wholesale to licensed physicians, dentists and veterinarians for use in their practice, nor to hospitals for use therein.

Nothing in this chapter shall prevent the sale of drugs, chemicals, or poisons either at wholesale or retail for use for commercial purposes, or in the arts, nor interfere with the sale of insecticides, as defined in Minnesota Statutes 1974, section 24.069, and nothing in this chapter shall prevent the sale of common household preparations and other drugs, chemicals, and poisons sold exclusively for use for nonmedicinal purposes.

Nothing in this chapter shall apply to or interfere with the vending or retailing of any nonprescription medicine or drug not otherwise prohibited by statute which is prepackaged, fully prepared by the manufacturer or producer for use by the consumer, and labeled in accordance with the requirements of the state or federal food and drug act; nor to the manufacture, wholesaling, vending, or retailing of flavoring extracts, toilet articles, cosmetics, perfumes, spices, and other commonly used household articles of a chemical nature, for use for nonmedicinal purposes. Nothing in this chapter shall prevent the sale of drugs or medicines by licensed pharmacists at a discount to persons over 65 years of age.

Sec. 18. Minnesota Statutes 1986, section 151.32, is amended to read:  
151.32 [CITATION.]

The title of sections 151.01 to ~~151.32~~ 151.40 shall be the pharmacy law ~~of 1937 practice act of 1988~~.

Sec. 19. Minnesota Statutes 1986, section 151.34, is amended to read:

151.34 [PROHIBITED ACTS.]

It shall be unlawful to:

(1) manufacture, sell or deliver, hold or offer for sale any drug that is adulterated or misbranded;

(2) adulterate or misbrand any drug;

(3) receive in commerce any drug that is adulterated or misbranded, and to deliver or proffer delivery thereof for pay or otherwise;

(4) refuse to permit entry or inspection, or to permit the taking of a sample, or to permit access to or copying of any record as authorized by this chapter;

(5) remove or dispose of a detained or embargoed article in violation of this chapter;

(6) alter, mutilate, destroy, obliterate, or remove the whole or any part of the labeling of, or to do any other act with respect to a drug, if such act is done while such drug is held for sale and results in such drug being adulterated or misbranded;

(7) use for a person's own advantage or to reveal other than to the board or its authorized representative or to the courts when required in any judicial proceeding under this chapter any information acquired under authority of this chapter concerning any method or process which is a trade secret and entitled to protection;

(8) use on the labeling of any drug any representation or suggestion that an application with respect to such drug is effective under the federal act or that such drug complies with such provisions;

(9) in the case of a manufacturer, packer, or distributor offering legend drugs for sale within this state, fail to maintain for transmittal or to transmit, to any practitioner licensed by applicable law to administer such drug who makes written request for information as to such drug, true and correct copies of all printed matter which is required to be included in any package in which that drug is distributed or sold, or such other printed matter as is approved under the federal act. Nothing in this paragraph shall be construed to exempt any person from any labeling requirement imposed by or under provisions of this chapter; ~~or~~

(10) conduct a pharmacy without a pharmacist in charge;

(11) *dispense a legend drug without first obtaining a valid prescription for that drug;*

(12) *conduct a pharmacy without proper registration with the board; or*

(13) *sell at retail federally restricted medical devices, medical gases, or veterinary drugs or devices without proper registration with the board except as provided in this chapter.*

Sec. 20. Minnesota Statutes 1986, section 151.37, is amended to read:

151.37 [LEGEND DRUGS, WHO MAY PRESCRIBE, POSSESS.]

Subdivision 1. Except as otherwise provided in this chapter, it shall be unlawful for any person to have in possession, or to sell, give away, barter, exchange, or distribute a legend drug.

Subd. 2. A licensed practitioner in the course of professional practice only, may prescribe, administer, and dispense a legend drug, ~~or~~ and may cause the same to be administered by a nurse or intern under the practitioner's direction and supervision.

Subd. 3. A licensed doctor of veterinary medicine, in the course of professional practice only and not for use by a human being, may *personally* prescribe, administer, and dispense a legend drug, and may cause the same to be administered *or dispensed* by an assistant under the doctor's direction and supervision.

Subd. 4. Any qualified person may use legend drugs in the course of a bona fide research project, but cannot administer or dispense such drugs to human beings unless such drugs are prescribed, dispensed, and administered by a person lawfully authorized to do so.

Subd. 5. Nothing in this chapter shall prohibit the sale to, or the possession of, a legend drug by licensed drug wholesalers, licensed manufacturers, registered pharmacies, local detoxification centers, licensed hospitals, bona fide hospitals wherein animals are treated, or licensed pharmacists and licensed practitioners while acting within the course of their practice only.

Subd. 6. Nothing in this chapter shall prohibit the possession of a legend drug by *an employee, agent, or sales representative of a registered drug manufacturer, or an employee or agent of a licensed manufacturer, licensed registered drug wholesaler, or registered pharmacy, while acting in the course of employment.*

Subd. 7. Nothing in this chapter shall prohibit the possession of a legend drug by a person for that person's use when it has been dispensed to the person ~~pursuant to~~ *in accordance with* a written or oral prescription by a practitioner.

Subd. 8. It ~~shall be~~ *is* unlawful for ~~any~~ a person to procure, attempt to procure, possess, or control a legend drug by any of the following means:

~~(a)~~ (1) deceit, misrepresentation, or subterfuge;

~~(b)~~ (2) using a false name; *or*

~~(c)~~ (3) falsely assuming the title of, or falsely representing ~~any~~ a person to be a manufacturer, wholesaler, pharmacist, practitioner, or other authorized person for the purpose of obtaining a legend drug.

Subd. 9. Nothing in this chapter shall prohibit the possession of a legend drug by an employee or agent of a registered analytical laboratory while acting in the course of laboratory employment.

## Sec. 21. [REPEALER.]

*Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31, are repealed."*

Delete the title and insert:

"A bill for an act relating to occupations and professions; amending the laws regulating the practice of pharmacy; providing definitions; providing for registration of pharmacies, drug manufacturers, and others; providing for licensing of pharmacists; providing remedies for violations; amending Minnesota Statutes 1986, sections 151.01, subdivision 2, and by adding subdivisions; 151.04; 151.06, subdivision 1; 151.101; 151.15; 151.19;



151.211; 151.212, subdivision 1, and by adding a subdivision; 151.25; 151.26, subdivision 1; 151.32; 151.34; and 151.37; proposing coding for new law in Minnesota Statutes, chapter 151; repealing Minnesota Statutes 1986, sections 151.01, subdivision 4; 151.06, subdivision 2a; 151.11; 151.28; and 151.31."

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. 2365: A bill for an act relating to human services; planning for the Faribault regional center; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 246.

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

Delete everything after the enacting clause and insert:

"Section 1. [246.024] [FARIBAULT REGIONAL CENTER.]

*Subdivision 1. [TASK FORCE.] The director of the state planning agency shall appoint a 13-member task force to develop a plan to expand the use of the Faribault regional center. The task force shall include four community representatives and one representative from each of the following entities: Faribault regional center, Faribault technical institute, Faribault public schools, Academies for the Deaf and Blind, Wilson Center, Rice county, city of Faribault, Rice county district No. 1 hospital, and the department of human services.*

*Subd. 2. [DUTIES OF DIRECTOR.] The director of the state planning agency shall provide a grant for a Faribault community task force to develop a plan for the future use of Faribault regional center. The plan must assess the feasibility of providing educational services, nonresidential services, and care to a number of populations including, but not limited to, adolescents, veterans, and people who have developmental disabilities, chemical dependency, mental illness, or communicable diseases.*

*Subd. 3. [REPORT.] The Faribault community task force must report the plan to the chairs of the health and human services committees of the house of representatives and senate by November 1, 1988. The report must include a list of recommended services to be provided at Faribault regional center and must evaluate each recommendation.*

Sec. 2. [APPROPRIATION.]

*\$75,000 is appropriated from the general fund to the director of the state planning agency for the purposes of section 1 and is available until expended.*

Sec. 3. [EFFECTIVE DATE.]

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

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

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

S.F. No. 2297: A bill for an act relating to health; establishing two studies concerning blood lead levels in American Indian children and in pregnant women; appropriating money.

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

Delete everything after the enacting clause and insert:

**"Section 1. [LEAD CONTAMINATION; DEMONSTRATION PROJECTS.]**

*The department of health shall fund and participate in a two-year demonstration project to be undertaken by an organization serving a population at risk from lead contamination to monitor blood lead levels in pregnant women, provide information to pregnant patients about how to avoid high blood lead levels, and to provide intervention for pregnant patients whose blood lead levels exceed 12 micrograms per deciliter. The purpose of the project is to establish an effective prototype method of monitoring, education, and intervention to prevent or reduce high blood lead levels in pregnant women. By November 1, 1990, the center and the department shall report to the legislature on the outcome of the project.*

*The department shall also fund a project for the purpose of demonstrating the impact on blood lead levels in children of lead cleanup of soil, dust, and interior and exterior paint, and use of educational materials on proper handling of lead paint removal and cleanup. The project must be undertaken by a community based organization and must include:*

*(1) neighborhood involvement and an educational community outreach component;*

*(2) a cost-benefit analysis;*

*(3) planning for a centrally located information and educational center to serve the community; and*

*(4) a final evaluation of the effectiveness of the project based on routes of exposure, statistical design of the project, and geographical distribution. The project must include cleanup of lead contamination in a targeted portion of a neighborhood with known lead contamination. Cleanup includes soil removal and replacement, landscaping, and removal of loose paint. The department shall test children who reside in the project area before cleanup and one year following cleanup for blood lead levels. The evaluation required as part of the project must be presented to the legislature by January 1, 1990.*

**Sec. 2. [APPROPRIATION.]**

*\$99,098 is appropriated from the general fund to the commissioner of health for the maternity care demonstration project on blood lead levels.*

*\$150,000 is appropriated from the general fund to the commissioner of health for the lead contaminated soil and lead paint cleanup demonstration project.*

*The appropriations are available until spent."*

Delete the title and insert:

"A bill for an act relating to health; establishing a demonstration project concerning blood lead levels in pregnant women and a demonstration project on soil lead cleanup; appropriating money."

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

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

S.F. No. 1274: A bill for an act relating to human services; requiring medical assistance payment for personal care attendant services to hospitalized ventilator-dependent recipients; amending Minnesota Statutes 1986, section 256B.02, subdivision 8.

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

Delete everything after the enacting clause and insert:

"Section 1. [256B.64] [ATTENDANTS TO VENTILATOR-DEPENDENT RECIPIENTS.]

*A ventilator-dependent recipient of medical assistance who has been receiving the services of a private duty nurse or personal care assistant in the recipient's home may continue to have a private duty nurse or personal care assistant present upon admission to a hospital licensed under chapter 144. Subject to the patient's rights under section 144.651, the hospital, physicians and hospital staff, consistent with the standards of care in the medical community, shall, while the patient is hospitalized, at all times retain final decision-making authority and otherwise retain responsibility for the care and treatment of the ventilator-dependent patient. The personal care assistant or private duty nurse shall perform the services of communicator or interpreter for the ventilator-dependent patient during a transition period of up to 120 hours to assure adequate training of the hospital staff to communicate with the patient and to understand the unique comfort, safety and personal care needs of the patient. The personal care assistant or private duty nurse may offer nonbinding advice to the health care professionals in charge of the ventilator-dependent patient's care and treatment on matters pertaining to the comfort and safety of the patient. After the 120 hour transition period, an assessment may be made by the ventilator-dependent patient, the attending physician and the patient's primary care nurse to determine whether continued services of communicator or interpreter for the patient by the private duty nurse or personal care assistant are necessary and appropriate for the patient's needs. If continued service is necessary and appropriate, the physician must certify this need to the commissioner of human services in order to continue payments. The commissioner may adopt rules necessary to implement this section.*

Sec. 2. [APPROPRIATION.]

*\$ . . . . . is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1989, to provide reimbursement to the personal care assistants or private duty nurses for their services provided in a hospital under section 1 at the payment rate and in a manner consistent with the payment rate and manner used in reimbursing these providers for home care services for the ventilator-dependent recipient."*

Delete the title and insert:

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

Net Income Per Month of Obligor	Number of Children						
	1	2	3	4	5	6	7 or more
\$400 and Below	Order based on the ability of the obligor to provide support at these income levels, or at higher						

	levels, if the obligor has the earning ability.						
\$401 - 500	14%	17%	20%	22%	24%	26%	28%
\$501 - 550	15%	18%	21%	24%	26%	28%	30%
\$551 - 600	16%	19%	22%	25%	28%	30%	32%
\$601 - 650	17%	21%	24%	27%	29%	32%	34%
\$651 - 700	18%	22%	25%	28%	31%	34%	36%
\$701 - 750	19%	23%	27%	30%	33%	36%	38%
\$751 - 800	20%	24%	28%	31%	35%	38%	40%
\$801 - 850	21%	25%	29%	33%	36%	40%	42%
\$851 - 900	22%	27%	31%	34%	38%	41%	44%
\$901 - 950	23%	28%	32%	36%	40%	43%	46%
\$951 - 1000	24%	29%	34%	38%	41%	45%	48%
\$1001- 4000	25%	30%	35%	39%	43%	47%	50%

Guidelines for support for an obligor with a monthly income of \$4001 or more shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income of \$4000.

Net Income defined as:

Total monthly  
income less

- \*(i) Federal Income Tax
- \*(ii) State Income Tax
- (iii) Social Security  
Deductions
- (iv) Reasonable  
Pension Deductions

\*Standard  
Deductions apply-  
use of tax tables  
recommended

- (v) Union Dues
- (vi) Cost of Dependent  
Insurance Coverage
- (vii) Cost of Individual or Group  
Health/Hospitalization Coverage or an  
Amount for Actual Medical Expenses
- (viii) A Child Support or Maintenance Order  
that is Currently Being Paid.

"Net income" does not include the income of the obligor's spouse.

(b) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support:

(1) all earnings, income, and resources of the parents, including real and personal property;

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved *but recognizing that the parents now have separate households*;

(4) the amount of the aid to families with dependent children grant for the child or children; ~~and~~

(5) *which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it; and*

(6) the parents' debts as provided in paragraph (c).

(c) In establishing or modifying a support obligation, the court may consider debts owed to private creditors *or tax liabilities owed to a unit of government*, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent ~~or~~, for the necessary generation of income, *or to pay past tax liabilities*. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) ~~the either party requesting a departure~~ produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

Any schedule prepared under paragraph (c), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

Any further ~~departure below the guidelines~~ *decrease in child support* that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

Where payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(d) Nothing shall preclude the court from receiving evidence on the above factors to determine if the guidelines should be exceeded or modified in a particular case.

(e) The above guidelines are binding in each case unless the court makes express findings of fact as to the reason for departure below or above the guidelines.

Sec. 2. Minnesota Statutes 1986, section 518.552, subdivision 1, is amended to read:

Subdivision 1. In a proceeding for dissolution of marriage or legal separation, or in a proceeding for maintenance following dissolution of the marriage by a court which lacked personal jurisdiction over the absent spouse and which has since acquired jurisdiction, the court may grant a maintenance order for either spouse if it finds that the spouse seeking maintenance:

(a) lacks sufficient property, including marital property apportioned to the spouse, to provide for reasonable needs of the spouse considering the *duration of the marriage and the standard of living established during the marriage*, especially, but not limited to, a period of training or education, or

(b) is unable to provide adequate self-support, after considering the *duration of the marriage and the standard of living established during the marriage* and all relevant circumstances, through appropriate employment, or is the custodian of a child whose condition or circumstances make it appropriate that the custodian not be required to seek employment outside

the home.

Sec. 3. Minnesota Statutes 1986, section 518.552, subdivision 2, is amended to read:

Subd. 2. The maintenance order shall be in amounts and for periods of time, either temporary or permanent, as the court deems just, without regard to marital misconduct, and after considering all relevant factors, including *the following*:

(a) the financial resources of the party seeking maintenance, including marital property apportioned to the party, and the party's ability to meet needs independently, including the extent to which a provision for support of a child living with the party includes a sum for that party as custodian;

(b) the time necessary to acquire sufficient education or training to enable the party seeking maintenance to find appropriate employment, and the probability, given the party's age and skills, of completing education or training and becoming fully or partially self-supporting;

(c) the standard of living established during the marriage;

(d) the duration of the marriage and, in the case of a homemaker, the length of absence from employment and the extent to which any education, skills, or experience have become outmoded and earning capacity has become permanently diminished;

(e) the loss of earnings, seniority, retirement benefits, and other employment opportunities forgone by the spouse seeking spousal maintenance;

(f) the age, and the physical and emotional condition of the spouse seeking maintenance;

(g) the ability of the spouse from whom maintenance is sought to meet needs while meeting those of the spouse seeking maintenance; and

(h) the contribution of each party in the acquisition, preservation, depreciation, or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker or in furtherance of the other party's employment or business."

Delete the title and insert:

"A bill for an act relating to marriage dissolution; changing certain support and maintenance provisions; amending Minnesota Statutes 1986, sections 518.551, subdivision 5; and 518.552, subdivisions 1 and 2."

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

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

S.F. No. 2263: A bill for an act relating to health; providing a state administered insurance program for persons without health care coverage; requiring premiums on a sliding fee basis; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256H.

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

Delete everything after the enacting clause and insert:

**"Section 1. [256H.01] [DEFINITIONS.]**

*Subdivision 1. [SCOPE.] For the purposes of this chapter, the terms defined in this section have the meanings given them.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of human services.*

*Subd. 3. [ELIGIBLE PERSON.] "Eligible person" means an individual who meets the requirements of section 4 and the rules adopted by the commissioner.*

*Subd. 4. [HEALTH PLAN.] "Health plan" means a health insurance company regulated under chapter 62A, a nonprofit health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D.*

*Subd. 5. [HEALTHSPAN.] "Healthspan" means the health care program for eligible persons administered by the commissioner under this chapter.*

**Sec. 2. [256H.02] [HEALTHSPAN CONTRACTS WITH HEALTH PLANS.]**

*The commissioner shall solicit bids and negotiate and contract with one or more health plans to provide health coverage to persons eligible for healthspan. The commissioner may negotiate separate contracts to cover eligible persons who are in need of, and receive, immediate medical treatment but who are not yet covered by a healthspan health plan. Contracts to manage enrollment and plan selection must be bid or negotiated separately from contracts with health plans. When awarding contracts, the commissioner shall consider the cost of the plans; conversion options relating to the contracts; service capabilities; character, financial position, and reputation of the health plans; and other factors the commissioner considers appropriate. Health plan contracts must be for a term of at least one year but may be made automatically renewable from term to term in the absence of notice of termination by either party. The commissioner shall, to the extent feasible, offer to eligible persons a choice of health plans. The commissioner may offer only one plan in an area of the state if only one acceptable bid exists or if offering more than one would result in substantial, additional administrative costs. Payments from the state to a health plan under this chapter are exempt from the tax imposed by section 60A.15 and are not included in a health plan's premiums for the purposes of assessments under section 62E.11.*

**Sec. 3. [256H.03] [BENEFITS.]**

*Healthspan health plans must provide benefits at least equal to a number two qualified plan as specified in section 62E.06, subdivision 2, or Medicare supplement 1 + coverage as specified in section 62A.32. A healthspan contract must not deny coverage for a preexisting condition. A policy or evidence of coverage issued to an eligible person under this section must contain a detailed statement of benefits offered, including any maximums, limitations, exclusions, and other definitions of benefits the commissioner considers necessary or desirable.*

**Sec. 4. [256H.04] [ELIGIBILITY.]**

*Subdivision 1. [ELIGIBLE PERSONS.] A Minnesota resident is eligible for healthspan if the resident is not covered by a policy, plan, or contract of health coverage regulated under chapter 62A, 62C, or 62D, and is not*



*eligible for medical assistance, general assistance medical care, an employment-based insurance program, or other subsidized health insurance program. Eligible persons who need immediate medical treatment must be covered under the program from the time they first seek treatment. The time, manner, conditions, and terms of eligibility for enrollment in the program shall be determined by the commissioner in rule.*

**Subd. 2. [REDETERMINATION OF ELIGIBILITY AND PREMIUM.]**  
*The commissioner shall redetermine a person's eligibility and share of the premium every six months while the person is enrolled in the program.*

**Sec. 5. [256H.05] [PAYMENT OF PREMIUMS.]**

*An eligible person must pay a portion of the premium for healthspan coverage according to an income based sliding fee scale adopted by the commissioner in rule. The commissioner shall pay the remainder of the premium. A person whose income is greater than 250 percent of the federal poverty income guidelines for a family of the same size must pay the entire premium. Terms of payment of premiums by the commissioner and enrollee must be specified in the contract.*

**Sec. 6. [256H.06] [SOLICITATION OF ELIGIBLE PERSONS.]**

*The commissioner shall disseminate appropriate information to state residents about the existence of the program and how to apply. The commissioner shall devise and implement methods to maintain public awareness of the healthspan program and shall administer this chapter in a manner that facilitates public participation.*

**Sec. 7. [IMPLEMENTATION PLAN; REPORT.]**

*The commissioner, in consultation with the commissioners of health and commerce, shall develop a plan to implement the program. The plan must include at least the following:*

- (1) estimates of the number of people eligible for the program, the expected number of individuals who will enroll, and the costs of the program;*
- (2) a description of benefits to be offered;*
- (3) recommendations for methods to determine eligibility and collect premiums;*
- (4) strategies for contracting and marketing;*
- (5) strategies to preserve and enhance employer participation in the provision of health care coverage;*
- (6) strategies to coordinate or merge the program with health care programs such as general assistance medical care, the university hospital papers program at the University of Minnesota hospitals, Minnesota comprehensive health association, medical assistance, Medicare, the catastrophic health expense protection program, the children's health plan, and other similar programs;*
- (7) timelines for implementing the program, with specific implementation plans for the 1989-1991 biennium;*
- (8) methods of financing the program; and*
- (9) recommendations for legislation to implement the program.*

*The commissioner shall report to the legislature by January 1, 1989,*

on options to implement the program.

Sec. 8. [APPROPRIATION.]

*\$50,000 is appropriated from the general fund to the commissioner of human services to develop the plan and prepare the report required under section 7.*

Sec. 9. [EFFECTIVE DATE.]

*Sections 1 to 6 are effective July 1, 1989. Sections 7 and 8 are effective July 1, 1988."*

Delete the title and insert:

"A bill for an act relating to health; creating a state-administered insurance program for persons without health care coverage; requiring premiums on a sliding fee basis; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 256H."

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

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

S.F. No. 1933: A bill for an act relating to human services; regarding rates for day training and habilitation services; amending Minnesota Statutes 1986, section 256B.501, by adding a subdivision; Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, and by adding subdivisions.

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 252.46, subdivision 5, is amended to read:

Subd. 5. [SUBMITTING RECOMMENDED RATES.] The county board shall submit recommended payment rates to the commissioner on forms supplied by the commissioner ~~by November 1, 1987, and~~ at least 60 days before revised payment rates or payment rates for new vendors are to be effective. The forms must require the county board's written verification of the individual documentation required under section 252.44, clause (a). If the number of days of service provided by a licensed vendor are projected to increase, the county board must recommend payment rates based on the projected increased days of attendance and resulting lower per unit fixed costs. *Recommended increases in payment rates for vendors whose approved payment rates are ten or more than ten percent below the statewide median payment rates must be equal to the maximum increases allowed for that vendor under subdivision 3.* If a vendor provides services at more than one licensed site, the county board may recommend the same payment rates for each site based on the average rate for all sites. The county board may also recommend differing payment rates for each licensed site if it would result in a total annual payment to the vendor that is equal to or less than the total annual payment that would result if the average rates had been used for all sites. For purposes of this subdivision, the average payment rate for all service sites used by a vendor must be computed by adding the

amounts that result when the payment rates for each licensed site are multiplied by the projected annual number of service units to be provided at that site and dividing the sum of those amounts by the total units of service to be provided by the vendor at all sites.

Sec. 2. Minnesota Statutes 1987 Supplement, section 252.46, subdivision 6, is amended to read:

Subd. 6. [VARIANCES.] A variance from the minimum or maximum payment rates in subdivisions 2 and 3 may be granted by the commissioner when the vendor requests and the county board submits to the commissioner a written variance request with the recommended payment rates. *A variance may be utilized for costs associated with compliance with state administrative rules, compliance with court orders, increased insurance costs, start-up and conversion costs for supported employment, direct service staff salaries, and transportation.* The county board shall review all vendors' payment rates that are ~~20 ten or more than ten~~ percent lower than the ~~average rates for the regional development commission district to which the county belongs statewide median~~ payment rates. If the county determines that the payment rates do not provide sufficient revenue to the vendor for authorized service delivery the county must recommend a variance under this section. ~~This review must occur prior to November 1, 1987.~~ When the county board contracts for increased services from any vendor for some or all individuals receiving services from the vendor, the county board shall review the vendor's payment rates to determine whether the increase requires that a variance to the minimum rates be recommended under this section to reflect the vendor's lower per unit fixed costs. The written variance request must include documentation that all the following criteria have been met:

(1) The commissioner and the county board have both conducted a review and have identified a need for a change in the payment rates ~~to change the number of direct service staff or the level of qualifications of the staff.~~

(2) The proposed changes are required for the vendor to deliver authorized individual services in an effective and efficient manner.

(3) The proposed changes ~~are necessary to demonstrate compliance with minimum licensing standards governing minimum staffing ratios and staff qualifications.~~

(4) The vendor documents that the ~~change in staff numbers or qualifications changes~~ cannot be achieved by reallocating current staff or by reallocating financial resources to ~~provide or purchase the necessary services.~~

(5) The county board submits evidence that the need for additional staff cannot be met by using temporary special needs rate exceptions under Minnesota Rules, parts 9510.1020 to 9510.1140.

(6) The county board submits a description of the nature and cost of the proposed changes, ~~and how the county will monitor the use of funds by the vendor to make necessary changes in services. Allowable costs are limited to salaries, related fringe benefits, and payroll taxes.~~

(7) The county board's recommended payment rates do not exceed 125 percent of the ~~average current calendar year's statewide median~~ payment rates in the ~~regional development commission district in which the vendor is located.~~

Sec. 3. Minnesota Statutes 1987 Supplement, section 252.46, is amended

by adding a subdivision to read:

*Subd. 13. [REVIEW AND REVISION OF PROCEDURES FOR RATE EXCEPTIONS FOR VERY DEPENDENT PERSONS WITH SPECIAL NEEDS.] The commissioner shall review the procedures established in Minnesota Rules, parts 9510.1020 to 9510.1140, that counties must follow to seek authorization for a medical assistance rate exception for services for very dependent persons with special needs. The commissioner shall appoint an advisory task force to work with the commissioner. Members of the task force must include vendors, providers, advocates, and consumers. After considering the recommendations of the advisory task force and county rate setting procedures developed under this section, the commissioner shall:*

- (1) revise administrative procedures as necessary;*
- (2) implement new review procedures for county applications for medical assistance rate exceptions for services for very dependent persons with special needs in a manner that accounts for services available to the person within the approved payment rates of the vendor;*
- (3) provide training and technical assistance to vendors, providers, and counties in use of procedures governing medical assistance rate exceptions for very dependent persons with special needs and in county rate setting procedures established under this subdivision; and*
- (4) develop a strategy and implementation plan for uniform data collection for use in establishing equitable payment rates and medical assistance rate exceptions for services provided by vendors.*

Sec. 4. Minnesota Statutes 1987 Supplement, section 252.46, is amended by adding a subdivision to read:

*Subd. 14. [PILOT STUDY.] The commissioner may initiate a pilot payment rate system designed in accordance with section 252.47. The pilot project may include establishment of training and demonstration sites. The pilot payment rate system must include actual transfers of money, not simulated transfers. The pilot payment rate system may involve up to four counties and four vendors representing different geographic regions and rates of reimbursement. Participation in the pilot project must be voluntary. Selection of participants by the commissioner must be based on the vendor's submission of a complete application form provided by the commissioner. The application must include letters of agreement from the host county, counties of financial responsibility, and residential service providers. Evaluation of the pilot project must include consideration of the effectiveness of procedures governing establishment of equitable payment rates. Date of implementation of the pilot payment rate system must be contingent upon federal approval and systems feasibility. The policies and procedures governing administration, participation, evaluation, service utilization, and payment for services under the pilot payment rate system are not subject to the rulemaking requirements of chapter 14.*

Sec. 5. [COMPLEMENT.]

*The approved complement of the department of human services is increased by one full-time equivalent position for purposes of sections 1 to 3. The approved complement of the department of human services is increased by two temporary full-time equivalent positions for purposes of implementing section 4.*

## Sec. 6. [APPROPRIATION.]

*\$ . . . . . is appropriated to the commissioner of human services for the purposes of sections 1 to 5."*

Delete the title and insert:

"A bill for an act relating to human services; revising procedures used for establishing rates for day training and habilitation services for persons with mental retardation or a related condition; authorizing a pilot study; appropriating money; amending Minnesota Statutes 1987 Supplement, section 252.46, subdivisions 5 and 6, and by adding subdivisions."

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

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

S.F. No. 1838: A bill for an act relating to insurance; accident and health; requiring coverage for routine diagnostic procedures for cancer; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Page 1, line 23, delete "*diagnostic*" and insert "*screening*"

Page 1, line 24, delete "*recommended*" and insert "*ordered or performed*" and before the period, insert "*in accordance with the standard practice of medicine*"

Page 1, after line 24, insert:

"Sec. 2. [299F47] [CITATION.]

*Sections 2 to 5 may be cited as the "cigarette fire safety act."*

Sec. 3. [299F48] [FINDINGS AND PURPOSE.]

*The legislature finds and declares that fires ignited by cigarettes and little cigars cause unnecessary personal injuries and death and severe loss of property. The legislature also finds and declares that prohibiting the sale of cigarettes and little cigars that do not meet certain fire safety standards will reduce fires ignited by cigarettes and little cigars.*

Sec. 4. [299F49] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The terms used in sections 2 to 5 have the meanings given them in this section.*

*Subd. 2. [CIGARETTE.] "Cigarette" means any roll of tobacco that may be used for smoking and:*

*(1) that is wrapped in paper or other substance not containing tobacco; or*

*(2) that is wrapped in any substance containing tobacco and that, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette; and*

*(3) the package of which is required to bear a surgeon general's warning pursuant to United States Code, title 15, section 1333.*

*Subd. 3. [LITTLE CIGAR.] "Little cigar" means a roll of tobacco that may be used for smoking, that is wrapped in leaf tobacco or any substance containing tobacco, and that has a weight of not more than three pounds for 1,000 units.*

**Sec. 5. [299F50] [CIGARETTE FIRE SAFETY STANDARDS.]**

*Subdivision 1. [SALE PROHIBITED.] Cigarettes and little cigars not meeting the fire safety standards adopted by the commissioner of public safety may not be sold in this state.*

*Subd. 2. [RULES; CRITERIA.] The commissioner of public safety shall adopt rules specifying fire safety standards for cigarettes and little cigars. The commissioner must adopt rules under this subdivision by July 1, 1990. Any standard adopted by the commissioner under this subdivision may be reconsidered if a federal standard which has gone through inter-laboratory evaluation has been developed.*

*Subd. 3. [EXEMPTION.] A cigarette may be exempted from compliance with this standard if the manufacturer can demonstrate to the commissioner that it is technically not feasible to comply with the standard without exceeding the toxicity of existing commercially available cigarettes.*

**Sec. 6. [EFFECTIVE DATE.]**

*Sections 2 to 4, and 5, subdivisions 2 and 3, are effective July 1, 1988. Section 5, subdivision 1, is effective July 1, 1991."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "establishing the cigarette fire safety act; prohibiting the sale of cigarettes and little cigars that do not meet certain standards for fire safety;"

Page 1, line 5, delete "chapter" and insert "chapters" and before the period, insert "and 299F"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

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.

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

Page 1, line 11, before "If" insert "(a)"

Page 2, line 20, delete "When" and strike "employed by the"

Page 2, line 21, strike "commissioner,"

Page 2, line 25, delete the new language

Page 2, delete lines 26 to 36

Page 3, line 1, delete "employees."

Page 3, line 3, delete the period and insert a semicolon

Page 3, after line 6, insert:

*"(b) The commissioner of employee relations shall place employees transferred to state service under paragraph (a), clause (4), in the proper classifications in the classified service. Each employee is appointed without examination at no loss in salary or accrued vacation or sick leave benefits, but no additional accrual of vacation or sick leave benefits may occur until the employee's total accrued vacation or sick leave benefits fall below the maximum permitted by the state for the employee's position. An employee appointed under paragraph (a), clause (4), shall serve a probationary period of six months. After exhausting labor contract remedies, a noncertified employee may appeal for a hearing within ten days to the commissioner of employee relations, who may uphold the decision, extend the probation period, or certify the employee. The decision of the commissioner of employee relations is final. The state shall negotiate with the exclusive representative for the bargaining unit to which the employees are transferred regarding their seniority."*

Page 7, line 24, after the first comma, insert "paragraph (a),"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2059: A bill for an act relating to state agencies; amending, enacting and repealing certain laws administered by the department of administration; appropriating money; amending Minnesota Statutes 1986, sections 16A.41, subdivision 1; 16B.07, subdivisions 2 and 3; 16B.08, subdivision 4; 16B.09, subdivision 3; 16B.28; 16B.42, subdivision 1; 16B.48, subdivision 2; 16B.54, subdivision 8; 16B.55, subdivisions 3 and 6; 16B.65, subdivision 3; 16B.85; 94.12; 214.07, subdivision 1; and 382.153; Minnesota Statutes 1987 Supplement, sections 16B.09, subdivision 1; 16B.67; 115A.15, subdivision 6; and 168.012, subdivision 1; Laws 1987, chapters 365, section 24; and 404, section 16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1986, sections 15.38; 16B.29; and 214.07, subdivision 2.

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

Page 1, after line 19, insert:

"Section 1. Minnesota Statutes 1986, section 3.9223, subdivision 5, is amended to read:

Subd. 5. [POWERS.] The council shall have power to contract in its own name. Contracts shall be approved by a majority of the members of the council and executed by the chair and the executive director. The council may apply for, receive, and expend in its own name grants and gifts of money consistent with the power and duties specified in this section.

The council shall appoint, subject to the approval of the governor, an executive director who shall be experienced in administrative activities and familiar with the problems and needs of Spanish-speaking people. The council may delegate to the executive director any powers and duties under this section which do not require council approval. The executive director and council staff shall serve in the unclassified service. The executive

director may be removed at any time by a majority vote of the entire council. The executive director shall recommend to the council the appropriate staffing patterns necessary to carry out its duties. The commissioner of administration shall provide the council with necessary administrative services, and the council shall reimburse the commissioner for the cost of these services.

Sec. 2. Minnesota Statutes 1986, section 15.0591, subdivision 2, is amended to read:

Subd. 2. [BODIES AFFECTED.] A member meeting the qualifications in subdivision 1 ~~shall~~ must be appointed to the following boards, commissions, advisory councils, task forces, or committees:

- (1) advisory council on battered women;
- (2) advisory task force on the use of state facilities;
- (3) alcohol and other drug abuse advisory council;
- (4) board for community colleges;
- (5) board of examiners for nursing home administrators;
- (6) (5) board on aging;
- (7) (6) chiropractic examiners board;
- (8) (7) consumer advisory council on vocational rehabilitation;
- (9) (8) council for the handicapped;
- (10) (9) council on affairs of Spanish-speaking people;
- (11) (10) council on black Minnesotans;
- (12) (11) dentistry board;
- (13) (12) department of jobs and training advisory council;
- (14) (13) higher education coordinating board;
- (15) (14) housing finance agency;
- (16) (15) Indian advisory council on chemical dependency;
- (17) (16) medical examiners board;
- (18) (17) medical policy directional task force on mental health;
- (19) (18) Minnesota employment and economic development task force;
- (20) (19) Minnesota office of volunteer services advisory committee;
- (21) (20) Minnesota state arts board;
- (22) (21) mortuary sciences advisory council;
- (23) (22) nursing board;
- (24) (23) optometry board;
- (25) (24) pharmacy board;
- (26) (25) physical therapists council;
- (27) (26) podiatry board;
- (28) (27) psychology board;



(29) (28) veterans advisory committee."

Page 4, after line 19, insert:

"Sec. 10. Minnesota Statutes 1986, section 16B.27, subdivision 3, is amended to read:

Subd. 3. [COUNCIL.] The governor's residence council consists of the following 15 members: the commissioner; the spouse, or a designee of the governor; the executive director of the Minnesota state arts board; the director of the Minnesota historical society; a member of the senate appointed pursuant to the rules of the senate; a member of the house of representatives appointed pursuant to the rules of the house of representatives; seven persons appointed by the governor including one in the field of higher education, one member of the American Society of Interior Designers, Minnesota Chapter, one member of the American Institute of Architects, Minnesota chapter, one member of the American Society of Landscape Architects, Minnesota Chapter, one member of the family that donated the governor's residence to the state, if available, and four public members. Members of the council serve without compensation. Membership terms, removal, and filling of vacancies for members appointed by the governor are governed by section 15.0575. The council shall elect a chair and a secretary from among its members. The council ~~shall~~ *does not* expire ~~on the date provided by section 15.059, subdivision 5.~~"

Page 5, line 4, before "surplus" insert "federal"

Page 5, line 6, after "by" insert "state and"

Page 5, lines 11 and 28, after "warehouse" insert a comma

Page 5, line 19, after the period, insert "*Federal surplus property that has been transferred to the state for donation to public agencies and nonprofit organizations must be transferred or sold in accordance with the plan developed under paragraph (d).*"

Page 5, line 31, after "warehousing" insert a comma

Page 5, after line 32, insert:

*"(d) The commissioner shall develop a detailed plan for disposal of donated federal property in conformance with state law and federal regulations. The plan must be submitted to the governor for certification and submission to the federal administrator of general services."*

Page 6, line 1, delete "A" and insert "The"

Page 6, line 2, delete "created" and insert "a separate fund"

Page 6, line 7, after "acquired" insert a comma and after "warehoused" insert a comma

Page 7, line 4, after "warehousing" insert a comma

Page 7, line 9, after "materials" insert a comma

Page 11, line 11, after "(2)" delete the new language and insert ", or both of them,"

Page 12, line 26, before "A" insert "*(a) The state may self-insure against casualty claims through*"

Page 12, line 27, strike "is created"

Page 13, line 13, delete "(1)" and insert "(b)"

Page 13, line 17, delete "(2)" and insert "(c)"

Page 13, line 19, delete "their" and insert "its"

Page 13, line 21, delete "(3)" and insert "(d)"

Page 13, line 25, delete "(4)" and insert "(e)"

Page 13, line 28, delete "(5)" and insert "(f)"

Page 16, after line 12, insert:

"Sec. 22. Minnesota Statutes 1986, section 136.61, subdivision 1, is amended to read:

Subdivision 1. The state board for community colleges ~~shall consist~~ *consists* of nine members appointed by the governor with the advice and consent of the senate. ~~They shall be selected for their knowledge of, and interest in community colleges of Minnesota.~~ One member shall be a full-time student at a community college at the time of appointment or shall have been a full-time student at a community college within one year before appointment to the state board for community colleges. Other than the student or recent graduate member, at least one member shall be a resident of each congressional district ~~and two members shall be graduates of a community college in this state.~~ *In making appointments to the board, the governor shall recognize the mission of the community college system and attempt to reflect the groups served by the mission.*

Sec. 23. Minnesota Statutes 1986, section 136.622, is amended to read:

136.622 [COMPUTER SALES AND MAINTENANCE TECHNICAL EQUIPMENT.]

*Subdivision 1. [PROPRIETARY PURCHASES.] Technical educational equipment may be procured for the state community colleges on request of the state board for community colleges either by brand designation or in accordance with standards and specifications the board may promulgate, notwithstanding chapter 16B.*

*Subd. 2. [COMPUTER SALES AND SUPPORT.] The state board for community colleges may sell computers and related products to its staff and students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.*

Sec. 24. Minnesota Statutes 1986, section 136.67, subdivision 2, is amended to read:

Subd. 2. The state community college board may establish activity funds, ~~except for dormitory purposes,~~ and imprest cash funds, waive tuition charges, and act as agent and accept the benefits of Public Law Number 88-452, known as the Economic Opportunity Act of 1964, as amended, and Public Law Number 85-864, known as the National Defense Education Act of 1958, as amended, to the same extent and subject to the same conditions as this authority is vested in the state university board. Sections 136.045; 136.142; 136.143; 136.144; 136.171; 136.22; 136.56; 169.966; and 352.01, subdivision 2a, clause (6), also apply to the state community college board and the state community colleges in the same manner as to the state university board and the state universities.

**Sec. 25. [136.89] [NONPROFIT FOUNDATION PAYROLL DEDUCTION.]**

*Subdivision 1. [REQUEST; WARRANT.] The commissioner of finance, upon the written request of an employee of a community college or the state board for community colleges, may deduct from an employee's salary or wages the amount requested for payment to a nonprofit community college foundation meeting the requirements in subdivision 2. The commissioner shall issue a warrant for the deducted amount to the nonprofit foundation.*

*Subd. 2. [FOUNDATION APPLICATION; APPROVAL.] A nonprofit foundation that desires to receive contributions through payroll deductions shall apply to the state board for approval to participate in the payroll deduction plan. The board may approve the application for participation if the foundation:*

*(1) is tax exempt under section 501(c)3 of the Internal Revenue Code of 1986, as amended;*

*(2) qualifies for tax deductible contributions under section 170 of the Internal Revenue Code of 1986, as amended;*

*(3) secures funding solely for distribution to that community college; and*

*(4) has been incorporated according to chapter 317 for at least one calendar year before the date it applies to the state board for community colleges for approval.*

*Subd. 3. [SOLICITATION.] Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section 309.501.*

**Sec. 26. [136.91] [CAPITAL PROJECTS BIDDING PROCEDURES.]**

*In awarding contracts for capital projects under section 16B.09, the state board for community colleges shall consider the documentation provided by the bidders regarding their qualifications, including evidence of having successfully completed similar work, or delivering services or products comparable to that being requested. The board shall set procedures to administer this section, which must include practices that will assist in the economic development of small businesses and small businesses owned and operated by socially or economically disadvantaged persons."*

Page 19, after line 22, insert:

"Sec. 29. Minnesota Statutes 1986, section 268.0122, is amended by adding a subdivision to read:

*Subd. 6. [SALE, PURCHASE REAL PROPERTY.] Notwithstanding sections 16B.24 and 268.026 or chapter 94, the commissioner of administration, in consultation with the commissioner of jobs and training, may sell the economic security building located at 309-311 Second Avenue South, Minneapolis, Minnesota, and may buy other real property in the city of Minneapolis for the purposes of relocating offices of the department of jobs and training to a location more accessible to residents of Minneapolis and of more readily co-locating its offices with those of other social-service agencies. Before offering the property for sale, the commissioner of administration shall have it appraised and may have it surveyed. The cost of the appraisal and any survey must be added to the appraised value of the*

*property. The property may not be sold for less than its appraised value. The proceeds of the sale are appropriated to the commissioner of administration, in consultation with the commissioner of jobs and training, to buy the other property authorized by this subdivision, but the commissioner may not purchase any property for more than its appraised value."*

Pages 20 and 21, delete sections 23 and 24

Page 21, line 8, delete "24" and insert "2" and delete "July 1, 1987" and insert "*the day following final enactment*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "increasing the powers of the state board for community colleges; changing the criteria for board membership;"

Page 1, line 4, delete "appropriating money;" and insert "authorizing the commissioner of jobs and training to sell certain property and to buy other property;"

Page 1, line 5, after "sections" insert "3.9223, subdivision 5; 15.0591, subdivision 2;"

Page 1, line 7, after the first semicolon, insert "16B.27, subdivision 3;"

Page 1, line 10, after the first semicolon, insert "136.61, subdivision 1; 136.622; 136.67, subdivision 2;" and after the second semicolon, insert "268.0122, by adding a subdivision;"

Page 1, line 13, delete "chapters" and insert "chapter"

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

Page 1, line 15, delete "chapter" and insert "chapters" and after "16B" insert "and 136"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2185: A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; appropriating money; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 7; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 349.212, by adding a subdivision; 361.03, subdivision 5; 361.27; and 473.606, subdivision 1; and Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 7 and 10.

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

Delete everything after the enacting clause and insert:

"Section 1. [7.011] [DUTIES.]

*The state treasurer shall receive and account for all money paid into the state treasury and safely keep it until lawfully disbursed and shall have and use a seal.*

**Sec. 2. [7.021] [EMPLOYEES.]**

*The state treasurer may appoint and, at pleasure, remove a deputy treasurer, who shall serve in the unclassified service and perform the duties of the office when the treasurer is absent or disabled. The appointment must be in writing and filed with the secretary of state. The treasurer may also employ other employees in accordance with chapter 43A.*

**Sec. 3. [7.031] [ACCOUNTS; DISBURSEMENTS.]**

*The state treasurer shall keep accurate accounts of receipts and disbursements in accordance with generally accepted accounting principles. The treasurer shall redeem warrants issued by the commissioner of finance and presented to the treasurer for payment. No money may be paid out of the treasury except upon the warrant of the commissioner of finance. Money lawfully deposited in banks is not considered as paid out.*

**Sec. 4. [7.051] [STATEMENTS.]**

*At the close of each business day the state treasurer shall deliver to the commissioner of finance a statement, accounting for all the treasurer's receipts and disbursements during the day in accordance with generally accepted accounting principles, accompanied by all warrants redeemed. The treasurer shall report to the legislature by November 15 of each even-numbered year, and to the governor at the governor's request, the condition of the treasury and of the treasurer's public funds in accordance with generally accepted accounting principles, including receipts and disbursements, balances on hand, and where those balances are deposited.*

**Sec. 5. [7.131] [COLLECTIONS.]**

*The treasurer may require the assistance of the attorney general to facilitate the collection of money that the treasurer is required or authorized to receive and collect. The attorney general may institute suit in the name of the state to enforce collection of the money.*

**Sec. 6. [7.151] [PARTIAL PAYMENTS ACCEPTED.]**

*The treasurer may accept partial payments of money that the treasurer is required or authorized to receive and collect. No partial payment operates as a compromise of the claim covered by the payment, and the unpaid portion remains a claim of the state as fully as if no partial payment had been made.*

**Sec. 7. [7.161] [DISPOSAL OF CERTAIN MONEY.]**

*All money received by the state treasurer in the treasurer's official capacity from persons making payment without disclosing their identities or without direction as to application must be deposited in the state treasury and credited to the general fund. The treasurer shall keep a record of money received and credited under this section, in accordance with generally accepted accounting principles.*

**Sec. 8. [7.171] [REVOLVING FUND.]**

*A revolving fund of \$100,000 must be kept in the state treasurer's office to cash drafts, checks, and state warrants. The treasurer shall keep an accurate daily account of the fund, in accordance with generally accepted*

*accounting principles.*

Sec. 9. Minnesota Statutes 1986, section 11A.20, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION OF STATE TREASURY FUNDS NOT CURRENTLY NEEDED.] *The state treasurer shall report to the commissioner of finance daily, or according to another schedule determined by the commissioner, on the funds in the state treasury together with any other information that the commissioner may prescribe. When there are funds in the state treasury over and above the amount that the commissioner of finance has determined are advised the treasurer is currently needed, the commissioner state treasurer shall certify to the state board the amount thereof of those surplus funds.*

Sec. 10. Minnesota Statutes 1986, section 16A.055, subdivision 1, is amended to read:

Subdivision 1. [LIST.] The commissioner shall:

(1) ~~receive and record all money paid into the state treasury and safely keep it until lawfully paid out~~ *exercise the rights, powers, and duties of the office;*

(2) manage the state's financial affairs;

(3) keep the state's general account books according to generally accepted government accounting principles;

(4) keep expenditure and revenue accounts according to generally accepted government accounting principles;

(5) develop, provide instructions for, prescribe, and manage a state uniform accounting system; and

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles.

Sec. 11. Minnesota Statutes 1987 Supplement, section 16A.275, subdivision 1, is amended to read:

Subdivision 1. [IF \$250, DAILY.] Except as otherwise provided by law, an agency shall deposit receipts totaling \$250 or more ~~in the state treasury with the treasurer~~ daily. The depositing agency shall send a report to the commissioner on the disposition of receipts since the last report. The ~~treasurer and the~~ commissioner shall credit the deposits received during a month to the proper funds not later than the first day of the next month.

Notwithstanding the general rule stated above, the ~~treasurer and~~ commissioner of revenue ~~is are~~ not required to make daily deposits if (1) the volume of tax receipts cannot be processed daily with available resources, or (2) receipts cannot be immediately identified for posting to accounts.

Sec. 12. Minnesota Statutes 1986, section 16A.42, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] If the claim is approved, the commissioner shall complete and sign a warrant in the amount of the claim. *The treasurer shall then accept and make the warrant negotiable by signing it.*

Sec. 13. Minnesota Statutes 1986, section 16A.42, is amended by adding a subdivision to read:

*Subd 3a. [TREASURER'S DESIGNEE.] The treasurer may authorize an assistant to accept a warrant for the treasurer.*

Sec. 14. Minnesota Statutes 1986, section 16A.45, subdivision 2, is amended to read:

Subd. 2. [PRESENTMENT OF CANCELED WARRANT.] When a canceled warrant is presented for payment, it ~~shall~~ *must* be paid by the treasurer and charged by the commissioner to the fund credited with the amount of the canceled warrant.

Sec. 15. Minnesota Statutes 1986, section 16A.47, is amended to read:

16A.47 [COMMISSIONER'S ACCOUNT, DOCUMENT DUTIES ACCOUNTS AND DOCUMENTS.]

The commissioner shall make and keep in the department's office a record of all accounts and documents required by law to be returned to or filed with the commissioner. The commissioner shall file and keep all official receipts and vouchers. *The commissioner shall keep an account with the treasurer. The commissioner shall charge the treasurer for all money paid into the treasury and credit the treasurer for all warrants redeemed by the treasurer and returned to the commissioner.* The commissioner shall also keep an account for each appropriation, showing the disbursements. The commissioner shall keep other accounts needed to show the daily condition of state finances.

Sec. 16. Minnesota Statutes 1986, section 16A.58, is amended to read:

16A.58 [COMMISSIONER CUSTODIAN OF PAYMENT DOCUMENTS.]

The commissioner is the custodian of original documents on which money has been or may be paid ~~out of the state treasury~~ *by the treasurer.*

Sec. 17. Minnesota Statutes 1986, section 16A.672, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The commissioner *and treasurer* may issue, execute, deliver, register, and pay bonds and certificates of indebtedness in the form and manner provided in this section, when authorized under section 16A.641 or 16A.671.

Sec. 18. Minnesota Statutes 1986, section 16A.672, subdivision 2, is amended to read:

Subd. 2. [APPLICATION OF COMMERCIAL CODE.] All bonds and certificates are securities under sections 336.8-101 to 336.8-408. The commissioner *and treasurer* may do for the state whatever may or must be done under those sections to comply with the orders authorizing them. The bonds or certificates may be issued:

(1) in one or more denominations;

(2) in bearer form, with interest coupons attached; and

(3) with provision for registration as to principal only; or

(4) in fully registered form; and

(5) with provision for registration of conversion and exchange of forms and denominations, transfer of ownership, and replacement of lost or damaged bonds.

Sec. 19. Minnesota Statutes 1986, section 16A.672, subdivision 3, is amended to read:

Subd. 3. [PREPARATION AND EXECUTION.] (a) Bonds and certificates of indebtedness may be printed or otherwise reproduced in the style and form the commissioner prescribes. They may state in a general way the purpose for which they are issued and the security provided for their payment or may incorporate the authorizing order by reference.

(b) They must be executed by the commissioner *and the treasurer* under ~~the commissioner's~~ *their* official ~~seal seals~~. The ~~signature~~ *signatures and seals* may be a reproduced ~~facsimile~~ *facsimiles*, but no bond or certificate is valid for any purpose unless it is manually signed on its face by the commissioner *or treasurer* or by a duly authorized representative of a bank or trust company named by the commissioner as an agent of the state to authenticate it.

Sec. 20. Minnesota Statutes 1986, section 69.031, is amended by adding a subdivision to read:

Subd. 2a. [PAYMENT.] *The state treasurer shall, upon presentation of the warrant of the commissioner of finance as provided for in this section, pay out of the general fund of the state the amount of the warrant to the auditor of the county presenting the warrant.*

Sec. 21. Minnesota Statutes 1986, section 268.05, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER OF FINANCE STATE TREASURER TO BE CUSTODIAN; SEPARATE ACCOUNTS; BONDS.] The ~~commissioner of finance~~ *state treasurer* shall be ex officio the treasurer and custodian of the fund, administer the fund in accordance with the directions of the commissioner, and issue warrants upon it in accordance with such rules as the commissioner shall prescribe. The ~~commissioner of finance~~ *treasurer* shall maintain within the fund three separate accounts:

- (1) a clearing account;
- (2) an unemployment trust fund account; and
- (3) a benefit account.

All money payable to the fund, upon receipt thereof by the commissioner, shall be forwarded to the ~~commissioner of finance~~ *treasurer*, who shall immediately deposit them in the clearing account. All money in the clearing account, after clearance thereof, shall, except as herein otherwise provided, be immediately deposited with the secretary of the treasury of the United States to the credit of the account of this state in the unemployment trust fund established and maintained pursuant to section 904 of the Social Security Act, as amended, any provisions of law in this state relating to the deposit, administration, release, or disbursement of money in the possession or custody of this state to the contrary notwithstanding. Refunds payable pursuant to sections 268.16, subdivision 6, and 268.04, subdivision 12, clause (8) (f), may be paid from the clearing account or the benefit account. The benefit account shall consist of all money requisitioned from this state's account in the unemployment trust fund in the United States Treasury for the payment of benefits. Except as herein otherwise provided, money in the clearing and benefit accounts may be deposited by the ~~commissioner of finance~~ *treasurer*, under the direction of the commissioner, in any depository bank in which general funds of the state may be deposited,



but no public deposit insurance charge or premium shall be paid out of the fund. Money in the clearing and benefit accounts shall not be commingled with other state funds, but shall be maintained in separate accounts on the books of the depository bank. Such money shall be secured by the depository bank to the same extent and in the same manner as required by the general depository law of this state; and collateral pledged for this purpose shall be kept separate and distinct from any collateral pledged to secure other funds of the state. All sums recovered for losses sustained by the fund shall be deposited ~~therein~~ *in the fund*.

Sec. 22. Minnesota Statutes 1986, section 361.03, subdivision 5, is amended to read:

Subd. 5. [DISPOSITION OF RECEIPTS.] All money received by the commissioner ~~shall~~ *must* be deposited ~~in~~ *with* the state ~~treasury~~ *treasurer* and ~~shall be~~ credited to the water recreation account.

Sec. 23. Minnesota Statutes 1986, section 361.27, subdivision 2, is amended to read:

Subd. 2. [FINES, BAIL MONEY.] All fines, installment payments, and forfeited bail money collected from persons convicted of violations of sections 361.01 to 361.28 shall be paid to the county treasurer of the county where the violation occurred by the court administrator of court or other person collecting the money within 15 days after the last day of the month in which they were collected. One-half of the receipts shall be credited to the general revenue fund of the county. The other one-half of the receipts shall be transmitted by the county treasurer to the ~~commissioner of natural resources~~ *state treasurer* to be deposited in the water recreation account in the state treasury for the purpose of boat and water safety.

Sec. 24. Minnesota Statutes 1987 Supplement, section 609.101, is amended to read:

609.101 [SURCHARGE ON FINES, ASSESSMENTS; MINIMUM FINES.]

Subdivision 1. [SURCHARGES AND ASSESSMENTS.] When a court sentences a person convicted of a felony, gross misdemeanor, or misdemeanor, other than a petty misdemeanor such as a traffic or parking violation, and if the sentence does not include payment of a fine, the court shall impose an assessment of not less than \$25 nor more than \$50. If the sentence for the felony, gross misdemeanor, or misdemeanor includes payment of a fine of any amount, including a fine of less than \$100, the court shall impose a surcharge on the fine of ten percent of the fine. This section applies whether or not the person is sentenced to imprisonment and when the sentence is suspended. The court may not waive payment or authorize payment of the assessment or surcharge in installments unless it makes written findings on the record that the convicted person is indigent or that the assessment or surcharge would create undue hardship for the convicted person or that person's immediate family. If the court fails to waive or impose an assessment required by this section, the court administrator shall correct the record to show imposition of an assessment of \$25 if the sentence does not include payment of a fine, or if the sentence includes a fine, to show an imposition of a surcharge of ten percent of the fine.

Except for assessments and surcharges imposed on persons convicted of violations described in section 97A.065, subdivision 2, the court shall collect and forward to the ~~commissioner of finance~~ *state treasurer* the total

amount of the assessment or surcharge and the ~~commissioner~~ *treasurer* shall credit all money so forwarded to a crime victim and witness account, which is established as a special account in the state treasury.

Money credited to the crime victim and witness account may be appropriated for but is not limited to the following purposes:

- (1) use for crime victim reparations under sections 611A.51 to 611A.68;
- (2) use by the crime victim and witness advisory council established under section 611A.71; and
- (3) to supplement the federally funded activities of the crime victim ombudsman under section 611A.74.

If the convicted person is sentenced to imprisonment, the chief executive officer of the correctional facility in which the convicted person is incarcerated may collect the assessment or surcharge from any earnings the inmate accrues for work performed in the correctional facility and forward the amount to the ~~commissioner of finance~~ *state treasurer*, indicating the part that was imposed for violations described in section 97A.065, subdivision 2, which must be credited to the game and fish fund.

Subd. 2. [MINIMUM FINES.] Notwithstanding any other law:

- (1) when a court sentences a person convicted of violating section 609.221, 609.267, or 609.342, it must impose a fine of not less than \$500 nor more than the maximum fine authorized by law;
- (2) when a court sentences a person convicted of violating section 609.222, 609.223, 609.2671, 609.343, 609.344, or 609.345, it must impose a fine of not less than \$300 nor more than the maximum fine authorized by law; and
- (3) when a court sentences a person convicted of violating section 609.2231, 609.224, or 609.2672, it must impose a fine of not less than \$100 nor more than the maximum fine authorized by law.

The court may not waive payment of the fine or authorize payment of it in installments unless the court makes written findings on the record that the convicted person is indigent or that the fine would create undue hardship for the convicted person or that person's immediate family.

The court shall collect the minimum fine mandated by this subdivision and forward 70 percent of it to a local victim assistance program that provides services locally in the county in which the crime was committed. The court shall forward the remaining 30 percent to the ~~commissioner of finance~~ *state treasurer* to be credited to the crime victim and witness account established in subdivision 1. If more than one victim assistance program serves the county in which the crime was committed, the court may designate on a case-by-case basis which program will receive the fine proceeds, giving consideration to the nature of the crime committed, the types of victims served by the program, and the funding needs of the program. If no victim assistance program serves that county, the court shall forward 100 percent of the fine proceeds to the ~~commissioner of finance~~ *treasurer* to be credited to the crime victim and witness account. Fine proceeds received by a local victim assistance program must be used to provide direct services to crime victims. Fine proceeds credited to the crime victim and witness account may be appropriated to the crime victim and witness advisory council, and the council may use all or part of the proceeds

for the purpose of providing grants to establish new victim assistance programs.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by subdivision 1 and is in addition to any term of imprisonment or restitution imposed or ordered by the court.

As used in this subdivision, "victim assistance program" means victim witness programs within county attorney offices or any of the following programs approved by the department of corrections: crime victim crisis centers, victim-witness programs, battered women shelters and nonshelter programs, and sexual assault programs."

Delete the title and insert:

"A bill for an act relating to the organization of state government; restoring certain duties of the state treasurer; amending Minnesota Statutes 1986, sections 11A.20, subdivision 1; 16A.055, subdivision 1; 16A.42, subdivision 2, and by adding a subdivision; 16A.45, subdivision 2; 16A.47; 16A.58; 16A.672, subdivisions 1, 2, and 3; 69.031, by adding a subdivision; 268.05, subdivision 2; 361.03, subdivision 5; and 361.27, subdivision 2; and Minnesota Statutes 1987 Supplement, sections 16A.275, subdivision 1; and 609.101; proposing coding for new law in Minnesota Statutes, chapter 7."

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2000: A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article XI; establishing a Minnesota environment, natural resources, and wildlife trust fund; providing implementing legislation; creating a legislative commission; proposing coding for new law in Minnesota Statutes, chapter 86; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; and 86.08.

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

Page 2, line 18, delete "*Minnesota*"

Page 2, line 19, delete "*future resources*" and insert "*legislative*" and before the period, insert "*on Minnesota resources*"

Page 2, line 27, after the period, insert "*The trust fund is intended to provide the primary source of support for the reinvest in Minnesota program as provided in section 84.95.*"

Page 4, lines 10 and 11, delete "*Minnesota future resources*"

Page 4, delete lines 17 to 27 and insert:

"Sec. 6. [86.84] [LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES.]

*Subdivision 1. [MEMBERSHIP] (a) The legislative commission on Minnesota resources consists of the chairs of the house of representatives and senate committees on environment and natural resources, the chairs of the house of representatives appropriations and senate finance committees, six members of the senate appointed by the chair of the committee on rules*

*and administration, and six members of the house of representatives appointed by the speaker. At least two members from the senate and two members from the house of representatives must be from the minority caucus."*

Page 5, line 9, delete everything after the period and insert "*The reinvest in Minnesota program must be a priority of the strategic plan.*"

Page 5, delete line 10

Page 5, line 11, delete everything before "*The*"

Page 5, line 12, delete everything after the period

Page 5, delete lines 13 and 14

Page 5, line 27, after "(1)" insert "*the reinvest in Minnesota program as provided in section 84.95, subdivision 2;*

(2)"

Page 5, line 30, delete "(2)" and insert "(3)"

Page 5, line 33, delete "(3)" and insert "(4)"

Page 6, delete lines 1 and 2

Page 6, line 15, delete "or"

Page 6, line 16, delete the period and insert " ; or

(6) *projects or purposes inconsistent with the strategic plan.*"

Page 7, line 25, delete "*general*" and insert "*Minnesota resources*"

Page 9, line 33, delete "*and*" and insert "*in*"

Page 10, line 11, before "*public*" insert "*Minnesota*"

Page 10, delete section 13

Page 10, line 32, delete "*14*" and insert "*13*"

Renumber the sections in sequence

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was re-referred

S.F. No. 1463: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to establish a veterans outreach center; proposing coding for new law in Minnesota Statutes, chapter 196.

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

Page 2, after line 31, insert:

"Sec. 2. [198.056] [BOARD OF DIRECTORS; SOUTHWESTERN MINNESOTA VETERANS OUTREACH CENTER.]

*Subdivision 1. [MEMBERSHIP] The board of directors of the southwestern Minnesota veterans outreach center consists of nine members appointed by the commissioner under section 15.014. One member must be a county veterans service officer, one a registered nurse, one a licensed nursing home administrator, one a hospital administrator, and one a mental*

health professional. At least five members of the board must be veterans as defined by section 197.447.

*Subd. 2. [OFFICERS; QUORUM; RECORDS.] The board shall elect a chair, vice-chair, and other officers it considers necessary from its members. A majority of the board constitutes a quorum, and concurrence of a majority of its quorum is required for the board to act on any matter. The board shall meet at least once every three months or at the call of a quorum and hold other public hearings it considers necessary for the conduct of its business. The board shall keep a full and accurate record of its official acts.*

*Subd. 3. [ADMINISTRATIVE SERVICES.] The commissioner shall provide the board with office space, clerical assistance, and other administrative services necessary for the board to conduct its business.*

**Sec. 3. [198.312] [BOARD POWERS AND DUTIES.]**

*Subdivision 1. [POWERS.] The board may review and comment to the commissioner on any policy, rule, procedure, or guideline governing the southwestern Minnesota veterans outreach center proposed or adopted by the commissioner or any other officer or employee of the department or center.*

*Subd. 2. [DUTIES.] The board shall:*

*(1) recommend to the commissioner a site for the southwestern Minnesota veterans outreach center;*

*(2) review and comment to the commissioner on any internal or external audit or review of any operation or function of the southwestern Minnesota veterans outreach center;*

*(3) at the times it determines, but at least annually, conduct an on-site tour of the southwestern Minnesota veterans outreach center, for which purpose the board must be permitted access to all buildings and facilities of the center, and make recommendations to the commissioner concerning any aspect of the operations of the center viewed by the board; and*

*(4) conduct a performance review of the administrator.*

**Sec. 4. [APPROPRIATION.]**

*\$ . . . . . is appropriated from the general fund to the commissioner of veterans affairs for the purpose of establishing the veterans outreach center under section 1, to be available until expended."*

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "establishing a board of directors of the veterans outreach center; appropriating money;"

Page 1, line 5, delete "chapter" and insert "chapters" and after "196" insert "and 198"

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 2414: A bill for an act relating to public employees; providing for assignment of University of Minnesota job classifications to appropriate units; amending Minnesota Statutes 1986, sections 179A.10, subdivision 4; and 179A.11, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. [UNIT TRANSFER.]

*The University of Minnesota job classification entitled "radio and television broadcast technicians" is reassigned from the technical unit (7) to the crafts and trades unit (2), as provided under Minnesota Statutes, section 179A.11."*

Delete the title and insert:

"A bill for an act relating to public employees; providing for reassignment of a University of Minnesota job classification to a different unit."

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

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

S.F. No. 2390: A bill for an act relating to metropolitan airports; providing environmental goals for the metropolitan airports commission; amending Minnesota Statutes 1986, section 473.602.

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

Page 2, line 4, delete everything after "(3)"

Page 2, line 5, delete everything before "minimize"

Page 2, line 7, delete "achieve" and delete "purposes" and insert "ends"

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

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

S.F. No. 1928: A bill for an act relating to health; establishing a safe drinking water account; prohibiting the use of certain lead pipe and pipe fittings; appropriating money; amending Minnesota Statutes 1986, sections 144.382, subdivision 1, and by adding a subdivision; 326.371; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1986, section 144.388.

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

Page 1, line 24, delete everything after the period

Page 1, delete lines 25 to 27

Page 2, delete lines 1 to 10

Page 2, line 11, delete "4" and insert "2"

Page 2, after line 31, insert:

"Sec. 5. [APPROPRIATION.]

*\$1,485,000 is appropriated from the general fund to the safe drinking water account."*

Page 2, line 35, delete "5" and insert "4, and 6" and after the period, insert *"Section 4 applies to pipes and pipe fittings containing more than eight percent lead installed after the effective date of this act."*

Renumber the sections in sequence

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. 412: A bill for an act relating to real property; creating a lien against real property for expenses incurred by agencies or political subdivisions in taking action to protect public health, safety, or the environment with respect to the release of substances; providing for filing, enforcement, and appeal of the lien; proposing coding for new law in Minnesota Statutes, chapter 514.

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

Delete everything after the enacting clause and insert:

**"ENVIRONMENTAL LIEN FOR STATE CLEANUP ACTION  
EXPENSES**

**Section 1. [514.671] [DEFINITIONS.]**

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 6.*

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

*Subd. 3. [CLEANUP ACTION.] "Cleanup action" means corrective action or response action.*

*Subd. 4. [CLEANUP ACTION EXPENSES.] "Cleanup action expenses" means expenses incurred for cleanup action under section 115B.17 or 115C.03, that are recoverable by the state under section 115B.04 or 115C.04.*

*Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of the pollution control agency.*

*Subd. 6. [CORRECTIVE ACTION.] "Corrective action" has the meaning given in section 115C.02, subdivision 4.*

*Subd. 7. [ENVIRONMENTAL LIEN.] "Environmental lien" means a lien for cleanup action expenses under sections 1 to 6.*

*Subd. 8. [RELEASE.] "Release" in relation to a substance entering the environment has the meanings given in sections 115B.02, subdivision 15, and 115C.02, subdivision 12.*

*Subd. 9. [RESPONSE ACTION.] "Response action" means remedial and removal action as defined in section 115B.02, subdivisions 16 and 17.*

**Sec. 2. [514.672] [ENVIRONMENTAL LIEN.]**

*Subdivision 1. [LIEN AMOUNT; PROPERTY SUBJECT TO LIEN.] All cleanup action expenses for which a person is liable to the state under section 115B.04 or 115C.04, constitute a lien in favor of the state upon all real property that:*

*(1) is owned by the person at the time the environmental lien notice is filed; and*

*(2) is subject to or affected by the cleanup action.*

*Subd. 2. [ATTACHMENT.] An environmental lien attaches when:*

*(1) cleanup action costs are first incurred by the state with respect to a cleanup action;*

*(2) the person referred to in subdivision 1 is provided, by certified or registered mail, written notice of potential liability; and*

*(3) a lien notice is filed as provided in section 3.*

*Subd. 3. [CONTINUATION OF LIEN.] An environmental lien continues until the liability for the cleanup action costs, or a judgment against the person referred to in subdivision 1 arising out of the liability, is satisfied or becomes unenforceable through operation of the statute of limitations under section 115B.11 or 541.05, subdivision 1, clause (2), unless the lien is released under subdivision 5.*

*Subd. 4. [LIEN PRIORITY.] An environmental lien is subject to the rights of any other person, including an owner, purchaser, holder of a mortgage or security interest, or judgment lien creditor, whose interest is perfected before a lien notice has been filed as provided in section 3. The rights of such other person must be afforded the same protections against an environmental lien as are afforded against a judgment lien which arises out of an unsecured obligation and which arises as of the time of the filing of the lien notice as provided in section 3.*

*Subd. 5. [RELEASE.] (a) The commissioner shall release an environmental lien if:*

*(1) the environmental lien is satisfied;*

*(2) a legally enforceable agreement satisfactory to the agency under chapter 115B, or the commissioner under chapter 115C, has been executed relating to taking the cleanup action or reimbursing the agency for the cleanup action expenses;*

*(3) a claim or judgment for the cleanup action expenses is satisfied;*

*(4) the petroleum tank release compensation board has disapproved the filing of an environmental lien notice under section 3, subdivision 3, paragraph (b); or*

*(5) the environmental lien is unenforceable.*

*(b) The commissioner or the agency may release an environmental lien if the attachment or enforcement of the environmental lien is determined by the agency or commissioner not to be in the public interest.*

*(c) An environmental lien is unenforceable if:*



- (1) the lien is unenforceable under subdivision 3; or
- (2) a determination is made by a court that the environmental lien is unenforceable.

(d) The commissioner shall execute the release of an environmental lien and file the release as provided in section 3, subdivision 2.

**Sec. 3. [514.673] [ENVIRONMENTAL LIEN NOTICE.]**

**Subdivision 1. [CONTENTS.]** An environmental lien notice must state:

(1) the name of the record owner of the real property where the environmental lien attached;

(2) the legal description of the real property where the environmental lien attached;

(3) a statement that the real property described in the notice is subject to or affected by a cleanup action for which cleanup action expenses have been incurred;

(4) a statement that the owner is potentially liable for cleanup action expenses under section 115B.04 or 115C.04; and

(5) a statement that an environmental lien has attached to the described real property.

**Subd. 2. [FILING.]** Any notice, release, or other document required to be filed under sections 1 to 6 must be filed in the office of the county recorder or the registrar of titles of the county where the real property is located. An attestation, certification, or acknowledgment is not required as a condition of filing. The filing or mailing of any notice, release, or other document under sections 1 to 6 is the responsibility of the commissioner or the commissioner's designee. A copy of an environmental lien notice must also be sent to each record owner and mortgagee of the real property by registered or certified mail.

**Subd. 3. [APPROVAL BY AGENCY OR PETROLEUM TANK RELEASE COMPENSATION BOARD.]** (a) The commissioner may not file an environmental lien notice until the agency board for cleanup action expenses incurred under chapter 115B, or the petroleum tank release compensation board for cleanup action expenses incurred under chapter 115C, the person referred to in section 2, subdivision 1, and each record owner and mortgagee of the real property have been notified in writing of the commissioner's intention to file the lien notice and the requirements for filing the lien under paragraph (b) have been met.

(b) By 30 days after receiving notification from the commissioner under paragraph (a), the agency board or petroleum tank release compensation board shall approve or disapprove of the filing of the lien by the commissioner. If the appropriate board disapproves of the filing, the lien may not be filed. If the appropriate board approves of the filing or, in the case of the petroleum tank release compensation board, takes no action on the matter within the 30 day period, the commissioner may file the lien notice.

**Sec. 4. [514.674] [LIEN ENFORCEMENT: LIMITATION.]**

**Subdivision 1. [FORECLOSURE PROCEDURE.]** Subject to the provisions of subdivision 2, an environmental lien may be enforced by foreclosure in the manner provided for foreclosure of judgment liens under chapter 550.

*Subd. 2. [PROPERTY USED FOR PRODUCTION OF INCOME.] If the person referred to in section 2, subdivision 1, used the real property for the production of income at the time the lien attached, the lien may not be foreclosed until the person ceases to use the property for the production of income or the real property or rights to the real property held by the person are transferred to another person. An environmental lien upon real property or rights to real property subject to this foreclosure limitation remains enforceable notwithstanding any law limiting the enforceability of a judgment arising out of the liability of the person referred to in section 2, subdivision 1.*

Sec. 5. [514.675] [LIEN DOES NOT AFFECT OTHER REMEDIES.]

*Nothing in sections 1 to 6 affects the right of the state to bring an action to recover cleanup action expenses under section 115B.04 or 115C.04.*

Sec. 6. [514.676] [AMOUNTS RECEIVED TO SATISFY LIEN.]

*Amounts received by the agency to satisfy all or a part of an environmental lien must be deposited in the state treasury and credited to the fund from which the expenses were paid."*

Delete the title and insert:

"A bill for an act relating to real property; creating a lien against real property where the state has incurred cleanup expenses and the owner is liable for the expenses under Minnesota Statutes, chapter 115B or 115C; providing procedures for implementation and enforcement of the lien; proposing coding for new law in Minnesota Statutes, chapter 514."

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

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

S.F. No. 2131: A bill for an act relating to the environment; prohibiting government units and takeout food vendors from purchasing and using chlorofluorocarbon-processed food packaging materials; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Delete everything after the enacting clause and insert:

"Section 1. [116.601] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 2 to 4.*

*Subd. 2. [CFC-PROCESSED.] "CFC-processed" means processing that uses chlorofluorocarbons.*

*Subd. 3. [CHLOROFLUOROCARBONS OR CFCs.] "Chlorofluorocarbons," or "CFCs" means the substances identified in the Montreal Treaty as: CFC-11, CFC1<sub>1</sub>; CFC-12, CF<sub>2</sub>Cl<sub>2</sub>; CFC-113, C<sub>2</sub>F<sub>3</sub>Cl<sub>3</sub>; CFC-114, C<sub>2</sub>F<sub>4</sub>Cl<sub>2</sub>; CFC-115, C<sub>2</sub>F<sub>5</sub>Cl; Halon-1211, CF<sub>3</sub>BrCl; Halon-1301, CF<sub>3</sub>Br; and Halon-2402, C<sub>2</sub>F<sub>4</sub>Br 2. Chlorofluorocarbons or CFCs also includes substances identified by the agency by rule as being included or added to the Montreal Treaty.*

*Subd. 4. [PACKAGING.] "Packaging" means all bags, sacks, wrapping, containers, bowls, plates, trays, cartons, cups, packing, and lids used for packaging that are not intended for reuse.*

*Subd. 5. [LOCAL GOVERNMENT.] "Local government" means a county, town, statutory or home rule charter city, or school district.*

**Sec. 2. [116.602] [STATE AND LOCAL GOVERNMENT; PROHIBITED PACKAGING.]**

*Except as provided in section 4, the state and local governments may not purchase, or otherwise obtain, CFC-processed packaging.*

**Sec. 3. [116.603] [CFC-PROCESSED PACKAGING.]**

*Except as provided in section 4, a person may not purchase, manufacture, sell, or distribute packaging knowing that it is CFC-processed.*

**Sec. 4. [116.605] [EXEMPTIONS.]**

*(a) The agency may adopt rules to exempt a type of packaging from the requirements of sections 2 and 3 after adopting findings that:*

*(1) the type of packaging does not have an acceptable non-CFC-processed equivalent and the adverse health effects of the CFC-processed packaging can be tolerated until an alternative packaging can be developed; and*

*(2) imposing the requirements of sections 2 and 3 on the type of packaging would cause undue hardship.*

*(b) A person may apply to the commissioner for determination of whether a type of packaging is exempt under this paragraph or subject to section 2 or 3.*

**Sec. 5. [116.606] [ENFORCEMENT; PENALTIES.]**

*A person who violates section 2 or 3 is subject to a civil penalty of up to \$500 for each violation. The attorney general shall enforce sections 2 and 3, and may bring an action for injunctive relief or an action to compel performance or may seek civil penalties. In an action brought under this section, the attorney general may also recover costs and disbursements, including reasonable attorney fees.*

**Sec. 6. [STUDY.]**

*By December 1, 1988, the agency shall complete a study and report the findings to the legislature on ways to eliminate sources of CFC in the state.*

**Sec. 7. [APPROPRIATION.]**

*\$ . . . . . is appropriated from the general fund to the pollution control agency for administrative costs to implement sections 2 and 3 and for the cost of the study required in section 6.*

**Sec. 8. [EFFECTIVE DATE.]**

*Sections 4 and 6 are effective the day following final enactment. Section 2 is effective January 1, 1989. Section 3 is effective January 1, 1990."*

**Delete the title and insert:**

**"A bill for an act relating to the environment; prohibiting government units**

and vendors from purchasing and using chlorofluorocarbon-processed packaging materials; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116."

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

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

H.F. No. 1836: A bill for an act relating to crimes; providing for proof of prior convictions at sentencing hearings and in certain criminal prosecutions; amending Minnesota Statutes 1986, section 244.10, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

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 244.10, is amended by adding a subdivision to read:

*Subd. 3. [COMPUTATION OF CRIMINAL HISTORY SCORE.] If the defendant contests the existence of or factual basis for a prior conviction in the calculation of the defendant's criminal history score, proof of it is established by competent and reliable evidence, including a certified court record of the conviction.*

Sec. 2. [609.041] [PROOF OF PRIOR CONVICTIONS.]

*In a criminal prosecution in which the degree of the crime or the penalty for the crime depends, in whole or in part, on proof of the existence of a prior conviction, if the defendant contests the existence of or factual basis for a prior conviction, proof of it is established by competent and reliable evidence, including a certified court record of the conviction."*

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. 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.

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

Page 1, line 22, delete "aggregate" and delete "or checks"

Page 1, line 25, delete "aggregate"

Page 2, line 1, delete "or checks" and delete "no" and insert "not"

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

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

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

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.

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

Page 1, delete section 1

Page 1, line 27, delete "*an infant or*" and insert "*a*"

Page 2, line 1, delete "*under the age of 12 years*" and delete "*such words or acts*" and insert "*provocation*"

Page 2, line 19, delete "*Sections 1 and 2 are*" and insert "*Section 1 is*" and delete "*apply*" and insert "*applies*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "raising the minimum term of"

Page 1, delete line 3

Page 1, line 4, delete "of first degree murder;"

Page 1, line 6, delete "1986,"

Page 1, delete line 7

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 1336, 1804, 1610, 1060, 2344, 1996, 2076, 2525, 2425, 2023, 2122, 2506, 1788, 1540, 2125, 2071, 1727, 2207, 2275, 752, 1838, 2185, 2414, 2390, 412 and 2472 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 2463, 2265, 2132, 2735, 2615, 1767, 421, 2039, 1836 and 10 were read the second time.

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

## GENERAL ORDERS

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

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

S.F. Nos. 2117 and 995, which the committee recommends to pass.

S.F. No. 1721, which the committee recommends to pass with the following amendment offered by Mr. Wegscheid:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 181.932, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTION.] An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry; or

(c) the employee refuses to participate in any activity an employer's order to perform an action that the employee, in good faith, believes has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Johnson, D.J. introduced—

S.F. No. 2548: A bill for an act relating to horse racing; reducing the amount which licensees are required to withhold from winnings from parimutuel betting; amending Minnesota Statutes 1986, section 290.92, subdivision 27.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. Lantry introduced—

S.F. No. 2549: A bill for an act relating to the St. Paul police relief association and the St. Paul fire department relief association; providing

for the inclusion of retired members on the boards of directors of the relief associations.

Referred to the Committee on Governmental Operations.

Messrs. Hughes, Diessner and Mrs. Lantry introduced—

S.F. No. 2550: A bill for an act relating to capital improvements; providing money to acquire open space in the city of Maplewood; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Messrs. Storm, Decker, Benson and Mehrkens introduced—

S.F. No. 2551: A bill for an act relating to education; providing for the recall, reconfirmation, and replacement of the board of regents of the University of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 137.

Referred to the Committee on Education.

Mr. Laidig introduced—

S.F. No. 2552: A bill for an act relating to game and fish; restricting types of materials used to seal a dark house or fish house to the ice; requiring removal of debris left on ice around dark house or fish house; imposing a petty misdemeanor for violations; amending Minnesota Statutes 1986, section 97C.355, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Mr. Purfeerst introduced—

S.F. No. 2553: A bill for an act relating to taxation; property; providing that referendum levies are included in a school district's levy limit for purposes of determining the district's homestead credit replacement aid; amending Minnesota Statutes 1987 Supplement, section 273.1394.

Referred to the Committee on Taxes and Tax Laws.

Mr. Moe, R.D. introduced—

S.F. No. 2554: A bill for an act relating to employment; creating a program to develop expertise and provide assistance to those wishing to establish employee-owned businesses; establishing a loan guaranty and bonding program to aid the establishment of employee-owned businesses; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 268A.

Referred to the Committee on Employment.

#### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that S.F. No. 1613, No. 93 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Peterson, R.W. moved that S.F. No. 1790, No. 189 on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion

prevailed.

Mr. Moe, R.D. moved that S.F. No. 2419 be withdrawn from the Committee on Rules and Administration and re-referred to the Committee on Finance. The motion prevailed.

#### **MEMBERS EXCUSED**

Mr. Frank was excused from the Session of today from 2:45 to 4:00 p.m.

Ms. Berglin was excused from the Session of today from 3:00 to 5:00 p.m.

Mr. Knaak was excused from the Session of today from 4:00 to 5:00 p.m.

#### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 22, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate