

SEVENTY-THIRD DAY

St. Paul, Minnesota, Tuesday, March 22, 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. Marjorie B. Aurelius.

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.	Mehrkins	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.

MEMBERS EXCUSED

Mr. Knaak was excused from the Session of today from 12:00 noon to 1:05 p.m. Mr. Novak was excused from the Session of today from 12:30 to 2:00 p.m. Mr. DeCramer was excused from the Session of today from 1:40 to 2:00 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 16, 1988

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 537 and 1715.

Sincerely,

Rudy Perpich, Governor

March 17, 1988

The Honorable Robert E. Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1988 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1988	Date Filed 1988
537		408	March 16	March 16
1715		409	March 16	March 16
	1886	410	March 16	March 16

Sincerely,

Joan Anderson Growe

Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, herewith returned: S.F. No. 1710.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 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. 896: A bill for an act relating to probate; providing for the award of sentimental property to the decedent's children; amending Minnesota Statutes 1986, sections 525.15; and 525.151; proposing coding for new law in Minnesota Statutes, chapter 525.

Senate File No. 896 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 1988

CONCURRENCE AND REPASSAGE

Mr. Luther moved that the Senate concur in the amendments by the House to S.F. No. 896 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 896 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Johnson, D.E.	Merriam	Renneke
Beckman	DeCramer	Knutson	Metzen	Samuelson
Belanger	Dicklich	Kroening	Moe, D.M.	Schmitz
Benson	Frank	Lantry	Moe, R.D.	Spear
Berg	Frederick	Larson	Morse	Storm
Bernhagen	Frederickson, D.J.	Lessard	Olson	Taylor
Bertram	Frederickson, D.R.	Luther	Pehler	Vickerman
Brataas	Freeman	Marty	Piper	Waldorf
Chmielewski	Gustafson	McQuaid	Pogemiller	Wegscheid
Dahl	Hughes	Mehrkins	Ramstad	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 187: A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

Senate File No. 187 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 21, 1988

Mr. Merriam moved that S.F. No. 187 be laid on the table. 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. 2000, 2059, 2253, 1585, 1939, 2554, 2703, 2232, 2388, 2490, 1897, 1957 and 2468.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1988

FIRST READING OF HOUSE BILLS

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

H.F. No. 2000: A bill for an act relating to civil actions; requiring the judgment creditor to file satisfaction of judgment documents; amending Minnesota Statutes 1986, section 548.15.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1741, now on General Orders.

H.F. No. 2059: A bill for an act relating to crime; children; clarifying the defenses to a charge of deprivation of parental rights; requiring defendant to prove elements of defenses; amending Minnesota Statutes 1987 Supplement, section 609.26, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1820, now on General Orders.

H.F. No. 2253: A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, sections 80B.03, subdivisions 1 and 6; and 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1892.

H.F. No. 1585: A bill for an act relating to natural resources; designating a basin of Twin Lake within the city of Robbinsdale as a separate basin, South Twin Lake.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1427, now on General Orders.

H.F. No. 1939: A bill for an act relating to agriculture; changing the continuing effect of certain farmer-lender mediation rules; repealing certain conflicting language relating to food handler license fees; amending Laws 1987, chapter 292, section 35; repealing Laws 1987, chapter 358, section 85.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1743, now on General Orders.

H.F. No. 2554: A bill for an act relating to education; allowing noncontiguous school districts to consolidate; amending Minnesota Statutes 1986, section 122.23, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2210, now on General Orders.

H.F. No. 2703: A bill for an act relating to intoxicating liquor; authorizing the city of Bloomington to issue an on-sale intoxicating liquor license to Midsummer, A Festival of Music.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2471, now on General Orders.

H.F. No. 2232: A bill for an act relating to cable television; exempting

certain small cable systems; requiring new franchises to be granted on same terms as original franchise; prohibiting utilities from giving unfair preference to affiliated companies that provide cable television service; amending Minnesota Statutes 1986, sections 238.02, subdivision 3; and 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 238.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2244, now on General Orders.

H.F. No. 2388: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2414, now on General Orders.

H.F. No. 2490: A bill for an act relating to state land; conveying title to state land in Kittson county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2238, now on General Orders.

H.F. No. 1897: A bill for an act relating to insurance; regulating the Minnesota Insurance Guaranty Association; excluding investment risks insurance from coverage; modifying the definitions of "resident" and "covered claim"; regulating claims; preventing insolvencies; making certain technical changes; amending Minnesota Statutes 1986, sections 60C.02, subdivision 1; 60C.03, subdivisions 2, 7, and by adding a subdivision; 60C.05, subdivisions 1 and 2; 60C.06, by adding a subdivision; 60C.13, subdivision 2; 60C.15; and 60C.18; Minnesota Statutes 1987 Supplement, section 60C.09; repealing Minnesota Statutes 1987 Supplement, section 60C.06, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1802, now on General Orders.

H.F. No. 1957: 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; permitting the sealing of marriage dissolution records; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2207, now on General Orders.

H.F. No. 2468: A bill for an act relating to economic development; authorizing the commissioner to award set-aside procurements to local small businesses; amending Minnesota Statutes 1986, section 16B.19, subdivision 5; Minnesota Statutes 1987 Supplement, sections 16B.19, subdivision 6; and 645.445, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2196.

REPORTS OF COMMITTEES

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

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

S.F. No. 2405: A bill for an act relating to economic development; including labor organizations and community groups in the organizations that are eligible for assistance from various entities; amending Minnesota Statutes 1987 Supplement, sections 116O.06, subdivision 1; and 116O.08, subdivision 2.

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

Pages 1 and 2, delete sections 1 and 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after "entities" and insert a period

Page 1, delete lines 6 and 7

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

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

S.F. No. 1819: A bill for an act relating to housing; landlord and tenant; providing for tenant's remedies for failure of owner to repair premises; authorizing tenants in single-metered residential buildings to pay for gas and electric utilities and deduct the payments from rent due; providing a procedure for actions involving nonpayment of rent; providing penalties; amending Minnesota Statutes 1986, section 566.28; proposing coding for new law in Minnesota Statutes, chapters 504 and 506.

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

Delete everything after the enacting clause and insert:

"Section 1. [504.185] [EMERGENCY CONDITIONS; LOSS OF ESSENTIAL SERVICES.]

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

(a) "Owner" has the meaning given to it in section 566.18, subdivision 3.

(b) "Tenant" has the meaning given to it in section 566.18, subdivision 2.

(c) "Building" has the meaning given to it in section 566.18, subdivision 7.

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or

water to a building has discontinued the service to the building because an owner who has contracted for the service has failed to pay for it, a tenant or group of tenants may pay to have the service reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Subd. 3. [LIMITATIONS; WAIVER PROHIBITED; RIGHTS AS ADDITIONAL.] The tenant rights under this section:

(1) do not extend to conditions caused by the willful, malicious, or negligent conduct of the tenant or of a person under the tenant's direction or control;

(2) may not be waived or modified; and

(3) are in addition to and do not limit other rights which may be available to the tenant in law or equity, including the right to damages and the right to restoration of possession of the premises under section 504.02."

Delete the title and insert:

"A bill for an act relating to landlord and tenant; authorizing tenants to pay for certain utilities and deduct the payments from rent due; proposing coding for new law in Minnesota Statutes, chapter 504."

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

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

S.F. No. 2345: A bill for an act relating to agriculture; changing and clarifying the small business development loan portion of the agricultural resource loan guarantee program; amending Minnesota Statutes 1987 Supplement, sections 41A.02, subdivision 16; and 41A.036, by adding subdivisions.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 4. [EXEMPTION FROM LIMITATION.] If the board determines that a business is eligible for special assistance, the \$1,000,000 limitation established in subdivision 1 does not apply.

Sec. 2. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 5. [DESIGNATION; CRITERIA.] A business is not eligible to receive special assistance unless the board has passed a resolution designating the business as being in need of special assistance. The resolution must include significant findings that the designation and receipt of the special assistance will be of exceptional benefit to the state of Minnesota in that at least three of the following criteria are met:

(1) to expand or remain in Minnesota, the business has demonstrated that it cannot obtain suitable financing from other sources;

(2) special assistance will enable a business not currently located in Minnesota to locate a facility in Minnesota that directly increases the number of jobs in the state;

(3) the business will create or retain significant numbers of jobs in a Minnesota community; and

(4) the business will maintain a significant level of productivity in Minnesota during the ensuing five-year period.

Sec. 3. Minnesota Statutes 1987 Supplement, section 41A.036, is amended by adding a subdivision to read:

Subd. 6. [SET ASIDE.] The board shall reserve at least \$3,000,000 for the purpose of making or purchasing small business development loans not exceeding \$250,000 in principal amount with respect to small business loans made or purchased by the board and not exceeding \$250,000 in principal amount with respect to the board's share when the board participates in making or purchasing small business loans.

Sec. 4. [REPEALER.]

Section 3 is repealed July 1, 1989."

Delete the title and insert:

"A bill for an act relating to economic development; creating an exception to the \$1,000,000 limitation on small business development loans under the Minnesota agricultural and economic development program for certain businesses; providing a set-aside amount for certain small business loans; amending Minnesota Statutes 1987 Supplement, section 41A.036, by adding subdivisions."

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

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

S.F. No. 2016: A bill for an act relating to bonds; authorizing the Minnesota public facilities authority to issue revenue bonds and make loans to or purchase the bonds of municipalities for wastewater treatment and water supply systems; amending Minnesota Statutes 1986, section 475.58, subdivision 1; Minnesota Statutes 1987 Supplement, sections 446A.03, by adding a subdivision; 446A.04, by adding subdivisions; 446A.05, subdivision 1; and proposing coding for new law in Minnesota Statutes, chapter 446A.

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 446A.03, is amended by adding a subdivision to read:

Subd. 8. [TAX EXEMPT STATUS.] The authority is exempt from taxation under chapters 290 and 297A.

Sec. 2. Minnesota Statutes 1987 Supplement, section 446A.04, is amended by adding a subdivision to read:

Subd. 6. [PROPERTY.] The authority may acquire, encumber, hold, and convey through lease, purchase, gift, or otherwise, any real or personal property.

Sec. 3. Minnesota Statutes 1987 Supplement, section 446A.04, is amended by adding a subdivision to read:

Subd. 7. [IN GENERAL.] The authority has all the powers necessary and convenient to carry out its duties under sections 4 to 13.

Sec. 4. Minnesota Statutes 1987 Supplement, section 446A.05, subdivision 1, is amended to read:

Subdivision 1. [LOANS AND LOAN PURCHASES.] The authority may make and contract to make loans to governmental units to finance projects that the governmental unit may construct or acquire or may acquire or contract to acquire notes and bonds issued by governmental units to finance those projects. A loan may not be used to pay current expenses or obligations, except for temporary financing. A loan made by the authority must be secured by notes or bonds of the borrowing governmental unit.

Sec. 5. [446A.051] [PROJECT FINANCIAL ASSISTANCE.]

The authority shall assist eligible governmental units in determining what grants or loans under sections 446A.06 and 446A.07 to apply for to finance projects and the manner in which the governmental unit will pay for its portion of the project cost. The authority shall review the proposed financing for each project certified by the agency to ascertain whether or not: (1) total financing of a project is assured; and (2) the governmental unit's financial plan to pay for its portion of the project cost is feasible.

Sec. 6. [446A.12] [ISSUANCE OF BONDS.]

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the

making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$100,000,000.

Subd. 2. [REFUNDING OF BONDS.] The authority may issue bonds to refund outstanding bonds of the authority, to pay any redemption premiums on those bonds, and to pay interest accrued or to accrue to the redemption date next succeeding the date of delivery of the refunding bonds. The authority may apply the proceeds of any refunding bonds to the purchase or payment at maturity of the bonds to be refunded, or to the redemption of outstanding bonds on the redemption date next succeeding the date of delivery of the refunding bonds and may, pending the application, place the proceeds in escrow to be applied to the purchase, retirement, or redemption. Pending use, escrowed proceeds may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality of the state or the United States, or in certificates of deposit or time deposits secured in a manner determined by the authority, maturing at a time appropriate to assure the prompt payment of the principal and interest and redemption premiums, if any, on the bonds to be refunded. The income realized on any investment may also be applied to the payment of the bonds to be refunded. After the terms of the escrow have been fully satisfied, any balance of the proceeds and any investment income may be returned to the authority for use by it in any lawful manner. All refunding bonds issued under this subdivision must be issued and secured in the manner provided by resolution of the authority.

Subd. 3. [KIND OF BONDS.] Bonds issued under this section must be negotiable investment securities within the meaning and for all purposes of the uniform commercial code, subject only to the provisions of the bonds for registration. The bonds issued may be either general obligations of the authority, secured by its full faith and credit and payable out of any money, assets, or revenues of the authority, subject to the provisions of resolutions or indenture pledging and appropriating particular money, assets, or revenues to particular bonds, or limited obligations of the authority not secured by its full faith and credit and payable solely from specified sources or assets.

Subd. 4. [RESOLUTION AND TERMS OF SALE.] The bonds of the authority must be authorized by a resolution or resolutions adopted by the authority. The bonds must bear the date or dates, mature at the time or times, bear interest at a fixed or variable rate, including a rate varying periodically at the time or times and on the terms determined by the authority, or any combination of fixed and variable rates, be in the denominations, be in the form, carry the registration privileges, be executed in the manner, be payable in lawful money of the United States, at the place or places within or without the state, and be subject to the terms of redemption or purchase before maturity as the resolutions or certificates provide. If, for any reason existing at the date of issue of the bonds or existing at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on the bonds is or becomes subject to federal income taxation, this fact does not affect the validity or the provisions

made for the security of the bonds. The authority may make covenants and take or have taken actions that are in its judgment necessary or desirable to comply with conditions established by federal law or regulations for the exemption of interest on its obligations. The authority may refrain from compliance with those conditions if in its judgment this would serve the purposes and policies set forth in this chapter with respect to any particular issue of bonds, unless this would violate covenants made by the authority. The maximum maturity of a bond, whether or not issued for the purpose of refunding, must be 30 years from its date. The bonds of the authority may be sold at public or private sale, at a price or prices determined by the authority; provided that (i) the aggregate price at which an issue of bonds is initially offered by underwriters to investors, as stated in the authority's official statement with respect to the offering, must not exceed by more than three percent the aggregate price paid by the underwriters to the authority at the time of delivery; (ii) the commission paid by the authority to an underwriter for placing an issue of bonds with investors must not exceed three percent of the aggregate price at which the issue is offered to investors as stated in the authority's offering statement; and (iii) the spread or commission must be an amount determined by the authority to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters.

Sec. 7. [446A.13] [TENDER OPTION.]

An obligation may be issued giving its owner the right to tender or the authority to demand tender of the obligation to the authority or another person designated by it, for purchase at a specified time or times, if the authority has first entered into an agreement with a suitable financial institution obligating the financial institution to provide funds on a timely basis for purchase of bonds tendered. The obligation is not considered to mature on any tender date and the purchase of a tendered obligation is not considered a payment or discharge of the obligation by the authority. Obligations tendered for purchase may be remarketed by or on behalf of the authority or another purchaser. The authority may enter into agreements it considers appropriate to provide for the purchase and remarketing of tendered obligations, including:

(1) provisions under which undelivered obligations may be considered tendered for purchase and new obligations may be substituted for them;

(2) provisions for the payment of charges of tender agents, remarketing agents, and financial institutions extending lines of credit or letters of credit assuring repurchase; and

(3) provisions for reimbursement of advances under letters of credit that may be paid from the proceeds of the obligations or from tax and other revenues appropriated for the payment and security of the obligations and similar or related provisions.

Sec. 8. [446A.14] [INTEREST EXCHANGES.]

The authority may enter into an agreement with a third party for an exchange of interest rates under this subdivision. With respect to outstanding obligations bearing interest at a variable rate, the authority may agree to pay sums equal to interest at a fixed rate or at a different variable rate determined in accordance with a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations, in exchange for an agreement by the third party to pay sums equal to

interest on a similar amount at a variable rate determined according to a formula set out in the agreement. With respect to outstanding obligations bearing interest at a fixed rate or rates, the authority may agree to pay sums equal to interest at a variable rate determined according to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations in exchange for an agreement by the third party to pay sums equal to interest on a similar amount at a fixed rate or rates set out in the agreement. Subject to any applicable bonds covenants, payments required to be made by the municipality under the swap agreement may be made from amounts secured to pay debt service on the obligations with respect to which the swap agreement was made from any other available source of the authority.

Sec. 9. [446A.15] [BOND FUND.]

Subdivision 1. [CREATION AND CONTENTS.] The authority may establish a special fund or funds for the security of one or more or all series of its bonds. The funds must be known as debt service reserve funds. The authority may pay into each debt service reserve fund:

- (1) any money appropriated by the state only for the purposes of the fund;
- (2) the proceeds of sale of bonds to the extent provided in the resolution or indenture authorizing the issuance of them;
- (3) funds directed to be transferred by the authority to the debt service reserve fund; and
- (4) other money made available to the authority from any other source only for the purpose of the fund.

Subd. 2. [USE OF FUNDS.] Except as provided in this section, the money credited to each debt service reserve fund must be used only for the payment of the principal of bonds of the authority as they mature, the purchase of the bonds, the payment of interest on them, or the payment of any premium required when the bonds are redeemed before maturity. Money in a debt service reserve fund must not be withdrawn at a time and in an amount that reduces the amount of the fund to less than the amount the authority determines to be reasonably necessary for the purposes of the fund. However, money may be withdrawn to pay principal or interest due on bonds secured by the fund if other money of the authority is not available.

Subd. 3. [INVESTMENT.] Money in a debt service reserve fund not required for immediate use may be invested in accordance with section 446A.11, subdivision 9, paragraph (b).

Subd. 4. [MINIMUM AMOUNT OF RESERVE AT ISSUANCE.] If the authority establishes a debt service reserve fund for the security of any series of bonds, it shall not issue additional bonds that are similarly secured if the amount of any of the debt service reserve funds at the time of issuance does not equal or exceed the minimum amount required by the resolution creating the fund, unless the authority deposits in each fund at the time of issuance, from the proceeds of the bonds, or otherwise, an amount that when added together with the amount then in the fund will be at least the minimum amount required.

Subd. 5. [TRANSFER OF EXCESS.] To the extent consistent with the resolutions and indentures securing outstanding bonds, the authority may at the close of a fiscal year transfer to any other fund or account from

any debt service reserve fund any excess in that reserve fund over the amount determined by the authority to be reasonably necessary for the purpose of the reserve fund.

Subd. 6. [CERTIFICATION AND BUDGET REQUEST.] *To assure the payment of the principal of and interest on bonds of the authority and the continued maintenance of all debt service reserve funds created and established for that payment, the authority shall annually determine and certify to the governor, on or before December 1, the following amounts:*

(1) *the amount then needed to restore each debt service reserve fund to the minimum amount required by the resolution or indenture establishing the fund, but not exceeding the maximum amount of principal and interest to become due and payable in any later year on all bonds that are then outstanding and secured by the fund; and*

(2) *the amount determined by the authority to be needed in the immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds secured by a debt service reserve fund the amount of which is then less than the minimum amount agreed.*

The governor shall include in the proposed biennial budget for the following fiscal year, or in a supplemental budget if the biennial budget has previously been approved, the amounts certified by the authority in accordance with this subdivision.

Sec. 10. [446A.16] [MONEY OF THE AUTHORITY.]

Subdivision 1. [FUNCTIONS OF STATE TREASURER.] *Except as otherwise provided in this section, money of the authority must be paid to the state treasurer as agent of the authority and the treasurer shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of finance on requisition of the chair of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the state treasurer or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits.*

Subd. 2. [CONTRACTS AND SECURITY.] *Notwithstanding the provisions of this section, the authority may, with the approval of the state treasurer, contract with the holders of any of its bonds as to the custody, collection, securing, investment, and payment of money of the authority or money held in trust or otherwise for the payment of bonds, and to carry out the contract. Money held in trust or otherwise for the payment of bonds or in any way to secure bonds and deposits of the money may be secured in the same manner as money of the authority, and all banks and trust companies are authorized to give security for the deposits. All money paid to the state treasurer as agent of the authority is appropriated to the authority.*

Subd. 3. [SYSTEM OF ACCOUNTS.] *Subject to agreements with bondholders, the commissioner of finance shall prescribe a system of accounts.*

Sec. 11. [446A.17] [NONLIABILITY.]

Subdivision 1. [NONLIABILITY OF INDIVIDUALS.] *No member of*

the authority or other person executing the bonds is liable personally on the bonds or is subject to any personal liability or accountability by reason of their issuance.

Subd. 2. [NONLIABILITY OF STATE.] *The state is not liable on bonds of the authority issued under this chapter and those bonds are not a debt of the state. The bonds must contain on their face a statement to that effect.*

Sec. 12. [466A.18] [PURCHASE AND CANCELLATION BY AUTHORITY.]

Subject to agreements with bondholders that may then exist, the authority may purchase out of funds available for the purpose, bonds of the authority which shall then be canceled, at a price not exceeding the following amounts:

(1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date of the bonds; or

(2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Sec. 13. [466A.19] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

The state pledges and agrees with the holders of bonds issued under sections 6 to 14 that the state will not limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the bondholders or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The authority may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 6 to 14.

Sec. 14. [466A.20] [RESERVES; FUNDS; ACCOUNTS.]

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 6, delete everything after "amending"

Page 1, line 7, delete "subdivision 1;"

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

S.F. No. 1462: A bill for an act relating to housing; enabling counties and cities to establish low income housing trust funds; assessing a mortgage registry tax to finance the low income housing trust fund, and providing

for the uses of the funds; amending Minnesota Statutes 1986, sections 287.05, by adding a subdivision; and 287.12; proposing coding for new law in Minnesota Statutes, chapters 373 and 462.

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 82.17, subdivision 6, is amended to read:

Subd. 6. "Trust account" means, for purposes of this chapter, a savings account, negotiable order of withdrawal account, demand deposit or checking account maintained for the purpose of segregating trust funds from other funds. A trust account ~~shall not must~~ be an ~~interest bearing interest-bearing account except by agreement of the parties and subject to rules of the commissioner,~~ paying the highest current passbook savings account rate of interest offered by the depository bank or industrial loan and thrift company and ~~shall must~~ not allow the financial institution a right of set off against money owed it by the licensee.

Sec. 2. Minnesota Statutes 1986, section 82.24, is amended by adding a subdivision to read:

Subd. 8. [ACCRUED INTEREST.] (a) *Each broker shall maintain a pooled interest-bearing trust account for deposit of client funds. The interest accruing on the trust account, less reasonable transaction costs, must be paid to the state treasurer, unless otherwise specified by the parties to a transaction by express written agreement.*

(b) *For an account created under paragraph (a), each broker shall direct the depository bank or industrial loan and thrift company to:*

(1) *pay the interest, less reasonable transaction costs, as computed in accordance with the depository bank's or industrial loan and thrift company's standard accounting practice, at least quarterly, to the state treasurer; and*

(2) *send a statement to the state treasurer showing the name of the broker for whom the payment is made, the rate of interest applied, the amount of service charges deducted, and the account balance for the period in which the report is made.*

(c) *The state treasurer shall credit five percent of the amount collected under this subdivision to the real estate education, research and recovery fund established in section 82.34, subdivision 1. The state treasurer shall credit 95 percent of the amount collected under this subdivision to the housing trust fund account established in section 5.*

Sec. 3. Minnesota Statutes 1986, section 82.34, subdivision 6, is amended to read:

Subd. 6. The commissioner may expend money as appropriated for the following purposes:

(a) To promote the advancement of education and research in the field of real estate for the benefit of those licensed under this chapter;

(b) To underwrite educational seminars and other forms of educational projects for the benefit of real estate licensees;

(c) To establish a real estate chair or courses at Minnesota state institutions of higher learning for the purpose of making such courses available to licensees and the general public;

(d) To contract for a particular educational or research project in the field of real estate to further the purposes of this chapter;

(e) To pay the costs of the real estate advisory council established under section 82.30; and

(f) To pay any reasonable costs and disbursements, excluding attorney's fees, incurred in defending actions against the real estate education, research and recovery fund including the cost of mailing or publication of notice pursuant to subdivisions 12 and 14; and

(g) To provide information to the public on housing issues, including environmental safety, energy conservation, and housing finance and affordability.

Sec. 4. Minnesota Statutes 1986, section 82.34, subdivision 15, is amended to read:

Subd. 15. Any sums received by the commissioner pursuant to any provisions of this section shall be deposited in the state treasury, and credited to the real estate education, research and recovery fund, and said sums shall be allocated exclusively for the purposes provided in this section. All moneys in the fund are appropriated annually to the commissioner for the purposes of this section.

All money credited to the fund under section 2 may only be used for purposes under subdivision 6, clause (g). Beginning in 1990, the commissioner must, on February 1 of each year, review the amount of money spent or allocated for uses under subdivision 6, clause (g), for the previous calendar year. If the amount spent or allocated is less than the amount deposited in the fund under section 2 during the same calendar year, the difference must be transferred from the fund to the housing trust fund account established in section 5.

Sec. 5. [462A.201] [HOUSING TRUST FUND ACCOUNT.]

Subdivision 1. [CREATION.] (a) The housing trust fund account is created as a separate account in the housing development fund.

(b) The housing trust fund account consists of:

(1) money appropriated and transferred from other state funds;

(2) interest accrued from real estate trust accounts as provided under section 2;

(3) gifts, grants, and donations received from the United States, private foundations, and other sources; and

(4) money made available to the agency for the purpose of the account from other sources.

Subd. 2. [LOW-INCOME HOUSING.] The agency may use money from the housing trust fund account to provide loans or grants for projects for the development, construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing units. At least 75 percent of the units must be rented to or cooperatively owned by persons and families at or below 30 percent of the median family income

for the metropolitan area as defined in section 473.121, subdivision 2. To promote the geographic distribution of grants and loans, the agency may designate a portion of the grant or loan awards to be set aside for projects located in specified congressional districts or other geographical regions specified by the agency. The agency may adopt emergency and permanent rules for awarding grants and loans under this subdivision. The emergency rules are effective for 360 days or until the permanent rules are adopted, whichever occurs first.

Subd. 3. [MATCHING FUNDS.] The agency may use money from the housing trust fund account to match federal, local, or private money to be used for projects authorized under subdivision 2.

Subd. 4. [ADVISORY COMMITTEE.] The agency may establish an eight member advisory committee under section 15.059 to advise or assist the agency in providing loans or grants from the housing trust fund account. Members of the committee must represent the interests of realtors, apartment owners, lenders, nonprofit developers, advocates for the homeless, low-income persons, housing advocates, and single or multifamily home builders."

Delete the title and insert:

"A bill for an act relating to housing; creating a low-income housing trust fund account; providing for the uses of the account; placing certain requirements on real estate trust fund accounts; amending Minnesota Statutes 1986, sections 82.24, by adding a subdivision; and 82.34, subdivisions 6 and 15; Minnesota Statutes 1987 Supplement, section 82.17, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 462A."

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

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

H.F. No. 2038 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.
2038	2039				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2038 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2038 and insert the language after the enacting clause of S.F. No. 2039, the first engrossment; further, delete the title of H.F. No. 2038 and insert the title of S.F. No. 2039, the first engrossment.

And when so amended H.F. No. 2038 will be identical to S.F. No. 2039, and further recommends that H.F. No. 2038 be given its second reading and substituted for S.F. No. 2039, 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. 1795 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.
1795	1617				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1795 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1795 and insert the language after the enacting clause of S.F. No. 1617, the second engrossment; further, delete the title of H.F. No. 1795 and insert the title of S.F. No. 1617, the second engrossment.

And when so amended H.F. No. 1795 will be identical to S.F. No. 1617, and further recommends that H.F. No. 1795 be given its second reading and substituted for S.F. No. 1617, 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. 2372 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.
2372	2273				

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. 1877 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.
1877	1732				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1877 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1877 and insert the language after the enacting clause of S.F. No. 1732, the first engrossment; further, delete the title of H.F. No. 1877 and insert the title of S.F. No. 1732, the first engrossment.

And when so amended H.F. No. 1877 will be identical to S.F. No. 1732, and further recommends that H.F. No. 1877 be given its second reading and substituted for S.F. No. 1732, 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. 2405, 1819 and 2345 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2038, 1795, 2372 and 1877 were read the second time.

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

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

CALENDAR

H.F. No. 1867: A bill for an act relating to Washington county; repealing a provision for county board expenses; repealing Laws 1965, chapter 524, as amended.

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 57 and nays 2, as follows:

Those who voted in the affirmative were:

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

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

So the bill passed and its title was agreed to.

H.F. No. 1846: A bill for an act relating to environment; authorizing

inspection of certain records kept by waste facilities; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam and Pehler voted in the negative.

So the bill passed and its title was agreed to.

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

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1646: A bill for an act relating to insurance; accident and health; clarifying certain coverages for newborn infants; amending Minnesota Statutes 1986, section 62A.042.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1790: A bill for an act relating to commerce; safe deposit companies; providing for performance of will searches upon safe deposit box renter's death; amending Minnesota Statutes 1986, section 55.10, 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Merriam	Reichgott
Belanger	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R.D.	Solon
Berglin	Frank	Laidig	Morse	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	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 85: A bill for an act relating to consumer protection; requiring certain disclosures in sales of used motor vehicles; regulating new and used motor vehicle licenses; providing certain standards in applications for certificates of title; requiring certain disclosures upon the transfer of a motor vehicle; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 4, 8, 10, 12, and 24; 169.57, by adding a subdivision; 325E.0951, by adding a subdivision; 325G.18; and 336.2-316; proposing coding for new law in Minnesota Statutes, chapters 168 and 168A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Davis voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1875: A bill for an act relating to the city of Minneapolis; authorizing contracts with labor organizations for the provision of certain skilled trade and craft services.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Merriam	Reichgott
Belanger	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R.D.	Solon
Berglin	Frank	Laidig	Morse	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	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1587: A bill for an act relating to transportation; authorizing vending machines in certain highway rest areas, weigh stations, and tourist information centers; amending Minnesota Statutes 1986, section 160.28, subdivision 2.

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 57 and nays 7, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frederickson, D.R.	Larson	Renneke	Storm	Taylor
Gustafson	Mehrkens			

So the bill passed and its title was agreed to.

H.F. No. 1806: A bill for an act relating to state agencies; amending and repealing various statutes administered by the state board of investments; amending Minnesota Statutes 1986, sections 11A.17, subdivisions 1, 4, 9, 11, and 14; 11A.19, subdivision 4; and 352D.04, subdivision 1; Minnesota Statutes 1987 Supplement, sections 11A.24, subdivisions 4 and 6; 136.81, subdivision 3; and 353D.05, subdivision 2; repealing Minnesota Statutes 1986, section 11A.17, subdivisions 12 and 13.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.E.	McQuaid	Purfeerst
Anderson	Davis	Johnson, D.J.	Mehrkens	Ramstad
Beckman	Decker	Jude	Merriam	Reichgott
Belanger	DeCramer	Knaak	Metzen	Renneke
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R.D.	Solon
Berglin	Frank	Laidig	Morse	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	Peterson, R.W.	Vickerman
Chmielewski	Gustafson	Luther	Piper	Waldorf
Cohen	Hughes	Marty	Pogemiller	Wegscheid

So the bill passed and its title was agreed to.

S.F. No. 1564: A bill for an act relating to traffic regulations; regulating the operation of motorized bicycles; amending Minnesota Statutes 1987 Supplement, section 169.223.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1686: A bill for an act relating to agriculture; prescribing procedure for delivery of dry edible beans from a grain warehouse; requiring

the grade of dry edible beans on warehouse receipts; prescribing a redelivery charge; amending Minnesota Statutes 1986, sections 223.16, subdivision 4; 232.21, subdivision 7; and 232.23, 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 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1940: A bill for an act relating to consumer protection; requiring certain disclosures regarding storage fees imposed by repair shops; amending Minnesota Statutes 1986, sections 325F58, subdivision 3; and 325F62, subdivision 3; Minnesota Statutes 1987 Supplement, sections 325F56, subdivision 8; and 325F60, 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 57 and nays 8, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson	Larson	Renneke	Schmitz	Vickerman
Knutson	Merriam	Samuelson		

So the bill passed and its title was agreed to.

H.F. No. 1853: A bill for an act relating to health; clarifying an existing statute that requires insurance plans to cover the services provided by a registered nurse engaged in advanced nursing practice to the same extent that the services would be covered if provided by a physician; including nurse practitioners and clinical specialists in psychiatric or mental health nursing among the roles specifically listed as examples of advanced nursing

practice; amending Minnesota Statutes 1986, section 62A.15, subdivision 3a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Belanger and Benson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1749: A bill for an act relating to the city of Minneapolis; providing conditions for contractors bonds; amending Laws 1980, chapter 595, section 3, 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	Metzen	Samuelson
Anderson	Decker	Knaak	Moe, D.M.	Schmitz
Beckman	DeCramer	Knutson	Moe, R.D.	Solon
Belanger	Dicklich	Kroening	Morse	Spear
Benson	Diessner	Laidig	Olson	Storm
Berg	Frank	Langseth	Pehler	Stumpf
Berglin	Frederick	Lantry	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.J.	Larson	Peterson, R.W.	Vickerman
Bertram	Frederickson, D.R.	Lessard	Piper	Waldorf
Brandl	Freeman	Luther	Pogemiller	Wegscheid
Brataas	Gustafson	Marty	Purfeerst	
Chmielewski	Hughes	McQuaid	Ramstad	
Cohen	Johnson, D.E.	Mehrkens	Reichgott	
Dahl	Johnson, D.J.	Merriam	Renneke	

So the bill passed and its title was agreed to.

H.F. No. 1784: A bill for an act relating to nurse-midwives; allowing a certified nurse-midwife to prescribe and administer drugs and therapeutic devices; allowing an appropriately certified and licensed health care professional to prescribe legend drugs and controlled substances; amending Minnesota Statutes 1986, sections 148.171; 151.37, subdivision 2; and 152.12, 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1228: A bill for an act relating to education; allowing the student council member of the higher education coordinating board to vote; amending Minnesota Statutes 1986, section 136A.02, subdivisions 1, 1a, and 7.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

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

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

So the bill passed and its title was agreed to.

S.F. No. 1918: A bill for an act relating to health; creating exceptions to the nursing home moratorium; amending Minnesota Statutes 1987 Supplement, section 144A.071, subdivision 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, 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	Merriam	Renneke
Belanger	DeCramer	Knaak	Metzen	Samuelson
Benson	Dicklich	Knutson	Moe, D.M.	Schmitz
Berg	Diessner	Kroening	Moe, R.D.	Solon
Berglin	Frank	Laidig	Morse	Spear
Bernhagen	Frederick	Langseth	Olson	Storm
Bertram	Frederickson, D.J.	Lantry	Peterson, D.C.	Stumpf
Brandl	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Brataas	Freeman	Lessard	Piper	Vickerman
Chmielewski	Gustafson	Luther	Pogemiller	Waldorf
Cohen	Hughes	Marty	Purfeerst	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 1732: A bill for an act relating to intoxicating liquor; authorizing extended off-sale hours on the day preceding Thanksgiving day; amending Minnesota Statutes 1986, section 340A.504, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 55 and nays 10, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bernhagen	Johnson, D.E.	Laidig	Olson	Vickerman
Chmielewski	Kroening	Larson	Renneke	Waldorf

So the bill passed and its title was agreed to.

S.F. No. 1822: A bill for an act relating to liquor; prohibiting certain transactions by brewers and malt liquor wholesalers; amending Minnesota Statutes 1987 Supplement, section 340A.308.

With the unanimous consent of the Senate, Mr. Solon moved to amend S.F. No. 1822 as follows:

Page 2, after line 12, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

S.F. No. 1822 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

H.F. No. 1831: A bill for an act relating to intoxicating liquor; authorizing issuance of one on-sale liquor license on an excursion and dinner boat on Detroit Lake, Becker county; authorizing issuance of an on-sale liquor license to Fort Snelling.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1673: A bill for an act relating to intoxicating liquor; authorizing the dispensing of intoxicating liquor at the St. Cloud Civic Center.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1121: A bill for an act relating to motor vehicles; establishing a titling system for salvage and rebuilt motor vehicles; requiring licenses for scrap metal processors, used vehicle parts dealers, and salvage pool operators; amending Minnesota Statutes 1986, sections 168.27, subdivisions 1, 2, 3, 8, 10, 24, and by adding subdivisions; 168.33, subdivision 7; 168A.01, subdivision 2, and by adding subdivisions; and 168A.15; Minnesota Statutes 1987 Supplement, section 168.27, subdivision 16; proposing coding for new law in Minnesota Statutes, chapter 168A.

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 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Benson, Renneke, Schmitz and Vickerman voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1867: A bill for an act relating to cemeteries; mausoleums, prearranged funeral services; consumer protection; requiring the establishment of a construction performance bond; requiring a permanent care account for any mausoleum; providing reporting requirements; broadening the powers of the county auditors and state auditor; amending Minnesota Statutes 1986, sections 149.11; 149.13; 306.03; 306.04; 306.37; 306.761; 306.77; and 306.773, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 306.

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

So the bill passed and its title was agreed to.

S.F. No. 1826: A bill for an act relating to counties; providing for elections to fill certain vacancies; amending Minnesota Statutes 1986, section 375.08.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1742: A bill for an act relating to agriculture; clarifying a time-price offer; allowing a preceding former owner to convey the right to receive an offer to buy or lease previously owned agricultural land; restricting the sale or inducement of a sale of agricultural land by a preceding former owner accepting an offer for one year; providing penalties and liability for damages; restricting the period for a debtor to receive a copy of a forbearance policy; amending Minnesota Statutes 1987 Supplement, sections 500.24, subdivisions 6 and 7; and 583.24, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Beckman, Morse, Schmitz and Wegscheid voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1850: A bill for an act relating to local improvements; special assessments; authorizing towns to make certain improvements; amending Minnesota Statutes 1986, section 429.011, subdivision 2b.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F No. 2137: A bill for an act relating to education; modifying certain requirements relating to school health services; amending Minnesota Statutes 1986, section 123.35, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 126; repealing Minnesota Statutes 1987 Supplement, sections 123.35, subdivision 16; and 126.201.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Chmielewski voted in the negative.

So the bill passed and its title was agreed to.

H.F No. 1858: A bill for an act relating to the environment; designating the Willard Munger Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 11.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1701: A bill for an act relating to natural resources; designating the fossil of the giant beaver, *castoroides ohioensis*, as the state fossil; proposing coding for new law in Minnesota Statutes, chapter 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 50 and nays 15, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.J.	Merriam	Purfeerst
Beckman	Davis	Kroening	Metzen	Reichgott
Belanger	Decker	Laidig	Moe, D.M.	Renneke
Berg	DeCramer	Langseth	Moe, R.D.	Samuelson
Berglin	Dicklich	Lantry	Morse	Solon
Bernhagen	Frederick	Larson	Olson	Spear
Bertram	Frederickson, D.J.	Lessard	Peterson, D.C.	Storm
Brataas	Frederickson, D.R.	Luther	Peterson, R.W.	Stumpf
Chmielewski	Hughes	Marty	Piper	Taylor
Cohen	Johnson, D.E.	McQuaid	Pogemiller	Vickerman

Those who voted in the negative were:

Adkins	Diessner	Jude	Mehrkens	Schmitz
Benson	Frank	Knaak	Pehler	Waldorf
Brandl	Freeman	Knutson	Ramstad	Wegscheid

So the bill passed and its title was agreed to.

H.F. No. 1817: A bill for an act relating to watercraft; requiring lifesaving devices in duck boats; amending Minnesota Statutes 1986, section 361.141, 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 66 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1620: A bill for an act relating to human services; regulating payments for certain services for adults with mental retardation and related conditions; providing protection for the mentally retarded; providing for therapeutic work activities; negotiating medical assistance utilization review appeals; regulating child support; amending Minnesota Statutes 1986, section 246.56; Minnesota Statutes 1987 Supplement, sections 252.41, subdivision 7; 252.46, subdivisions 1, 2, 3, 4, 5, and 12; 252.47; 252A.111, subdivision 6; 254B.05, subdivision 1; 254B.09, subdivision 5; 256B.04, subdivision 15; and 518.64, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Renneke voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1970: A bill for an act relating to human services; exempting Indian health service facilities from rate establishment; requiring rate establishment for out-of-state hospitals; amending Minnesota Statutes 1987 Supplement, section 256.969, subdivision 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1086: A bill for an act relating to commerce; permitting certain charitable trusts to dispose of certain bank assets; proposing coding for new law in Minnesota Statutes, chapter 501.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2117: A bill for an act relating to employment; allowing certain nonlicensed facilities to perform breath tests for alcohol; amending Minnesota Statutes 1987 Supplement, section 181.953, subdivisions 1 and 2.

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

So the bill passed and its title was agreed to.

S.F. No. 1721: A bill for an act relating to employment agencies; regulating job listing services; regulating fees and contracts; amending Minnesota Statutes 1986, sections 184.21, subdivision 2, and by adding subdivisions; 184.37, subdivision 1; 184.38, subdivisions 3 and 5.

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

So the bill passed and its title was agreed to.

S.F. No. 995: A bill for an act relating to commerce; industrial loan and thrift companies; making certain technical corrections; modifying certain definitions; prescribing powers; prescribing the qualifications of the directors of certain companies; providing penalties; regulated loans; prescribing the types of security that may be taken; specifying the loan fees and charges that may be imposed by regulated lenders; regulating mortgage foreclosure notices; amending Minnesota Statutes 1986, sections 53.015; 53.02; 53.03, subdivision 5; 53.06; 53.08; 53.09, subdivision 3; 56.131, subdivisions 1 and 2; 56.14; and 580.03; Minnesota Statutes 1987 Supplement, sections 53.05; and 56.12.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 40 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Knutson	Metzen	Samuelson
Anderson	Cohen	Laidig	Moe, D.M.	Schmitz
Belanger	Decker	Langseth	Olson	Solon
Benson	DeCramer	Larson	Pehler	Storm
Bernhagen	Diessner	Lessard	Purfeerst	Stumpf
Bertram	Frederick	McQuaid	Ramstad	Taylor
Brandl	Gustafson	Mehrkens	Reichgott	Waldorf
Brataas	Jude	Merriam	Renneke	Wegscheid

Those who voted in the negative were:

Beckman	Frank	Johnson, D.J.	Moe, R.D.	Spear
Berg	Frederickson, D.J.	Knaak	Morse	Vickerman
Berglin	Frederickson, D.R.	Kroening	Peterson, D.C.	
Dahl	Freeman	Lantry	Peterson, R.W.	
Davis	Hughes	Luther	Piper	
Dicklich	Johnson, D.E.	Marty	Pogemiller	

So the bill passed and its title was agreed to.

H.F. No. 320: A bill for an act relating to statutes; removing certain gender references; amending Minnesota Statutes 1986, section 459.16.

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

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

CONSENT CALENDAR

H.F. No. 2558: A bill for an act relating to elections; requiring optical scan voting systems to be tested within 14 days before election; amending Minnesota Statutes 1986, section 206.83.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mrs. Adkins voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1861 a Special Order to be heard immediately.

SPECIAL ORDER

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

subdivisions 1, 3, and by adding a subdivision; 62E.16; Minnesota Statutes 1987 Supplement, sections 62A.17, subdivision 6; and 62D.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Laws 1984, chapter 464, sections 29 and 40.

Mr. Pehler moved to amend S.F. No. 1861 as follows:

Page 24, after line 2, insert:

"Sec. 22. [EFFECTIVE DATE.]

Sections 10, 12, and 14 to 19 are effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

S.F. No. 1861 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed 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. Cohen introduced—

S.F. No. 2555: A resolution memorializing Kurt Waldheim to resign as President of Austria.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. McQuaid introduced—

S.F. No. 2556: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Mr. Ramstad introduced—

S.F. No. 2557: A bill for an act relating to elections; allowing the spouse of a voter in need of assistance to help without taking an oath of eligibility; amending Minnesota Statutes 1986, section 204C.15, subdivision 1.

Referred to the Committee on Elections and Ethics.

Mr. Ramstad, Mrs. McQuaid, Messrs. Storm and Decker introduced—

S.F. No. 2558: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

Mr. Taylor introduced—

S.F. No. 2559: A bill for an act relating to retirement benefits for volunteer firefighters; providing a state paid supplemental benefit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 424A.

Referred to the Committee on Governmental Operations.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Spear moved that S.F. No. 2057, No. 92 on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Diessner moved that S.F. No. 2133, No. 68 on General Orders, be stricken and re-referred to the Committee on Employment. The motion prevailed.

Mr. Ramstad moved that S.F. No. 1739, No. 73 on General Orders, be stricken and re-referred to the Committee on Employment. The motion prevailed.

Mr. Samuelson moved that S.F. No. 2143, No. 81 on General Orders, be stricken and re-referred to the Committee on Commerce. The motion prevailed.

Mr. Berg moved that S.F. No. 1691, No. 22 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

Mr. Berg moved that S.F. No. 1752, No. 32 on General Orders, be stricken and re-referred to the Committee on Environment and Natural Resources. The motion prevailed.

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. 1687, 2090, 2214, 1689, 1388, 2102, 1652, 1674, 1761, 1304, 2376, 1795, 1700, 1695, 974, 1800, 1681, 2097, 1328, 2191, 2323, 2206, 2150, 2203, 2456, 1632, H.F. Nos. 2312 and 2120, which the committee recommends to pass.

S.F. No. 2046, which the committee recommends to pass with the following amendment offered by Mr. Vickerman:

Page 1, after line 13, insert:

"Sec. 2. [HOSPITAL SERVICE.]

The cities of Comfrey and Darfur, and the towns of Bashaw, Selma, Stately, Mulligan, Delton, and Adrian, all in Cottonwood, Brown, and Watonwan counties, may contribute gifts to the Comfrey Hospital in the city of Comfrey.

Sec. 3. [HOSPITAL SERVICE.]

The city of Mountain Lake, and the towns of Midway, Selma, Mountain Lake, Lakeside, and Carson, all in Cottonwood county, may contribute gifts to the Mountain Lake Hospital in the city of Mountain Lake."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "a hospital" and insert "certain hospitals"

The motion prevailed. So the amendment was adopted.

S.F. No. 1744, which the committee recommends to pass with the following amendments offered by Mr. Frederickson, D.R.:

Page 4, after line 11, insert:

"Sec. 7. [347.56] [LOCAL ORDINANCES.]

No statutory or home rule charter city or county may adopt any ordinance regulating dangerous or potentially dangerous dogs based solely on the specific breed of the dog. Local ordinances inconsistent with this section are void."

Page 5, line 16, before "Sections" insert "Section 7 is effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. then moved to amend S.F. No. 1744 as follows:

Page 3, line 31, before "Nothing" insert "Except as provided in section 7"

The motion prevailed. So the amendment was adopted.

S.F. No. 1835, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 268.18, subdivision 3, is amended to read:

Subd. 3. [FALSE REPRESENTATIONS; CONCEALMENT OF FACTS; PENALTY.] (a) Whoever obtains, or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, by intentional concealment of a material fact, or by impersonation or other fraudulent device, benefits to which the person is not entitled or benefits greater than that to which the person is entitled under this chapter, or under the employment security law of any state or of the federal government or of a foreign government, either personally or for any other person, shall be guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3, clauses (2), (3), (6), and (7). The amount of the benefits incorrectly paid shall be the difference between the amount of benefits actually received and the amount which the person would have been entitled under state and federal law had the department been informed of all material facts.

(b) Any employing unit or any officer or agent of an employing unit or any other person who makes a false statement or representation knowing it to be false, or who knowingly fails to disclose a material fact, to prevent or reduce the payment of benefits to any individual entitled thereto, or to avoid becoming or remaining a subject employer or to avoid or reduce any contribution or other payment required from an employing unit under this chapter or under the employment security law of any state or of the federal government, or who willfully fails or refuses to make any such contributions or other payment at the time required shall be guilty of a gross misdemeanor unless the benefit underpayment, contribution, or other payment involved exceeds \$250, in which event the person is guilty of a felony.

(c) Any person who willfully fails to produce or permit the inspection or copying of books, papers, records, or memoranda as required or when requested under section 268.12, subdivision 8, or to furnish any required reports other than contribution reports shall be guilty of a gross misdemeanor.

Sec. 3. Minnesota Statutes 1987 Supplement, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was a controlled substance listed in schedule 1 or 2 pursuant to section 152.02 with the exception of marijuana; or

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

(a) the value of the property or services stolen is more than \$500 but not more than \$2,500; or

(b) the property stolen was a controlled substance listed in schedule 3, 4, or 5 pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$200 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.18, subdivision 3; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(4) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, notwithstanding the value of the property or services stolen is not more than \$200, if any of the following circumstances exist:

(a) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(b) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(c) the property is taken from a burning building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(d) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(e) the property is a firearm; or

(f) the property stolen was a motor vehicle as defined in section 609.55; or

(5) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the property stolen is an article representing a trade secret; or if the property stolen is an explosive or an incendiary device; or

(6) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or

(7) in all other cases where the value of the property or services stolen is \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under clauses (1), (2), (3), (4), and (13) of subdivision 2 the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 12, after the first semicolon, insert "268.18, subdivision 3; 609.52, subdivision 3;"

The motion prevailed. So the amendment was adopted.

S.F. No. 994, which the committee recommends to pass with the following amendments offered by Mrs. Lantry:

Page 2, line 23, delete "*police*" and insert "*peace*" and after "*officer*" insert "*as defined by section 626.84*"

The motion prevailed. So the amendment was adopted.

Mrs. Lantry then moved to amend S.F. No. 994 as follows:

Page 2, line 24, delete "*or*" and after "*technician*" insert "*, or registered nurse*"

Page 2, line 26, after "*giving*" insert "*emergency*"

Page 2, line 27, delete "*attention*" and insert "*care prior to admission to a medical facility*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1882, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Page 1, line 9, after "*a*" insert "*nonpublic school or school*" and after "*district*" insert:

"(1)"

Page 1, line 10, after "*124.646*" insert "*or participates in the school breakfast program;*" and delete "*if it*" and insert:

"(2)"

Page 1, line 11, after "*the*" insert "*nonpublic school or school*"

Page 1, line 12, delete "*or a lactose enzyme*" and insert "*; milk fortified with lactace*" and delete the second "*or*" and insert a comma

Page 1, line 13, after "*tablet*" insert "*, granular or other*" and delete "*with milk*" and insert "*; or milk to which lactobacillus acidophilus has been added*"

Page 1, line 15, delete "*district*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2212, which the committee recommends to pass with the following amendment offered by Mr. Knutson:

Page 2, after line 18, insert:

"Sec. 3. [NOTIFICATION TO LANDOWNERS.]

At least 30 days before the commissioner of natural resources acquires land for the Paul Bunyan Trail under section 2, the commissioner must notify adjoining landowners of a hearing on the acquisition. The commissioner must hold a hearing on the land acquisition and development of the trail."

Renumber the sections in sequence

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.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 6:30 p.m. The motion prevailed.

The hour of 6:30 p.m. having arrived, the President called the Senate to order.

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.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate revert to the Orders of Business of Messages From the House, First Reading of House Bills, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 678 and 852.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 22, 1988

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1777, 2041, 2106, 2596, 1935 and 2049.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1988

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1983, 2155, 2190, 2524 and 1865.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 22, 1988

FIRST READING OF HOUSE BILLS

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

H.F. No. 1777: A bill for an act relating to the city of Minneapolis; providing for postretirement payments for Minneapolis police officers and Minneapolis firefighters, their surviving spouses and dependents; amending Laws 1949, chapter 406, section 5, by adding a subdivision.

Referred to the Committee on Governmental Operations.

H.F. No. 2041: 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, subdivision 3; Minnesota Statutes 1987 Supplement, section 500.24, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1996, now on General Orders.

H.F. No. 2106: A bill for an act relating to public employees; providing that certain historical society employees be eligible for public employees benefits; amending Minnesota Statutes 1986, section 471.61, subdivision 1; and Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2a.

Referred to the Committee on Governmental Operations.

H.F. No. 2596: A bill for an act relating to metropolitan government; creating a legislative task force to monitor performance of metropolitan agencies in complying with certain laws; prescribing the contents of affirmative action plans for metropolitan agencies and a process for approval and reporting of those plans; requiring purchases from businesses owned by socially or economically disadvantaged persons; amending Minnesota Statutes 1986, sections 473.141, subdivision 9; and 473.406, subdivisions 2, 5, 6, and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 473.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2513.

H.F. No. 1935: A bill for an act relating to insurance; accident and health; broadening the average for adopted children; requiring coverage for routine diagnostic procedures for cancer and services provided to ventilator-dependent persons; amending Minnesota Statutes 1987 Supplement, section 62A.27; and proposing coding for new law in Minnesota Statutes, chapter 62A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1838, now on General Orders.

H.F. No. 2049: A bill for an act relating to commerce; motor vehicles; clarifying the intent of the legislature regarding certain motor vehicle coverages; regulating motor vehicle franchises; clarifying the intent of the legislature regarding cancellations, terminations, or nonrenewals; specifying unfair practices; prohibiting agreements designed to waive, nullify, or modify statutory regulation; requiring lessors to title and register vehicles; amending Minnesota Statutes 1986, sections 60A.08, by adding a subdivision; 80E.06; 80E.07; 80E.08; 80E.09; 80E.13; Minnesota Statutes 1987 Supplement, sections 65B.49, subdivision 5a; and 72A.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 80E.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1844, now on General Orders.

H.F. No. 1983: 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2125, now on General Orders.

H.F. No. 2155: A bill for an act relating to natural resources; revising provisions relating to the Heartland Trail; establishing the Paul Bunyan Trail; amending Minnesota Statutes 1986, section 85.015, subdivision 12, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2212, now on the Calendar.

H.F. No. 2190: A bill for an act relating to local government; permitting certain cities and towns to contribute to a hospital.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2046, now on the Calendar.

H.F. No. 2524: A bill for an act relating to local government; including certain parcels in a tax increment financing district located in the city of Virginia.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1865: A bill for an act relating to the town of White Bear; authorizing the town of White Bear to establish an economic development authority; giving the town of White Bear the powers of a city with respect to the authority.

Referred to the Committee on Taxes and Tax Laws.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1892. The motion prevailed.

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

S.F. No. 1892: A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; amending Minnesota Statutes 1986, section 80B.03, subdivisions 1 and 6; 302A.243; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.553, subdivision 3; 302A.671, subdivisions 2, 3, 4, and 4a; and 302A.673.

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 80B.03, subdivision 1, is amended to read:

Subdivision 1. It is unlawful for any person to make a takeover offer or to acquire any equity securities pursuant to the offer, unless the offer is

effective under sections 80B.01 to 80B.13. A takeover offer is effective when the offeror files with the commissioner a registration statement containing the information prescribed in subdivisions 2 and 6. The offeror shall deliver a copy of the registration statement by personal service to the target company at its principal office and publicly disclose the material terms of the proposed offer, not later than the date of filing of the registration statement. Public disclosure shall require, at a minimum, that a copy of the registration statement be supplied to all broker-dealers maintaining an office in this state currently quoting the security. The offeror shall send or deliver to all offerees as soon as practicable after the filing, the material terms of the proposed offer and the information specified in subdivision 6.

Sec. 2. Minnesota Statutes 1986, section 80B.03, subdivision 6, is amended to read:

Subd. 6. The form required to be filed by subdivision 2, clause (a), shall contain the following information:

(a) the identity and background of all persons on whose behalf the acquisition of any equity security of the ~~issuer~~ target company has been or is to be ~~affected~~ effected including the identity and background of each member of a partnership, limited partnership, syndicate, or other group constituting the person and the identity and background of each affiliate and associate of the person, including the identity and background of each affiliate and associate of each member of the partnership, syndicate, or other group; provided, however, that with respect to a limited partnership, the information need only be given with respect to a partner who is denominated or functions as a general partner and each affiliate and associate of the general partner;

(b) the source and amount of funds or other consideration used or to be used in acquiring any equity security, including, if applicable, a statement describing any securities which are being offered in exchange for the equity securities of the issuer, and if any part of the acquisition price is or will be represented by borrowed funds or other consideration, a description of the material terms of any financing arrangements and the names of the parties from whom the funds were borrowed the material terms of the financial arrangements for the take-over;

(c) if the purpose of the acquisition is to gain control of the target company, a statement of plans or proposals which the person has, upon gaining control, to liquidate the issuer, sell its assets, effect its merger or consolidation, to change the location of its principal executive office or of a material portion of its business activities, to change its management or policies of employment, to materially alter its relationship with suppliers or customers or the communities in which it operates, or make any other major change in its business, corporate structure, management or personnel, and such other objective facts as would be substantially likely to affect a reasonable shareholder's evaluation of the takeover offer any plans or proposals of any person identified under paragraph (a), including plans or proposals under consideration, to (1) liquidate or dissolve the target company, (2) sell all or a substantial part of its assets, or merge it or exchange its shares with another person, (3) change the location of its principal place of business or its principal executive office or of a material portion of its business activities, (4) change materially its management or policies of employment, (5) change materially its charitable or community

contributions or related policies, programs, or practices, (6) change materially its relationship with suppliers or customers or the communities in which it operates, or (7) make any other material change in its business, corporate structure, management or personnel, and other objective facts as would be substantially likely to affect the decision of a shareholder with respect to the take-over offer;

(d) the number of shares or units of any equity security of the issuer owned beneficially by the person and any affiliate or associate of the person, together with the name and address of each affiliate or associate;

(e) the material terms of any contract, arrangement, or understanding with any other person with respect to the equity securities of the issuer whereby the person filing the statement has or will acquire any interest in additional equity securities of the issuer, or is or will be obligated to transfer any interest in the equity securities to another and class or series of shares of the target company beneficially owned, directly or indirectly, by each of the persons identified under paragraph (a).

Sec. 3. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 37, is amended to read:

Subd. 37. [ACQUIRING PERSON.] "Acquiring person" means a person that makes or proposes to make a control share acquisition. When two or more persons act as a partnership, limited partnership, syndicate, or other group pursuant to any written or oral agreement, arrangement, relationship, understanding, or otherwise (~~whether or not in writing~~) for the purposes of acquiring, owning, or voting shares of an issuing public corporation, all members of the partnership, syndicate, or other group constitute a "person."

"Acquiring person" does not include (a) a licensed broker/dealer or licensed underwriter who (1) purchases shares of an issuing public corporation solely for purposes of resale to the public and (2) is not acting in concert with an acquiring person, or (b) a person who becomes entitled to exercise or direct the exercise of a new range of voting power within any of the ranges specified in section 302A.671, subdivision 2, paragraph (d), solely as a result of a repurchase of shares by, or recapitalization of, the issuing public corporation or similar action unless (1) the repurchase, recapitalization, or similar action was proposed by or on behalf of, or pursuant to any written or oral agreement, arrangement, relationship, understanding, or otherwise with, the person or any affiliate or associate of the person or (2) the person thereafter acquires beneficial ownership, directly or indirectly, of outstanding shares entitled to vote of the issuing public corporation and, immediately after the acquisition, is entitled to exercise or direct the exercise of the same or a higher range of voting power under section 302A.671, subdivision 2, paragraph (d), as the person became entitled to exercise as a result of the repurchase, recapitalization, or similar action.

Sec. 4. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 41, is amended to read:

Subd. 41. [BENEFICIAL OWNER; BENEFICIAL OWNERSHIP] (a) "Beneficial owner," when used with respect to shares or other securities, includes, but is not limited to, any person who, directly or indirectly through any written or oral agreement, arrangement, relationship, understanding, or otherwise (~~whether or not in writing~~), has or shares the power to vote, or direct the voting of, the shares or securities ~~and/or~~ or has or shares the

power to dispose of, or direct the disposition of, the shares or securities, ~~provided except~~ that (1) a person shall not be deemed the beneficial owner of shares or securities tendered pursuant to a tender or exchange offer made by the person or any of the person's affiliates or associates until the tendered shares or securities are accepted for purchase or exchange, and ~~provided that~~ (2) a person shall not be deemed the beneficial owner of shares or securities with respect to which the person has the power to vote or direct the voting arising solely from a revocable proxy given in response to a proxy solicitation required to be made and made in accordance with the applicable rules and regulations under the Securities Exchange Act of 1934 and is not then reportable under that act on a Schedule 13D or comparable report.

(b) "Beneficial ownership" includes, but is not limited to, the right to acquire shares or securities through the exercise of options, warrants, or rights, or the conversion of convertible securities, or otherwise. The shares or securities subject to the options, warrants, rights, or conversion privileges held by a person shall be deemed to be outstanding for the purpose of computing the percentage of outstanding shares or securities of the class or series owned by the person, but shall not be deemed to be outstanding for the purpose of computing the percentage of the class or series owned by any other person. A person shall be deemed the beneficial owner of shares and securities beneficially owned by any relative or spouse of the person or any relative of the spouse residing in the home of the person; any trust or estate in which the person owns ten percent or more of the total beneficial interest or serves as trustee or executor or in a similar fiduciary capacity, any corporation or entity in which the person owns ten percent or more of the equity, and any affiliate of the person.

(c) *When two or more persons act or agree to act as a partnership, limited partnership, syndicate, or other group for the purposes of acquiring, owning, or voting shares or other securities of a corporation, all members of the partnership, syndicate, or other group are deemed to constitute a "person" and to have acquired beneficial ownership, as of the date they first so act or agree to act together, of all shares or securities of the corporation beneficially owned by the person.*

Sec. 5. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 42, is amended to read:

Subd. 42. [INTERESTED SHARES.] "Interested shares" means the shares of an issuing public corporation ~~with respect to which beneficially owned by any of the following persons may exercise or direct the exercise of voting power in the election of directors of the issuing public corporation:~~ (1) ~~an~~ the acquiring person, (2) any officer of the issuing public corporation, or (3) any employee of the issuing public corporation who is also a director of the issuing public corporation.

Sec. 6. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 46, is amended to read:

Subd. 46. [BUSINESS COMBINATION.] "Business combination," when used in reference to any issuing public corporation and any interested shareholder of the issuing public corporation, means any of the following:

(a) any merger of the issuing public corporation or any subsidiary of the issuing public corporation with (1) the interested shareholder or (2) any other domestic or foreign corporation (whether or not itself an interested

shareholder of the issuing public corporation) that is, or after the merger would be, an affiliate or associate of the interested shareholder, ~~provided, however, that the foregoing shall not include but excluding~~ (1) the merger of a wholly-owned subsidiary of the issuing public corporation into the issuing public corporation or, (2) the merger of two or more wholly-owned subsidiaries of the issuing public corporation, or (3) ~~the merger of a corporation, other than an interested shareholder or an affiliate or associate of an interested shareholder, with a wholly-owned subsidiary of the issuing public corporation pursuant to which the surviving corporation, immediately after the merger, becomes a wholly-owned subsidiary of the issuing public corporation;~~

(b) any exchange, pursuant to a plan of exchange under section 302A.601, subdivision 2, or a comparable statute of any other state or jurisdiction, of shares or other securities of the issuing public corporation or any subsidiary of the issuing corporation or money, or other property for shares, other securities, money, or property of (1) the interested shareholder or (2) any other domestic or foreign corporation (whether or not itself an interested shareholder of the issuing public corporation) that is, or after the exchange would be, an affiliate or associate of the interested shareholder, ~~but excluding the exchange of shares of a corporation, other than an interested shareholder or an affiliate or associate of an interested shareholder, pursuant to which the corporation, immediately after the exchange, becomes a wholly-owned subsidiary of the issuing public corporation;~~

(c) any sale, lease, exchange, mortgage, pledge, transfer, or other disposition (in a single transaction or a series of transactions), ~~other than sales of goods or services in the ordinary course of business or redemptions pursuant to section 302A.671, subdivision 6,~~ to or with the interested shareholder or any affiliate or associate of the interested shareholder, ~~other than to or with the issuing public corporation or a wholly-owned subsidiary of the issuing public corporation,~~ of assets of the issuing public corporation or any subsidiary of the issuing public corporation (1) having an aggregate market value equal to ten percent or more of the aggregate market value of all the assets, determined on a consolidated basis, of the issuing public corporation, (2) having an aggregate market value equal to ten percent or more of the aggregate market value of all the outstanding shares of the issuing public corporation; or (3) representing ten percent or more of the earning power or net income, determined on a consolidated basis, of the issuing public corporation ~~except a cash dividend or distribution paid or made pro rata to all shareholders of the issuing public corporation;~~

(d) the issuance or transfer by the issuing public corporation or any subsidiary of the issuing public corporation (in a single transaction or a series of transactions) of any shares of the issuing public corporation or any subsidiary of the issuing public corporation that have an aggregate market value equal to five percent or more of the aggregate market value of all the outstanding shares of the issuing public corporation to the interested shareholder or any affiliate or associate of the interested shareholder, except pursuant to the exercise of warrants or rights to purchase shares offered, or a dividend or distribution paid or made, pro rata to all shareholders of the issuing public corporation ~~other than for the purpose, directly or indirectly, of facilitating or effecting a subsequent transaction that would have been a business combination if the dividend or distribution had not been made;~~

(e) the adoption of any plan or proposal for the liquidation or dissolution

of the issuing public corporation, or any reincorporation of the issuing public corporation in another state or jurisdiction, proposed by or on behalf of, or pursuant to any *written or oral* agreement, arrangement, ~~or relationship~~, understanding, *or otherwise (whether or not in writing)* with, the interested shareholder or any affiliate or associate of the interested shareholder;

(f) any reclassification of securities (including without limitation any share dividend or split, reverse share split, or other distribution of shares in respect of shares), recapitalization of the issuing public corporation, merger of the issuing public corporation with any subsidiary of the issuing public corporation, exchange of shares of the issuing public corporation with any subsidiary of the issuing public corporation, or other transaction (whether or not with or into or otherwise involving the interested shareholder), proposed by or on behalf of, or pursuant to any *written or oral* agreement, arrangement, ~~or relationship~~, understanding, *or otherwise (whether or not in writing)* with, the interested shareholder or any affiliate or associate of the interested shareholder, that has the effect, directly or indirectly, of increasing the proportionate share of the outstanding shares of any class or series of shares entitled to vote, or securities that are exchangeable for, convertible into, or carry a right to acquire shares entitled to vote, of the issuing public corporation or any subsidiary of the issuing public corporation that is, directly or indirectly, owned by the interested shareholder or any affiliate or associate of the interested shareholder, except as a result of immaterial changes due to fractional share adjustments;

(g) any receipt by the interested shareholder or any affiliate or associate of the interested shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of the issuing public corporation), of any loans, advances, guarantees, pledges, or other financial assistance, or any tax credits or other tax advantages provided by or through the issuing public corporation or any subsidiary of the issuing public corporation.

Sec. 7. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 49, is amended to read:

Subd. 49. [INTERESTED SHAREHOLDER.] "Interested shareholder," when used in reference to any issuing public corporation, means any person (other than the issuing public corporation or any subsidiary of the issuing public corporation) that is (1) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding shares entitled to vote of the issuing public corporation or (2) an affiliate or associate of the issuing public corporation and at any time within the five-year period immediately before the date in question was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares entitled to vote of the issuing public corporation. *Notwithstanding anything stated in this subdivision, if a person who has not been a beneficial owner of ten percent or more of the voting power of the outstanding shares entitled to vote of the issuing public corporation immediately prior to a repurchase of shares by, or recapitalization of, the issuing public corporation or similar action shall become a beneficial owner of ten percent or more of the voting power solely as a result of the share repurchase, recapitalization, or similar action, the person shall not be deemed to be the beneficial owner of ten percent or more of the voting power for purposes of clause (1) or (2) unless:*

(i) *the repurchase, recapitalization, conversion, or similar action was proposed by or on behalf of, or pursuant to any agreement, arrangement,*

relationship, understanding, or otherwise (whether or not in writing) with, the person or any affiliate or associate of the person; or

(ii) the person thereafter acquires beneficial ownership, directly or indirectly, of outstanding shares entitled to vote of the issuing public corporation and, immediately after the acquisition, is the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding shares entitled to vote of the issuing public corporation.

Sec. 8. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 50, is amended to read:

Subd. 50. [MARKET VALUE.] "Market value," when used in reference to shares or other property of any ~~issuing public~~ corporation, means the following:

(1) in the case of shares, the ~~highest average closing sale price of a share on the composite tape for New York Stock Exchange listed shares during the 30-day period~~ 30 trading days immediately preceding the date in question or, with respect to the references in section 302A.553, subdivision 3, if a person or persons selling the shares have commenced a tender offer or have announced an intention to seek control of the corporation, during the 30 trading days preceding the earlier of the commencement of the tender offer or the making of the announcement of a share on the composite tape for New York Stock Exchange listed shares, or, if the shares are not quoted on the composite tape or not listed on the New York Stock Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which the shares are listed, or, if the shares are not listed on any such exchange, on the National Association of Securities Dealers, Inc. Automated Quotations National Market System, or, if the shares are not quoted on the National Association of Securities Dealers, Inc. Automated Quotations National Market System, the ~~highest average closing bid quotation during the 30-day period~~ 30 trading days preceding the ~~date purchase of the shares~~ in question of a share on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or, with respect to the reference in section 302A.553, subdivision 3, if the person or persons selling the shares shall have commenced a tender offer or have announced an intention to seek control of the corporation, during the 30 trading days preceding the earlier of the commencement of the tender offer or the making of the announcement, provided that if no such quotation is available, the market value is the fair market value on the date in question of a share the shares as determined in good faith by the board of the ~~issuing public~~ corporation; ~~subject to arbitration;~~

(2) in the case of property other than cash or shares, the fair market value of the property on the date in question as determined in good faith by the board of the ~~issuing public~~ corporation; ~~subject to arbitration.~~

Sec. 9. Minnesota Statutes 1987 Supplement, section 302A.011, subdivision 51, is amended to read:

Subd. 51. [SHARE ACQUISITION DATE.] "Share acquisition date," with respect to any person and any issuing public corporation, means the date that the person first becomes an interested shareholder of the issuing public corporation; *provided, however, that in the event a person becomes, on one or more dates, an interested shareholder of the issuing public corporation, but thereafter ceases to be an interested shareholder of the*

issuing public corporation, and subsequently again becomes an interested shareholder, "share acquisition date," with respect to that person means the date on which the person most recently became an interested shareholder of the issuing public corporation.

Sec. 10. Minnesota Statutes 1987 Supplement, section 302A.471, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS CREATING RIGHTS.] A shareholder of a corporation may dissent from, and obtain payment for the fair value of the shareholder's shares in the event of, any of the following corporate actions:

(a) An amendment of the articles that materially and adversely affects the rights or preferences of the shares of the dissenting shareholder in that it:

(1) alters or abolishes a preferential right of the shares;

(2) creates, alters, or abolishes a right in respect of the redemption of the shares, including a provision respecting a sinking fund for the redemption or repurchase of the shares;

(3) alters or abolishes a preemptive right of the holder of the shares to acquire shares, securities other than shares, or rights to purchase shares or securities other than shares;

(4) excludes or limits the right of a shareholder to vote on a matter, or to cumulate votes, except as the right may be limited by dilution through the issuance of securities with similar voting rights; *except that an amendment to the articles of an issuing public corporation that provides that section 302A.671 does not apply to a control share acquisition does not give rise to the right to obtain payment under this section;*

(b) A sale, lease, transfer, or other disposition of all or substantially all of the property and assets of the corporation not made in the usual or regular course of its business, but not including a disposition in dissolution described in section 302A.725, subdivision 2, or a disposition pursuant to an order of a court, or a disposition for cash on terms requiring that all or substantially all of the net proceeds of disposition be distributed to the shareholders in accordance with their respective interests within one year after the date of disposition;

(c) A plan of merger to which the corporation is a party, except as provided in subdivision 3;

(d) A plan of exchange to which the corporation is a party as the corporation whose shares will be acquired by the acquiring corporation, if the shares of the shareholder are entitled to be voted on the plan; or

(e) Any other corporate action taken pursuant to a shareholder vote with respect to which the articles, the bylaws, or a resolution approved by the board directs that dissenting shareholders may obtain payment for their shares.

Sec. 11. Minnesota Statutes 1987 Supplement, section 302A.553, subdivision 3, is amended to read:

Subd. 3. [LIMITATION ON SHARE PURCHASES.] Except for redemptions under section 302A.671, subdivision 6, a publicly held corporation shall not, directly or indirectly, purchase or agree to purchase any shares

entitled to vote from a person (or two or more persons who act as a partnership, limited partnership, syndicate, or other group pursuant to any *written or oral* agreement, arrangement, relationship, understanding, or otherwise, ~~whether or not in writing~~, for the purpose of acquiring, owning, or voting shares of the publicly held corporation) who beneficially owns more than five percent of the voting power of the publicly held corporation for more than the ~~average market price value~~ thereof if the shares have been beneficially owned by the person or persons for less than six months, unless the purchase or agreement to purchase is approved at a meeting of shareholders by the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote or the publicly held corporation makes an offer, of at least equal value per share, to all holders of shares of ~~such the~~ class or series and to all holders of any class or series into which the securities may be converted. For purposes of this section, the ~~average market price shall mean: the average closing sale price during the 30 trading days immediately preceding the purchase of the shares in question (or if the person or persons have commenced a tender offer or have announced an intention to seek control of the publicly held corporation, during the 30 trading days preceding the earlier of the commencement of the tender offer or the making of the announcement), of a share on the composite tape for New York Stock Exchange listed shares, or, if the shares are not quoted on the composite tape or not listed on the New York Stock Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 on which the shares are listed, or, if the shares are not listed on any such exchange, on the National Association of Securities Dealers, Inc. Automated Quotations National Market System, or, if the shares are not quoted on the National Association of Securities Dealers, Inc. Automated Quotations National Market System, the average closing bid quotation, during the 30 trading days preceding the purchase of the shares in question of a share on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use (or if the person or persons have commenced a tender offer or have announced an intention to seek control of the publicly held corporation, during the 30 trading days preceding the earlier of the commencement of the tender offer or the making of the announcement), provided that if no quotation is available, the average market price shall be the fair market value on the date of purchase of the shares in question of a share as determined in good faith by the board of the publicly held corporation.~~

Sec. 12. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION IN ARTICLES APPLICATION.] (a) Unless otherwise expressly provided in the articles or in bylaws approved by the shareholders of an issuing public corporation, this section applies to a control share acquisition consummated, or a proposed control share acquisition with respect to which an information statement has been received by the issuing public corporation, on or before July 31, 1989.

Unless otherwise expressly provided in the articles or in bylaws approved by the shareholders of an issuing public corporation, this section does not apply to a control share acquisition consummated after July 31, 1989, with respect to which no information statement has been received by the issuing public corporation, on or before July 31, 1989.

(b) The shares of an issuing public corporation acquired by an acquiring person in a control share acquisition that exceed the threshold of voting

power of any of the ranges specified in subdivision 2, paragraph (d), shall have only the voting rights as shall be accorded to them pursuant to subdivision 4a.

Sec. 13. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 2, is amended to read:

Subd. 2. [INFORMATION STATEMENT.] An acquiring person shall deliver to the issuing public corporation at its principal executive office an information statement containing all of the following:

(a) the identity *and background* of the acquiring person, including the identity *and background* of each member of any partnership, limited partnership, syndicate, or other group constituting the acquiring person, and the identity *and background* of each affiliate and associate of the acquiring person, including the identity *and background* of each affiliate and associate of each member of such partnership, syndicate, or other group; *provided, however, that with respect to a limited partnership, the information need only be given with respect to a partner who is denominated or functions as a general partner and each affiliate and associate of the general partner;*

(b) a reference that the information statement is made under this section;

(c) the number and class or series of shares of the issuing public corporation beneficially owned, directly or indirectly, before the control share acquisition by each of the persons identified pursuant to paragraph (a);

(d) the number and class or series of shares of the issuing public corporation acquired or proposed to be acquired pursuant to the control share acquisition by each of the persons identified pursuant to paragraph (a) and specification of which of the following ranges of voting power in the election of directors that, except for this section, resulted or would result from consummation of the control share acquisition:

(1) at least 20 percent but less than 33-1/3 percent;

(2) at least 33-1/3 percent but less than or equal to 50 percent;

(3) over 50 percent; and

(e) the terms of the control share acquisition or proposed control share acquisition, including, but not limited to, the source of funds or other consideration and the material terms of the financial arrangements for the control share acquisition; plans or proposals of the acquiring person (including plans or proposals under consideration) to (1) liquidate or dissolve the issuing public corporation, ~~to~~ (2) sell all or a substantial part of its assets, or merge it or exchange its shares with any other person, ~~to~~ (3) change the location of its principal place of business or its principal executive office or of a material portion of its business activities, ~~to~~ (4) change materially its management or policies of employment, ~~to~~ (5) change materially its charitable or community contributions or its policies, programs, or practices relating thereto, ~~to~~ (6) change materially its relationship with suppliers or customers or the communities in which it operates, or ~~to~~ (7) make any other material change in its business, corporate structure, management or personnel; and ~~such~~ other objective facts as would be substantially likely to affect the decision of a shareholder with respect to voting on the control share acquisition.

If any material change occurs in the facts set forth in the information statement, including but not limited to any material increase or decrease

in the number of shares of the issuing public corporation acquired or proposed to be acquired by the persons identified pursuant to paragraph (a), the acquiring person shall promptly deliver to the issuing public corporation at its principal executive office an amendment to the information statement containing information relating to ~~such~~ *the* material change. An increase or decrease or proposed increase or decrease equal, in the aggregate for all persons identified pursuant to paragraph (a), to one percent or more of the total number of outstanding shares of any class or series of the issuing public corporation shall be deemed "material" for purposes of this paragraph; an increase or decrease or proposed increase or decrease of less than this amount may be material, depending upon the facts and circumstances.

Sec. 14. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 3, is amended to read:

Subd. 3. [MEETING OF SHAREHOLDERS.] If the acquiring person so requests in writing at the time of delivery of an information statement pursuant to subdivision 2, and has made, or has made a bona fide written offer to make, a control share acquisition and gives a written undertaking to pay or reimburse the issuing public corporation's expenses of a special meeting, except the expenses of the issuing public corporation in opposing ~~approval of~~ *according voting rights with respect to shares acquired or to be acquired* in the control share acquisition, within ten days after receipt by the issuing public corporation of the information statement, a special meeting of the shareholders of the issuing public corporation shall be called pursuant to section 302A.433, subdivision 1, for the *sole* purpose of considering the voting rights to be accorded to shares referred to in subdivision 1, paragraph (b), acquired or to be acquired pursuant to the control share acquisition. The special meeting shall be held no later than 55 days after receipt of the information statement *and written undertaking to pay or reimburse the issuing public corporation's expenses of the special meeting*, unless the acquiring person agrees to a later date. If the acquiring person so requests in writing at the time of delivery of the information statement, the special meeting shall not be held sooner than 30 days after receipt by the issuing public corporation of the information statement. *The record date for the meeting must be at least 30 days prior to the date of the meeting.* If no request for a special meeting is made, consideration of the voting rights to be accorded to shares referred to in subdivision 1, paragraph (b), acquired or to be acquired pursuant to the control share acquisition shall be presented at the next special or annual meeting of the shareholders, unless prior thereto the matter of the voting rights becomes moot. The notice of the meeting shall at a minimum be accompanied by a copy of the information statement (and a copy of any amendment to the information statement previously delivered to the issuing public corporation) and a statement disclosing that the board of the issuing public corporation recommends approval of, expresses no opinion and is remaining neutral toward, recommends rejection of, or is unable to take a position with respect to according voting rights to shares referred to in subdivision 1, paragraph (b), acquired or to be acquired in the control share acquisition. The notice of meeting shall be given at least ten days prior to the meeting. *Any amendments to the information statement received after mailing of the notice of the meeting must be mailed promptly to the shareholders by the issuing public corporation.*

Sec. 15. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 4, is amended to read:

Subd. 4. [FINANCING.] Notwithstanding anything to the contrary contained in this chapter, no call of a special meeting of the shareholders of the issuing public corporation shall be required to be made pursuant to subdivision 3 and no consideration of the voting rights to be accorded to shares referred to in subdivision 1, paragraph (b), acquired or to be acquired pursuant to a control share acquisition shall be presented at any special or annual meeting of the shareholders of the issuing public corporation unless at the time of delivery of the information statement pursuant to subdivision 2, the acquiring person shall have entered into, and shall deliver to the issuing public corporation a copy or copies of, a definitive financing agreement or definitive financing agreements, with one or more responsible financial ~~institution~~ institutions or other ~~entity~~ entities having the necessary financial capacity, for any financing of the control share acquisition not to be provided by funds of the acquiring person. *A financing agreement is not deemed not definitive for purposes of this subdivision solely because it contains conditions or contingencies customarily contained in term loan agreements with financial institutions.*

Sec. 16. Minnesota Statutes 1987 Supplement, section 302A.671, subdivision 4a, is amended to read:

Subd. 4a. [VOTING RIGHTS.] (a) Shares referred to in subdivision 1, paragraph (b), acquired in a control share acquisition shall have the same voting rights as other shares of the same class or series only if approved by resolution of shareholders of the issuing public corporation at a special or annual meeting of shareholders pursuant to subdivision 3.

(b) The resolution of shareholders must be approved by (1) the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote *including all shares held by the acquiring person*, and (2) the affirmative vote of the holders of a majority of the voting power of all shares entitled to vote excluding all interested shares. A class or series of shares of the issuing public corporation is entitled to vote separately as a class or series if any provision of the control share acquisition would, if contained in a proposed amendment to the articles, entitle the class or series to vote separately as a class or series.

(c) To have the voting rights accorded by approval of a resolution of shareholders, any proposed control share acquisition not consummated prior to the time of the shareholder approval must be consummated within 180 days after the shareholder approval.

(d) Any shares referred to in subdivision 1, paragraph (b), acquired in a control share acquisition that do not have voting rights accorded to them by approval of a resolution of shareholders shall regain their voting rights upon transfer to a person other than the acquiring person or any affiliate or associate of the acquiring person unless the acquisition of the shares by the other person constitutes a control share acquisition, in which case the voting rights of the shares are subject to the provisions of this section.

Sec. 17. Minnesota Statutes 1987 Supplement, section 302A.673, subdivision 1, is amended to read:

Subdivision 1. [BUSINESS COMBINATION WITH INTERESTED SHAREHOLDER; APPROVAL BY DIRECTORS.] (a) Notwithstanding anything to the contrary contained in this chapter (except the provisions of subdivision 3), an issuing public corporation may not engage in any business combination, or vote, consent, or otherwise act to authorize a

subsidiary of the issuing public corporation to engage in any business combination, with, with respect to, proposed by or on behalf of, or pursuant to any ~~written or oral~~ agreement, arrangement, ~~or relationship~~, understanding, ~~or otherwise (whether or not in writing)~~ with, any interested shareholder of the issuing public corporation or any affiliate or associate of the interested shareholder for a period of five years following the interested shareholder's share acquisition date unless the business combination or the acquisition of shares made by the interested shareholder on the interested shareholder's share acquisition date is approved by a committee of the board of the issuing public corporation before the interested shareholder's share acquisition date. The committee shall be formed in accordance with paragraph (d).

(b) If a good faith definitive proposal regarding a business combination is made in writing to the board of the issuing public corporation, a committee of the board formed in accordance with paragraph (d) shall consider and take action on the proposal and respond in writing within ~~45~~ 30 days after receipt of the proposal by the issuing public corporation, ~~or a shorter period, if any, as may be required by the Securities Exchange Act of 1934 or rules and regulations under that act,~~ setting forth its decision regarding the proposal.

(c) If a good faith definitive proposal to acquire shares is made in writing to the board of the issuing public corporation, a committee of the board formed in accordance with paragraph (d), shall consider and take action on the proposal ~~and respond in writing within 30 days after receipt of the proposal by the issuing public corporation, setting forth its decision regarding the proposal. Unless the committee responds affirmatively in writing within 45 days after receipt of the proposal by the issuing public corporation, or a shorter period, if any, as may be required by the Securities Exchange Act of 1934 or rules and regulations under that act, the committee shall be considered to have disapproved the share acquisition.~~

(d)(1) When a business combination or acquisition of shares is proposed pursuant to this subdivision, the board shall promptly form a committee composed of all of the board's disinterested directors. The committee shall take action on the proposal by the affirmative vote of a majority of committee members. No larger proportion or number of votes shall be required. Notwithstanding the provisions of section 302A.241, subdivision 1, the committee shall not be subject to any direction or control by the board with respect to the committee's consideration of, or any action concerning, a business combination or acquisition of shares pursuant to this section.

(2) A committee formed pursuant to this subdivision shall be composed of one or more members. Only disinterested directors may be members of a committee formed pursuant to this subdivision. However, if the board has no disinterested directors, the board shall select three or more disinterested persons to be committee members. *Committee members are deemed to be directors for purposes of sections 302A.251, 302A.255, and 302A.521.*

(3) For purposes of this subdivision, a director or person is "disinterested" if the director or person is ~~not a present or former officer or employee~~ neither an officer nor an employee, nor has been an officer or employee within five years preceding the formation of the committee pursuant to this section, of the issuing public corporation, or of a related corporation.

Sec. 18. Minnesota Statutes 1987 Supplement, section 302A.673, subdivision 3, is amended to read:

Subd. 3. [APPLICATION.] (a) Unless by express provision electing to be subject to this section contained in the articles or in bylaws approved by the shareholders of an issuing public corporation, this section does not apply to any business combination of an issuing public corporation, that is not, at any time during the period from the effective date of this section until adoption of the article or bylaw provision, a publicly held corporation. If the article or bylaw provision electing to be subject to this section expressly so provides, this section shall not apply to any business combination with an interested shareholder whose share acquisition date is before the effective date of the article or bylaw provision.

(b) *Except as provided in paragraph (c), this section does not apply to any business combination of an issuing public corporation:*

(1) *if the original, prior to the time the issuing public corporation becomes a publicly held corporation or becomes subject to this section by virtue of an election under paragraph (a), including any time prior to the time that the corporation becomes an issuing public corporation, articles or bylaws of the issuing public corporation contain a provision expressly electing not to be subject to this section;*

(2) *if the board of the issuing public corporation adopts, prior to September 1, 1987, an amendment to the issuing public corporation's bylaws expressly electing not to be subject to this section;*

(3) *if an amendment to the articles or bylaws of the issuing public corporation is approved by the shareholders, other than interested shareholders and their affiliates and associates, holding a majority of the outstanding voting power of all shares entitled to vote, excluding the shares of interested shareholders and their affiliates and associates, expressly electing not to be subject to this section and such the amendment provides that it is not to be effective until 18 months after the vote of shareholders, or August 1, 1989, whichever date is earlier, and provides that, except as provided in paragraph (d) (c), it does not apply to any business combination of the issuing public corporation with an interested shareholder whose share acquisition date is on or before the effective date of the amendment; or*

(4) *if the business combination was consummated before, or if a binding agreement for the business combination was entered into before, the day following final enactment of this section.*

(c) *This section does not apply to any business combination of an issuing public corporation with an interested shareholder of the issuing public corporation who became an interested shareholder inadvertently, if the interested shareholder:*

(1) *as soon as practicable, divests itself of a sufficient amount of the shares entitled to vote of the issuing public corporation so that it no longer is the beneficial owner, directly or indirectly, of ten percent or more of the outstanding shares entitled to vote of the issuing public corporation; and*

(2) *would not at any time within the five-year period preceding the announcement date with respect to the business combination have been an interested shareholder but for the inadvertent acquisition.*

(d) (c) *This section does not apply to any business combination of an*

issuing public corporation with an interested shareholder that was the beneficial owner, directly or indirectly, of ten percent or more of the outstanding shares entitled to vote of the issuing public corporation on June 1, 1987 respect to, proposed by or on behalf of, or pursuant to any written or oral agreement, arrangement, relationship, understanding, or otherwise with any person that would have been an interested shareholder on June 1, 1987, had this section been in effect on this date.

(e) Unless the articles or bylaws approved by the shareholders of the issuing public corporation otherwise provide, this section does not apply to any business combination of an issuing public corporation with, with respect to, proposed by or on behalf of, or pursuant to any agreement, arrangement, or understanding (whether or not in writing) with, any interested shareholder if the interested shareholder's share acquisition date is on or after August 1, 1989, or an affiliate or associate of that interested shareholder.

This section applies to any business combination of an issuing public corporation to which it previously did not apply because of provisions in articles or bylaws adopted or approved under paragraph (b), clause (1), (2), or (3), upon an amendment to the articles or bylaws approved by shareholders holding a majority of the outstanding voting power of all shares entitled to vote expressly electing to be subject to this section becoming effective. This section does not apply to any business combination of the corporation with, with respect to, proposed by or on behalf of, or pursuant to any written or oral agreement, arrangement, relationship, understanding, or otherwise with any person that would have been an interested shareholder on the effective date of the amendment if this section had been applicable.

Sec. 19. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 302A.673, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to corporations; making certain corrections to shareholder protection and corporate take-over legislation; eliminating restrictions on certain business combinations with an interested shareholder after five years; applying the control share acquisition and business combination statutes to certain issuing public corporations; amending Minnesota Statutes 1986, section 80B.03, subdivisions 1 and 6; Minnesota Statutes 1987 Supplement, sections 302A.011, subdivisions 37, 41, 42, 46, 49, 50, and 51; 302A.471, subdivision 1; 302A.553, subdivision 3; 302A.671, subdivisions 1, 2, 3, 4, and 4a; and 302A.673, subdivisions 1 and 3; repealing Minnesota Statutes 1987 Supplement, section 302A.673, subdivision 2."

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

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

S.F. No. 1837: A bill for an act relating to agriculture; appropriating money for enforcement of the organic food law.

Reports the same back with the recommendation that the bill be amended

as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PREFERENCE FOR MINNESOTA AGRICULTURAL PRODUCTS

Section 1. [16B.103] [PREFERENCE FOR AGRICULTURAL FOOD PRODUCTS GROWN IN STATE.]

Subdivision 1. [PREFERENCE IN STATE CONTRACTS.] The commissioner must require that state contracts by an agency for purchase of food products or food service contracts provide that the supplier make a reasonable attempt to identify and purchase food products that are grown in this state.

Subd. 2. [PREFERENCE FOR SUPPLIERS.] Agencies must give preference to the lowest responsible bidders for contracts that provide food products grown in this state over bidders that provide food products grown and raised outside of this state.

Subd. 3. [REPORT.] The commissioner shall prepare a report at the end of each biennium and submit it to the committees on agriculture in the house of representatives and senate on the total food products purchased or contracted for by agencies and the amounts of fruits, vegetables, grains, meats, poultry, and other food products purchased or contracted for that are grown in this state.

Sec. 2. [REPORT.]

The commissioner of agriculture shall investigate the use of agricultural products to discern the opportunity for expansion of market share by agricultural producers in the state. This investigation shall include franchised food chain and restaurant establishments selling prepared food in this state. The commissioner must submit a report of the investigation to the house of representatives and senate agriculture committees by January 31, 1989.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following final enactment. Section 1 applies to contracts entered into by the state after June 30, 1988.

ARTICLE 2

EXTENSION SAFETY PROGRAM SPECIALIST

Section 1. [POSITION ESTABLISHED; RESPONSIBILITIES.]

Subdivision 1. [EXTENSION SAFETY PROGRAM SPECIALIST.] There is established in the Minnesota extension service a permanent position of extension safety program specialist.

Subd. 2. [INITIAL RESPONSIBILITIES; REPORT.] (a) During fiscal years 1989 and 1990, the position of extension safety program specialist in the Minnesota extension service shall give priority to the following:

(1) assessment of the availability of high quality farm safety education and training materials and programs, and identification of any barriers to increasingly widespread acceptance and utilization of these materials and programs;

(2) design, coordination, conduct, and interpretation of statewide rural health and safety studies;

(3) evaluation of the concept of voluntary farm safety audits, and the possibility that those audits might be linked to an appropriate recognition or reward system including reduced insurance premiums for farmsteads that achieve a particularly good safety rating;

(4) development of joint educational programs and effective working relationships among the Minnesota agencies and organizations having rural health and safety concerns; and

(5) development of effective working relationships and information sharing arrangements with agencies and organizations in other states of the upper midwest that have rural health and safety concerns.

(b) The director of the Minnesota extension service must report to the house of representatives and senate agriculture committees on the findings and recommendations of the extension safety program specialist not later than March 1, 1989.

Subd. 3. [ONGOING RESPONSIBILITIES.] The position of extension safety program specialist in the Minnesota extension service has the following ongoing responsibilities and oversight authorities:

(1) assume leadership and serve as a resource person in the development of programs related to accident prevention and emergency preparedness;

(2) coordinate the preparation of educational materials related to accident prevention and emergency preparedness;

(3) design and conduct studies of rural and farm safety, as appropriate;

(4) develop and implement educational programs that will enable rural people to understand and comply with safety standards;

(5) maintain cooperation and effective working relationships with health and safety agencies and organizations in Minnesota, other states, and the United States government; and

(6) seek and efficiently utilize grant money made available by appropriate funds for programs relating to rural and farm safety.

Subd. 4. [POSITION FUNDING.] Money for support of the extension safety program specialist position in the Minnesota extension service may be accepted from the following sources:

(1) legislative appropriations from the general fund;

(2) funds from other sources within the extension service to the extent not precluded by other law; and

(3) gifts or grants from individuals, organizations, governmental units, foundations, corporations, or other sources except that no restrictions shall be placed by the giver with respect to the functions of the person holding the position or the duties and responsibilities of the position.

ARTICLE 3

DAIRY TASK FORCE

Section 1. [32.025] [MINNESOTA DAIRY TASK FORCE.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota dairy task force is established consisting of:

(1) the commissioner of agriculture or the commissioner's designee;

(2) two members representing statewide farm organizations appointed by the commissioner of agriculture;

(3) one member representing a dairy producer's organization appointed by the commissioner of agriculture;

(4) a representative from the University of Minnesota designated by the dean of the college of agriculture;

(5) two milk producers appointed by the governor; and

(6) two dairy processors appointed by the governor.

Subd. 2. [OBJECTIVES.] *The objectives of the Minnesota dairy task force are to:*

(1) increase production efficiency of dairy cow herds;

(2) reduce input costs of production;

(3) increase profitability of individual dairy farms; and

(4) establish long-range goals, objectives, and time line achievement strategies for the dairy industry.

Subd. 3. [DUTIES.] *The Minnesota dairy task force shall by June 1, 1989:*

(1) gather existing information on increasing milk production efficiency of dairy cow herds, reducing input costs, and increasing profitability of dairy farms;

(2) establish a mechanism to disseminate gathered information to dairy farmers in a practical form;

(3) examine computerized analysis of dairy records and the available software, and recommend practical alternatives for dairy farmers to use computerized analysis;

(4) develop a preliminary draft of long-range goals, objectives, and time line achievement strategies for the dairy industry;

(5) study alternatives for component pricing of milk; and

(6) recommend legislation needed to accomplish the objectives and goals in subdivision 2.

Subd. 4. [PILOT PROJECTS.] *The Minnesota dairy task force shall develop pilot projects of general application on dairy farms to demonstrate methods of increasing profitability of dairy farms.*

Sec. 2. [REPORT.]

The Minnesota dairy task force shall prepare and submit a report on its activities, accomplishments, and recommendations to the agriculture committees of the senate and house of representatives by February 1, 1989.

Sec. 3. [REPEALER.]

Section 1 is repealed effective June 30, 1990.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1988.

ARTICLE 4

DEPARTMENT OF AGRICULTURE AND FOOD

Section 1. Minnesota Statutes 1986, section 17.01, is amended to read:

17.01 [CREATION OF DEPARTMENT; COMMISSIONER; DEPUTY OF AGRICULTURE AND FOOD.]

Subdivision 1. [ESTABLISHMENT.] There is created a The department of agriculture, which shall be in the charge of a and food is established.

Subd. 2. [COMMISSIONER.] (a) The governor shall appoint a commissioner of agriculture, in this chapter called the commissioner, who shall be appointed by the governor and food under the provisions of section 15.06. Before entering upon the commissioner assumes the duties of office, the commissioner shall take the oath required of state officials. The commissioner may appoint a deputy commissioner.

(b) The commissioner of agriculture and food is in charge of the department of agriculture and food.

(c) The term "commissioner" in this chapter means the commissioner of agriculture and food.

Subd. 3. [DEPUTY COMMISSIONER.] (a) The commissioner of agriculture and food may appoint a deputy commissioner of agriculture and food.

(b) The commissioner of agriculture and food may designate the deputy commissioner to act in the commissioner's behalf as a member, with all the commissioner's rights and privileges, of a board, committee, or commission that the commissioner is a member of by law. The designation must be filed with the secretary of state.

(c) The term "deputy commissioner" in this chapter means the deputy commissioner of agriculture and food.

Sec. 2. [INSTRUCTION TO THE REVISOR.]

In the next edition of Minnesota Statutes the revisor of statutes shall:

(1) change the words, "commissioner of agriculture," "department of agriculture," or "deputy commissioner of agriculture" to "commissioner of agriculture and food," "department of agriculture and food," and "deputy commissioner of agriculture and food," respectively; and

(2) change the reference "sections 17.111 to 17.729" to "sections 17.111 to 17.73."

Sec. 3. [REPEALER.]

Minnesota Statutes 1986, section 17.013, is repealed.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 5

MINNESOTA GROWN LABEL

Section 1. Minnesota Statutes 1987 Supplement, section 17.102, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT AND USE OF LABEL.] (a) The

commissioner shall establish a "Minnesota grown" logo or labeling statement for use in identifying agricultural products that are grown, processed, or manufactured in this state. *The commissioner may develop labeling statements that apply to specific marketing or promotional needs. One version of a labeling statement must identify food products certified as organically grown in this state.* The Minnesota grown logo or labeling statement may be used on raw agricultural products ~~that are not processed into a different physical form or frozen~~, only if 80 percent or more of the agricultural product is produced in this state.

(b) The Minnesota grown logo or labeling statement may not be used without a license from the commissioner except that wholesalers and retailers may use the Minnesota grown logo and labeling statement for displaying and advertising products that qualify for use of the Minnesota grown logo or labeling statement.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 6

SOIL TEST LABORATORY CERTIFICATION

Section 1. [17.73] [SOIL TESTING LABORATORY CERTIFICATION.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The commissioner shall establish a program to certify the accuracy of analyses from soil testing laboratories and promote standardization of soil testing procedures and analytical results.

Subd. 2. [CHECK SAMPLE SYSTEM.] (a) The commissioner shall institute a system of check samples that requires a laboratory to be certified to analyze at least four multiple soil check samples during the calendar year. The samples must be supplied by the commissioner or by a person under contract with the commissioner to prepare and distribute the samples.

(b) Within 30 days after the laboratory receives check samples, the laboratory must report to the commissioner the results of the analyses for all requested elements or compounds or for the elements or compounds the laboratory makes an analytical determination of as a service to others.

(c) The commissioner must compile analytical data submitted by laboratories and provide laboratories submitting samples with a copy of the data without laboratory names or code numbers.

(d) The commissioner may conduct check samples on laboratories that are not certified.

Subd. 3. [ANALYSES REPORTING STANDARDS.] The results obtained from soil or plant analysis must be reported in accordance with standard reporting units established by the commissioner by rule. The standard reporting units must conform as far as practical to uniform standards that are adopted on a regional or national basis.

If a certified laboratory offers a recommendation, the University of Minnesota college of agriculture recommendation must be offered in addition to other recommendations, if any. If relative levels are presented to classify the analytical results, the corresponding relative levels based on the analysis as designated by the University of Minnesota college of agriculture must also be presented.

Subd. 4. [REVOCATION OF CERTIFICATION.] If the commissioner determines that analysis being performed by a laboratory is inaccurate as evidenced by check sample results, the commissioner may deny, suspend, or revoke certification.

Subd. 5. [CERTIFICATION FEES.] (a) A laboratory applying for certification must pay an application fee of \$100 and a certification fee of \$100 before the certification is issued.

(b) Certification is valid for one year and the renewal fee is \$100. The commissioner shall charge an additional application fee of \$100 if a certified laboratory allows certification to lapse before applying for renewed certification.

(c) The commissioner must notify a certified lab that its certification lapses within 30 to 60 days of the date when the certification lapses.

(d) Fees collected under this subdivision must be deposited in the state treasury and credited to a soil testing laboratory certification account. The money in the account is annually appropriated to the commissioner to administer this section.

Subd. 6. [RULES.] The commissioner shall adopt rules for the establishment of minimum standards for laboratories, equipment, procedures, and personnel used in soil analysis and rules necessary to administer and enforce this section. The commissioner must consult with representatives of the fertilizer industry, representatives of the laboratories doing business in this state, and with the University of Minnesota college of agriculture before proposing rules.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 7

GRAIN STANDARDS TESTING

Section 1. Minnesota Statutes 1986, section 17B.02, is amended to read:
17B.02 [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 17B.01 to 17B.29, the terms defined in this section have the meanings given them.

Subd. 2. [DEPARTMENT.] "Department" means the Minnesota department of agriculture.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or the commissioner's authorized representative.

Subd. 3a. [DISCOUNT.] "Discount" means an offer or purchase price for grain that is lower than the base or standard price offered by a buyer at a certain time and at a specified location. A discount price represents the lower than normal value of the grain because of inferior quality as determined by measurement of grade, dockage, test weight, moisture content, protein content, or other factors.

Subd. 3b. [INDEX MOISTURE LEVEL.] "Index moisture level" means the percentage moisture content for each grain that is used in establishing base or standard prices for the grain as determined by the commissioner.

Subd. 4. [PERSON.] "Person" means any individual, firm, copartnership, cooperative, company, association, and corporation, or their lessees, trustees, or receivers.

Subd. 5. [PREMIUM.] "Premium" means an offer or a purchase price for grain that exceeds the base or standard price offered by a buyer at a certain time and at a specified location. A premium price represents the higher than normal value of the grain because of superior quality as determined by measurement of grade, dockage, moisture content, test weight, protein content, or other factors.

Subd. 6. [TEST EQUIPMENT.] "Test equipment" means the mechanical and electronic devices commonly used in measurement of grain qualities including protein content, moisture content, and test weight.

Subd. 7. [TEST EQUIPMENT OPERATOR.] "Test equipment operator" means a person assigned by the management of an elevator or grain storage facility who is chiefly responsible for the preparation and analysis of grain samples for protein content, test weight, moisture content, and other qualities upon which price is determined.

Sec. 2. [17B.041] [COMMISSIONER TO REVIEW ACCURACY OF TEST EQUIPMENT AND TEST EQUIPMENT OPERATORS.]

Subdivision 1. [PERIODIC REVIEW.] The commissioner shall establish a program for the periodic grain testing review of protein analysis, test weight, and moisture test equipment, and test equipment operators. A review must consist of the performance of routine tests and analysis by the principal operator of the test equipment. A review under this section must be based on the results of on-site analysis performed on one or more samples of grain by the principal operator of the appropriate test equipment.

Subd. 2. [POSTING OF REVIEW FINDINGS.] Personnel of the department who perform a review of test equipment and test equipment operators under subdivision 1 must post a dated and signed statement indicating the conclusions of the review in a conspicuous location in the place of business where grain testing is conducted. The statement must be on a form provided by the commissioner and include in prominent wording a caution to the effect that the results at the time of a review by department personnel do not necessarily indicate either accuracy or inaccuracy in the test equipment or procedures at other times. The statement must remain on display until a subsequent review has been made.

Subd. 3. [FOLLOW-UP REVIEW UPON REQUEST.] The commissioner shall arrange for a follow-up review within seven business days of a periodic review if a follow-up review is requested by the test equipment operator.

Subd. 4. [REQUEST FOR COMMISSIONER TO SCHEDULE A REVIEW.] A purchaser or seller of grain may request the commissioner to perform a review of the test equipment and test equipment operator that is used to test the grain. A signed request must be submitted to the commissioner and upon receipt of a request, the commissioner shall schedule a review at a reasonable time considering other duties and responsibilities of the department personnel.

Subd. 5. [STATE NOT LIABLE.] The state is not liable to a seller or purchaser of grain for losses resulting from erroneous tests or analysis by test equipment or test equipment operators, whether reviewed by the department or not, if the commissioner and the department have exercised due

care in the scheduling and conduct of reviews under subdivisions 1 and 3.

Sec. 3. [17B.045] [PREMIUMS BASED ON TEST WEIGHT MUST EQUAL OR EXCEED DISCOUNTS.]

A purchaser of grain who provides a discount for grain that falls below the standard test weight for that grain shall offer an equal or greater premium for grain that has a test weight higher than the standard test weight.

Sec. 4. [17B.047] [PREMIUMS BASED ON MOISTURE CONTENT.]

Subdivision 1. [COMMISSIONER TO ESTABLISH INDEX MOISTURE LEVELS.] The commissioner shall establish an index moisture level for each grain commonly bought and sold in this state by rule. The commissioner may take into consideration factors such as moisture level variations appropriate to different locations within the state, variations in the keeping qualities of grains at different seasons of the year, and other appropriate factors.

Subd. 2. [PREMIUMS GENERALLY EQUAL TO OR GREATER THAN DISCOUNTS.] A purchaser of grain who provides a discount for grain based on tested moisture content higher than the index moisture level shall provide an equal or greater premium for grain that tests at a moisture content within the next three percentage points below the index moisture level. If the moisture content in a valid sample of the purchased grain is more than three percentage points below the index moisture level, the premium offered need not be further tied to an equivalent discount provided for grain that tests higher than the index moisture level.

Sec. 5. [17B.048] [SELLER OPTION TO AVERAGE LOADS.]

A purchaser of grain must allow a seller who delivers grain in multiple loads within a period of seven consecutive calendar days, at the option of the seller, to average the measurements from the multiple loads with respect to test weight, moisture content, and protein analysis.

Sec. 6. [EFFECTIVE DATE.]

Sections 3, 4, and 5 apply to purchases of grain occurring on or after July 1, 1989.

ARTICLE 8

INDUSTRIAL LIME FOR SOIL BUFFERING

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, wild-life, 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, stock-piling, 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. [REPEALER.]

Sections 1 to 5 are repealed June 30, 1991.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 9

SOYBEAN OIL INK

Section 1. [SOYBEAN OIL INK STUDY.]

The commissioner of administration shall study the feasibility of using ink with a soybean oil base for printing done by the commissioner, by other state agencies, and by private vendors under contract to agencies in all branches of state government. The study must include the cost implications to the state of using ink with a soybean oil base, the types of printing jobs that can and cannot be done effectively with this ink, and any transitional steps the state would have to take to implement the use of ink with a soybean oil base. The commissioner shall report the results of the study to the legislature by January 15, 1989.

ARTICLE 10

ORGANIC CERTIFICATION

Section 1. [31.95] [ORGANIC CERTIFICATION.]

Subdivision 1. [DESIGNATION.] The commissioner shall designate one or more organizations, located in this state, made up of organic food growers, manufacturers, or sellers to certify organically grown seeds, products, and food.

Subd. 2. [FEES.] The commissioner shall prescribe fees to be charged to persons for certification of organically grown seeds, production, and food under section 16A.128. By 1991, fees collected shall reflect the total annual cost of certification.

Subd. 3. [CERTIFICATION REQUIREMENT.] An organic certification agency may not refuse services or certification to a person:

(1) whose seeds, production, and food meet certification requirements; and

(2) who has paid membership dues and certification fees.

Subd. 4. [RULES.] The organic certification organization may draft rules for submission to the commissioner to adopt for implementation of the organically grown certification program.

ARTICLE 11

OIL OVERCHARGE FUNDS

Section 1. [ALLOCATION BY LAW.]

Notwithstanding other law, money received by the state as a result of litigation or settlement of the alleged violations of federal pricing regulations may not be spent unless specifically appropriated by law.

ARTICLE 12

CROP HAIL INSURANCE RATE FILING

Section 1. [60A.32] [RATE FILING FOR CROP HAIL INSURANCE.]

An insurer issuing policies of insurance against crop damage by hail in this state must file their insurance rates with the commissioner. The insurance rates must be filed before March 1 of the year in which a policy is issued.

ARTICLE 13

RURAL FINANCE AUTHORITY

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 authority.

ARTICLE 14

INTEREST RATE BUY-DOWN ADJUSTMENT

Section 1. [INTEREST RATE BUY-DOWN ADJUSTMENT.]

Subdivision 1. [ELIGIBILITY.] Notwithstanding Laws 1987, chapter 15, section 8, subdivision 2, the commissioner may consider a farmer an eligible buyer if the farmer has a loan balance with a lender under the Federal Guaranteed Operating Loan Program with the Interest Rate Buy-down Program administered by the FmHA between the dates January 1, 1987, and December 31, 1988, and complies with the remaining provisions of Laws 1987, chapter 15.

Subd. 2. [LATER MATURITY.] Notwithstanding Laws 1987, chapter 15, section 8, subdivision 3, the commissioner may consider a farm operating loan eligible for interest rate buy-down even though the maturity date is later than June 30, 1989, if the maturity date is later due to anticipation in the Federal Guaranteed Operating Loan Program Interest Rate Buy-down Program administered by the FmHA.

Subd. 3. [PAYMENT AFTER REQUEST.] Notwithstanding Laws 1987, chapter 15, section 4, subdivision 5, the commissioner may pay the last one-half of the interest rate buy-down amount within 30 days after request for final payment is received from the lender.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 15

EXTENSION OF DEADLINE FOR SEED POTATO STANDARDS

Section 1. Laws 1987, chapter 124, section 2, is amended to read:

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for potatoes planted after January 1, ~~1989~~ 1990.

ARTICLE 16

AGRICULTURAL CONTRACT TASK FORCE

Section 1. [AGRICULTURAL CONTRACT TASK FORCE.]

The commissioner of agriculture shall form an advisory task force to determine the feasibility of changing existing programs or developing a new program to provide economic protection for farmers producing agricultural commodities under contract. The economic protection would be provided when businesses have filed bankruptcy and are unable to make payments under the contract or are otherwise financially unable to make payments under the contract.

The advisory task force membership must include farmers, canning processors, contract seed businesses, livestock and poultry contractors, other agricultural processors, farm organizations, and bonding and financial institutions.

The commissioner shall coordinate meetings of the advisory task force, provide staff support, and participate in the advisory task force meetings.

The commissioner shall prepare a report of recommendations of the task force including recommendations for the legislature. The report must be

presented to the chairs of the agriculture committees in the legislature by January 15, 1989.

ARTICLE 17

REPEALER

Section 1. [REPEALER.]

Subdivision 1. [SUSTAINABLE AGRICULTURE CHAIR CONTRIBUTION REPEALER.] Minnesota Laws 1987, chapter 396, article 12, section 6, subdivision 2, is repealed.

Subd. 2. [FAMILY FARM LEGAL ASSISTANCE PROGRAM NON-JUDICIAL FUNDING RESTRICTION REPEALER.] Minnesota Statutes 1986, section 480.250, subdivision 3, is repealed.

ARTICLE 18

Section 1. [AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.]

\$3,500,000 is appropriated from the money allocated for a statewide applied research and technology transfer program to increase long-term energy cost effectiveness that was received by the state as a result of the settlement of the parties and order of the United States District Court for the District of Kansas in the case of In Re Department of Energy Stripper Well Exemption Litigation, 578 F.Supp. 586 (D.Kan. 1983) to the agricultural utilization research institute for grants to individuals and organizations for projects that promote sustainable agriculture. The grants may be made only for research or demonstration projects that foster development or public demonstration of agricultural practices which minimize the use of energy in production agriculture.

ARTICLE 19

APPROPRIATIONS

Section 1. [APPROPRIATION CANCELLATION.]

All money appropriated by Laws 1987, chapter 15, section 10, subdivision 1, clauses (a) and (b), for purposes of program "A" in 1987 and program "B" in 1987 and 1988 that remains unencumbered on July 1, 1988, and all money transferred to the interest rate buy-down program by Laws 1987, chapter 15, section 10, subdivision 4, is canceled and appropriated for the purposes of this article.

Sec. 2. [STATE AGRICULTURAL PRODUCT USE REPORT.]

\$35,000 is appropriated from the general fund to the commissioner of agriculture to contract for an investigation and report on the use of state agricultural products within the state and opportunities for expanded markets for state agricultural products within the state to be available until expended.

Sec. 3. [ORGANIC FOOD CERTIFICATION AND ENFORCEMENT.]

Subdivision 1. [START-UP CERTIFICATION COSTS.] \$100,000 is appropriated from the general fund to the commissioner of agriculture for transfer to an organic certification organization for start-up and initial administrative costs for the purpose of promoting and marketing "Minnesota grown" certified organic food products.

Subd. 2. [ENFORCEMENT COSTS.] \$50,000 is appropriated from the

general fund in the state treasury to the commissioner of agriculture for the fiscal year ending June 30, 1989, to administer and enforce the organic food law, Minnesota Statutes, sections 31.92 to 31.94.

Sec. 4. [BLUEGRASS SEED AND TURF PRODUCTION.]

\$35,000 is appropriated from the general fund to the commissioner of agriculture to be available until expended for a bluegrass seed and turf production program as follows:

(a) for contracting for personnel and labor costs related to bluegrass production over one year *\$20,000*

(b) for establishment and evaluation of sod varieties on mineral and peat soil, direct seeded turf varieties, and turf characteristics *\$15,000*

Sec. 5. [ALFALFA EXTRACTION PROCESS.]

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

Sec. 6. [SWEET SORGHUM RESEARCH AND DEMONSTRATION.]

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

Sec. 7. [SUSTAINABLE AGRICULTURE.]

Subdivision 1. [SUSTAINABLE AGRICULTURE CHAIR.] \$675,000 is appropriated from the general fund to the regents of the University of Minnesota to establish an endowment for a chair in sustainable agriculture. This appropriation is to be included in the nonstate sources of endowment under Minnesota Statutes, section 137.022, subdivision 3. This appropriation is not effective until the University of Minnesota and other private contributions and pledges provide the balance of the amount sufficient to establish the endowment for a chair in sustainable agriculture. This appropriation and the appropriation in Laws 1987, chapter 396, article 12, section 6, subdivision 1, cancel on June 30, 1992, if sufficient pledges and contributions have not been made.

Subd. 2. [CENTER FOR SUSTAINABLE AGRICULTURE.] \$150,000 is appropriated from the general fund to the regents of the University of Minnesota for a center for sustainable agriculture. This appropriation is not effective until the University of Minnesota obtains an outside commitment or reallocation for \$150,000. This appropriation cancels on June 30, 1992, if the reallocation or commitment has not been obtained.

Subd. 3. [EXTENSION PROGRAMS AND PUBLIC EDUCATION ON SUSTAINABLE AGRICULTURE.] \$25,000 is appropriated from the general fund to the regents of the University of Minnesota for extension programs and public education on sustainable agriculture. This appropriation

is not effective until the University of Minnesota obtains an outside commitment or reallocation of \$25,000. This appropriation cancels on June 30, 1992, if the reallocation or commitment has not been obtained.

Subd. 4. [REVOLVING LOAN FUND.] \$1,000,000 is appropriated from the general fund to the commissioner of agriculture to be credited to a revolving loan account, for low-interest loans to farmers to adopt sustainable agriculture practices. Money in the account does not cancel but is continuously appropriated to the commissioner of agriculture to make low-interest loans to farmers under this subdivision. Notwithstanding chapter 14, the commissioner shall prescribe procedures for application and implementation of the program.

Subd. 5. [DEMONSTRATION GRANT PROGRAM.] \$500,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1989, for grants to farmers for demonstration projects involving sustainable agriculture. If a project cost is more than \$50,000, the amount above \$50,000 may be cost shared at a state-applicant ratio of 1 to 1. Priority must be given for projects involving multiple parties.

Sec. 8. [EXTENSION PROGRAM SAFETY SPECIALIST.]

\$75,000 is appropriated from the general fund to the Minnesota extension service for purposes of funding the extension safety program specialist position. This appropriation is for support of the position during fiscal year 1989. Any portion of this appropriation that remains unencumbered on July 1, 1989, does not cancel but remains available for support of the position in the subsequent biennium.

Sec. 9. [DAIRY TASK FORCE.]

\$30,000 is appropriated from the general fund to the commissioner of agriculture to be matched equally by private funds to pay for the expenses of the Minnesota dairy task force and pilot projects.

Sec. 10. [MINNESOTA GROWN.]

Subdivision 1. [MINNESOTA GROWN COUPONS TO WIC RECIPIENTS.] \$85,000 is appropriated from the general fund to the commissioner of agriculture for a pilot project of providing Minnesota grown coupons for women, infants, and children program recipients. This appropriation is available until June 30, 1989. The commissioner of agriculture may conduct a pilot project to give Minnesota grown coupons redeemable for food identified with a Minnesota grown logo or labeling statement at selected farmers' markets to women, infants, and children program recipients. The commissioner shall conduct an evaluation of the pilot project, prepare a report, and submit the report to the legislature by January 1, 1989.

Subd. 2. [MINNESOTA GROWN LABELING.] \$20,000 is appropriated from the general fund to the commissioner of agriculture to develop different versions of the labeling statement and adopt rules.

Sec. 11. [SOIL TESTING LABORATORY CERTIFICATION.]

\$15,000 is appropriated from the general fund to the commissioner of agriculture to implement and administer the soil testing laboratory certification program.

Sec. 12. [PLANT PEST SURVEY PROGRAM.]

\$248,500 is appropriated from the general fund to the commissioner of agriculture to survey and detect plant pests and disseminate information to farmers on making appropriate applications of pesticides and non-chemical controls to be available until expended.

The complement of the department of agriculture is increased by three full-time and six part-time positions to administer the plant pest survey and detection program.

The commissioner of agriculture shall prepare a report on plant pest survey and detection and submit it to the legislature by June 1, 1990.

Sec. 13. [GRAIN STANDARDS TESTING.]

\$387,000 is appropriated from the general fund to the commissioner of agriculture for purposes of providing periodic reviews of test equipment and test equipment operators. The complement of the department is increased by eight.

Sec. 14. [INDUSTRIAL LIME FOR SOIL BUFFERING.]

\$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 of agriculture 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. 15. [AMARANTH PROCESSING FEASIBILITY.]

\$250,000 is appropriated to the commissioner of agriculture to be available until June 30, 1989, to be matched on a 1 to 3 basis by other funds for contracting for a study to design and investigate the feasibility of processing, marketing, and production of amaranth, and constructing an amaranth pilot processing plant. As part of the contract, a report must be prepared and submitted to the chairs of the agriculture committees of the legislature by December 1, 1989.

Sec. 16. [SOIL AND WATER STEWARDSHIP EDUCATION.]

\$80,000 is appropriated from the general fund to the legislative advisory commission, to be available until June 30, 1989, to make a grant to an organization to collect and disseminate materials on soil and water stewardship designated by the joint legislative committee on agricultural land preservation and soil and water conservation. The joint committee shall request bids for proposals to locate, collect, index, and organize materials on soil and water stewardship for dissemination to primary and secondary schools for use in curricula. The joint committee must designate an appropriate organization and review how existing requirements for environmental education are being met.

Sec. 17. [SOYBEAN OIL INK.]

\$2,500 is appropriated from the general fund to the commissioner of administration for the study of utilization of soybean oil ink to be matched by private funds or in-kind services or supplies.

Sec. 18. [FEDERAL FARM MEDIATION ALLOCATION.]

Subdivision 1. [MINNESOTA EXTENSION.] \$175,000 is appropriated from the money received from the federal government for state mediation programs to the regents of the University of Minnesota for the Minnesota extension service to use for mediation program administration.

Subd. 2. [SUPREME COURT.] \$125,000 is appropriated from money received from the federal government for state mediation programs to the supreme court administrator to contract with a legal service provider to provide legal support services for the Farmer-Lender Mediation Act.

Subd. 3. [COMMISSIONER OF AGRICULTURE.] \$200,000 is appropriated from money received by the federal government for state mediation programs to the commissioner of agriculture to be available as follows:

(a) for farm advocate programs *\$100,000*

(b) for resource centers *\$100,000*

Sec. 19. [ETHANOL STUDY FUNDING CANCELLATION.]

The unobligated balance of the appropriation in Laws 1987, chapter 390, section 3, is canceled. This section is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; providing alternatives for meaningful long-term benefits to Minnesota agriculture; providing initiatives for farmers to utilize sustainable agriculture; developing agricultural practices that minimize the use of energy in production agriculture; establishing a preference in state contracting for Minnesota grown products under certain conditions; establishing an extension position of extension safety program specialist; establishing a Minnesota dairy task force; renaming the department of agriculture the department of agriculture and food; authorizing different versions of the Minnesota grown label; establishing a program to certify soil testing laboratories; prescribing standards and conditions for grain testings; authorizing a soil buffering demonstration project with industrial lime; authorizing a soybean oil ink study; authorizing designation of organic certification agencies; requiring crop hail insurance providers to file rates; authorizing the rural finance authority to implement a seller-sponsored loan programs; amending requirements of rural finance authority loan programs; adjusting interest rate buy-down program eligibility; extending deadline for seed potato standards; requiring federal stripper well money to be spent by law and appropriating money to the agriculture utilization institute; appropriating money; amending Minnesota Statutes 1986, sections 17.01; 17B.02; 41B.02, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 17.102, subdivision 1; 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1 and 2; 41B.05; Laws 1987, chapter 124, section 2; proposing coding for new law in Minnesota Statutes, chapters 16B; 17; 17B; 31; 32; and 60A; repealing Minnesota Statutes 1986, sections 17.013; 480.250, subdivision 3; and Laws 1987, chapter 396, article 12, section 6, subdivision 2."

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. 1754: A bill for an act relating to crime victims; authorizing the crime victims reparations board to pay the costs of returning an abducted child home; authorizing the board to determine and award reparations and damage claims from proceeds of a commercial exploitation of a crime; permitting an offender's minor dependents to receive some proceeds of a commercial exploitation of a crime; clarifying certain duties of the crime victim ombudsman; prescribing penalties; amending Minnesota Statutes 1986, sections 611A.56; 611A.67; 611A.68, subdivisions 1, 4, 6, 8, and by adding subdivisions; and 611A.74, subdivision 3; and Minnesota Statutes 1987 Supplement, section 611A.52, subdivision 8; repealing Minnesota Statutes 1986, section 611A.68, subdivisions 2 and 5.

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

Page 1, after line 18, insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 270A.03, subdivision 2, is amended to read:

Subd. 2. "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any public agency responsible for child support enforcement, and any public agency responsible for the collection of court-ordered ~~criminal~~ restitution.

Sec. 2. Minnesota Statutes 1987 Supplement, section 270A.03, subdivision 8, is amended to read:

Subd. 8. "Restitution" means money due to ~~a crime~~ *the victim of a crime or a juvenile offense* under an order of restitution issued by a court under section 609.10, or 609.125 as part of a sentence or as a condition of probation, *or under an order entered by a court under section 260.185, subdivision 1, paragraph (e), following a finding of delinquency.*

Sec. 3. [611A.0315] [VICTIM NOTIFICATION; DOMESTIC ASSAULT.]

Subdivision 1. [NOTICE OF DECISION NOT TO PROSECUTE.] A prosecutor shall make every reasonable effort to notify a domestic assault victim that the prosecutor has decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by mail. If a suspect is still in custody, the notification attempt shall be made before the suspect is released from custody.

Subd. 2. [DEFINITIONS.] For the purposes of this section, the following terms have the meanings given them.

(a) "Assault" has the meaning given it in section 609.02, subdivision 10.

(b) "Domestic assault" means an assault committed by the actor against a family or household member.

(c) "Family or household member" has the meaning given it in section 518B.01, subdivision 2."

Page 5, lines 17 and 18, reinstate the stricken language and delete the new language and insert "or that would have been a felony if committed

in Minnesota, and includes an offense committed or attempted on an Indian reservation or other trust land."

Page 5, delete lines 19 to 22

Page 5, line 33, after "must" insert *"comply with this section if the person enters into the contract during the ten years after the offender is convicted of a crime or found not guilty by reason of insanity. If an offender is imprisoned or committed to an institution following the conviction or finding of not guilty by reason of insanity, the ten-year period begins on the date of the offender's release. A person subject to this section must"*

Page 6, line 29, delete *"offender or the offender's representative"* and insert *"board"*

Page 9, line 3, delete *" , if any,"*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert *"providing that revenue recapture provisions apply to restitution ordered in a juvenile delinquency proceeding; requiring prosecutors to attempt to notify domestic assault victims of decisions not to prosecute;"*

Page 1, line 14, delete *"section"* and insert *"sections 270A.03, subdivisions 2 and 8; and"* and after the semicolon, insert *"proposing coding for new law in Minnesota Statutes, chapter 611A;"*

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. 1111: A bill for an act relating to crimes; providing that it is a prima facie case for reference for prosecution as an adult if a child is alleged to have committed an aggravated felony against the person as a member of an organized gang; making it a crime for an alleged or adjudicated juvenile delinquent who is 18 years old to escape from lawful custody; amending Minnesota Statutes 1986, sections 260.125, subdivision 3; and 609.485, subdivisions 2 and 4.

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

Page 3, lines 13 and 14, delete *"gang"* and after *"members"* insert *"of the association"*

Page 3, lines 21 and 22, delete the new language

Page 3, after line 21, insert:

"(2) Escapes while held in lawful custody of the commissioner of corrections on an allegation or adjudication of a delinquent act while 18 years of age;"

Page 3, line 23, strike *"(2)"* and insert *"(3)"*

Page 3, line 27, strike *"(3)"* and insert *"(4)"*

Page 3, line 30, strike *"(4)"* and insert *"(5)"*

Page 4, line 17, after *"custody"* insert *"of the commissioner of corrections"*

Page 4, line 18, before the comma, insert "while 18 years of age"

Page 5, after line 6, insert:

"Sec. 4. Minnesota Statutes 1986, section 636.07, is amended to read:
636.07 [CARE AND CUSTODY OF MINORS.]

Every sheriff or other person having charge of a minor under the age of 18 years, chargeable with any crime, shall provide a separate place of confinement for the minor, under no circumstances with grown-up prisoners. Every the minor while in confinement shall be provided with good reading matter, and relatives and friends likely to exert a good influence over the minor shall at all reasonable times be permitted to visit.

Sec. 5. Minnesota Statutes 1987 Supplement, section 641.14, is amended to read:

641.14 [JAILS; ~~HOW KEPT~~; SEPARATION OF PRISONERS.]

The sheriff of each county shall have charge of the jail, and be is responsible for its the operation and condition of the jail. Male and female prisoners shall be kept in separate rooms. No minor under 18 years shall be kept in the same room with adult prisoners. No insane prisoner shall be kept in the same room with any other prisoner. No person awaiting trial shall be kept in a room with a person convicted of a crime. No person awaiting trial shall be kept in a room with another person awaiting trial unless consistent with the person's safety, health and welfare. So far as If construction of the jail will permit permits, and so far as the sheriff shall maintain strict separation of prisoners to the extent that separation is consistent with prisoners' security, safety, health, and welfare, strict separation of prisoners shall be maintained. The sheriff shall not keep in the same room or section of the jail:

(1) a minor under 18 years old and a prisoner who is 18 years old or older, unless the minor has been committed to the commissioner of corrections under section 609.105 or the minor has been referred for adult prosecution and the prosecuting authority has filed a notice of intent to prosecute the matter for which the minor is being held under section 260.125;

(2) an insane prisoner and another prisoner;

(3) a prisoner awaiting trial and a prisoner who has been convicted of a crime;

(4) a prisoner awaiting trial and another prisoner awaiting trial, unless consistent with the safety, health, and welfare of both; and

(5) a female prisoner and a male prisoner."

Page 5, line 8, delete "and 3" and insert ", 3, 4, and 5" and delete "1987" and insert "1988"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "providing for custody of minors;"

Page 1, line 9, delete "and"

Page 1, line 10, before the period, insert "; and 636.07; and Minnesota

Statutes 1987 Supplement, section 641.14"

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

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

S.F. No. 2105: A bill for an act relating to education; authorizing the sale of college savings bonds; providing financial incentives for students to enroll at post-secondary institutions located in this state; creating an advisory task force; proposing coding for new law in Minnesota Statutes, chapter 16A.

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

Delete everything after the enacting clause and insert:

"Section 1. [MARKETING STUDY OF A BRAINPOWER DEVELOPMENT BOND PROGRAM.]

The higher education coordinating board and commissioner of finance shall conduct a study of the market for brainpower development bonds, including the potential demand for the bonds, characteristics of the potential buyers, provisions that would make the bonds more attractive to individuals who are saving to pay higher education costs, and other factors relevant to developing a successful plan for selling and issuing the bonds. As a part of this study, a subscription list of potential buyers of the bonds may be compiled."

Delete the title and insert:

"A bill for an act relating to education; authorizing a marketing study of a brainpower development bond program."

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. 2098: A bill for an act relating to game and fish; removing crows from the unprotected list; authorizing a season on crow and raven; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; and 97B.711, 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 1986, section 97A.015, subdivision 52, is amended to read:

Subd. 52. [UNPROTECTED BIRDS.] "Unprotected birds" means English sparrow, blackbird, ~~crow~~, starling, magpie, cormorant, common pigeon, and great horned owl.

Sec. 2. Minnesota Statutes 1986, section 97A.121, subdivision 2, is amended to read:

Subd. 2. [SEASON.] The *open* season for hunting in private shooting

preserves is ~~from September 1 through March 31~~ continuous. The commissioner may restrict the open season after receiving a complaint, holding a public hearing, and finding that the population of wild game birds is in danger by hunting in the preserve.

Sec. 3. Minnesota Statutes 1986, section 97A.121, is amended by adding a subdivision to read:

Subd. 4a. [PHEASANTS] A private shooting preserve licensed to release pheasants must release at least 500 pheasants on the licensed shooting preserve area during the private shooting preserve hunting season. At least 20 pheasants must be released within 14 days before a day that pheasants are hunted. The number of pheasants harvested may not exceed 95 percent of the number of pheasants released during the private shooting preserve hunting season.

Sec. 4. Minnesota Statutes 1986, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] (a) Except as provided in paragraph (b), a person required to possess a small game license may not hunt pheasants without a pheasant stamp in possession.

(b) The following persons are exempt from this subdivision:

(1) residents under age 18 or over age 65; and

(2) persons hunting on licensed private shooting preserves ~~in Norman, Becker, Wadena, Cass, Crow Wing, Aitkin, or Carlton county, and locations north of the northern boundaries of these counties.~~

Sec. 5. Minnesota Statutes 1986, section 97B.731, subdivision 2, is amended to read:

Subd. 2. [TAKING MOURNING DOVES GENERALLY PROHIBITED.] *Except as provided in section 6, mourning doves may not be taken in the state.*

Sec. 6. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 3. [EXPERIMENTAL MOURNING DOVE SEASON.] In 1988 and 1989 the commissioner may prescribe an open season and limits for mourning doves west of U.S. trunk highway No. 71.

Sec. 7. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 4. [BLACKBIRD, COWBIRD, GRACKLE, MAGPIE, AND CROW DEPREDATION.] (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. 8. Minnesota Statutes 1986, section 97B.731, is amended by adding a subdivision to read:

Subd. 5. [CROW SEASON.] The commissioner shall prescribe the time for a 124-day open season on crow. During the open season there is no limit on number of crow taken or possessed.

Sec. 9. [EFFECTIVE DATE.]

Sections 1, 7, and 8 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to game and fish; eliminating crows as an unprotected bird; authorizing a season on crows; prescribing when crows and certain other birds causing damage may be taken; removing statutory restrictions on the open season on private shooting preserves; requiring at least 500 pheasants to be released on certain shooting preserves and that harvested pheasants may not exceed 95 percent of the pheasants released; authorizing persons to hunt on a shooting preserve without a pheasant stamp; authorizing the taking of mourning doves during an experimental season west of U.S. highway No. 71; amending Minnesota Statutes 1986, sections 97A.015, subdivision 52; 97A.121, subdivision 2, and by adding a subdivision; 97B.715, subdivision 1; and 97B.731, subdivision 2, and by adding subdivisions."

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. 1709: A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, combined service disability benefit, and combined service survivor benefit provisions; requiring the establishment of a bounce-back joint and survivor optional annuity form; amending Minnesota Statutes 1987 Supplement, sections 356.30, subdivision 3; 356.302, subdivision 7; 356.303, subdivision 4; and 490.124, subdivision 11.

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

Delete everything after the enacting clause and insert:

"ARTICLE I

UNIFORM JUDICIAL RETIREMENT PLAN

Section 1. Minnesota Statutes 1986, section 490.123, subdivision 1, is amended to read:

Subdivision 1. [CREATION; CONTRIBUTIONS.] ~~There is hereby created a special fund known as The "judges' retirement fund". The fund shall must be credited with all contributions, all interest, and all other income authorized by law. From this fund there are appropriated the payments authorized by sections 490.121 to 490.132, in the amounts and at the times provided herein, including the expenses of administering the fund. Each~~ A judge shall contribute to the fund from each salary payment a sum equal to one-half of one percent of salary, plus a sum equal to the salary multiplied by the rate of employee tax specified in the Federal

Insurance Contributions Act as defined in section 355.01, subdivision 9, but in aggregate not less than seven percent of salary. *In addition, a judge referred to in section 355.392, subdivision 1, clause (b), shall contribute to the fund from each salary payment a sum equal to an additional three-quarters of one percent of salary.* The balance of all money necessary for administering sections 490.121 to 490.132 and the judges' retirement fund, including payment of retirement compensation and other benefits under sections 490.121 to 490.132, ~~shall must~~ be contributed to the fund by the state.

Money certified by the executive director of the Minnesota state retirement system to the commissioner of finance as needed to meet the state's obligations to the judges' retirement fund ~~shall must~~ be transferred to the fund at least once a month.

Sec. 2. Minnesota Statutes 1987 Supplement, section 490.124, subdivision 11, is amended to read:

Subd. 11. [OPTIONAL ANNUITIES.] ~~There shall be~~ No survivor or death benefits *may be paid* in connection with the death of a judge who retires after December 31, 1973, except as otherwise provided in sections 490.121 to 490.132. Within 30 days before retirement, except as provided in subdivision 10, a judge may elect to receive, ~~in lieu instead of the normal retirement annuity, an optional retirement annuity which shall take in the form of either an annuity payable for a period certain and for life thereafter or after that period, a joint and survivor annuity without reinstatement in the event of the designated beneficiary predeceasing the retired judge, or a joint and survivor annuity with reinstatement in the event of the designated beneficiary predeceasing the retired judge.~~ *The* An optional retirement annuity ~~shall must~~ be actuarially equivalent to a single life annuity with no term certain and ~~shall must~~ be established by the board of directors of the Minnesota state retirement system. In establishing these optional retirement annuity forms, the board shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement. The recommendations ~~shall must~~ be a part of the permanent records of the board.

Sec. 3. Minnesota Statutes 1986, section 490.129, is amended to read: 490.129 [BENEFITS OFFSET.]

Upon any event of maturity of benefits for ~~any a~~ judge referred to in section 355.392, subdivision 1, clause (b), the amount payable from the judges' retirement fund ~~shall must~~ be reduced by ~~75~~ 50 percent of the amount of the judge's primary benefit payable upon the event of maturity of benefits under the Social Security Act.

Upon any event of maturity of benefits for the judge's surviving spouse or dependent children under section 490.124, subdivision 9, the amount payable from the judges' retirement fund ~~shall must~~ be based ~~(a) (1)~~ on the judge's normal retirement annuity or ~~(b) (2)~~ upon the event of maturity of benefits under the Social Security Act, on the judge's normal retirement annuity after reduction by ~~75~~ 50 percent of the amount of the judge's primary benefit under the Social Security Act; provided that the surviving spouse or dependent children ~~shall must~~ receive an annuity of not less than 25 percent of the judge's final average compensation.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1988. Section 3 is effective retroactively to August 1, 1987, and applies to benefits that accrued, accrue, or would have accrued after that date.

ARTICLE 2 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION

Section 1. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] (a) The following persons are excluded from the meaning of "public employee":

(a) (1) persons employed for professional services where ~~such~~ the service is incidental to regular professional duties. ~~Service is incidental if, determined on the basis that compensation for it the service amounts to no more than 25 percent of a the person's total annual gross earnings for all professional duties-;~~

(b) (2) election officers-;

(c) (3) independent contractors and their employees-;

(d) (4) patient and inmate help in governmental subdivision charitable, penal, and correctional institutions-;

(e) (5) members of boards, commissions, bands, and others who serve the governmental subdivision intermittently-;

(f) (6) employees who hold positions of an essentially temporary or seasonal character, provided such employment does not continue for a period in excess of 120 working days in any calendar year or in any school year for school employees. Immediately following the expiration of such 120 working days if such employees continue in public service and earn in excess of \$325 in any one calendar month, the department heads must then report all such employees for membership and must cause employee contributions to be made on behalf of such employees in accordance with section 353.27, subdivision 4, and they shall remain members until termination of public service. ~~whose employment is not expected to continue for a period longer than six consecutive months;~~

(g) (7) part-time employees who receive monthly compensation from a governmental subdivision not exceeding \$325 \$425, and part-time employees and elected officials whose annual compensation from a governmental subdivision is stipulated in advance, in writing, to be not more than \$3,900 \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$3,900 \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members ~~shall~~ continue their membership until termination of public service-;

(h) (8) persons who first occupy an elected office after ~~March 1, 1978~~ July 1, 1988, the compensation for which does not exceed \$325 \$425 per month-;

(i) (9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster-;

(j) (10) employees who by virtue of their employment as an officer or employee of a governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the state

employees retirement fund system, the teachers retirement fund, the state patrol retirement fund, the Duluth teachers retirement fund association, the Minneapolis teachers retirement fund association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, the Minnesota state retirement system correctional officers retirement plan, or any police or firefighters relief association governed by section 69.77 which that has not consolidated with the public employees police and fire fund and for which the employee has not elected coverage by the public employees police and fire fund benefit plan as provided in sections 353A.01 to 353A.10, other than as an act of the legislature has specifically enabled participation by employees of a designated governmental subdivision in a plan supplemental to the public employees retirement association. This clause shall not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time-;

(k) (11) police matrons employed in a police department of any a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority-;

(l) (12) persons who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a) (8) (A), as amended through January 1, 1987-;

(m) (13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university; provided, no person and who are not employed full time by a governmental subdivision shall be exempt under this paragraph-;

(n) (14) resident physicians, medical interns, and pharmacist interns who are serving in public hospitals-;

(o) (15) appointed or elected officers, paid entirely on a fee basis, and who were not members on June 30, 1971-;

(p) Nothing in Laws 1973, chapter 753 shall be interpreted to impair or revoke any option exercised under Laws 1963, chapter 793.

(q) Town, city, or county assessors elected or appointed pursuant to chapter 273 who do not receive compensation in excess of \$325 per month from any one employing governmental subdivision or who are employed pursuant to an employment contract which sets forth the total compensation to be paid and the length of service, not to exceed three months in duration, required for the performance of the contract and which was entered into in advance of the commencement of employment.

(r) (16) persons holding a part-time adult supplementary vocational technical school license who render part-time teaching service in a vocational technical school if (1) the service is incidental to the person's regular nonteaching occupation; and (2), the applicable vocational technical school stipulates annually in advance that the part-time teaching service will not exceed 300 hours in a fiscal year, and (3) the part-time teaching service actually does not exceed 300 hours in a fiscal year-; and

(s) (17) persons exempt from licensure pursuant to under section 125.031.

(b) Immediately following the expiration of a six-month period of employment by an employee covered by paragraph (a), clause (6), if the employee

continues in public service and earns more than \$425 from a governmental subdivision in any one calendar month, the department head shall report the employee for membership and cause employee contributions to be made on behalf of the employee in accordance with section 353.27, subdivision 4, and the employee remains a member until termination of public service. This paragraph may not be construed to exclude an employee from membership whose employment is expected to continue for more than six months but who is serving a probationary period.

(c) If compensation from a governmental subdivision to an employee covered by paragraph (a), clause (7), exceeds \$5,100 per calendar year or school year after being stipulated in advance, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee first exceeded \$425.

(d) Paragraph (a), clause (10), does not prevent a person from being a member of and contributing to the public employees retirement association and also belonging to or contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in section 353.01, subdivision 2; by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association in accordance with section 354.05, subdivision 2.

Sec. 2. Minnesota Statutes 1986, section 353.01, is amended by adding a subdivision to read:

Subd. 2c. [DEFINING OF TERMINATION OF PUBLIC SERVICE.] A person who terminates employment that was excluded from membership under subdivision 2b, paragraph (a), clause (6) or (7), who returns within 30 days to employment in the same governmental subdivision in another position excluded from membership under subdivision 2b, paragraph (a), clause (6) or (7), is considered a member from the beginning of the reemployment unless the total period covered by all periods of employment is less than six months or on which the amount earned does not exceed the dollar limitations in subdivision 2b, paragraph (a), clause (7).

Sec. 3. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 10, is amended to read:

Subd. 10. [SALARY.] "Salary" means the periodical compensation of any a public employee, before deductions for deferred compensation or, supplemental retirement plans, or other voluntary salary reduction programs, and also means "wages" and includes net income from fees. Fees paid to district court reporters shall are not be considered a salary. Lump sum annual or lump sum sick leave payments and, severance payments, and all payments in lieu of any employer-paid group insurance coverage, including the difference between single and family rates that may be paid to a member with single coverage, shall are not be deemed to be salary. Prior to Before the time that all sick leave has been used, amounts paid to an employee pursuant to under a disability insurance policy or program where the employer paid the premiums shall be are considered salary, and, after all sick leave has been used, the payment shall is not be considered salary. Workers' compensation payments shall are not be considered salary. For any a public employee who has prior service covered by a local police

or firefighters relief association ~~which~~ *that* has consolidated with the public employees police and fire fund and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 353A.08 following the consolidation, ~~the term~~ "salary" means the rate of salary upon which member contributions to the special fund of the relief association were made prior to the effective date of the consolidation as specified ~~in the applicable general law, special by law, and by bylaw provisions governing the relief association as of~~ *on* the date of the initiation of the consolidation procedure and the actual periodical compensation of the public employee after the effective date of the consolidation.

Sec. 4. Minnesota Statutes 1986, section 353.01, subdivision 15, is amended to read:

Subd. 15. [DEPENDENT CHILD.] "Dependent child" means ~~any~~ *a* natural or adopted child of a deceased member, provided such child is ~~(a)~~ under the age of 18; ~~(b)~~ *or* age 18 through 21 and a full time student in an accredited school, university, or college, and in either case unmarried and dependent for more than one-half of support upon ~~such~~ *the* member at the time of death and for not less than 90 days ~~prior thereto before the time of death~~; provided, that the child of a deceased member, who at the time of death was receiving total and permanent disability benefits ~~pursuant to~~ *under* section 353.33, ~~shall be~~ *is* deemed dependent if dependent upon the decedent for more than one-half of support during the 90 days ~~prior to before~~ the decedent's becoming totally and permanently disabled. ~~It~~ "Dependent child" also includes ~~any~~ *a* child of the member conceived during the member's lifetime and born after ~~the member's~~ death. It also means ~~any~~ *a* dependent child who is the subject of adoption proceedings filed by a member, and who within two years after death of the member, by judgment and decree duly entered, is adjudged to be the adopted child of the deceased member; subject, however, to the qualifying conditions of age and dependency ~~aforsaid and in this subdivision~~. The dependency of the child ~~hereunder shall date~~ *dates* from the decree of adoption. "Dependent child" also includes a child age 18 to 21 who was attending an accredited school, university, or college full time, but was determined to be medically unable to continue school on a full-time basis. The board of trustees shall adopt written procedures to make determinations regarding eligibility based on a student being medically unable to continue school, and may not continue a benefit for medical reasons for a period greater than one year.

Sec. 5. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] (a) "Allowable service" means: ~~(1)~~ service during years of actual membership in the course of which employee contributions were ~~currently~~ made; periods covered by payments in lieu of salary deductions made as provided in section 353.35, and service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the fund as permitted by any law then in effect.

(2) ~~Any~~ (b) "Allowable service" also means a period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(3) ~~Any~~ (c) "Allowable service" also means a period of authorized leave of absence without pay ~~which~~ *that* does not exceed one year, and during

or for which a member obtained credit by payments to the fund made ~~in lieu in place~~ of salary deductions, provided that ~~such the~~ payments are made in an amount or amounts based on the member's average salary on which deductions were paid ~~(a)~~ for the last six months of public service, or ~~(b)~~ for that portion of the last six months while the member was in public service, to apply to the period in either case immediately preceding commencement of ~~such the~~ leave of absence; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion ~~thereof of the leave~~, the employee shall also, as a condition to the exercise of ~~such the~~ election, pay to the fund an amount equivalent to both the required employer and additional employer contributions ~~therefor, such for the employee~~. The payment ~~to must~~ be made ~~currently or~~ within one year from the date the leave of absence terminates; ~~unless the~~. The employer by appropriate action of its governing body ~~and~~, made a part of its official records, ~~prior to before~~ the date of the first payment of ~~such the~~ employee contribution, ~~certifies may certify~~ to the association in writing that it will cause to be paid ~~such the~~ employer and additional employer contributions from the proceeds of a tax levy made ~~pursuant to under~~ section 353.28. Payments under this ~~clause shall para-~~graph ~~must~~ include interest at the rate of six percent ~~per annum a year~~ from the date of the termination of the leave of absence to the date payment is made.

(4) Any (d) "Allowable service" also means a period during which a member is on an authorized sick leave of absence, without pay limited to one year, or an authorized temporary layoff.

(5) Any (e) "Allowable service" also means a period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service ~~pursuant to under~~ section 192.262; and pays into the fund employee contributions based upon the employee's salary at the date of return from military service. After June 30, 1983, Payment must be made within five years of the date of discharge from the military service. The amount of these contributions ~~shall must~~ be in accord with the contribution rates and salary limitations, if any, in effect during ~~such the~~ leave, plus interest ~~thereon~~ at six percent ~~per annum a year~~ compounded annually from the date of return to public service to the date payment is made. In such cases the matching employer contribution and additional employer contribution provided in section 353.27, subdivisions 3 and 3a, ~~shall must~~ be paid by the department employing ~~such the~~ member upon return to public service, and the governmental subdivision involved is ~~hereby authorized to may~~ appropriate money ~~therefor for those payments~~. ~~Such A~~ member ~~shall may~~ not receive credit for ~~any a~~ voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction, or call to active duty.

(6) (f) For calculating benefits under sections 353.30, 353.31, 353.32, and 353.33 for state officers and employees displaced by the community corrections act, ~~Minnesota Statutes 1984~~, chapter 401, and transferred into county service under ~~Minnesota Statutes 1984~~, section 401.04, "allowable service" means combined years of allowable service as defined in ~~Minnesota Statutes 1984~~, ~~section sections~~ 352.01, subdivision 11, and ~~Minnesota Statutes 1984~~, section 353.01, subdivision 16, paragraphs (1) to (5).

(7) (g) For ~~any a~~ public employee who has prior service covered by a

local police or firefighters relief association ~~which~~ *that* has consolidated with the public employees police and fire fund, and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 353A.08 following the consolidation, ~~any~~ *"applicable service"* is a period of service credited by the local police or firefighters relief association as of the effective date of the consolidation based on ~~the applicable general law, special law, and on~~ *the applicable* bylaw provisions governing the relief association as ~~of~~ *on* the date of the initiation of the consolidation procedure.

Sec. 6. Minnesota Statutes 1987 Supplement, section 353.01, subdivision 20, is amended to read:

Subd. 20. [SURVIVING SPOUSE.] "Surviving spouse" means the unmarried spouse of a deceased member who ~~had the same legal residence as was legally married to~~ the member at the time of death, or at the time the member became totally and permanently disabled.

Sec. 7. Minnesota Statutes 1986, section 353.01, subdivision 29, is amended to read:

Subd. 29. [DESIGNATED BENEFICIARY.] "Designated beneficiary" means the person ~~or organization~~ designated by a member, ~~former member, disabilitant, or retired member~~ in writing, signed and filed with the association ~~before the death of the member, former member, disabilitant, or retired member,~~ to receive a refund of the balance of the member's accumulated deductions after death.

Sec. 8. Minnesota Statutes 1986, section 353.028, subdivision 2, is amended to read:

Subd. 2. [ELECTION.] A city manager may elect to be excluded from membership in the association. The election of exclusion ~~shall must~~ be made within ~~30 days~~ *six months* following the commencement of employment ~~or within 30 days following May 22, 1981, whichever occurs later,~~ in writing on a form prescribed by the executive director, and ~~shall must~~ be approved by a resolution of the governing body of the city. The election of exclusion ~~shall is not be~~ effective until it is filed with the executive director. Membership of a city manager in the association ~~shall cease~~ *ceases* on the date the written election is received by the executive director or upon a later date specified. The election to be excluded from membership ~~shall must~~ include a provision agreeing that the person will not at any time in the future seek ~~any~~ authorization to purchase service credit for any period of excluded service and ~~shall be~~ *is* irrevocable. *Employee and employer contributions made on behalf of a person exercising the option to be excluded from membership under this section must be refunded in accordance with section 353.27, subdivision 7.*

Sec. 9. Minnesota Statutes 1986, section 353.03, subdivision 1, is amended to read:

Subdivision 1. [MANAGEMENT; COMPOSITION; ELECTION.] The management of the public employees retirement fund is vested in a board of trustees consisting of the state auditor and eight members. The governor shall appoint five trustees to four-year terms, one of whom shall be designated to represent school boards, one to represent cities, one to represent counties, one who shall be a retired annuitant, and one who is a public member knowledgeable in pension matters. The membership of the association shall elect three trustees for terms of four years. Trustees elected by the membership of the association ~~shall must~~ be public employees and

members of the association. For seven days beginning ~~November~~ *October* 1 of each year preceding a year in which an election is held, the association shall accept at its office filings in person or by mail of candidates for the board of trustees. A candidate shall submit at the time of filing a nominating petition signed by 25 or more members of the fund. No name may be withdrawn from nomination by the nominee after ~~November~~ *October* 15. At the request of a candidate for an elected position on the board of trustees, the board shall mail a statement of up to 300 words prepared by the candidate to all persons eligible to vote in the election of the candidate. The board may adopt policies to govern form and length of these statements, timing of mailings, and deadlines for submitting materials to be mailed. These policies must be approved by the secretary of state. *The secretary of state shall resolve* disputes between the board and a candidate concerning application of these policies to a particular statement ~~shall be resolved by the secretary of state~~. A candidate who:

(a) (1) receives contributions or makes expenditures in excess of \$100; or

(b) (2) has given implicit or explicit consent for any other person to receive contributions or make expenditures in excess of \$100; for the purpose of bringing about the candidate's election, must file a report with the ethical practices board disclosing the source and amount of all contributions to the candidate's campaign. The ethical practices board shall prescribe forms governing these disclosures. Expenditures and contributions have the meaning defined in section 10A.01. These terms do not include the mailing made by the association board on behalf of the candidate. A candidate must file a report within 30 days from the day that the results of the election are announced. The ethical practices board shall maintain these reports and make them available for public inspection in the same manner as the board maintains and makes available other reports filed with it. By January 10 of each year in which elections are to be held the board shall distribute by mail to the members ballots listing the candidates. No member may vote for more than one candidate for each board position to be filled. A ballot indicating a vote for more than one person for any position ~~shall be~~ *is* void. No special marking may be used on the ballot to indicate incumbents. The last day for mailing ballots to the fund ~~shall be~~ *is* January 31. Terms expire on January 31 of the fourth year, and positions are vacant until newly elected members are qualified. The ballot envelopes ~~shall must~~ be so designed and the ballots ~~shall be~~ counted in ~~such a manner as to insure that ensures~~ that each vote is secret.

The secretary of state shall supervise the elections shall be supervised by the secretary of state. It shall be the duty of The board of trustees to *shall* faithfully administer the law without prejudice and consistent with the expressed intent of the legislature. ~~They~~ *Board members* shall act as trustees with a fiduciary obligation to the state of Minnesota, which created the fund, the taxpayers of the governmental subdivisions ~~which that~~ aid in financing it, and the public employees who are its beneficiaries. They shall act in good faith and shall exercise that degree of judgment and care, under circumstances then prevailing, ~~which that~~ persons of prudence, discretion, and intelligence exercise in the management of their own affairs.

Sec. 10. Minnesota Statutes 1986, section 353.27, subdivision 7, is amended to read:

Subd. 7. [ADJUSTMENT FOR ERRONEOUS RECEIPTS OR DISBURSEMENTS.] ~~(+)~~ (a) [ERRONEOUS DEDUCTIONS.] ~~Any~~ Deductions taken in error by the employer from the salary of an employee for the retirement fund and transmitted to the association ~~shall must~~ be refunded to the employee *calculated in accordance with section 353.34, subdivision 2; and the employer contribution and the additional employer contribution, if any, for the erroneous employee contribution shall must be refunded to the employer, provided, however, that the association and the state social security agency may make proper adjustments of moneys money taken as employee and employer deductions, and provided further that the refund of deductions taken in error has been made within three calendar years of the calendar year in which the initial erroneous deduction taken in error was received by the association. If the refund of deductions taken in error has not been made within three calendar years of the calendar year in which the initial erroneous deduction taken in error was received by the association, the erroneous contributions are considered valid, and the years of allowable service attributable to the erroneous deductions must be credited to the member in accordance with section 353.01, subdivision 16, and, notwithstanding a law to the contrary, the employee may continue to be a member until termination of public service.*

~~(2)~~ (b) [ERRONEOUS DISBURSEMENT.] In the event a salary warrant or check from which a deduction for the retirement fund was taken has been canceled or the amount of the warrant or check returned to the funds of the department making the payment, a refund of the sum ~~so~~ deducted, or ~~any~~ a portion of it as ~~that~~ is required to adjust the deductions, ~~shall must~~ be made to the department or institution.

Sec. 11. Minnesota Statutes 1986, section 353.27, is amended by adding a subdivision to read:

Subd. 7a. [DEDUCTIONS OR CONTRIBUTIONS TRANSMITTED BY ERROR.] *If employee deductions and employer contributions were erroneously transmitted to the association, but should have been transmitted to another public pension fund listed in section 356.30, subdivision 3, the association shall transfer the erroneous employee deductions and employer contributions to the appropriate retirement fund without interest. The time limitations in section 353.27, subdivisions 7 and 12, do not apply.*

Sec. 12. Minnesota Statutes 1987 Supplement, section 353.27, subdivision 10, is amended to read:

Subd. 10. [EMPLOYERS; FURNISH COPIES OF PAYROLL ABSTRACTS.] The head of each department is required to furnish the executive director with a carbon or duplicate copy of the departmental payroll abstracts for the last full pay period during the ~~months~~ month of ~~March~~ May for school districts and ~~October~~ December for all other governmental subdivisions, respectively, in each year. *Instead of a duplicate copy of the payroll abstract, the employer may submit an exception report listing only those employees who worked the last full pay period of May or December, but who are not members of the association. Minimum reporting requirements to be shown on either the payroll abstract or exception report include: (1) name of the governmental subdivision and department identification; (2) the association's assigned unit number and unique code; (3) pay period coverage dates; (4) any employee deductions; (5) gross salary for the pay period; (6) each employee's year-to-date gross pay; and (7) the reason for any exclusion. It shall be the duty of said* The executive

director ~~to~~ shall check the copies of all ~~such~~ payroll abstracts against the membership records of the association to ascertain whether ~~or not~~ any omissions have been made by ~~any~~ a department head in the reporting of ~~any~~ new public employees for membership. The head of any department shall furnish a carbon or duplicate copy of the department payroll abstract at the request of the executive director. The executive director may delegate an association employee by appointment, in accordance with section 353.03, subdivision 3a, paragraph (b), clause (5), to conduct a field audit to review the payroll records of a governmental subdivision.

Sec. 13. Minnesota Statutes 1987 Supplement, section 353.27, subdivision 12, is amended to read:

Subd. 12. [OMITTED SALARY DEDUCTIONS; OBLIGATIONS.] In the case of omission of required deductions from salary of an employee, past due for a period of 60 days or less, the head of the department shall deduct from the employee's next salary payment and forthwith remit to the executive director the amount of the employee contribution delinquency, with cumulative interest ~~thereon~~ at the rate of six percent ~~per annum~~ a year, compounded annually, from the date or dates each delinquent employee contribution was first payable, ~~such~~. The interest ~~to must~~ be paid by the employer. ~~To the extent that any such omitted required deductions are not paid by the employee, they shall constitute a liability of the governmental subdivision which failed to make said required deductions, with interest thereon as hereinbefore specified. After July 1, 1973, any such Omitted required deductions, past due for a period in excess of 60 days, shall become~~ are the sole obligation of the governmental subdivision from the time ~~such~~ the deductions were first payable, together with interest ~~thereon as hereinbefore specified in this subdivision~~. Any amount so due, together with employer and additional employer contributions at the rates and in the amounts specified in subdivisions 3 and 3a, with interest ~~thereon~~ at the rate of six percent compounded annually from the date they were first payable, ~~shall must~~ be paid from the proceeds of a tax levy made ~~pursuant to~~ under section 353.28, or from other funds available to the employer. Unless otherwise indicated, this subdivision ~~shall have~~ has both retroactive and prospective application, and the governmental subdivision is liable retroactively and prospectively for all amounts due ~~hereunder~~ under it. No action for the recovery of ~~delinquent omitted~~ employee and employer contributions or interest on contributions may be commenced and no payment of ~~delinquent omitted~~ contributions may be made or accepted unless the association has already commenced action for recovery of ~~delinquent omitted~~ contributions, after the expiration of three calendar years ~~next following~~ after the calendar year in which the contributions were omitted. An action for the recovery of omitted contributions or interest commences five calendar days after the date of the written correspondence requesting information from the governmental unit that may lead to a recovery of omitted contributions.

Sec. 14. Minnesota Statutes 1986, section 353.27, is amended by adding a subdivision to read:

Subd. 12a. A member who was employed and met the eligibility requirements for participation in the association before July 1, 1973, who has a period of employment in which previously omitted employer contributions were made under subdivision 12 but for whom no, or only partial, omitted employee contributions have been made, or a member who had prior

coverage in the association for which previously omitted employer contributions were made under subdivision 12 but who terminated service before required omitted employee contributions could be withheld from salary, may pay the omitted employee contributions for the period on which omitted employer contributions were previously paid plus interest at the rate of six percent compounded annually. The statute of limitations for payment of omitted deductions in subdivision 12 applies.

Sec. 15. Minnesota Statutes 1986, section 353.27, subdivision 13, is amended to read:

Subd. 13. [CERTAIN WARRANTS CANCELED.] ~~Any~~ A warrant payable from the retirement fund remaining unpaid for a period of ~~six~~ five years, ~~shall~~ must be canceled into the retirement fund and not into the general fund.

Sec. 16. Minnesota Statutes 1987 Supplement, section 353.29, subdivision 6, is amended to read:

Subd. 6. [RETIREMENT BEFORE ELIGIBILITY FOR SOCIAL SECURITY BENEFITS.] ~~Any~~ A member or former member who retires before becoming eligible for social security retirement benefits may elect to receive an optional retirement annuity from the association ~~which that~~ provides for different annuity amounts over different periods of retirement. The election of this optional retirement annuity ~~shall~~ must be exercised by making application to the board of trustees. The optional annuity ~~shall~~ must take the form of an annuity payable for the period before the annuitant becomes eligible for social security old age retirement benefits in a greater amount than the amount of the annuity calculated under subdivisions 2 and 3 on the basis of the age of the annuitant at retirement ~~but equal insofar as possible to the social security old age retirement benefit and the adjusted retirement annuity amount payable immediately after the annuitant becomes eligible for social security old age retirement benefits in an amount less than the amount of the annuity calculated under subdivisions 2 and 3 on the basis of the age of the annuitant at retirement. The social security leveling option may be calculated based on broad average social security old age retirement benefits.~~ The optional annuity ~~shall~~ must be the actuarial equivalent of the normal retirement annuity computed on the basis of age at retirement. This greater amount ~~shall~~ must be paid until the annuitant reaches the age of 62, at which time the payment from the association ~~shall~~ must be reduced. ~~The board of trustees shall establish the method of computing the optional retirement annuity under this subdivision shall be established by the board of trustees.~~ In establishing the method of computing the optional retirement annuity, the board of trustees shall obtain the written ~~recommendation~~ approval of the commission-retained actuary. The recommendations ~~shall~~ must be a part of the permanent records of the board of trustees.

Sec. 17. Minnesota Statutes 1987 Supplement, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained ~~the at least age of at least~~ 50 years and has credit for not less than five years of allowable service, or who has credit for not less than 30 years of allowable service, regardless of age attained, dies before the annuity or disability benefit ~~has become payable begins to accrue in accordance with section 353.29, subdivision 7, or 353.33, subdivision 2,~~ notwithstanding any designation of beneficiary to

the contrary, the surviving spouse may elect to receive, ~~in lieu~~ instead of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to under section 353.31, an annuity equal to the 100 percent joint and survivor annuity ~~which that~~ the member could have qualified for had the member terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity ~~shall~~ must be computed as provided in sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b and 1c. Sections 353.34, subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment ~~shall may~~ accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal to ~~the any excess, if any,~~ of the accumulated contributions ~~which that~~ were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse ~~shall must~~ be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. ~~Any~~ A member may specify in writing that this subdivision ~~shall does~~ not apply and that payment ~~shall may~~ be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 18. Minnesota Statutes 1986, section 353.32, subdivision 5, is amended to read:

Subd. 5. [\$1,500 OR LESS, LIMITED.] If a member or former member dies without having designated a beneficiary, or if the beneficiary should die before making application for refund of the sum to the credit of such decedent, and the amount of the refund is \$1,500 or less, the board of trustees may 90 days after the date of death, in the absence of probate proceedings, make payment to the surviving spouse of the ~~said~~ decedent, or, if none, to the next of kin under the laws of descent of the state of Minnesota decedent's personal representative or, if none, to the estate. ~~Such~~ A payment ~~shall be under this subdivision~~ is a bar to recovery by any other person or persons. ~~Any~~ A retirement annuity, or disability or survivor benefit ~~which shall have that~~ has accrued at the time of death of an annuitant, disabilitant or survivor may be paid in ~~like the same~~ manner.

Sec. 19. Minnesota Statutes 1986, section 353.33, subdivision 7, is amended to read:

Subd. 7. [PARTIAL REEMPLOYMENT.] ~~Should such~~ If a disabled person ~~resume~~ resumes a gainful occupation from which earnings are less than the salary at the date of disability or the salary currently paid for similar positions, the board shall continue the disability benefit in an amount ~~which that~~, when added to ~~such~~ the earnings, does not exceed the salary at the date of disability or the salary currently paid for similar positions, whichever is higher, provided the disability benefit ~~in such case~~ does not exceed the disability benefit originally allowed, ~~plus any postretirement adjustments payable after December 31, 1988, in accordance with section 11A.18, subdivision 10:~~ No deductions for the retirement fund ~~shall may~~ be taken from the salary of a disabled person who is receiving a disability benefit as provided in this subdivision.

Sec. 20. Minnesota Statutes 1987 Supplement, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.]

~~Any person~~ A member with at least five years of allowable service when termination of public service occurs ~~shall have~~ has the option of leaving the accumulated deductions in the fund and ~~thereby be being~~ entitled to a deferred retirement annuity commencing at age 65 or ~~for to~~ a deferred early retirement annuity ~~pursuant to~~ under section 353.30, subdivision 1, 1a, 1b or 1c. The deferred annuity ~~shall must~~ be computed in the manner ~~provided in under~~ section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and ~~shall must~~ be augmented as provided in section 353.71, subdivision 2. ~~Any person~~ A former member qualified to apply for a deferred retirement annuity may revoke this option at any time ~~prior to before~~ the commencement of deferred annuity payments by making application for a refund. The person ~~shall be~~ is entitled to a refund of accumulated member contributions within 30 days following date of receipt of the application by the executive director.

Sec. 21. Minnesota Statutes 1986, section 353.37, subdivision 1, is amended to read:

Subdivision 1. [EFFECT ON ANNUITY.] The annuity of a person otherwise eligible ~~therefor for an annuity~~ under this chapter ~~shall must~~ be suspended if the person reenters, and for as long as the person remains in, public service as a nonelective employee of a governmental subdivision; if earned compensation for the reemployment service equals or exceeds the annual maximum earnings allowable for that age for the continued receipt of full benefit amounts monthly under the federal old age, survivors and disability insurance program as set by the secretary of health and human services ~~pursuant to the provisions of under the~~ United States Code, title 42, section 403, in any calendar year. In the event that the person has not yet reached the minimum age for the receipt of social security benefits, the maximum earnings for the person ~~shall be~~ are equal to the annual maximum earnings allowable for the minimum age for the receipt of social security benefits. The suspension of the annuity ~~shall must~~ commence as of the first of the month ~~after the month~~ in which the maximum permitted compensation is exceeded ~~as herein provided~~; but ~~shall it applies~~ only ~~apply~~ to those months in which the annuitant is actually employed in nonelective service in a position covered by this chapter. ~~Any An~~ annuitant of the association who is elected to public office after retirement ~~shall be~~ is entitled to hold ~~such the~~ office and receive the annuity otherwise payable from the public employees retirement association. Upon proper showing by an annuitant that the reason for the suspension of the annuity payments no longer exists, the monthly annuity payments ~~shall must~~ be resumed. Public service performed by an annuitant subsequent to retirement under this chapter ~~shall does~~ not increase or decrease the amount of ~~any an~~ annuity when payment of the annuity is resumed. The annuitant ~~shall may not be~~ required to make any further contributions to the retirement fund by reason of this subsequent public service.

Sec. 22. Minnesota Statutes 1986, section 353.65, subdivision 2, is amended to read:

Subd. 2. The employee contribution ~~shall be~~ is an amount equal to eight percent of the total salary of ~~every the~~ member. This contribution ~~shall must~~ be made by deduction from salary in the manner provided in subdivision 4. Where any portion of a member's salary is paid from other than public funds, ~~such the~~ member's employee contribution ~~shall be~~ is based on the total salary received from all sources. ~~If the member is a firefighter employed on less than a full-time basis, the member's total salary shall~~

not include any reimbursement payments for fire calls.

Sec. 23. Minnesota Statutes 1987 Supplement, section 353C.02, is amended to read:

353C.02 [CORRECTIONAL SERVICE EMPLOYEES.]

A local government correctional service employee is a person who:

(1) meets the definition of "essential employee" in section 179A.03, subdivision 7, excluding state employees, University of Minnesota employees, firefighters, peace officers subject to licensure under sections 626.84 to 626.855, employees of hospitals other than state hospitals, confidential employees, supervisory employees other than ~~supervisory~~ employees of *who supervise* correctional officers and *who are stationed* at correctional facilities or city or county jails, principals, and assistant principals;

(2) is employed by Dakota county, Hennepin county, Ramsey county, ~~St. Louis county~~, or Washington county, if the county elects to participate under section 353C.04 *or by a joint-powers correctional agency in which St. Louis county or its municipalities participate, if the governing body of the agency elects to participate under section 353C.04;*

(3) is a public employee within the meaning of section 353.01, subdivisions 2 and 2a; and

(4) is not at the time of the exercise of the participation option under section 353C.04 a member of the basic program of the public employees retirement association or a member of the public employees police and fire fund.

Sec. 24. Minnesota Statutes 1987 Supplement, section 353C.03, is amended to read:

353C.03 [CORRECTIONAL SERVICE PLAN COVERAGE.]

Subdivision 1. [INITIAL COVERAGE.] A person who is a local government correctional service employee on June 30, 1988, *or on the date on which the county elects to participate in the plan under section 353C.04, whichever is later*, is a member of the local government correctional service retirement plan and shall begin contributing to the plan on July 1, 1988, *or on the first day of the first pay period following the date on which the county elects to participate in the plan under section 353C.04, whichever is later.*

Subd. 2. [SUBSEQUENT COVERAGE.] A person who becomes a local government correctional service employee after June 30, 1988, *or on the date on which the county elects to participate in the plan under section 353C.04, whichever is later*, is a member of the local government correctional service retirement plan and shall contribute to the plan.

Sec. 25. Minnesota Statutes 1987 Supplement, section 353C.04, is amended to read:

353C.04 [LOCAL GOVERNMENT EMPLOYING UNIT PARTICIPATION OPTION.]

Dakota county, Hennepin county, Ramsey county, ~~St. Louis county~~, or Washington county *or the governing board of a joint-powers correctional agency in which St. Louis county or its municipalities participate* may elect to provide its correctional employees with retirement coverage by the local

government correctional service retirement plan ~~in lieu~~ *instead* of retirement coverage by the public employees retirement association or the public employees police and fire fund. The election must be made on a form provided by the executive director of the public employees retirement association and, once made, is irrevocable for all local government correctional service employees employed by the ~~county~~ *employing unit*.

Sec. 26. Minnesota Statutes 1987 Supplement, section 353C.05, is amended to read:

353C.05 [CORRECTIONAL SERVICE PLAN CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Beginning with the first full pay period after July 1, 1988, after the effective date of the election to provide retirement coverage by the local governmental unit, or after becoming a local government correctional service employee, whichever is later, ~~in lieu~~ *instead* of employee contributions payable under section 353.27, subdivision 2, a local government correctional service employee shall make an employee contribution in an amount equal to ~~five~~ 7.5 percent of salary.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] Beginning with the first full pay period after July 1, 1988, after the effective date of the election to provide retirement coverage by the local governmental unit, or after becoming a local government correctional service employee, whichever is later, ~~in lieu~~ *instead* of employer contributions payable under section 353.27, subdivision 3, the employer shall contribute for a local government correctional service employee an amount equal to ~~five~~ 7.5 percent of salary.

Subd. 3. [ADJUSTMENT IN CONTRIBUTION RATES.] Beginning with the first full pay period after the *most recent* actuarial valuation of the local government correctional service retirement plan prepared by the actuary retained by the legislative commission on pensions and retirement is filed with the executive director of the public employees retirement association, the member contribution rate is a percentage that equals one-half of the calculated total actuarial requirement of the plan, and the employer contribution rate is the balance of the calculated total actuarial requirement of the plan.

Sec. 27. Minnesota Statutes 1987 Supplement, section 353C.06, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] After separation from public employment, an employee covered under section 353C.02 who has attained the age of at least 55 years and has credit for not less than ~~ten~~ *five* years of coverage in the local government correctional service plan is entitled, upon application, to a normal retirement annuity. ~~In lieu~~ *Instead* of a normal retirement annuity, a retiring employee may elect to receive the optional annuity provided in section 353.30, subdivision 3.

Sec. 28. Minnesota Statutes 1987 Supplement, section 353C.06, subdivision 3, is amended to read:

Subd. 3. [ANNUITY AMOUNT.] The average salary as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and 2.5 percent for each additional year of allowable service, *and pro rata for completed months less than a full year*, determines the amount of the normal annuity. If a person has earned allowable service in the public employees retirement association or the public employees police and fire fund for performing services other than those of a local

government correctional employee, the annuity representing such service must be computed in accordance with the coordinated formula under sections 353.29 and 353.30 or section 353.651, whichever applies.

Sec. 29. Minnesota Statutes 1987 Supplement, section 353C.06, subdivision 4, is amended to read:

Subd. 4. [ACCRUAL AND DURATION.] The annuity under this section begins to accrue as provided in section 353.29, subdivision 7, ~~and must be paid for an additional.~~ *The annuity is payable for the life of the recipient, or in accordance with the terms of any optional annuity form selected, and is payable for 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first. After a recipient has received the annuity calculated under this formula for 84 full calendar months or to the first of the month following the month in which the employee becomes age 65, whichever occurs first, the benefit must be recomputed in accordance with the coordinated formula in sections 353.29 and 353.30, except that if this amount, when added to the social security benefit based on ~~state~~ public service the employee is eligible to receive at that time, is less than the benefit payable under subdivision 3, the retired employee ~~must~~ is entitled to receive an amount payable under subdivision 3, less any amount payable from social security based on public service used in the benefit calculation.* When an annuity is reduced under this subdivision, any percentage of adjustments that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity.

Sec. 30. Minnesota Statutes 1987 Supplement, section 353C.07, is amended to read:

353C.07 [AUGMENTATION IN CERTAIN CASES.]

Subdivision 1. [AUGMENTATION FOR PRIOR SERVICE BENEFITS.] Unless prior service has been transferred or unless a combined service annuity under section 356.30 has been elected, an employee who becomes a local government correctional employee after being a member of the public employees retirement association or the public employees police and fire fund is covered under section 353.71, subdivision 2, with respect to that prior service.

Subd. 2. [DEFERRED ANNUITIES AUGMENTATION.] *The deferred annuity, if any, accruing under section 353.71 or 353C.06, must be computed as provided in section 353C.06, subdivision 3, on the basis of allowable service before the termination of correctional service and augmented as provided in this subdivision. The required reserves applicable to a deferred annuity or to an annuity for which a former correctional service employee was eligible, but had not applied, or to any deferred segment of an annuity must be determined as of the date on which the benefit begins to accrue and augmented by interest at the rate of three percent compounded annually from the first day of the month following the month in which the person ceased to be a correctional service employee to the first day of the month in which the annuity begins to accrue. If a person has more than one period of uninterrupted service, the required reserves related to each period must be augmented by interest under this subdivision. The sum of the augmented required reserves so determined is the present value of the annuity. "Uninterrupted service" has the meaning given it in section 353.71, subdivision 2. If a person repays a refund, the service restored by the repayment must be considered to be continuous with the next period*

of service for which the person has credit by the plan. The formula percentages used for each period of uninterrupted service must be those applicable to a new employee. The mortality table and interest assumption used to compute this annuity must be those in effect when the person files an application for the annuity. This subdivision shall not reduce the annuity otherwise payable under this chapter.

Sec. 31. Minnesota Statutes 1987 Supplement, section 353C.08, subdivision 5, is amended to read:

Subd. 5. [DISABILITY BENEFIT TERMINATION.] The disability benefit paid to a disabled local government correctional employee terminates at the end of the month in which the employee reaches age 62. If the disabled local government correctional employee is still disabled when the employee reaches age 62, the employee is deemed to be a retired employee and, if the employee had elected an optional annuity under subdivision 3, must receive an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 3, the employee may elect either to receive a normal retirement annuity computed on the coordinated formula in the manner provided in section ~~353C.06~~ 353.29 or to receive an optional annuity as provided in section 353.30, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. Election of an optional annuity must be made before attaining the age of 62 years. The reduction for retirement prior to age 65 as provided in section 353.30, subdivisions 1 and 1c, is not applicable. *The savings clause provision of section 353C.06, subdivision 4, is applicable.*

Sec. 32. Minnesota Statutes 1987 Supplement, section 353C.08, is amended by adding a subdivision to read:

Subd. 7. [COMBINED SERVICE DISABILITY BENEFIT.] *If the employee is entitled to receive a disability benefit as provided in subdivision 1 or 2 and has credit for less covered correctional service than the length of service upon which the correctional disability benefit is based, and also has credit for regular plan service, the employee is entitled to a disability benefit or deferred retirement annuity based on the regular plan service only for the service that, when combined with the correctional service, exceeds the number of years on which the correctional disability benefit is based. The disabled employee who also has credit for regular plan service must in all respects qualify under section 353.33 to be entitled to receive a disability benefit based on the regular plan service, except that the service may be combined to satisfy length of service requirements. Any deferred annuity to which the employee may be entitled based on regular plan service must be augmented as provided in section 353.71 while the employee is receiving a disability benefit under this section.*

Sec. 33. Minnesota Statutes 1987 Supplement, section 353D.05, subdivision 2, is amended to read:

Subd. 2. [INVESTMENT OPTIONS.] (a) An individual participant may elect to purchase shares in the income share account, the growth share account, the money market account, the bond market account, or the common stock index account established by section 11A.17, or a combination of those accounts. The participant may elect to purchase shares in a combination of those accounts by specifying the percentage of contributions to be used to purchase shares in each of the accounts.

(b) Twice in a calendar year, a participant may indicate in writing a choice of options for subsequent purchases of shares. ~~Thereafter~~ *After a choice is made*, until the participant makes a different written indication, the executive director of the association shall purchase shares in the supplemental investment fund or funds specified by the participant. If no initial option is indicated by a participant, the executive director shall invest all contributions made by or on behalf of a participant in the income share account. A choice of investment options is effective no later than the first pay date ~~first~~ occurring more than 30 days after receipt of the written choice of options.

(c) Twice in a calendar year, a participant or former participant may also change the investment options selected for all or a portion of the individual's previously purchased shares. If a partial transfer of previously purchased shares is selected, a minimum of \$500 ~~\$200~~ must be transferred and a minimum balance of \$500 ~~\$200~~ must remain in the previously selected investment option. A change may be made only from one account or a combination of accounts to a single account. A change under this paragraph is effective as soon as cash flow to an account permits, but not later than six months from the requested change.

Sec. 34. Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 1, is amended to read:

Subdivision 1. [TYPE OF PLAN; UNIFORMITY.] The plan is a defined contribution plan ~~where~~ *when* the benefits ~~are~~ payable upon *termination of service, retirement, or death, or withdrawal when permitted, are*. *The amount of benefits is* determined by the value of accumulated contributions plus a proportionate share of investment income of the fund credited to each individual account. Each ambulance service shall determine eligibility for participation subject to terms of this act. Eligibility standards must be uniform among all ambulance service personnel of an ambulance service electing to participate.

Sec. 35. Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 2, is amended to read:

Subd. 2. [AGE; VESTING PAYMENT OF BENEFITS.] ~~Normal retirement age is 50 years. Early retirement is not allowed. Sixty months of service credit are required for vesting of retirement benefits. No minimum period of service is required for vesting of death benefits. Withdrawal of or a retirement benefit based on member contributions and employer contributions plus accrued investment income vests is payable immediately upon the death or termination of an active member for a period that exceeds 30 days. Upon completion of 60 months of service under the plan with one or more ambulance services, a participant terminating active service prior to age 50 is entitled to receive the value of the participant's individual account upon or after attaining age 50. An application by or on behalf of the participant must be filed before any payment of benefits may be made.~~

Sec. 36. Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 4, is amended to read:

Subd. 4. [DISABILITY OR DEATH OF A MEMBER.] ~~No disability coverage shall be provided by the plan. In the event of the death of an active participant with any credited service or a deferred participant under age 50, the total value of the account shall must be paid in a lump sum to the designated beneficiary or, if none, the heirs at law of the decedent.~~

Sec. 37. Minnesota Statutes 1987 Supplement, section 353D.08, is amended to read:

353D.08 [PORTABILITY.]

Qualified ambulance service personnel who change employment or membership among participating ambulance services ~~may~~ *must* continue participation in the plan ~~without penalty or forfeiture after their interest vests.~~ *Qualified ambulance service personnel who change employment or membership to a nonparticipating ambulance service are not subject to the forfeiture required by section 353D.07, subdivision 5 if termination from one participating ambulance service and commencement in another participating ambulance service occur within 30 days.*

Sec. 38. Minnesota Statutes 1987 Supplement, section 356.302, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The terms used in this section are defined in this subdivision.

(b) "Average salary" means the highest average of covered salary for the appropriate period of credited service that is required for the calculation of a disability benefit by the covered retirement plan and that is drawn from any period of credited service and *successive years of covered salary* in a covered retirement plan.

(c) "Covered retirement plan" or "plan" means a retirement plan listed in subdivision 7.

(d) "Duty-related" means a disabling illness or injury that occurred while the person was actively engaged in employment duties or that arose out of the person's active employment duties.

(e) "General employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (1) to (8).

(f) "Occupationally disabled" means ~~the condition of having~~ *any a* medically determinable physical or mental impairment that makes a person unable to satisfactorily perform the minimum requirements of the person's employment position or a substantially similar employment position.

(g) "Public safety employee retirement plan" means a covered retirement plan listed in subdivision 7, clauses (9) to (11).

(h) "Totally and permanently disabled" means ~~the condition of having~~ *any a* medically determinable physical or mental impairment that makes a person unable to engage in any substantial gainful activity and that is expected to continue or has continued for a period of at least one year or that is expected to result directly in the person's death.

Sec. 39. Minnesota Statutes 1987 Supplement, section 356.302, subdivision 3, is amended to read:

Subd. 3. [GENERAL EMPLOYEE PLAN ELIGIBILITY REQUIREMENTS.] A disabled member of a covered retirement plan who has credit for allowable service in a combination of general employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than 65 years of age on the date of application for the disability benefit;

(2) has become totally and permanently disabled;

(3) has credit for allowable service in any combination of general employee retirement plans totaling ~~at least ten years if the person has not reached age 50 or~~ at least five years if the person has reached age 50;

(4) has credit for at least six months of allowable service with the current general employee retirement plan before the commencement of the disability;

(5) has at least five continuous years of allowable service credit by the general employee retirement plan or has at least a total of five years of allowable service credit by a combination of general employee retirement plans in a 72-month period during which no interruption of allowable service credit from a termination of employment exceeded 29 days; and

(6) is not receiving a retirement annuity or disability benefit from any covered general employee retirement plan at the time of the commencement of the disability.

Sec. 40. [ELECTION TO RESUME RETIREMENT COVERAGE.]

A person employed by a public hospital as defined in section 355.71, subdivision 3, who exercised an option under Laws 1963, chapter 793, section 3, subdivision 5, between July 1, 1963, and June 30, 1967, to terminate membership in the coordinated program of the public employees retirement association may elect to resume that membership. The election to resume membership must be made before October 1, 1988, on a form prescribed by the executive director of the public employees retirement association. Resumption of membership begins as of the first day of the first full pay period after the election is filed with the executive director.

Sec. 41. [REPEALER.]

Minnesota Statutes 1987 Supplement, section 353D.07, subdivision 5, is repealed.

Sec. 42. [EFFECTIVE DATE.]

Section 12 is effective March 1, 1988. Section 21 is effective January 1, 1988. The remaining sections are effective July 1, 1988.

ARTICLE 3 MEDICARE COVERAGE REFERENDUM

Section 1. [355.90] [OPTIONAL MEDICARE COVERAGE FOR CERTAIN PRE-1986 PUBLIC EMPLOYEES.]

Subdivision 1. [DEFINITIONS.] (a) Notwithstanding any provision of section 355.01 to the contrary, the terms used in this section are defined in this subdivision.

(b) "Employee" means an active member or participant of a public employee pension plan listed in section 356.30, subdivision 3, clauses (5), (6), (7), (9), (10), (11), and (12), who is not covered by a previous agreement under section 355.02 for that employment and who meets the requirements of United States Code, title 42, section 418(v)(2).

(c) "Employment" means service performed for compensation by an employee in the employ of the state or of a political subdivision that constitutes Medicare qualified government employment under the provisions of United States Code, title 42, section 410(p).

(d) "Political subdivision" means a public employer under section 355.01, subdivision 10.

(e) "Social Security Act" means the act cited in section 355.01, subdivision 8.

(f) "State agency" means the commissioner of employee relations or the commissioner's designee.

(g) "Wages" means compensation specified in section 355.01, subdivision 2.

Subd. 2. [OPTIONAL MEDICARE COVERAGE AGREEMENT.] The state agency, with the approval of the governor, may modify its agreement on behalf of the state and its political subdivisions with the Secretary of Health and Human Services to extend the provisions of United States Code, title 42, sections 426, 426-1, and 1395c, to current employees of the state and its political subdivisions who do not have that coverage through coverage by the federal old age, survivors, and disability insurance program for that employment under any previous agreement or modification of the agreement.

Subd. 3. [REFERENDUM.] A referendum on the question of extending the provisions of United States Code, title 42, sections 426, 426-1, and 1395c, must be held for each public employee pension plan listed in section 356.30, subdivision 3, except clauses (5) and (6), that has current members or participants who do not have coverage by the federal old age, survivors, and disability insurance program for the employment giving rise to that pension plan membership. The state agency shall supervise the referendum in accordance with United States Code, title 42, section 418, on the date or dates set by the governor for each pension plan. The notice of the referendum provided to each employee must contain a statement sufficient to inform the person of the rights available to the person as an employee in Medicare qualified government employment and the employee contribution rates applicable to the program. The referendum is approved if a majority of the members or participants indicate their desire to have the coverage on a form prescribed by the state agency. If the referendum is approved, the governor shall certify that fact to the Secretary of Health and Human Services, and the coverage is effective for all members or participants of the plan on the first of the month after the certification unless the participant or member elects coverage effective retroactively to April 1, 1986.

Subd. 4. [EMPLOYEE AND EMPLOYER CONTRIBUTIONS.] (a) If the referendum is approved, beginning on the first of the month after the certification of approval by the governor, the employer of each member or participant covered by the referendum shall deduct from the wages of the employee an amount equal to the tax that would be imposed under United States Code, title 26, section 3101(b), if the services of the employee for which wages were paid constituted employment as defined in United States Code, title 26, section 3121.

(b) In addition to the deduction specified in paragraph (a), the employer of each member or participant covered by the referendum shall also pay an amount equal to the tax that would be imposed under United States Code, title 26, section 3111(b), on the same wage base specified in paragraph (a).

(c) The amounts under paragraphs (a) and (b) shall be paid by the employer to the Secretary of the Treasury in the manner required by the secretary.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

ARTICLE 4
INDIVIDUAL RETIREMENT ACCOUNT PLAN

Section 1. Minnesota Statutes 1986, section 354.05, is amended by adding a subdivision to read:

Subd. 2a. [EXCEPTIONS.] Notwithstanding subdivision 2, a person who is employed as a teacher in the state university system or the state community college system after June 30, 1989, is not a member of the fund unless the person is covered by section 4, subdivision 2, and has exercised an option under that subdivision to remain a member of the fund.

Sec. 2. Minnesota Statutes 1986, section 354.50, subdivision 1, is amended to read:

Subdivision 1. When ~~any~~ a member accepts a refund provided in section 354.49 or elects to transfer to the individual retirement account plan established by sections 3 to 8, all existing service credits to which the member was entitled ~~prior to before~~ the acceptance of ~~such~~ the refund ~~shall~~ or the transfer terminate ~~and shall~~. For a member who accepted a refund, service credits may not again be restored until the former member acquires not less than two years allowable service credit subsequent to taking the last refund. In that event the former member may repay ~~such~~ the refund. If more than one refund has been taken, all refunds must be repaid.

Sec. 3. [354B.01] [DEFINITIONS.]

Subdivision 1. [PLAN.] "Plan" means the individual retirement account plan established by sections 3 to 8.

Subd. 2. [COVERED EMPLOYMENT, STATE UNIVERSITIES.] "Covered employment," with respect to employment by the state university system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2, other than that of an administrator covered by or eligible for coverage in the Minnesota state retirement system unclassified employees retirement plan.

Subd. 3. [COVERED EMPLOYMENT, COMMUNITY COLLEGES.] "Covered employment," with respect to employment by the community college system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2.

Sec. 4. [354B.02] [COVERED PERSONS.]

Subdivision 1. [PLAN PARTICIPANTS.] The following persons shall participate in the plan:

(1) a person, other than a person covered by subdivision 2, who was first employed in covered employment after June 30, 1989; or

(2) a person who was first employed in covered employment before July 1, 1989, and who transferred retirement coverage to the plan under section 5.

Subd. 2. [PERSONS WITH CERTAIN PRIOR SERVICE.] A person with prior service as a member of the teachers retirement association other than in covered employment under section 3, subdivision 2 or 3, who is first employed in covered employment after June 30, 1989, may, at the

person's option remain a member of the teacher's retirement association or participate in the plan.

Sec. 5. [354B.03] [COVERAGE TRANSFER.]

(a) A person who was first employed in covered employment before July 1, 1989, or a person covered by section 4, subdivision 2, may elect to transfer retirement coverage to the plan.

(b) If a person elects a transfer, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions and an equal amount representing the matching employer contributions plus interest compounded annually at the rates established by the board of trustees for the purpose of determining retirement annuities under section 354.44, subdivision 2, but not to exceed eight percent a year. The transfer must be made within 90 days from the date that the executive director receives notification of the election. The employer contribution transfer may not include any amount representing an employer additional contribution, nor may it include any money representing the repayment of a refund received by the association after the date of enactment of this act.

(c) A transfer to the plan under this section is a transfer to the financial institution that will administer the account of the person electing the transfer, and must be made through the governing board of the system in which the person is employed in covered employment. No amount may be distributed to the person electing the transfer.

Sec. 6. [354B.04] [CONTRIBUTIONS.]

Subdivision 1. [MEMBER CONTRIBUTIONS.] Persons in covered employment shall make a member contribution in an amount equal to the amount prescribed by section 354.42, subdivision 2. The contribution must be made by payroll deduction each pay period.

Subd. 2. [EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make an employer contribution in an amount equal to the amount prescribed by section 354.42, subdivision 3, and shall continue to make an additional employer contribution to the teachers retirement association in an amount equal to the amount prescribed by section 354.42, subdivision 5.

Subd. 3. [MANNER OF EMPLOYER CONTRIBUTIONS.] The employer of persons in covered employment shall make employer contributions from any available revenue sources. The employer contribution must be made each pay period.

Sec. 7. [354B.05] [ADMINISTRATION.]

Subdivision 1. [GOVERNING BOARDS.] The state university board shall administer the plan for persons in covered employment under section 3, subdivision 2. The community college board shall administer the plan for persons in covered employment under section 3, subdivision 3.

Subd. 2. [PURCHASE OF CONTRACTS.] The state university board and the community college board shall arrange for the purchase of annuity contracts, fixed, variable, or a combination of fixed and variable, or custodial accounts to provide retirement and death benefits to members of the plan. The contracts or accounts must be purchased with money transferred to the plan under section 5, contributions under section 6, or money

or assets otherwise provided by law or by authority of the state university board or community college board and acceptable by the financial institutions from which the contracts or accounts are purchased.

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] *The state university board and the community college board shall select no more than three financial institutions to provide annuity contracts or custodial accounts. Investment programs offered by the institutions must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended. In making their selections, the boards shall consider these criteria:*

(1) the experience and ability of the financial institution to provide retirement and death benefits suited to the needs of the covered employees;

(2) the relationship of the benefits to their cost; and

(3) the financial strength and stability of the institution.

Subd. 4. [BENEFITS OWNED BY MEMBERS.] *The retirement and death benefits provided by the annuity contracts or custodial accounts are owned by the members of the plan and must be paid in accordance with the provisions of the annuity contracts or custodial accounts.*

Sec. 8. [TRANSFER LIMITATION.]

The coverage transfer election authorized by section 5 may first be exercised on July 1, 1989, and must be exercised before June 30, 1991.

Sec. 9. Minnesota Statutes 1986, section 356.24, is amended to read:

356.24 [SUPPLEMENTAL PENSION OR DEFERRED COMPENSATION PLANS, RESTRICTIONS UPON GOVERNMENT UNITS.]

It is unlawful for a school district or other governmental subdivision or state agency to levy taxes for, or contribute public funds to a supplemental pension or deferred compensation plan ~~which that~~ is established, maintained, and operated in addition to a primary pension program for the benefit of the governmental subdivision employees other than to a supplemental pension plan ~~which that~~ was established, maintained and operated ~~prior to before~~ May 6, 1971, to ~~any~~ a plan ~~which that~~ provides solely for group health, hospital, disability, or death benefits, ~~to the individual retirement account plan established by sections 3 to 8, or to any a plan which that~~ provides solely for severance pay as authorized ~~pursuant to by~~ section 465.72 to a retiring or terminating employee. No change in benefits or employer contributions in any plan to which this section applies after May 6, 1971 ~~shall be~~, is effective without prior legislative authorization.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1988.

**ARTICLE 5
AGE-62 RETIREMENT; FORMULA CHANGE**

Section 1. Minnesota Statutes 1987 Supplement, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The employee's average salary, as defined in subdivision 2, multiplied by ~~one percent per year of allowable service for the first ten years and~~ 1.5 percent for each later year of allowable service and pro rata for completed months less than a

full year ~~shall determine~~ *determines* the amount of the retirement annuity to which the employee is entitled.

Sec. 2. Minnesota Statutes 1987 Supplement, section 352.116, subdivision 2, is amended to read:

Subd. 2. [NORMAL ANNUITY AT AGE 65 62.] ~~Any~~ *An* employee who retires after age 65 ~~shall be paid~~ *62 is entitled to* the annuity provided in section 352.115.

Sec. 3. Minnesota Statutes 1987 Supplement, section 353.29, subdivision 1, is amended to read:

Subdivision 1. [AGE AND ALLOWABLE SERVICE REQUIREMENTS.] Upon separation from public service ~~any, a person who has attained the at least age of at least 65 years~~ *62 and who received credit for not less than five years of allowable service is entitled upon application to a "normal" retirement annuity. Such retirement annuity is known as the "normal" retirement annuity.*

Sec. 4. Minnesota Statutes 1986, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] The average salary, as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and ~~thereafter, after ten years,~~ *by 2.5 percent per for each year of allowable service and completed months less than a full year for the "basic member,"* and ~~one percent for each year of allowable service for the first ten years and thereafter~~ *by 1.5 percent per for each year of allowable service and completed months less than a full year for the "coordinated member," shall determine determines* the amount of the "normal" retirement annuity.

Sec. 5. Minnesota Statutes 1986, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] ~~(1) (a) The formula retirement annuity hereunder shall must be computed in accordance with the applicable provisions of the formula stated in clause (2) hereof paragraph (b) on the basis of each member's average salary for the period of the member's formula service credit. For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will must be those percentages in each formula as continued for the respective years of service from one formula to the next.~~

For all years of formula service credit, "average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511, for the highest five successive years of formula service credit ~~provided however that such.~~ "Average salary" ~~shall may~~ not include any more than the equivalent of 60 monthly salary payments.

~~(2) (b) The average salary as defined in clause (1) paragraph (a), multiplied by the following percentages per year of formula service credit shall determine, determines~~ the amount of the annuity to which the member qualifying ~~therefor for an annuity~~ is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 1.5 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year
after ten years		

(3) ~~Where any (c) When a member retires prior to before age 65 62~~ under a formula annuity, the member ~~shall be paid is entitled to~~ a retirement annuity in an amount equal to the normal annuity provided in this subdivision and subdivision 7, reduced by ~~one half of one percent for each month that the member is under age 65 to and including age 60 and reduced by one fourth of one percent for each month under age 60 at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month which the member is under so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 6. Minnesota Statutes 1986, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED RETIREMENT ANNUITY.] The normal coordinated retirement annuity ~~shall be~~ is an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section ~~shall mean~~ means an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but ~~which shall~~ may not in any event include ~~any~~ more than the equivalent of 60 monthly salary payments. The retirement annuity formula percentage for purposes of this section ~~shall mean one percent per year for each year of coordinated service for the first ten years and means 1-1/2 percent for each year of coordinated service thereafter.~~

Sec. 7. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 5, is amended to read:

Subd. 5. [UNREDUCED NORMAL RETIREMENT ANNUITY.] Upon retirement at age 65 62 with at least five years of service credit ~~or at age 62 with at least 30 years of service credit~~, a coordinated member ~~shall be~~ is entitled to a normal retirement annuity calculated pursuant to under subdivision 4.

Sec. 8. [356.72] [BENEFIT AND CONTRIBUTION PHASE-IN.]

Subdivision 1. [BENEFIT PHASE-IN.] (a) Notwithstanding sections 352.115, subdivision 3; 353.29, subdivision 3; 354.44, subdivision 6; and 354A.31, subdivision 4, the average salary of a person retiring in the following years must be multiplied by the following percentages for each of the first ten years of the person's service: 1.1 percent in 1989, 1.2 percent in 1990, 1.3 percent in 1991, 1.4 percent in 1992, and 1.5 percent beginning in 1993.

(b) Notwithstanding section 354.44, subdivision 7, the average salary of a person retiring in the following years for formula service must be multiplied by the following percentages for each of the first ten years of the person's service: 0.55 percent in 1989, 0.60 percent in 1990, 0.65

percent in 1991, 0.70 percent in 1992, and 0.75 percent beginning in 1993.

Subd. 2. [CONTRIBUTION AMOUNT AND PHASE-IN.] (a) Notwithstanding sections 352.04, subdivisions 2 and 3; 353.27, subdivisions 2 and 3; 354.42, subdivisions 2 and 3; and 354A.12, subdivisions 1 and 2, the employee contribution rate must be increased by one-half of the net percentage of covered payroll increase in the normal cost and supplemental contribution requirement attributable to this act for the applicable benefit program, and the employer contribution rate must be increased by an identical percentage of covered payroll amount. The executive director of each pension plan shall determine these amounts from the first regular actuarial valuation of the plan after the date of enactment as prepared by the actuary retained by the legislative commission on pensions and retirement.

(b) The increased employee and employer contribution rates must be phased in beginning July 1, 1989, in three equal installments.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective July 1, 1989.

**ARTICLE 6
CONFORMING AMENDMENTS**

Section 1. Minnesota Statutes 1987 Supplement, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;
- (6) election officers;
- (7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;
- (8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;
- (9) court employees, referees, receivers, jurors, and notaries public, except employees of the appellate courts and referees and adjusters employed by the department of labor and industry;
- (10) patient and inmate help in state charitable, penal, and correctional

institutions including the Minnesota veterans home;

(11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;

(12) employees of the Sibley House Association;

(13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;

(14) operators and drivers employed under section 16.07, subdivision 4;

(15) the members of ~~any~~ a state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if ~~their~~ the compensation of the officer is \$500 or less per a year, or, if ~~they are the officer~~ is legally prohibited from serving more than two consecutive terms and ~~their~~ the officer's total service on the board or commission is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;

(16) state troopers;

(17) temporary employees of the Minnesota ~~state fair~~ agricultural society employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at ~~any time~~ by the state fair administration for special events held on the fairgrounds;

(18) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee ~~shall be~~ is considered a "state employee" retroactively to the beginning of the pay period;

(19) persons described in section 352B.01, subdivision 2, clauses (b) and (c), formerly defined as state police officers;

(20) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period, and seasonal help in the classified service employed by the department of revenue;

(21) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2a, clause (10);

(22) persons whose compensation is paid on a fee basis;

(23) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and *who*, as teachers, are members of the teachers retirement association or a retirement system in St. Paul, Minneapolis, or Duluth;

(24) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(25) chaplains and nuns who have taken a vow of poverty as members of a religious order;

(26) labor service employees employed as a laborer 1 on an hourly basis;

(27) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(28) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(29) persons appointed to serve as members of fact-finding commissions or adjustment panels, or as arbitrators, or labor referees under chapter 179;

(30) temporary employees employed for limited periods under ~~any~~ a state or federal program for training or rehabilitation, including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(31) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(32) temporary employees, appointed for not more than six months, of the metropolitan council ~~and of any of its statutory boards, if or of a metropolitan agency the board members of which~~ are appointed by the metropolitan council;

(33) persons employed in positions designated by the department of employee relations as student workers;

(34) ~~any~~ a person who is ~~65 years~~ of age 62 or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;

(35) members of trades employed *after June 1, 1977*, by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement ~~first employed after June 1, 1977~~;

(36) persons employed in subsidized on-the-job training, ~~work experience work-experience~~, or ~~public service public-service~~ employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the ~~person has persons have~~, as of the later of March 30, 1978, or the date of employment, sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including ~~any~~ employer additional contributions, on account of ~~that person the persons~~ from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the ~~person agrees persons agree~~ in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(37) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5; and

(38) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 2. Minnesota Statutes 1987 Supplement, section 352.01, subdivision 19, is amended to read:

Subd. 19. [RETIEMENT.] "Retirement" means the time after a state

employee is entitled to an accrued annuity, as defined in subdivision 21, payable under an application for annuity filed in the office of the system as provided in section 352.115, subdivision 8, or, in the case of an employee who has received a disability benefit, when that employee reaches age 65 62.

Sec. 3. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 1, is amended to read:

Subdivision 1. [AGE AND SERVICE REQUIREMENTS.] ~~Any~~ An employee covered by the system who is less than 65 years old ~~age 62~~ who becomes totally and permanently disabled after five or more years of allowable service is entitled to a disability benefit in an amount provided in subdivision 3. If the disabled employee's state service has terminated at any time, the employee must have at least three years of allowable service after last becoming a state employee covered by the system.

Sec. 4. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] The total and permanent disability benefit must be computed in the manner provided in section 352.115. The disability benefit ~~shall be~~ is the normal annuity without reduction for each month the employee is under age 65 62 at the time of becoming disabled. A disabled employee may choose to receive the normal disability benefit or an optional annuity as provided in section 352.116, subdivision 3. This choice must be made before the start of payment of the disability benefit and is effective the date on which the disability begins to accrue ~~as provided in~~ under subdivision 2.

Sec. 5. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 4, is amended to read:

Subd. 4. [MEDICAL EXAMINATIONS; AUTHORIZATION FOR PAYMENT OF BENEFIT.] An applicant shall provide medical evidence to support an application for total and permanent disability. The director shall have the employee examined by at least one additional licensed physician designated by the medical advisor. The physicians shall make written reports to the director concerning the employee's disability including medical opinions as to whether the employee is permanently and totally disabled within the meaning of section 352.01, subdivision 17. The director shall also obtain written certification from the employer stating whether the employee is on sick leave of absence because of a disability that will prevent further service to the employer and, as a consequence, the employee is not entitled to compensation from the employer. The medical advisor shall consider the reports of the physicians and any other evidence supplied by the employee or other interested parties. If the medical advisor finds the employee totally and permanently disabled, the advisor shall make ~~appropriate~~ a written recommendation to the director ~~in writing together with~~, including the date from which the employee has been totally disabled. The director shall then determine the propriety of authorizing payment of a disability benefit ~~as provided in~~ under this section. The employee must be on approved leave of absence from the employer to be eligible to apply for a total and permanent disability benefit, but the ~~fact that an employee is placed~~ *employee's placement* on leave of absence without compensation because of disability does not bar ~~that the~~ employee from receiving a disability benefit. Unless payment of a disability benefit has terminated because the employee is no longer totally disabled, or because the employee has reached age 65 62 as

provided in this section, the disability benefit ~~shall cease~~ *ceases* with the last payment received by the disabled employee or ~~which that~~ *which* had accrued during the lifetime of the employee unless there is a surviving spouse ~~surviving; in that event. If there is a surviving spouse,~~ the surviving spouse is entitled to the disability benefit for the calendar month in which the disabled employee died.

Sec. 6. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 10, is amended to read:

Subd. 10. [EMPLOYEE AGAIN DISABLED AFTER RESUMING EMPLOYMENT.] If a disabled employee resumes gainful employment with the state and is not entitled to continued payment of a disability benefit as provided in subdivision 7, the right to a disability benefit ends when the employee has been employed for one year ~~thereafter.~~ *If the employee again becomes totally and permanently disabled before reaching age 65 62, the employee may again make an application for a disability benefit may again be made.* If the employee is entitled to a disability benefit, it must be computed ~~as provided in~~ *under* subdivision 9.

Sec. 7. Minnesota Statutes 1987 Supplement, section 352.113, subdivision 12, is amended to read:

Subd. 12. [RETIREMENT STATUS AT AGE ~~65~~ 62.] The disability benefit paid to a disabled employee under this section ends when the employee reaches age ~~65~~ 62. If the disabled employee is still totally and permanently disabled when the employee reaches age ~~65~~ 62, the employee ~~shall be~~ *is* considered to be a retired employee. If the employee had chosen an optional annuity under subdivision 3, the employee ~~shall receive~~ *is entitled to* an annuity in accordance with the terms of the optional annuity previously chosen. If the employee had not chosen an optional annuity ~~pursuant to~~ *under* subdivision 3, the employee may ~~then~~ choose to receive either a normal retirement annuity equal in amount to the disability benefit paid before the employee reached age ~~65~~ 62 or an optional annuity ~~as provided in under~~ *section 352.116, subdivision 3.* The choice of an optional annuity must be made before ~~reaching the employee reaches~~ *age 65 62.* If an optional annuity is chosen, the choice is effective on the date the employee ~~becomes 65 years old reaches age 62,~~ and the optional annuity ~~shall begin~~ *begins* to accrue the first of the month following the month in which the employee attains ~~65~~ age 62.

Sec. 8. Minnesota Statutes 1987 Supplement, section 352.115, subdivision 2, is amended to read:

Subd. 2. [AVERAGE SALARY.] The retirement annuity ~~hereunder under~~ *this section* payable ~~at on or after age 65 or thereafter~~ *62* must be computed in accordance with the ~~applicable provisions of~~ *formula stated* in subdivision 3, on the basis of the employee's average salary for the period of allowable service. ~~This~~ *The* retirement annuity is known as the "normal" retirement annuity.

For each year of allowable service, *the* "average salary" of an employee in determining a retirement annuity means the average of the highest five successive years of salary upon which the employee has made contributions to the retirement fund by payroll deductions.

"Average salary" does not include the payment of accrued unused annual leave or overtime paid at time of final separation from state service if paid in a lump sum, nor does it include ~~the any~~ reduced salary; ~~if any,~~ paid

during the period while the employee is entitled to workers' compensation benefit payments for temporary disability.

Sec. 9. Minnesota Statutes 1987 Supplement, section 352.116, subdivision 1, is amended to read:

Subdivision 1. [REDUCED ANNUITY BEFORE AGE 65 62.] ~~Any An~~ employee who retires before age 65 62 with credit for less than 30 years of allowable service ~~shall be paid is entitled to~~ the normal retirement annuity provided in under section 352.115, subdivisions 2 and 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 65. ~~Any employee who retires prior to age 62 with credit for at least 30 years of allowable service shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 10. Minnesota Statutes 1987 Supplement, section 352.72, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement before age 65 62 in sections 352.115, subdivision 1, and 352.116 also apply to an employee fulfilling the requirements with a combination of service as provided in subdivision 1.

Sec. 11. Minnesota Statutes 1987 Supplement, section 352.91, subdivision 3, is amended to read:

Subd. 3. [FARMING AND TEACHING.] (a) "Covered correctional service" includes service rendered before July 1, 1973, in a classification of farmer or farm manager by an employee employed in a covered correctional position on July 1, 1973. Services performed before July 1, 1974, in a classification defined in subdivisions 1, clauses (1) and (2), and 2 by an employee in a covered correctional position on or after July 1, 1974, are covered correctional service and apply to employees retiring after July 1, 1974.

(b) The portion of the retirement benefit payable to ~~any~~ a special teacher who was covered by the correctional plan under subdivision 2 and who retires after July 1, 1974, ~~which is~~ based on service rendered before July 1, 1974, if that service was covered by the state teachers retirement basic formula, must be at least the benefit determined using the basic formula and ~~must may~~ never be less than the benefit that would have been payable on the service under the basic formula adjusted for the number of months the employee is under age 65 62 at date of retirement. *The benefit must be determined under chapter 354.*

Sec. 12. Minnesota Statutes 1987 Supplement, section 352.95, subdivision 5, is amended to read:

Subd. 5. [RETIREMENT STATUS AT AGE 65 62.] The disability benefit paid to a disabled correctional employee under this section ~~shall terminate terminates~~ at the end of the month in which the employee reaches age 62. If the disabled correctional employee is still disabled when the employee reaches age 62, the employee ~~shall be is~~ deemed to be a retired employee. If the employee had elected an optional annuity under subdivision 1a, the

employee ~~shall receive~~ *is entitled to* an annuity in accordance with the terms of the optional annuity previously elected. If the employee had not elected an optional annuity under subdivision 1a, the employee may then either elect to receive a normal retirement annuity computed ~~in the manner provided in under~~ section 352.115 or elect to receive an optional annuity ~~as provided in under~~ section 352.116, subdivision 3, based on the same length of service as used in the calculation of the disability benefit. ~~Election of An employee must elect an optional annuity must be made before reaching age 62.~~ The reduction for early retirement ~~before age 65~~ as provided in section 352.116, subdivision 1, does not apply. The savings clause provision of section 352.93, subdivision 3, applies. If an optional annuity is elected, the optional annuity ~~shall begin~~ *begins* to accrue on the first of the month following the month in which the employee reaches age 62.

Sec. 13. Minnesota Statutes 1986, section 353.30, subdivision 1, is amended to read:

Subdivision 1. Upon separation from public service ~~any, a person who has attained the at least age of at least 58 years but not more than 65 years 55 and who has received credit for not less than 20 five years of allowable service, or a person who has received credit for not less than 30 years of allowable service,~~ is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, reduced ~~by one-quarter of one percent for each month that the member is under age 65 at the time of retirement so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the person if the person deferred receipt of the annuity from the day the annuity begins to accrue to age 62.~~

Sec. 14. Minnesota Statutes 1987 Supplement, section 353.32, subdivision 1a, is amended to read:

Subd. 1a. [SURVIVING SPOUSE OPTIONAL ANNUITY.] If a member or former member who has attained ~~the at least age of at least 50 years~~ and has credit for not less than five years of allowable service; or who has credit for not less than 30 years of allowable service; regardless of age attained, dies before the annuity or disability benefit ~~has become payable begins to accrue in accordance with section 353.29, subdivision 7, or 353.33, subdivision 2,~~ notwithstanding any designation of beneficiary to the contrary, the surviving spouse may elect to receive, ~~in lieu instead of a refund with interest provided in subdivision 1, or survivor benefits otherwise payable pursuant to under~~ section 353.31, an annuity equal to the 100 percent joint and survivor annuity ~~which that~~ the member could have qualified for had the member terminated service on the date of death. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. The annuity ~~shall must~~ be computed ~~as provided in under~~ sections 353.29, subdivisions 2 and 3; and 353.30, subdivisions 1, 1a, 1b and 1c. Sections 353.34; subdivision 3, and 353.71, subdivision 2, apply to a deferred annuity payable under this subdivision. No payment ~~shall may~~ accrue beyond the end of the month in which entitlement to the annuity has terminated. An amount equal ~~to the any excess; if any,~~ of the accumulated contributions ~~which that~~ were credited to the account of the deceased employee over and above the total of the annuities paid and payable to the surviving spouse ~~shall must~~ be paid to the deceased member's last designated beneficiary or, if none, to the legal representative of the estate of the deceased member. ~~Any~~

A member may specify in writing that this subdivision ~~shall~~ *does* not apply and that payment ~~shall~~ *may* be made only to the designated beneficiary, as otherwise provided by this chapter.

Sec. 15. Minnesota Statutes 1987 Supplement, section 353.33, subdivision 1, is amended to read:

Subdivision 1. [AGE, SERVICE AND SALARY REQUIREMENTS.] ~~Any~~ A member who becomes totally and permanently disabled before age 65 62 and after five years of allowable service ~~shall be~~ *is* entitled to a disability benefit in an amount provided in subdivision 3. If ~~such~~ *the* disabled person's public service has terminated at any time, at least three of the required five years of allowable service must have been rendered after last becoming a member. ~~Any~~ A member whose average salary is less than \$75 per a month ~~shall~~ *is* not be entitled to a disability benefit. No repayment of a refund otherwise authorized ~~pursuant to~~ *by* section 353.34 and no purchase of prior service or payment made ~~in lieu~~ *instead* of salary deductions otherwise authorized ~~pursuant to~~ *by* section 353.01, subdivision 16, 353.017, subdivision 4, or 353.36, subdivision 2, may be made after the occurrence of the disability for which an application ~~pursuant to~~ *under* this section is filed.

Sec. 16. Minnesota Statutes 1986, section 353.33, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] ~~This~~ *The* disability benefit is an amount equal to the normal annuity payable to a member who has reached 65 age 62 with the same number of years of allowable service and the same average salary, as provided in section 353.29, subdivisions 2 and 3. A "basic member" ~~shall receive~~ *is entitled* in addition to a supplementary monthly benefit computed in accordance with the following table:

Age when Disabled	Supplementary Benefit
Under 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

If the disability benefits provided in this subdivision exceed the average salary as defined in section 353.29, subdivision 2, the disability benefits ~~shall~~ *must* be reduced to an amount equal to ~~said~~ *the* average salary.

Sec. 17. Minnesota Statutes 1986, section 353.33, subdivision 11, is amended to read:

Subd. 11. [RETIREMENT STATUS AT AGE 65 62.] No person ~~shall be entitled to~~ *may* receive disability benefits and a retirement annuity at the same time. The disability benefits paid to a person ~~hereunder~~ *shall under this section* terminate when the person reaches age 65 62. If the person is still totally and permanently disabled when the person attains ~~the~~ *the* age of 65 years 62, the person ~~shall be~~ *is* deemed to be on retirement status

and, if the person had elected an optional annuity pursuant to subdivision 3a, ~~shall receive the person is entitled to~~ an annuity in accordance with the terms of the optional annuity previously elected, ~~or~~. If the person had not elected an optional annuity pursuant to subdivision 3a, ~~the person may at the option of the person either~~ elect to receive ~~either~~ a normal retirement annuity ~~as provided in under~~ section 353.29 or a normal retirement annuity equal to the disability benefit paid before the person reached age ~~65~~ 62, whichever amount is greater, or ~~elect to receive an optional annuity as provided in under~~ section 353.30, subdivision 3. ~~Any~~ For a disabled person who ~~becomes reaches~~ age ~~65~~ ~~shall have~~ 62, the annuity must be computed in accordance with the law in effect ~~upon attainment of when the person reached age~~ 65 62. Election of an optional annuity ~~shall must~~ be made ~~prior to before~~ the person ~~attaining the attains~~ age of ~~65 years~~ 62. If an optional annuity is elected, the election ~~shall be~~ is effective on the date on which the person attains the age of ~~65 years~~ 62, and the optional annuity ~~shall begin~~ begins to accrue on the first day of the month next following the month in which the person attains the age of ~~65 years~~ 62.

Sec. 18. Minnesota Statutes 1987 Supplement, section 353.34, subdivision 3, is amended to read:

Subd. 3. [DEFERRED ANNUITY; ELIGIBILITY; COMPUTATION.] ~~Any person~~ A member with at least five years of allowable service when termination of public service occurs ~~shall have~~ has the option of leaving the accumulated deductions in the fund and ~~thereby be being~~ entitled to a deferred retirement annuity commencing at age ~~65~~ 62 or for a deferred early retirement annuity ~~pursuant to under~~ section 353.30, subdivision 1, 1a, 1b or 1c. The deferred annuity ~~shall must~~ be computed in the manner ~~provided in under~~ section 353.29, subdivisions 2 and 3, on the basis of the law in effect on the date of termination of public service and ~~shall must~~ be augmented as provided in section 353.71, subdivision 2. ~~Any person~~ A former member qualified to apply for a deferred retirement annuity may revoke this option at any time ~~prior to before~~ the commencement of deferred annuity payments by making application for a refund. The person ~~shall be~~ is entitled to a refund of accumulated member contributions within 30 days following the date of receipt of on which the executive director receives the application by the executive director.

Sec. 19. Minnesota Statutes 1986, section 353.34, subdivision 3b, is amended to read:

Subd. 3b. [DEFERRED ANNUITY; CERTAIN FORMER MUNICIPAL COURT JUDGES.] ~~Any~~ A person who qualified for membership in the association solely because of service as a municipal court judge, whose service as a municipal court judge was terminated by Laws 1971, chapter 951, section 9, and who elected to leave accumulated deductions in the fund to qualify for a deferred annuity, may receive a deferred early retirement annuity under section 353.30, subdivision 1, ~~1a, 1b, or 1c~~, notwithstanding the law in effect on the date of termination of public service.

Sec. 20. Minnesota Statutes 1986, section 353.71, subdivision 5, is amended to read:

Subd. 5. [EARLY RETIREMENT.] The requirements and provisions for retirement ~~prior to before~~ age ~~65~~ ~~contained~~ 62 in section 353.30, ~~shall~~ also apply to a person fulfilling ~~such~~ those requirements with a combination of service ~~as provided in under~~ subdivision 1.

Sec. 21. Minnesota Statutes 1986, section 354.44, subdivision 7, is amended to read:

Subd. 7. [COMPUTATION OF FORMULA AND VARIABLE PROGRAM RETIREMENT ANNUITY.] The benefits provided in this subdivision are the sum of the benefits provided by the following:

(1) The benefits provided in subdivision 6, ~~clause (2) paragraph (b)~~, for formula service credit ~~prior to before~~ the effective date of the original election of this subdivision and subsequent to June 30, 1978, unless the member elects continued participation in the variable program ~~pursuant to under~~ section 354.621, and

(2) The benefits for service credit ~~subsequent to after~~ the effective date of the formula and variable program but ~~prior to before~~ July 1, 1978, and the benefits for service credit ~~subsequent to after~~ June 30, 1978, if the member elects continued participation in the variable program ~~pursuant to under~~ section 354.621, ~~shall be constitute~~ the average salary as defined in subdivision 6, ~~clause (1) paragraph (a)~~, of ~~any a~~ member, multiplied by the following percentages per year of formula service credit:

	Coordinated Member	Basic Member
Each year of service during first ten	5 .75 percent per year	1.0 percent per year
Each year of service thereafter after ten years	.75 percent per year	1.25 percent per year, and

(3) the benefits provided in section 354.62, subdivision 5.

Sec. 22. Minnesota Statutes 1986, section 354.46, subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6, equal to or greater than \$75 dies ~~prior to before~~ retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies ~~prior to attaining the before~~ age of 65 years 62, the surviving dependent spouse and dependent children of the basic member or former basic member ~~shall be are~~ entitled to receive a monthly benefit as follows:

(a) Surviving dependent spouse

..... 50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

(b) Each dependent child

..... ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

Payments for the benefit of ~~any a~~ dependent child under the age of 22 years ~~shall must~~ be made to the surviving parent, or, if there be none, to the legal guardian of the child. The maximum monthly benefit ~~shall may~~

not exceed \$1,000 for any one family, and the minimum benefit per family ~~shall~~ may not be less than 50 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent spouse benefit ~~shall terminate~~ terminates upon remarriage, and the surviving dependent children's benefit ~~shall must~~ be reduced ~~pro tanto~~ by that child's share when ~~any~~ a surviving child is no longer dependent.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable ~~pursuant to~~ under this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children ~~shall receive~~ are entitled to the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits ~~shall must~~ be reduced to an amount equal to the deceased basic member's monthly average salary.

~~Prior to~~ Before payment of ~~any~~ a survivor benefit ~~pursuant to~~ under this subdivision, ~~in lieu of that benefit,~~ the surviving dependent spouse may elect, ~~instead of the benefit,~~ to receive the joint and survivor annuity provided ~~pursuant to~~ under subdivision 2; or ~~may elect~~ to receive a refund of accumulated deductions with interest in a lump sum as provided ~~pursuant to sections in section 354.47, subdivision 1, or 354.62, subdivision 5, clause (3).~~ If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 23. Minnesota Statutes 1987 Supplement, section 354.48, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] ~~(+)~~ (a) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, clauses (1) and (2), is an amount equal to double the annuity ~~which that~~ could be purchased by the member's accumulated deductions plus interest on the amount computed as though the ~~teacher member~~ were age 65 62 at the time the benefit begins to accrue and in accordance with the law in effect when the disability application is received. ~~Any~~ A member who applies for a disability benefit after June 30, 1974, and who failed to make an election ~~pursuant to~~ under Minnesota Statutes 1971, section 354.145, ~~shall have the~~ is entitled to a disability benefit computed under this ~~clause~~ paragraph or ~~clause (2)~~ paragraph (b), whichever is larger.

The benefit granted ~~shall be~~ is determined by the following:

- ~~(a)~~ (1) the amount of the accumulated deductions;
- ~~(b)~~ (2) interest actually earned on these accumulated deductions to the date the benefit begins to accrue;
- ~~(c)~~ (3) interest for the years from the date the benefit begins to accrue to the date the member attains age 65 62 at the rate of three percent;
- ~~(d)~~ (4) annuity purchase rates based on an appropriate annuity table of mortality established by the board as ~~provided in~~ under section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

In addition, a supplementary monthly benefit ~~shall be paid~~ is payable

to basic members only in accordance with the following table:

Age When Benefit Begins to Accrue	Supplementary Benefit
Under Age 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

(2) (b) The disability benefit granted to ~~members~~ a member covered under by section 354.44, subdivision 6 or 7 ~~shall~~ must be computed in the same manner as the annuity provided in accordance with the subdivision 6 or 7 of that section; ~~whichever is applicable covers the member~~. The disability benefit ~~shall be~~ is the formula annuity without the reduction for each month the member is under age 65 62 when the benefit begins to accrue.

(3) (c) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits ~~shall~~ may not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits ~~shall must~~ be reduced to an amount equal to the disabled member's average salary.

Sec. 24. Minnesota Statutes 1986, section 354.48, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS AT AGE 65 62.] No person ~~shall~~ be entitled to ~~may~~ receive both a disability benefit and a retirement annuity provided by this chapter. The disability benefit paid to a person ~~hereunder~~ shall terminate terminates at the end of the month in which the person attains the age of 65 years 62. If the person is still totally and permanently disabled at the beginning of the month next following after the month in which the person attains the age of 65 years 62, the person ~~shall be~~ is deemed to be on retirement status and, if the person had elected an optional annuity pursuant to under subdivision 3a, ~~shall receive~~ is entitled to an annuity in accordance with the terms of the optional annuity previously elected; ~~or~~. If the person had not elected an optional annuity pursuant to under subdivision 3a, ~~may at the option of the person~~ may elect to receive either a straight life retirement annuity computed pursuant to under section 354.44 or a straight life retirement annuity equal to the disability benefit paid prior to before the date on which the person attained the age of 65 years 62, whichever amount is greater, or elect to receive an optional annuity as provided in under section 354.45, subdivision 1. Election of an optional annuity ~~shall must~~ be made prior to before the person attaining the attains age of 65 years 62. If an optional annuity is elected, the election ~~shall be~~ is effective on the date on which the person attains the age of 65 years 62, and the optional annuity ~~shall begin~~ begins to accrue on the first day of the month next following after the month in which the person attains the age of 65 years 62.

Sec. 25. Minnesota Statutes 1987 Supplement, section 354.49, subdivision 3, is amended to read:

Subd. 3. ~~Any~~ A person ~~not covered by section 354.44, subdivision 6 or 7, who has attained the at least age of at least 65~~ 62 with less than five years of credited allowable service ~~shall be~~ is entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest ~~in lieu instead of a proportionate annuity pursuant to under section 356.32 except those. A person covered under the provisions of by section 354.44, subdivision 6 or 7 in which case the, may elect a refund shall be in an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and, after July 1, 1957, the accumulated deductions plus interest at the rate of five percent compounded annually.~~

Sec. 26. Minnesota Statutes 1987 Supplement, section 354.55, subdivision 11, is amended to read:

Subd. 11. [DEFERRED ANNUITY; AUGMENTATION.] ~~Any~~ A person covered ~~under by~~ section 354.44, subdivisions 6 and 7, who ceases to render teaching service may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision ~~shall be~~ is governed ~~pursuant to by~~ section 354.44, subdivision 1, or 354.60.

The amount of the deferred retirement annuity ~~shall be~~ is determined by section 354.44, subdivisions 6 and 7, and augmented as provided in this subdivision. The required reserves related to ~~that the~~ portion of the annuity ~~which that~~ had accrued when the member ceased to render teaching service ~~shall must~~ be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There ~~shall may~~ be no augmentation if this period is less than three months or if this period commences ~~prior to before~~ July 1, 1971. The rates of interest used for this purpose ~~shall must~~ be five percent commencing July 1, 1971, until January 1, 1981, and three percent ~~thereafter~~ after July 1, 1981. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period, and the required reserves related to each period ~~shall must~~ be augmented by interest ~~pursuant to under~~ this subdivision. The sum of the augmented required reserves ~~so determined shall be under this subdivision~~ is the basis for purchasing the deferred annuity. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund. If a person does not render teaching service in any one ~~fiscal year~~ or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of the resumption of teaching service ~~shall be~~ are those applicable to new members. The mortality table and interest assumption used to compute the annuity ~~shall must~~ be the applicable mortality table established by the board under section 354.07, subdivision 1, and the interest rate assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purposes of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

The provisions of this subdivision ~~shall do~~ not apply to variable account accumulations as defined in section 354.05, subdivision 23.

In no case ~~shall~~ *may* the annuity payable under this subdivision be less than the amount of annuity payable ~~pursuant to~~ *under* section 354.44, subdivisions 6 and 7.

The requirements and provisions for retirement before age ~~65~~ *62* contained in section 354.44, subdivision 6, ~~clause (2), shall paragraph (b),~~ also apply to an employee fulfilling the requirements with a combination of service as ~~provided in~~ *under* section 354.60.

The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

The augmentation provided by this subdivision ~~shall~~ *does* not apply to ~~any~~ *a* period in which a person is on an approved leave of absence from an employer unit covered by ~~the provisions of~~ *this* chapter.

Sec. 27. Minnesota Statutes 1987 Supplement, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] Upon retirement at an age prior to age 65 with five years of service credit or prior to ~~before~~ age 62 with at least 30 years of service credit, a coordinated member ~~shall be~~ *is* entitled to a retirement annuity in an amount equal to the normal retirement annuity reduced by one-half of one percent for each month that the coordinated member is under the age of 65 if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit but is over the age of 59, and reduced by one-fourth of one percent for each month that the coordinated member is under the age of 60 so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue to age 62.

Sec. 28. Minnesota Statutes 1986, section 354A.36, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF DISABILITY BENEFIT.] The coordinated permanent disability benefit ~~shall be~~ *is* an amount equal to the normal coordinated retirement annuity computed ~~pursuant to~~ *under* section 354A.31, subdivision 4, based on allowable service credited to the date of disability but without any reduction for the commencement of the benefit prior to ~~before~~ the attainment of age 65 or age 62 with at least 30 years of service credit as specified in section 354A.31, subdivision 6. The disabled coordinated member ~~shall be~~ *is* not entitled to elect an optional annuity form ~~pursuant to~~ *under* section 354A.32 prior to ~~before~~ attaining age 65 62 as provided in subdivision 10.

Sec. 29. Minnesota Statutes 1986, section 354A.36, subdivision 10, is amended to read:

Subd. 10. [RETIREMENT STATUS UPON ATTAINING AGE 65 62.] No person ~~shall be~~ *is* entitled to receive both a disability benefit under this section and a retirement annuity under section 354A.31. If a disability benefit recipient remains totally and permanently disabled upon attaining age 65 62, the disability benefit ~~shall terminate~~ *terminates* and the former disability benefit recipient ~~shall be~~ *is* deemed to be on retirement status. If the former disability benefit recipient had elected an optional annuity ~~pursuant to~~ *under* subdivision 3a, the recipient ~~shall receive~~ *is* entitled to an annuity in accordance with the terms of the optional annuity previously

elected, or, if the recipient had not elected an optional annuity pursuant to under subdivision 3a, the recipient ~~shall be~~ is entitled either to receive a retirement annuity in an amount equal to the greater of either a single life retirement annuity calculated pursuant to under section 354A.31 or the disability benefit paid to the recipient immediately prior to before the recipient's attaining age 65 62 or to elect either a single life retirement annuity as provided in this section or an actuarial equivalent optional form retirement annuity as provided in section 354A.32. Election of an optional annuity ~~shall must~~ be made prior to before the person attaining the attains age of 65 years 62. If an optional annuity is elected, the election ~~shall be~~ is effective on the date on which the person attains the age of 65 years 62, and the optional annuity ~~shall begin~~ begins to accrue on the first day of the month next following after the month in which the person attains the age of 65 years 62.

Sec. 30. Minnesota Statutes 1986, section 354A.37, subdivision 4, is amended to read:

Subd. 4. [CERTAIN REFUNDS AT AGE 65 62.] Any A coordinated member who has attained the at least age of at least 65 62 with less than ten years of allowable service credit and has terminated active teaching service ~~shall be~~ is entitled to a refund in lieu instead of a proportionate annuity pursuant to under section 356.32. The refund ~~shall must~~ be equal to the coordinated member's accumulated employee contributions plus interest at the rate of five percent compounded annually.

Sec. 31. Minnesota Statutes 1986, section 356.32, subdivision 1, is amended to read:

Subdivision 1. [PROPORTIONATE RETIREMENT ANNUITY.] Notwithstanding any provision to the contrary of the laws governing any of the retirement funds referred to in subdivision 2, any a person who is an active member of any applicable a fund covered by this chapter, who has credit for at least one year but less than ten years of allowable service in one or more of the applicable funds, and who terminates active service pursuant to under a mandatory retirement law or policy or at age 65 62 or older for any reason ~~shall be~~ is entitled upon making written application on the form prescribed by executive director or executive secretary of the fund to a proportionate retirement annuity from each applicable fund in which the person has allowable service credit. The proportionate annuity ~~shall must~~ be calculated under the applicable laws governing annuities in each fund, based upon allowable service credit at the time of retirement and the person's average salary for the highest five successive years of allowable service or the average salary for the entire period of allowable service if less than five years. Nothing in this section ~~shall prevent~~ prevents the imposition of the appropriate early retirement reduction of an annuity ~~which that~~ commences prior to before normal retirement age.

Sec. 32. [REPEALER.]

Minnesota Statutes 1986, section 353.30, subdivisions 1a and 1b, are repealed. Minnesota Statutes 1987 Supplement, section 353.30, subdivision 1c, is repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to retirement; making technical changes in the laws governing the judges retirement plan and the public employees retirement association; authorizing optional Medicare coverage for certain pre-1986 public employees; providing for a special referendum; establishing an individual retirement account plan for state university and community college faculty; lowering the normal retirement age for members of certain retirement funds; amending Minnesota Statutes 1986, section 353.01, subdivisions 15 and 29, and by adding a subdivision; 353.028, subdivision 2; 353.03, subdivision 1; 353.27, subdivisions 7 and 13, and by adding subdivisions; 353.29, subdivision 3; 353.30, subdivision 1; 353.32, subdivision 5; 353.33, subdivisions 3, 7, and 11; 353.34, subdivision 3b; 353.37, subdivision 1; 353.65, subdivision 2; 353.71, subdivision 5; 354.05, by adding a subdivision; 354.44, subdivisions 6 and 7; 354.46, subdivision 1; 354.48, subdivision 10; 354.50, subdivision 1; 354A.31, subdivision 4; 354A.36, subdivisions 3 and 10; 354A.37, subdivision 4; 356.24; 356.32, subdivision 1; 490.123, subdivision 1; and 490.129; Minnesota Statutes 1987 Supplement, sections 352.01, subdivisions 2b and 19; 352.113, subdivisions 1, 3, 4, 10, and 12; 352.115, subdivisions 2 and 3; 352.116, subdivisions 1 and 2; 352.72, subdivision 5; 352.91, subdivision 3; 352.95, subdivision 5; 353.01, subdivisions 2b, 10, 16, and 20; 353.27, subdivisions 10 and 12; 353.29, subdivisions 1 and 6; 353.32, subdivision 1a; 353.33, subdivision 1; 353.34, subdivision 3; 353C.02; 353C.03; 353C.04; 353C.05; 353C.06, subdivisions 1, 3, and 4; 353C.07; 353C.08, subdivision 5, and by adding a subdivision; 353D.05, subdivision 2; 353D.07, subdivisions 1, 2, and 4; 353D.08; 354.48, subdivision 3; 354.49, subdivision 3; 354.55, subdivision 11; 354A.31, subdivisions 5 and 6; 356.302, subdivisions 1 and 3; 490.124, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 355; and 356; proposing coding for new law as Minnesota Statutes, chapter 354B; repealing Minnesota Statutes 1986, section 353.30, subdivisions 1a and 1b; Minnesota Statutes 1987 Supplement, sections 353.30, subdivision 1c; and 353D.07, subdivision 5."

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. 2489: A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; 82.19, subdivisions 1, 2, and 4; 82.20, subdivisions 1, 2, and 3; 82.22, subdivisions 1, 5, 10, 11, and 13; 82.23, subdivision 2; 82.27, subdivision 2; and 481.02, subdivision 3, and by adding subdivisions; Minnesota Statutes 1987 Supplement, section 82.21, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 507.

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

Delete everything after the enacting clause and insert:

"Section 1. [POLICY STATEMENT; LEGISLATIVE FINDINGS.]

Since 1931 the expressed policy of the state of Minnesota, stated by law in Minnesota Statutes, section 481.02, subdivision 3, clause (3), has been that real estate brokers and salespeople may provide drafting services

incident to real estate closings. The legislature continues to find that the public interest will be served by permitting the provision of those services by brokers, salespeople, and closing agents with or without compensation. The legislature also finds it appropriate, and it is the purpose of this act, to provide clarification of the role of real estate brokers, salespeople, and closing agents.

Sec. 2. Minnesota Statutes 1986, section 82.17, is amended by adding a subdivision to read:

Subd. 10. "Closing agent" or "real estate closing agent" means any person, except a licensed attorney, real estate broker, or real estate salesperson, who for another and with or without a commission, fee, or other valuable consideration or with or without the intention or expectation of receiving a commission, fee, or other valuable consideration, directly or indirectly provides closing services incident to the sale, trade, lease, or loan of residential real estate, including drawing or assisting in drawing papers incident to the sale, trade, lease, or loan, or advertises or claims to be engaged in these activities.

Sec. 3. Minnesota Statutes 1987 Supplement, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

~~(3) any one, acting as broker for the parties or agent of one of the parties to a sale or trade or lease of property or to a loan, from drawing or assisting in drawing, with or without charge, papers incident to the sale, trade, lease, or loan;~~

(4) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

~~(5)~~ (4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

~~(6)~~ (5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

~~(7)~~ (6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

~~(8)~~ (7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested

personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(9) (8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(10) (9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(11) (10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(12) (11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(13) (12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(14) (13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to 566.33 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 4. Minnesota Statutes 1986, section 481.02, is amended by adding a subdivision to read:

Subd. 3a. [REAL ESTATE CLOSING SERVICES.] Nothing in this section shall be construed to prevent a real estate broker, a real estate salesperson, or a real estate closing agent, as defined in section 82.17, from drawing or assisting in drawing papers incident to the sale, trade, lease, or loan of property, or from charging for drawing or assisting in drawing them, except as hereafter provided by the supreme court.

Sec. 5. Minnesota Statutes 1986, section 481.02, is amended by adding a subdivision to read:

Subd. 9. Nothing in section 4 shall be construed to allow a person other than a licensed attorney to perform or provide the services of an attorney or be construed to otherwise conflict with section 481.02.

Sec. 6. [507.45] [RESIDENTIAL REAL ESTATE CLOSINGS.]

Subdivision 1. Residential real estate closing services may be provided and a fee charged by a licensed attorney, real estate broker, real estate salesperson, and real estate closing agent.

Subd. 2. No charge, except a charge required to be disclosed by Regulation Z, Code of Federal Regulations, title 12, section 226, may be made by a closing agent unless the party to be charged is informed of the charge in writing at least five business days before the closing by the party charging for the closing services.

Subd. 3. If the closing services are to be provided by a real estate broker, real estate salesperson, or real estate closing agent, the following regulations shall apply.

(a) The written contract for closing services shall state in at least 10-point type that the real estate broker, real estate salesperson, or real estate closing agent has not and, under applicable state law, may not express opinions regarding the legal effect of the closing documents or of the closing itself.

(b) No closing fee may be charged if a closing is performed without either a mortgagee's or owner's title insurance commitment or a legal opinion regarding the status of title.

Sec. 7. [CONSTRUCTION.]

Nothing in this act shall be construed to imply that fees charged for closing services before its enactment constituted the unauthorized practice of law.

Sec. 8. [NONSEVERABILITY.]

If section 4 or section 6, subdivision 1, is found to be unconstitutional or otherwise inoperative, the entire act shall be void and without effect.

Sec. 9. [EFFECTIVE DATES.]

Sections 2, 3, 4, 5 and 6, subdivision 1, take effect the day after final enactment. The other sections and subdivisions take effect January 1, 1989."

Delete the title and insert:

"A bill for an act relating to consumer protection; regulating the provision of real estate closing services; amending Minnesota Statutes 1986, sections 82.17, by adding a subdivision; and 481.02, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 481.02, subdivision 3; proposing

coding for new law in Minnesota Statutes, chapter 507."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2105, 2098 and 2489 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1754 and 1111 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Piper moved that the names of Messrs. Pogemiller and Marty be added as co-authors to S.F. No. 1867. The motion prevailed.

Mr. Frank moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1962. The motion prevailed.

Mr. Kroening moved that the name of Mr. Marty be added as a co-author to S.F. No. 2170. The motion prevailed.

Mr. Dicklich moved that his name be stricken as chief author, shown as a co-author, and the name of Ms. Reichgott be added as chief author to S.F. No. 2370. The motion prevailed.

Mr. Laidig moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 2552. The motion prevailed.

Mr. Cohen moved that the name of Mr. Spear be added as a co-author to S.F. No. 2555. The motion prevailed.

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. 2355, 2243, 1955, 308, 1851, 1553, 2119, 1879, 1830, 1735, 2156, 1871, 30, 2245, 335, 2395, 2266, 1821, 2009, 2226, 2235, 2452 and 2255, which the committee recommends to pass.

S.F. No. 2104, which the committee recommends be re-referred to the Committee on Judiciary.

S.F. No. 1661, which the committee recommends to pass with the following amendment offered by Mr. Berg:

Pages 2 and 3, delete sections 2 and 3

Page 6, delete section 10

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. 1932, which the committee recommends to pass with the following amendment offered by Mr. Frederick:

Page 1, line 23, delete "1,000" and insert "350"

The motion prevailed. So the amendment was adopted.

S.F. No. 2292, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 2, after line 2, insert:

"Sec. 2. [SALE OF TAX-FORFEITED LAND; PINE COUNTY.]

Notwithstanding Minnesota Statutes, section 282.018, and the public sale requirements of Minnesota Statutes, section 282.01, Pine county may sell certain tax-forfeited land, located in Pine county and described in this section, to Travel America in the manner provided for appraisal, sale, and conveyance of tax-forfeited land by Minnesota Statutes, chapter 282.

The land described in this section may be sold by private sale for a consideration not less than its appraised value. The conveyance must be in a form approved by the attorney general.

The land that may be sold borders public water and consists of three tracts of about 120 acres of land located in Pine county, described as:

(1) the Northeast Quarter of the Northeast Quarter, Section 21, Township 42 North, Range 20 West;

(2) the Southeast Quarter of the Northeast Quarter, Section 21, Township 42 North, Range 20 West; and

(3) the Southwest Quarter of the Northeast Quarter, Section 21, Township 42 North, Range 20 West."

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

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2289, which the committee recommends to pass with the following amendment offered by Mr. Merriam for Mr. Chmielewski:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1987 Supplement, section 115C.04, subdivision 1, is amended to read:

Subdivision 1. [CORRECTIVE ACTION LIABILITY.] (a) A responsible person is liable for the cost of the corrective action taken by the agency under section 115C.03, subdivisions 2 and 3, including the cost of investigating the release and administrative and legal expenses, if:

(1) the responsible person has failed to take a corrective action ordered by the director and the agency has taken the action;

(2) the agency has taken corrective action in an emergency under section 115C.03, subdivision 3; or

(3) the agency has taken corrective action because a responsible person

could not be identified.

(b) A responsible person is liable for the reimbursement paid by the petroleum tank release compensation board under section 115C.09, subdivision 4, to the extent the reimbursement is for corrective action that the responsible person could have been ordered to perform under section 115C.03, subdivision 1.

Sec. 3. Minnesota Statutes 1987 Supplement, section 115C.04, subdivision 3, is amended to read:

Subd. 3. [AGENCY COST RECOVERY.] Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release ~~and~~, administrative and legal expenses, ~~and reimbursement costs described in subdivision 1, paragraph (b),~~ may be recovered in a civil action in district court brought by the attorney general against a responsible person. The agency's certification of expenses is prima facie evidence that the expenses are reasonable and necessary. Expenses that are recovered under this section must be deposited in the fund.

Sec. 4. Minnesota Statutes 1987 Supplement, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE CORRECTIVE ACTIONS.] The board shall provide partial reimbursement for the cost of corrective action to eligible responsible persons for ~~releases reported~~ costs incurred after June 4, 1987.

Sec. 5. Minnesota Statutes 1987 Supplement, section 115C.09, subdivision 2, is amended to read:

Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.] (a) A responsible person who has taken corrective action *and incurred costs after June 4, 1987,* in response to a release ~~reported after June 4, 1987,~~ may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board.

(b) A reimbursement may not be made unless the board determines that:

(1) the director has determined that the corrective action has adequately addressed the release and that the release no longer poses a threat to public health and welfare or the environment;

(2) at the time of the release the tank was in compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;

(3) the agency was given notice of the release as required by section 115.061;

(4) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and

(5) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.

Sec. 6. Minnesota Statutes 1987 Supplement, section 115C.09, is amended by adding a subdivision to read:

Subd. 3a. [ELIGIBILITY OF OTHER PERSONS.] *Notwithstanding the provisions of subdivisions 1 to 3, the board shall provide full reimbursement*

to a person who has taken corrective action if the board determines that:

(1) the person took the corrective action in response to a request or order of the director made under this chapter;

(2) the director has determined that the person was not a responsible person under section 115C.02; and

(3) the costs for which reimbursement is requested were actually incurred and were reasonable."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2217, which the committee recommends to pass with the following amendment offered by Mr. Novak:

Page 1, line 21, after "23" insert ", excepting the portion used for a road right-of-way."

Page 2, line 2, before the period, insert "to implement the city's storm-water and conservancy management plans"

The motion prevailed. So the amendment was adopted.

S.F. No. 1769, which the committee recommends to pass with the following amendments offered by Ms. Reichgott, Messrs. Storm and Lessard:

Ms. Reichgott moved to amend S.F. No. 1769 as follows:

Page 5, line 35, after "blind" insert ", physically handicapped."

The motion prevailed. So the amendment was adopted.

Ms. Reichgott then moved to amend S.F. No. 1769 as follows:

Page 1, line 19, after "married," insert "remarried,"

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend S.F. No. 1769 as follows:

Page 8, lines 22 and 25, delete "\$25,000" and insert "\$15,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 31 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Jude	Olson	Taylor
Anderson	Brataas	Laidig	Purfeerst	Vickerman
Beckman	Chmielewski	Langseth	Ramstad	Wegscheid
Belanger	Davis	Larson	Renneke	
Benson	Decker	Lessard	Solon	
Berg	Diessner	Mehrkens	Storm	
Bernhagen	Frederick	Morse	Stumpf	

Those who voted in the negative were:

Berglin	Frederickson, D.J.	Marty	Peterson, D.C.	Schmitz
Brandl	Frederickson, D.R.	Merriam	Piper	Spear
Cohen	Freeman	Metzen	Pogemiller	
Dahl	Lantry	Moe, R.D.	Reichgott	
DeCramer	Luther	Pehler	Samuelson	

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 1769 as follows:

Page 10, delete section 10

Renumber the sections in sequence

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 27 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Langseth	Purfeerst	Stumpf
Anderson	Chmielewski	Larson	Ramstad	Vickerman
Belanger	Decker	Lessard	Renneke	Wegscheid
Benson	Frederick	Mehrkens	Samuelson	
Berg	Jude	Morse	Solon	
Bernhagen	Laidig	Olson	Storm	

Those who voted in the negative were:

Beckman	Davis	Luther	Pehler	Schmitz
Berglin	DeCramer	Marty	Peterson, D.C.	Spear
Brandl	Diessner	Merriam	Peterson, R.W.	
Brataas	Frederickson, D.R.	Metzen	Piper	
Cohen	Freeman	Moe, R.D.	Pogemiller	
Dahl	Lantry	Novak	Reichgott	

The motion prevailed. So the amendment was adopted.

S.F. No. 2017, which the committee recommends to pass with the following amendment offered by Ms. Berglin:

Page 3, line 9, delete "*hospital or medical*" and after "*services*" insert "*and training in medical and surgical care of children with handicaps or disabilities*"

Page 3, line 16, after the period, insert "*The leasehold interest may also be transferred to the city of St. Paul and Ramsey county without limitation as to use.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2384, which the committee recommends to pass with the following amendment offered by Mr. Schmitz:

Page 3, line 11, reinstate the stricken "90" and delete "30"

Page 4, line 27, delete "*June 30*" and insert "*May 31*"

Page 4, lines 28 and 30, delete "*July*" and insert "*June*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2096, which the committee recommends to pass with the following amendment offered by Mr. Schmitz:

Page 1, line 15, delete the second "*balers*" and insert "*loaders*"

Page 2, line 23, delete "*either*"

Page 2, line 24, delete "*or in the manner of their enforcement*"

Page 4, line 4, delete "*, or attempt to coerce,*"

Page 4, line 15, after "*area*" insert "*and telecommunication necessary to communicate with the farm equipment manufacturer*"

Page 4, line 24, delete "*resulting from*" and insert "*or for*"

Page 5, line 14, delete "*July*" and insert "*May*"

Page 5, lines 15 and 17, delete "*August*" and insert "*June*"

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

SUSPENSION OF RULES

Mr. Moe, R.D. moved that the rules of the Senate be so far suspended as to allow reconsideration of the vote whereby the comparison report from the Committee on Rules and Administration on H.F. No. 1912 and its companion, S.F. No. 2216, was adopted on March 15, 1988. The motion prevailed.

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby the aforementioned committee report was adopted be now reconsidered. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1912 be laid on the table. The motion prevailed.

S.F. No. 1575 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1575

A bill for an act relating to game and fish; clarifying when a trout and salmon stamp is required and responsibility for road-kill deer; amending Minnesota Statutes 1986, section 97C.305; Minnesota Statutes 1987 Supplement, sections 97A.475, subdivisions 6 and 7; 97A.485, subdivision 6; and 97A.502; repealing Minnesota Statutes 1987 Supplement, section 97A.451, subdivision 1.

March 21, 1988

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1575, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S.F. No. 1575, the Unofficial Engrossment (UESF1575), be further amended as follows:

Page 2, line 27, delete "*and*"

Page 2, delete lines 28 and 29

Page 2, line 30, delete everything before the period and insert:

"(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged

at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee"

Page 2, lines 32 and 34, before "stamp" insert "trout and salmon"

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

Senate Conferees: (Signed) Charles A. Berg, Gene Merriam, Bob Lessard

House Conferees: (Signed) David P. Battaglia, Willard Munger, John T. Rose

Mr. Berg moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1575 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1575 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Merriam	Renneke
Beckman	Davis	Jude	Moe, D.M.	Schmitz
Belanger	Decker	Kroening	Moe, R.D.	Storm
Benson	DeCramer	Laidig	Morse	Stumpf
Berg	Diessner	Langseth	Novak	Vickerman
Berglin	Frederick	Lantry	Pehler	Wegscheid
Bernhagen	Frederickson, D.J.	Larson	Peterson, D.C.	
Bertram	Frederickson, D.R.	Lessard	Peterson, R.W.	
Chmielewski	Freeman	Luther	Piper	
Cohen	Hughes	Marty	Pogemiller	

Those who voted in the negative were:

Anderson	Mehrken	Metzen	Purfeerst	Samuelson
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So the bill, as amended by the Conference Committee, was repassed and its title was agreed to:

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Peterson, R.W. moved that S.F. No. 187 be taken from the table. The motion prevailed.

S.F. No. 187: A bill for an act relating to liens; personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; regulating rental agreements and advertising; proposing coding for new law in Minnesota Statutes, chapter 514.

CONCURRENCE AND REPASSAGE

Mr. Peterson, R.W. moved that the Senate concur in the amendments by the House to S.F. No. 187 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 187 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 38 and nays 13, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Freeman	Mehrkens	Renneke
Anderson	Dahl	Hughes	Moe, D.M.	Schmitz
Beckman	Davis	Johnson, D.J.	Moe, R.D.	Storm
Berg	Decker	Laidig	Peterson, D.C.	Stumpf
Bernhagen	DeCramer	Langseth	Peterson, R.W.	Vickerman
Bertram	Diessner	Lantry	Piper	Wegscheid
Brataas	Frederickson, D.J.	Lessard	Pogemiller	
Chmielewski	Frederickson, D.R.	Luther	Purfeerst	

Those who voted in the negative were:

Belanger	Frederick	Larson	Metzen	Samuelson
Benson	Jude	Marty	Novak	
Berghin	Kroening	Merriam	Pehler	

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

MEMBERS EXCUSED

Messrs. Gustafson; Knaak; Johnson, D.E. and Waldorf were excused from this evening's Session. Mrs. McQuaid was excused from this evening's Session at 8:30 p.m. Mr. Frank was excused from this evening's Session at 9:00 p.m. Mr. Ramstad was excused from this evening's Session at 9:50 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 23, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate