

EIGHTY-SECOND DAY

St. Paul, Minnesota, Thursday, April 7, 1988

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

CALL OF THE SENATE

Mr. Merriam 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. Thomas Nyman.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 6, 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. 1644, 1819, 1875, 2090 and 2355.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1717, 1822, 1948, 1958, 2097 and 1587.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 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. 1018: A bill for an act relating to crimes; criminal sexual conduct; creating a crime of fifth degree criminal sexual conduct; amending Minnesota Statutes 1986, section 388.051, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609.

Senate File No. 1018 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1988

Ms. Peterson, D.C. moved that S.F. No. 1018 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 1643: A bill for an act relating to crimes; child abuse; eliminating the need to show emotional harm in proving unreasonable restraint or malicious punishment of a child; amending Minnesota Statutes 1986, sections 609.255, subdivision 3; and 609.377.

Senate File No. 1643 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1988

Ms. Reichgott moved that the Senate do not concur in the amendments by the House to S.F. No. 1643, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1608: A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980, chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

Senate File No. 1608 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1988

Mr. Moe, R.D. moved that S.F. No. 1608 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 1749 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1988

Mr. Moe, R.D. moved that S.F. No. 1749 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 2165: A bill for an act relating to environment; requiring persons to notify the pollution control agency of and take steps to avoid air pollution; proposing coding for new law in Minnesota Statutes, chapter 116.

Senate File No. 2165 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1988

Mr. Dahl moved that the Senate do not concur in the amendments by the House to S.F. No. 2165, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 2117 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1988

CONCURRENCE AND REPASSAGE

Mr. Diessner moved that the Senate concur in the amendments by the House to S.F. No. 2117 and that the bill be placed on its repassage as amended. The motion prevailed.

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, sections 181.951, subdivision 1; 181.953, subdivisions 1 and 2.

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

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Jude	Metzen	Reichgott
Anderson	Decker	Knaak	Moe, R.D.	Renneke
Beckman	DeCramer	Knutson	Morse	Schmitz
Belanger	Dicklich	Laidig	Novak	Spear
Benson	Diessner	Langseth	Olson	Storm
Berg	Frank	Lantry	Pehler	Stumpf
Berglin	Frederickson, D.J.	Larson	Peterson, D.C.	Taylor
Bernhagen	Frederickson, D.R.	Lessard	Peterson, R.W.	Vickerman
Bertram	Freeman	Marty	Piper	Waldorf
Brataas	Hughes	McQuaid	Pogemiller	Wegscheid
Cohen	Johnson, D.E.	Mehrkens	Purfeerst	
Dahl	Johnson, D.J.	Merriam	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. 1727: A bill for an act relating to government data practices; defining employment and training data as private data on individuals; providing for the dissemination of certain data; amending Minnesota Statutes 1986, section 13.46, subdivision 2; Minnesota Statutes 1987 Supplement,

section 13.43, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 13.

Senate File No. 1727 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1988

Ms. Piper moved that the Senate do not concur in the amendments by the House to S.F. No. 1727, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2038:

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

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

McLaughlin, Sparby and Himle have been appointed as such committee on the part of the House.

House File No. 2038 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 6, 1988

Mr. Freeman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2038, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1561: A bill for an act relating to game and fish; prohibiting the use of certain meat in baiting bears; authorizing electric landing nets; regulating possession limits, size, and season for walleyed pike in the Rainy River; amending Minnesota Statutes 1986, section 97B.425; proposing coding for new law in Minnesota Statutes, chapter 97C; repealing Minnesota

Statutes 1987 Supplement, section 97C.402.

Senate File No. 1561 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 6, 1988

CONCURRENCE AND REPASSAGE

Mr. Frederickson, D.R. moved that the Senate concur in the amendments by the House to S.F. No. 1561 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1561: A bill for an act relating to game and fish; prohibiting the use of certain meat in baiting bears; amending Minnesota Statutes 1986, section 97B.425.

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

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

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Stumpf voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2138, 2182, 2654 and 1000.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 6, 1988

FIRST READING OF HOUSE BILLS

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

H.F. No. 2138: A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; transferring money; amending Minnesota Statutes 1987

Supplement, sections 245.91, subdivisions 2, 3, and 4; 245.92; 245.94, subdivisions 1, 2, 3, and 4; 245.95, subdivision 1; 245.97, subdivision 1; 626.556, subdivisions 9 and 10; and 626.557, subdivision 9.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1628.

H.F. No. 2182: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; permitting state-run lotteries; providing for the distribution of their proceeds; establishing a Minnesota environment and natural resources trust fund; providing implementing legislation; creating a legislative commission, an advisory committee, and a review panel; providing for trust fund expenditures; amending Minnesota Statutes 1986, sections 86.72, subdivisions 2 and 3; and 290.431; Minnesota Statutes 1987 Supplement, sections 116C.69, subdivision 3; and 297.13, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115C; repealing Minnesota Statutes 1986, sections 86.01; 86.02; 86.03; 86.06; 86.07; 86.08; 86.10; 86.11; 86.12; 86.31; 86.32; 86.33, subdivision 1; 86.34; 86.35; 86.41; 86.42; 86.51; 86.53; 86.61; and 86.75.

Mr. Moe, R.D. moved that H.F. No. 2182 be laid on the table. The motion prevailed.

H.F. No. 2654: A bill for an act relating to retirement; public employees; authorizing employer deferred compensation plan contributions in certain instances; permitting repayment of a refund; changing notice requirement for continuation of life insurance coverage; amending Minnesota Statutes 1986, sections 179A.03, subdivision 19; 179A.07, subdivision 2; and 356.24; Minnesota Statutes 1987 Supplement, sections 61A.092, subdivision 3; and 352.96, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2413, now on Special Orders.

H.F. No. 1000: A bill for an act relating to agriculture; making changes in various agriculture programs; establishing agriculture programs; establishing a commodity contract task force; appropriating money; providing penalties; amending Minnesota Statutes 1986, sections 41A.09, by adding a subdivision; 41B.02, by adding a subdivision; and 65A.33, subdivision 3; Minnesota Statutes 1987 Supplement, sections 17.102, subdivision 1; 41B.01, subdivision 2; 41B.03, subdivision 3; 41B.039, subdivisions 1, 2, 4, and by adding a subdivision; 41B.05; Laws 1987, chapter 396, article 9, section 1, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 17; 31; 124; and 325E; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 1986, sections 32A.01; 32A.02; 32A.03; 32A.04; 32A.05; 32A.07; 32A.08; and 32A.09; and Laws 1987, chapter 358, section 31.

Referred to the Committee on Finance.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2195: A bill for an act relating to education; making technical corrections to the cooperative secondary facilities grant act; amending Minnesota Statutes 1987 Supplement, section 124.494, subdivisions 5 and 6.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2194: A bill for an act relating to environment; prohibiting the sale of certain polyethylene material; creating an advisory task force and providing for its duties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Page 1, line 13, delete "*Nondegradable*" means not" and insert "*Degradable*" means"

Page 1, lines 18 and 19, delete "*for profit or not for profit*" and insert "*for-profit or nonprofit*"

Page 2, line 6, delete "*nondegradable*"

Page 2, line 7, before the period, insert "*that is not degradable*"

Page 2, lines 9 and 11, delete "*nondegradable*" and after "*bags*" insert "*that are not degradable*"

Page 2, line 25, delete "*be nondegradable*" and insert "*to be degradable*"

Page 3, line 1, delete "\$" and insert "\$50,000"

Page 3, line 3, delete "*1991*" and insert "*1990*"

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

Mr. Merriam from the Committee on Finance, to which was referred

S.F. No. 2093: A bill for an act relating to education; eliminating the cap on the state university system student health service fee; amending Minnesota Statutes 1986, section 136.11, subdivision 7.

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

Page 1, delete section 2

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 2127: A bill for an act relating to health maintenance organizations; requiring insolvency insurance policies to be filed; requiring a deposit; creating a net worth requirement; allowing for a reduction of net worth in certain circumstances; defining admitted assets; imposing investment restrictions; requiring quarterly reports; providing for the inclusion

of certain items in provider contracts; regulating rehabilitation and liquidations; including health maintenance organizations in the Life and Health Guaranty Association; requiring health maintenance organizations to maintain liabilities for unpaid claims; amending Minnesota Statutes 1986, sections 62D.02, by adding subdivisions; 62D.03, subdivision 4; 62D.041, subdivisions 1, 2, 3, 4, 7, and by adding subdivisions; 62D.05, subdivision 3; 62D.08, by adding a subdivision; 62D.12, subdivision 5, and by adding a subdivision; 62D.14, subdivision 1; 62D.18; 62D.19; 62E.02, subdivision 13; and 62E.14, subdivision 1; Minnesota Statutes 1987 Supplement, sections 62D.04, subdivision 1; and 62E.10, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1986, section 62D.041, subdivisions 5, 6, and 8.

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

Page 8, line 8, after the second comma, insert "*subdivision 1,*"

Page 8, line 9, delete everything after "*in*" and insert "*section 14, subdivision 4.*"

Page 8, delete lines 10 to 12

Page 8, line 27, delete "*enactment*" and insert "*the effective date*"

Page 8, line 32, delete "*On or before*" and insert "*By*"

Page 9, lines 1, 8, and 28, delete "*On or before*" and insert "*By*"

Page 9, line 10, delete "*enactment*" and insert "*the effective date*"

Page 10, line 13, delete "*a refund under this section*" and insert "*the withdrawal*"

Page 11, line 5, delete the comma

Page 11, line 6, delete "*prior to*" and insert "*before*"

Page 11, line 10, delete "*in no way*" and insert "*not*"

Page 11, lines 28 and 33, delete "*equal to*" and insert "*of at least*"

Page 12, line 2, delete "*enactment*" and insert "*the effective date*"

Page 12, line 3, delete "*equal to*" and insert "*of at least*"

Page 12, lines 6, 10, 14, and 18, delete "*On*" and insert "*By*"

Page 12, lines 7, 11, 15, and 19, after the first "*of*" insert "*at least*" and delete "*an amount equal to*"

Page 12, line 33, delete "*worths*" and insert "*worth*"

Page 13, lines 4 and 5, delete "*, on or before*" and insert "*by*"

Page 13, line 12, delete "*shall*" and insert "*must*"

Page 13, line 20, delete "*the*" and insert "*a*"

Page 13, line 32, delete "*(a)*" and insert "*(1)*"

Page 13, line 35, delete "*(b)*" and insert "*(2)*"

Page 14, line 1, delete "*or any state and*"

Page 14, line 2, delete everything before the comma

Page 14, line 7, delete "*(c)*" and insert "*(3)*"

Page 14, line 11, delete "(d)" and insert "(4)"

Page 14, line 13, delete "(e)" and insert "(5)"

Page 14, line 15, delete "(f)" and insert "(6)"

Page 14, line 17, delete "(g)" and insert "(7)"

Page 14, line 18, delete "(h)" and insert "(8)"

Page 14, line 21, delete "(i)" and insert "(9)"

Page 14, line 25, delete "(j)" and insert "(10)"

Page 14, line 30, delete "(k)" and insert "(11)"

Page 14, line 32, delete "(l)" and insert "(12)"

Page 14, line 35, delete "(m)" and insert "(13)"

Page 15, line 2, delete "(n)" and insert "(14)"

Page 15, line 4, delete "(o)" and insert "(15)"

Page 15, line 5, delete "(p)" and insert "(16)"

Page 15, line 9, delete "(q)" and insert "(17)"

Page 15, line 14, delete "(r)" and insert "(18)"

Page 15, line 18, delete "(s)" and insert "(19)"

Page 15, line 23, after "*companies*" insert a comma and delete "*for the following:*"

Page 15, line 24, delete the paragraph coding and delete "*Funds*" and insert "*that money*"

Page 15, line 25, delete "*only*"

Page 15, line 30, delete "*any*" and insert "*a*"

Page 16, lines 15 and 16, delete "*No investment or loan shall be made or engaged in by any*" and insert "*A*"

Page 16, line 17, after "*organization*" insert "*shall not make or engage in a loan or investment*"

Page 16, lines 20 and 27, delete "*No*" and insert "*A*"

Page 16, lines 21, 28, and 31, after "*shall*" insert "*not*"

Page 16, line 25, delete "*shall*" and insert "*must*"

Page 16, line 31, delete "*No*" and insert "*An*"

Page 16, delete lines 34 to 36

Page 17, delete lines 1 and 2

Page 17, line 29, delete "*nonpublic*" and insert "*public*"

Page 17, line 30, delete "*9*" and insert "*14*"

Page 18, line 5, strike "*periodic prepayment, or*" and strike the second comma

Page 18, line 19, delete "*No*" and insert "*A*" and after "*shall*" insert "*not*"

Page 18, line 29, after "*organization*" insert "*entered into or renewed*"

after the effective date of this section"

Page 18, line 34, after "*APPLIES*" insert "*TO*"

Page 20, line 9, delete "*such*" and insert "*the*"

Page 20, line 16, strike "*commerce*" and insert "*health*" and strike everything after "*independently*"

Page 20, line 17, strike everything before "*order*" and after "*rehabilitation*" strike the comma and insert "*or*"

Page 20, lines 18 and 19, strike "*or conservation*"

Page 20, line 19, strike the comma and insert "*or*"

Page 20, line 20, strike "*deemed to be the*"

Page 20, strike line 21

Page 20, line 22, strike "*company and shall be*"

Page 20, line 23, strike "*of commerce and pursuant to*" and insert "*under the procedures in*"

Page 20, line 25, strike "*render such*" and after the stricken "*law*" insert "*renders the*"

Page 21, line 12, delete "*: (a)*"

Page 21, line 14, delete "*(b)*"

Page 21, lines 18 and 19, delete "*and other contracting participating entities*"

Page 21, line 23, delete "*administrative*" and insert "*management*"

Page 21, line 25, delete "*and shall not be renewed or extended*"

Page 21, delete lines 35 and 36 and insert a period

Page 22, delete lines 9 to 36 and insert:

"Subd. 8. [EXAMINATION ACCOUNT.] *The commissioner of health shall assess against a health maintenance organization being examined under this section a fee sufficient to cover the costs of the examination. The fee must be deposited in an examination account. Money in the account is appropriated to the commissioner of health to pay for the examinations. If the money in the account is insufficient to pay the initial costs of examinations, the commissioner may use other money appropriated to the commissioner, provided the other appropriation is reimbursed from the examination account when it contains sufficient money. Money from the examination account must be used to pay per diem salaries and expenses of special examiners, including meals, lodging, laundry, transportation, and mileage. The salary of regular employees of the health department must not be paid out of the account.*"

Pages 23 and 24, delete section 24 and insert:

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

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

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

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

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

(2) the individual had group health coverage through a health maintenance organization, the coverage is no longer available due to the insolvency of the health maintenance organization and the individual has not obtained alternative coverage.

Subd. 3. [APPLICATION AND ASSIGNMENT.] If a health maintenance organization will be liquidated, individuals eligible for assigned alternative coverage under subdivision 2 may apply to the Minnesota comprehensive health association to obtain alternative coverage. Upon receiving an application and evidence that the applicant was enrolled in the health maintenance organization at the time of an order for liquidation, the association shall randomly assign eligible individuals to all health plans operating in the service area of the health maintenance organization, in numbers equal to the ratio of each health plan's premiums received from or on behalf of Minnesota residents as divided by the total premiums received by all health plans from or on behalf of Minnesota residents in the previous 12 months.

Subd. 4. [REASSIGNMENT OF INDIVIDUALS.] (a) Before notifying an individual of an assignment under subdivision 3, the association shall notify each health plan of the number of individuals proposed to be assigned to that health plan. Within five working days after a health plan receives the notice, the health plan may petition the association to reduce the number of individuals assigned to the health plan. If the health plan demonstrates that it does not have the provider capacity to adequately serve all of the additional individuals, the association shall reduce the number accordingly and reallocate the individuals to other health plans with sufficient capacity.

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

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

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

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

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

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

Page 24, line 14, delete "accrue on its"

Page 24, line 15, delete "balance sheet" and insert "maintain" and delete "for" and insert "estimated in the aggregate to be sufficient to pay"

Page 24, line 16, delete ", which" and insert "that"

Page 25, line 5, delete "shall have" and insert "has"

Pages 25 and 26, delete sections 27 to 29

Page 27, line 1, delete "30" and insert "27"

Page 27, line 3, delete everything after the first period

Page 27, line 4, delete "31" and insert "28"

Page 27, line 5, delete "30" and insert "15 and 17 to 26"

Page 27, line 6, after the period, insert "Section 16 is effective January 1, 1990."

Amend the title as follows:

Page 1, lines 10 to 12, delete "including health maintenance organizations in the Life and Health Guaranty Association" and insert "providing for assigned alternative coverage for enrollees of an insolvent health maintenance organization"

Page 1, line 19, after the third semicolon, insert "and"

Page 1, delete line 20

Page 1, line 21, delete "sections" and insert "section"

Page 1, line 22, delete "and 62E.10, subdivision 9;"

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

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

H.F. No. 2396 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2396	2105				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2396 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2396 and insert the language after the enacting clause of S.F. No. 2105, the first engrossment; further, delete the title of H.F. No. 2396 and insert the title of S.F. No. 2105, the first engrossment.

And when so amended H.F. No. 2396 will be identical to S.F. No. 2105, and further recommends that H.F. No. 2396 be given its second reading

and substituted for S.F. No. 2105, 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. 2216 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

SPECIAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2216	2141				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2216 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2216 and insert the language after the enacting clause of S.F. No. 2141, the second engrossment; further, delete the title of H.F. No. 2216 and insert the title of S.F. No. 2141, the second engrossment.

And when so amended H.F. No. 2216 will be identical to S.F. No. 2141, and further recommends that H.F. No. 2216 be given its second reading and substituted for S.F. No. 2141, 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. 2195, 2194 and 2093 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2127, 2396 and 2216 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Davis moved that the name of Mr. Berg be added as a co-author to S.F. No. 1837. The motion prevailed.

Mr. Pehler moved that the names of Ms. Peterson, D.C. and Reichgott be added as co-authors to S.F. No. 2137. The motion prevailed.

Mr. Johnson, D.J. moved that the name of Mr. Marty be added as a co-author to S.F. No. 2511. The motion prevailed.

Messrs. DeCramer and Vickerman introduced—

Senate Resolution No. 136: A Senate resolution congratulating the Eagles Boys' Basketball Team from Southwest Christian High School for an outstanding season.

Referred to the Committee on Rules and Administration.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate 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 bill was read the first time.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2572: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting fees; amending Minnesota Statutes 1986, sections 10A.01, by adding a subdivision; 10A.25, subdivision 10; 10A.31, subdivision 5; 15A.082, subdivision 3; 85.012, by adding a subdivision; and 611.215, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 8.15; 16A.661, subdivision 3; 17.105, subdivision 4; 41A.065, subdivision 8; 85.055, subdivision 1; 105.44, subdivision 10; 116J.966, subdivision 1; 240A.02, subdivision 2; 240A.03, subdivision 10, and by adding a subdivision; 297A.44, subdivision 1; and 611.24; Laws 1987, chapters 357, section 27, subdivision 2; and 400, section 13; proposing coding for new law in Minnesota Statutes, chapter 4; repealing Minnesota Statutes 1986, section 10A.32, subdivision 3b; and Laws 1987, chapter 358, section 31.

Under the Rules of the Senate, laid over one day.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Berglin moved that the following members be excused for a Conference Committee on S.F. No. 2009:

Ms. Reichgott, Mr. Knaak and Ms. Berglin. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 2031: A bill for an act relating to waste management; requiring certain buildings to provide space for recycling; changing the definition of recyclable materials; specifying the responsibilities of the legislative commission on waste management; adding containment of hazardous waste as an item for which the waste management board may make grants; making industrial waste facilities eligible for processing facility loans; creating additional loan and grant programs for waste tire management; banning used oil from placement on the land; removing the county fee cap for waste disposal in the metropolitan area; adding the chair of the waste management board to the environmental quality board; repealing the expiration date of the legislative commission on waste management; appropriating money; amending Minnesota Statutes 1986, sections 16B.24, subdivision 6; 16B.61, by adding a subdivision; 115A.03, subdivisions 25a and 25b; 115A.14, subdivision 4; 115A.156, subdivision 3; 115A.165; 115A.912; 115A.914; 115A.919; 115B.17, by adding a subdivision; 473.803, subdivision 4; and

609.68; Minnesota Statutes 1987 Supplement, sections 115A.156, subdivisions 1 and 2; 115A.162; 115A.48; 115A.916; 115A.95; and 116C.03, subdivision 2; Laws 1980, chapter 564, article XII, section 1, subdivision 3, as amended; Laws 1987, chapters 348, section 51, subdivision 1; and 404, section 24, subdivisions 4 and 6; proposing coding for new law in Minnesota Statutes, chapters 115A and 325E; repealing Minnesota Statutes 1986, sections 115A.14, subdivision 6; and 115A.90, subdivision 4; Minnesota Statutes 1987 Supplement, sections 115A.14, subdivision 5; 115A.41; 116.55; and 116M.07, subdivision 14.

Mr. Merriam moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 12, line 18, after the period, insert "*The program must include the separate testing of fly ash, bottom ash, and combined ash.*"

The motion prevailed. So the amendment was adopted.

Mr. Pehler moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 14, after line 3, insert:

"Sec. 23. Minnesota Statutes 1986, section 477A.012, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL AID FOR CERTAIN COUNTIES.] (a) Each county that becomes eligible to negotiate a contract with the waste management board pursuant to section 115A.191 shall be entitled to receive ~~\$4,000~~ \$6,000 per month in additional local government aids, for each full calendar month that it is eligible. If the state's liability under this clause exceeds \$40,000 in any month, the commissioner shall proportionately reduce the entitlements of each eligible county.

(b) Any county government that has executed a contract with the board pursuant to section 115A.191 shall receive an amount as provided under a schedule set forth in the contract not to exceed \$150,000 per year in additional local government aids, for a period of not more than two years following the execution of the contract. The sum of the state's obligations under this clause may not exceed \$600,000 in any fiscal year.

(c) Aid distributions under this subdivision are in addition to any distributions to which a county is entitled pursuant to subdivision 1, and must not be deducted in the computation of levy limits. When an aid payment is made pursuant to section 477A.015, the commissioner shall distribute to each eligible county the full entitlement due under clause (a) for the county's period of eligibility that was not paid in a previous distribution. ~~When an aid payment is made pursuant to section 477A.015, The commissioner shall distribute the amounts due under clause (b) to each county that has executed a contract the full amount due under clause (b) in accordance with the terms of the contract. In no case may any additional aid amounts due under this subdivision be paid prior to July 1, 1987.~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Bertram moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 13, after line 2, insert:

"Sec. 20. [116.074] [NOTICE OF PERMIT CONDITIONS TO LOCAL GOVERNMENTS.]

Before the agency grants a permit for a solid waste facility, allows a significant alteration of permit conditions or facility operation, or allows the change of a facility permittee, the commissioner must notify the county and town where the facility is located, contiguous counties and towns, and all home rule charter and statutory cities within the contiguous townships. If a local government unit requests a public meeting within 30 days after being notified, the agency must hold at least one public meeting in the area near the facility before granting the permit, allowing the alterations in the permit conditions or facility operation, or allowing the change of the facility permittee."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Storm moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 17, line 10, delete everything after "4;"

Page 17, line 11, delete everything before "Minnesota"

Amend the title accordingly

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the Storm amendment to H.F. No. 2031. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 51, as follows:

Those who voted in the affirmative were:

Anderson	Benson	Brataas	Lessard	Peterson, D.C.
Belanger	Bernhagen	Frederick	Mehrkens	Storm

Those who voted in the negative were:

Adkins	Dicklich	Kroening	Moe, R.D.	Renneke
Beckman	Diessner	Laidig	Morse	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Lantry	Olson	Stumpf
Bertram	Frederickson, D.R.	Larson	Pehler	Taylor
Brandl	Freeman	Luther	Peterson, R.W.	Vickerman
Cohen	Hughes	Marty	Piper	Waldorf
Dahl	Johnson, D.E.	McQuaid	Pogemiller	
Davis	Johnson, D.J.	Merriam	Purfeerst	
Decker	Jude	Metzen	Ramstad	
DeCramer	Knaak	Moe, D.M.	Reichgott	

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

Mr. Stumpf moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 17, after line 7, insert:

"Sec. 27. [PENNINGTON COUNTY SOLID WASTE LOAN FORGIVEN.]

Notwithstanding Minnesota Statutes, section 115A.54, subdivision 3, the awarding resolution, or the agreement between Pennington county and the state acting through the waste management board, Pennington county need not repay the outstanding balance of the loan made to it under Minnesota Statutes, section 115A.54, subdivision 2. The other obligations of Pennington county under the loan agreement remain in effect."

Page 17, line 15, delete "and" and after "26" insert ", and 27"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, after the semicolon, insert "forgiving a loan to Pennington county for a solid waste project;"

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 11, after line 36, insert:

"Sec. 18. [115A.936] [LAND DISPOSAL OF YARD WASTE PROHIBITED.]

(a) Except as authorized by the agency, in the metropolitan area after January 1, 1990, and outside the metropolitan area after January 1, 1992, a person may not dispose of yard waste:

(1) in mixed municipal solid waste;

(2) in a disposal facility; or

(3) in a resource recovery facility except for the purposes of composting or co-composting.

(b) Yard waste subject to this subdivision is garden wastes, leaves, lawn cuttings, weeds, and prunings."

Page 13, after line 21, insert:

"Sec. 23. [325E.042] [PROHIBITING SALE OF CERTAIN PLASTICS.]

Subdivision 1. [PLASTIC CAN.] (a) A person may not sell, offer for sale, or give to consumers in this state a beverage packaged in a plastic can.

(b) A plastic can subject to this subdivision is a single serving beverage container composed of one or more plastics and metal excluding the closure mechanism.

Subd. 2. [NONDEGRADABLE PLASTIC.] A person may not sell, offer for sale, or give to consumers beverages, food, or motor oil containers

held together by nondegradable plastic material.

Subd. 3. [PENALTY.] A person who violates subdivision 1 or 2 is guilty of a misdemeanor."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 13, after line 2, insert:

"Sec. 20. Minnesota Statutes 1986, section 116.07, is amended by adding a subdivision to read:

Subd. 4j. [DISPOSAL FEE DISCLOSURE.] (a) As a condition of a permit to operate a solid waste disposal facility within the metropolitan area, the agency must require the person operating the facility to disclose the disposal fee rates and any increases in the rates during the following calendar year to the agency by November 1. Disposal fee rates may not exceed the rates disclosed to the agency. The agency may revoke the permit to operate a facility for the disposal of solid waste if the agency determines that rate increases are unreasonable.

(b) For purposes of this subdivision, disposal fee rates are prima facie commercially reasonable if the percentage of net profit for the disposal facility is the same or less than it was on January 1, 1988.

(c) The operator of the facility must submit all necessary documentation with the disclosure to determine the percentage of net profit for the facility on January 1, 1988, and with the proposed increase.

(d) This subdivision applies to facilities for land disposal of solid waste."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Wegscheid questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment. The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 3, after line 4, insert:

"Sec. 3. Minnesota Statutes 1986, section 40.036, is amended by adding a subdivision to read:

Subd. 1a. [ABANDONED WELLS.] (a) The state board shall, within the limits of available money, provide cost-sharing funds for a pilot project to seal unused wells and to properly abandon wells that are not required to be sealed under chapter 156A. The cost-share contracts may provide a state cost share of up to 75 percent for each contracted project.

(b) *The well sealing project must be implemented under procedures adopted by the state board that protects groundwater from further contamination from the well. The district board must certify the location of the wells that have been properly sealed with cost-share funds and forward the certification to the state board. The state board must provide information on the location of sealed wells to the commissioners of health and natural resources.*

(c) *The owner of a well that has been certified as being properly sealed is not liable for contamination of groundwater from the well that occurs after the well has been sealed if the owner has not disturbed or disrupted the sealed well.*

Sec. 4. [40.0371] [COST-SHARING CONTRACTS TO SEAL ABANDONED WELLS.]

The state board shall establish a pilot cost-share program to identify and permanently seal unused wells. The contracted projects to seal wells must protect groundwater from pollution. The wells must be properly abandoned and sealed under chapter 156A unless the well is abandoned, sealed, or reconstructed as an observation well.

Sec. 5. [40.0372] [STATEWIDE ASSESSMENT.]

The board, in consultation with the commissioner of natural resources, the commissioner of the pollution control agency, the commissioner of health, and the director of the Minnesota geological survey, shall assess geographical areas for a potential for groundwater pollution caused by abandoned wells. The assessment must include notice of the program and assessment that is published in newspapers of general circulation and opportunities for persons to report abandoned and unused wells to the district board. Districts having staff trained in groundwater resources must assess areas within their districts, in cooperation with the board. The board shall provide financial and technical assistance to districts for projects that have been assessed as areas with a high potential for groundwater pollution caused by abandoned and unused wells.

Sec. 6. [40.0373] [FINANCIAL AND TECHNICAL ASSISTANCE.]

Subdivision 1. [FINANCIAL ASSISTANCE.] *(a) The board must allocate at least 70 percent of available cost-sharing funds to seal wells to districts to share the cost of identifying or properly sealing wells in high-priority areas. Areas must be selected based on statewide priorities established by the board.*

(b) Remaining cost-sharing funds may be allocated to districts for administrative expenses, not exceeding 20 percent of the funds, and sealing wells in lower-priority areas.

Subd. 2. [TECHNICAL ASSISTANCE.] *The board may provide technical assistance to districts to efficiently and effectively develop and implement projects.*

Sec. 7. [40.0374] [ELIGIBILITY FOR ASSISTANCE.]

Subdivision 1. [GENERALLY.] *Only projects that are a part of, or responsive to, a district comprehensive or annual work plan are eligible for the assistance provided in section 4. After July 1, 1991, only projects that are a part of, or responsive to, a local water plan under chapter 110B or section 473.8785 are eligible for the assistance provided in section 4.*

Subd. 2. [DOCUMENTS REQUIRED.] To be eligible for the assistance provided in section 4, a district must provide the board with:

- (1) an application prescribed by the board;*
- (2) evidence that the district has consulted the local health department in preparing the application; and*
- (3) one of the following documents:*
 - (i) the comprehensive water plan authorized under chapter 110B;*
 - (ii) the county groundwater plan authorized under section 473.8785; or*
 - (iii) the district comprehensive or annual work plan that provides an inventory of existing physical and hydrologic information about the area, that provides general identification of water quality problems and goals, and that demonstrates a local commitment to water quality protection or improvement.*

Sec. 8. [40.0375] [BOARD REVIEW OF APPLICATIONS.]

Subdivision 1. [RANKING OF APPLICATIONS.] The district boards must rank applications for technical and financial assistance in order of priority and within the limits of available funding and grant applications with the highest priority.

Subd. 2. [RANKING CRITERIA.] (a) The state board, in cooperation with the commissioner of natural resources, the commissioner of the pollution control agency, the commissioner of health, and other appropriate state agencies, must by rule adopt appropriate criteria for the district boards to determine the priority of projects. The criteria used to rank projects must include:

- (1) current use of the affected aquifer or aquifers for water supply;*
- (2) projected water demand;*
- (3) availability of alternate sources of drinking water;*
- (4) proximity of potential contaminant sources;*
- (5) aquifer susceptibility to contamination;*
- (6) current contamination of the wells and the aquifer;*
- (7) present and anticipated land use in the area;*
- (8) well construction; and*
- (9) suitability of the well for use as a monitoring well.*

(b) The state board shall contact the commissioner of natural resources and the director of the Minnesota geological survey for locations where observation wells are needed.

Sec. 9. [40.0376] [LANDOWNER WELL SEALING PROJECTS.]

Subdivision 1. [CONTRACTS BY DISTRICTS.] A district may contract on a cost-share basis to furnish financial aid to a landowner or land occupier to seal unused wells. Payment to a land occupier must not be made until the well, or wells, specified in the contract has been properly sealed by a licensed water well contractor. The district board must certify the location of the wells that have been properly sealed with cost-share funds, forward the certification to the state board and commissioner of

health, and file the sealed well certification with the county recorder or registrar of deeds where the sealed well is located.

Subd. 2. [REVIEW BY BOARD.] The board or its designated representative may inspect a project at any reasonable time and must audit the cost-sharing funds expended by the district.

Sec. 10. [40.0377] [RULES FOR COST-SHARING PROGRAM.]

The board, in consultation with the commissioner of the department of health, must adopt rules specifying:

(1) procedures and criteria for allocating funds to districts for cost-sharing contracts;

(2) standards and guidelines for all cost-sharing contracts;

(3) scope and content of comprehensive plans, plan amendments, and annual work plans, which districts submit under section 40.07, subdivision 9;

(4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high-priority areas;

(5) the share of the cost of sealing wells to be paid from cost-sharing funds; and

(6) requirements for districts to document their efforts to identify and contact land occupiers in high-priority areas.

Sec. 11. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

Subd. 4a. [SUSCEPTIBLE GROUNDWATER RECHARGE AREA.] "Susceptible groundwater recharge area" means an area of land with unique hydrogeological characteristics that make the area highly susceptible to groundwater contamination from land use practices.

Sec. 12. Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land:

(1) is marginal agricultural land, or is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description, or consists of a drained wetland, or is land that with a windbreak would be beneficial to resource protection, or is land consisting of a susceptible groundwater recharge area. Cropland adjacent to the restored wetland may also be enrolled to the extent of up to four acres of cropland for each acre of wetland restored;

(2) was owned by the landowner on January 1, 1985, or was owned by the landowner, or a parent or other blood relative of the landowner, for at least three years before the date of application;

(3) is at least five acres in size, except for a windbreak, or is a whole field as defined by the United States Agricultural Stabilization and Conservation Services;

(4) is not set aside, enrolled or diverted under another federal or state government program; and

(5) was in agricultural crop production for at least two years during the

period 1981 to 1985.

(b) The enrolled land of a landowner may not exceed 20 percent of the landowner's total agricultural land acreage in the state, if the landowner owns at least 200 acres of agricultural land as defined by section 500.24, subdivision 2. If a landowner owns less than 200 acres of agricultural land the amount that may be enrolled in the conservation reserve is:

(a) (1) all agricultural land owned, if 20 acres or less; or

(b) (2) if the total agricultural land owned is more than 20 acres but less than 200 acres, 20 acres plus ten percent of the balance of the agricultural land.

(c) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 40.41.

Sec. 13. Minnesota Statutes 1986, section 40.43, is amended by adding a subdivision to read:

Subd. 2a. [SUSCEPTIBLE GROUNDWATER RECHARGE AREA DESIGNATION.] The commissioner of natural resources, in cooperation with the board of water and soil resources, the director of the Minnesota geological survey, and the commissioner of the pollution control agency, shall develop criteria for identifying susceptible groundwater recharge areas by December 31, 1988, and provide maps identifying susceptible recharge areas to the board for use in administration of the pilot conservation reserve program for protecting susceptible groundwater recharge areas.

Sec. 14. Minnesota Statutes 1986, section 40.43, is amended by adding a subdivision to read:

Subd. 8. [CORRECTION OF CONSERVATION EASEMENT BOUNDARY LINES.] To correct errors in legal descriptions for easements obtained that affect the ownership interests in the state and adjacent landowners, the commissioner may, in the name of the state, with the approval of the attorney general, convey, without consideration, interests of the state necessary to correct legal descriptions of boundaries. The conveyance must be by quitclaim deed or release in a form approved by the attorney general.

Sec. 15. [40.435] [LIABILITY AFTER PROTECTION OF SUSCEPTIBLE GROUNDWATER RECHARGE AREA.]

A landowner is not liable for contamination of groundwater through a susceptible groundwater recharge area occurring after a project is implemented if:

(1) the soil and water conservation district adopts a plan protecting the groundwater recharge area;

(2) projects or practices are implemented according to the plan and certified as being implemented by the district;

(3) unlawful practices are not allowed by the landowner on the property subject to the plan; and

(4) after implementation the project and practices are maintained according to the plan.

Sec. 16. [105E.50] [GROUNDWATER DEGRADATION POLICY.]

It is the policy of the state that the state, a state agency, or a person

may not allow degradation of groundwater in the state.

Sec. 17. [105E.51] [IDENTIFICATION OF WELLS ON STATE PROPERTY.]

Subdivision 1. [PLAN AND APPROPRIATION REQUEST FOR WELL SEALING.] In each budget year of a biennium, the commissioner must present a plan and an appropriation request to properly seal wells on state property.

Subd. 2. [PROHIBITION ON STATE LAND PURCHASES WITHOUT WELL IDENTIFICATION.] The state may not purchase or sell real property or an interest in real property without identifying the location of all wells in use and not in use on the property and making provisions to have the unused wells properly sealed at the cost of the seller as part of the contract and deed for sale. A transfer of land is void if this subdivision is not complied with."

Page 13, after line 16, insert:

"Sec. 35. [156A.055] [UNUSED AND UNREPAIRED WELLS.]

The state, a person, or other legal entity must seal or properly abandon a water well that is not in use under rules of the commissioner if the water well:

- (1) has not been used to withdraw water for more than ten years;*
- (2) is in a state of disrepair that prevents use to obtain groundwater in a practical manner; or*
- (3) is not in use and is a health hazard or allows contamination of groundwater."*

Page 17, after line 7, insert:

"Sec. 42. [APPROPRIATION.]

\$250,000 is appropriated from the general fund to the board of water and soil resources to be available until June 30, 1989. \$55,800 is to conduct a statewide well abandonment assessment and to administer the pilot grant program for well abandonment. \$97,100 is for grants for the pilot project to identify and seal abandoned wells. \$97,100 is for the pilot project for conservation easements on susceptible groundwater recharge areas."

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

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Renneke moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 17, line 16, after the period, insert "Section 21 is effective April 1, 1989."

The motion prevailed. So the amendment was adopted.

Mr. Renneke then moved to amend H.F. No. 2031, as amended pursuant

to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 9, after line 36, insert:

"Subd. 5. [RESTRICTION ON GRANTEEES ACCEPTING OUT-OF-STATE TIRES.] A person who has received a grant of state or county funds for waste tire processing or recycling may not accept waste tires from outside of the state."

Page 10, line 1, delete "5" and insert "6"

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

Mr. Pehler moved to amend H.F. No. 2031, as amended pursuant to Rule 49, adopted by the Senate April 5, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 1891.)

Page 17, line 16, after the period, insert *"Section 23 is effective July 1, 1988."*

The motion prevailed. So the amendment was adopted.

H.F. No. 2031 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1000 be withdrawn from the Committee on Finance and re-referred to the Committee on Rules and Administration for comparison with S.F. No. 1837, now on Special Orders. The motion prevailed.

SPECIAL ORDER

S.F. No. 1956: A bill for an act relating to financial institutions; savings and loan associations; defining terms; adding clarifying language; regulating incorporations; regulating mutual to stock conversions; providing for corporate governance of capital stock associations; regulating the powers of saving associations; regulating deposit accounts; regulating investments; regulating terms and conditions of loans, contracts, and extensions of credit; providing state-chartered savings associations the same rights and powers

that may be exercised by a federal savings association doing business in Minnesota; amending Minnesota Statutes 1986, sections 51A.02; 51A.03, by adding a subdivision; 51A.041, subdivisions 1 and 4, and by adding a subdivision; 51A.05, subdivision 1, and by adding a subdivision; 51A.06, subdivision 3; 51A.065, subdivisions 1, 3, 4, 8, and by adding a subdivision; 51A.07; 51A.10; 51A.11, subdivision 1; 51A.12; 51A.13; 51A.15, subdivision 2; 51A.17; 51A.19, subdivisions 1, 8, and 10; 51A.21, subdivisions 1, 5, 7, 9, 14, 15, 17, 21, and by adding subdivisions; 51A.251; 51A.261; 51A.262; 51A.28; 51A.31, subdivision 1; 51A.32; 51A.35; 51A.361; 51A.37, subdivisions 1, 2, 3, 4, and by adding subdivisions; 51A.38, subdivisions 1, 2, 3, 4, 5, 7, and 8; 51A.40; 51A.44, subdivision 1; 51A.48; 51A.50; 51A.51, subdivision 1; 51A.53; 51A.56; 118.005, subdivision 1; Minnesota Statutes 1987 Supplement, section 51A.23, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 48 and 51A; repealing Minnesota Statutes 1986, sections 51A.03, subdivision 2a; 51A.05, subdivisions 3, 4, and 5; 51A.091; 51A.11, subdivision 3; 51A.18; 51A.19, subdivisions 2 and 3; 51A.21, subdivisions 6 and 19; 51A.23, subdivisions 2, 3, 4, and 5; 51A.37, subdivisions 7 and 9; 51A.38, subdivision 6; and 51A.39.

Mr. Peterson, R.W. moved to amend S.F. No. 1956 as follows:

Page 52, line 12, delete "*provide*" and insert "*sell, as an agent,*"

Page 52, line 18, after "*insurance*" insert "*, nor does it authorize an association to underwrite insurance*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1956 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	McQuaid	Pogemiller
Anderson	Decker	Johnson, D.E.	Mehrkens	Purfeerst
Beckman	DeCramer	Jude	Merriam	Ramstad
Belanger	Dicklich	Knaak	Metzen	Renneke
Bertram	Diessner	Laidig	Moe, R.D.	Schmitz
Brandl	Frank	Langseth	Novak	Storm
Brataas	Frederick	Lantry	Olson	Stumpf
Chmielewski	Frederickson, D.J.	Larson	Pehler	Taylor
Cohen	Frederickson, D.R.	Lessard	Peterson, D.C.	Vickerman
Dahl	Freeman	Marty	Peterson, R.W.	Waldorf

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

SPECIAL ORDER

H.F. No. 2396: A bill for an act relating to education; authorizing the sale of college savings bonds; requiring a market study and plan; authorizing the issuance of zero coupon bonds; exempting a specified amount of bonds from consideration in financial aid eligibility; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A.

SUSPENSION OF RULES

Mr. Freeman moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2396 and that the rules of the Senate be so far suspended as to give H.F. No. 2396, now on Special Orders, its third reading and place it on its final passage. The motion prevailed.

Mr. Freeman moved to amend H.F. No. 2396, as amended pursuant to Rule 49, adopted by the Senate April 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2105.)

Delete everything after the enacting clause and insert:

"Section 1. [COLLEGE SAVINGS BONDS: MARKET AND FEASIBILITY STUDY.]

Subdivision 1. [REPORT REQUIRED.] The commissioner of finance, in cooperation with the higher education coordinating board, shall study and report to the legislature by January 15, 1989, on the market for and feasibility of college savings bonds. "College savings bonds" would be state general obligation bonds on which interest would be accrued and compounded annually but not paid until maturity, commonly known as zero coupon bonds. The sale and marketing efforts would be directed to Minnesota residents of low and moderate income whose children are likely to seek higher education.

Subd. 2. [FINDINGS.] The report must include findings on the following:

(1) the parental income levels at which a student is no longer eligible for state scholarship and grant assistance, but at which the cost of higher education may create severe financial hardship for the student's family;

(2) an estimate of the number of parents in this state at the income levels described in clause (1) whose children are likely to seek higher education, including their social, economic, and geographic characteristics;

(3) the impact of the availability of financial aid on the savings practices of parents of future students and the extent to which the availability of college savings bonds might increase the amount saved;

(4) the estimated demand of parents for college savings bonds each year and over the next five years, and the estimated periodic rate of purchase;

(5) the demand for bonds of various denominations and the smallest denomination that can be sold and issued economically to those parents;

(6) the demand of parents for bonds of various maturities, and the implications of a variety of maturity dates for potential students and post-secondary institutions;

(7) a marketing strategy for the college savings bond program including strategies to:

(i) inform parents about the availability of the bonds;

(ii) take orders for the bonds;

(iii) insure that the bonds are purchased by residents of low and moderate income throughout this state; and

(iv) market the bonds at the lowest cost to the state;

(8) the demand of various institutions for the bonds, including business corporations, nonprofit corporations, and foundations, and a strategy to insure that purchase of the bonds by these entities will not prevent individuals and parents of future students from buying them;

(9) the limitations, if any, that should be placed on bond purchasers' use of the bonds;

(10) an estimate of the cost of the strategy to market and underwrite the bonds; and

(11) the amount, if any, of bonds purchased for the benefit of a student that should not be considered in determining the financial need of an applicant for a state scholarship or grant under Minnesota Statutes, section 136A.121, or a part-time grant under Minnesota Statutes, section 136A.132.

Sec. 2. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

Amend the title as follows:

Page 1, delete line 3 and insert "for college savings bonds."

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend the Freeman amendment to H.F. No. 2396, adopted by the Senate April 7, 1988, as follows:

Page 1, line 18, after "children" insert "and grandchildren"

Page 1, line 26, after "(1)" insert "and the number of grandparents" and after "children" insert "or grandchildren"

Page 1, line 33, after "parents" insert "and grandparents"

Page 2, lines 1, 2, 7, and 15, after "parents" insert "and grandparents"

Page 2, line 15, delete "and" and insert a comma

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

H.F. No. 2396 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 53 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Knaak and Knutson voted in the negative.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 2126 from 2:00 to 3:45 p.m.:

Messrs. Freeman, Knutson, Samuelson, Mses. Berglin and Piper. The motion prevailed.

SPECIAL ORDER

S.F. No. 2: A bill for an act proposing an amendment to the Minnesota Constitution, article XIII, section 5; allowing the legislature to authorize the state to operate a lottery.

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the balance of the proceedings on S.F. No. 2. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Spear moved to amend S.F. No. 2 as follows:

Page 1, after line 20, insert:

"Sec. 3. Minnesota Statutes 1986, section 210A.34, is amended by adding a subdivision to read:

Subd. 1d. [CERTAIN CONTRIBUTIONS AND EXPENDITURES PROHIBITED.] Notwithstanding subdivision 1b, no corporation, other than a corporation incorporated in Minnesota, may directly or indirectly give, pay, spend, or contribute any money or thing of value to promote or defeat a ballot question which would amend the Minnesota constitution. No political committee may accept from a corporation not incorporated in Minnesota any direct or indirect contribution in money or other thing of value to promote or defeat a ballot question which would amend the Minnesota constitution. Violation of this subdivision is a gross misdemeanor."

Amend the title accordingly

Mr. Moe, R.D. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Luther moved to amend S.F. No. 2 as follows:

Page 1, line 13, after "state" insert "*provided that no lottery or other public funds may be expended for the primary purpose of inducing persons to participate in the lottery*"

Page 1, line 18, after "state" insert "*provided that no lottery or other public funds may be expended for the primary purpose of inducing persons to participate in the lottery*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 38 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Hughes	McQuaid	Reichgott
Beckman	Decker	Johnson, D.E.	Mehrkins	Renneke
Belanger	Diessner	Jude	Merriam	Spear
Berg	Frank	Kroening	Morse	Storm
Berglin	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.R.	Larson	Peterson, D.C.	Waldorf
Brandl	Freeman	Luther	Peterson, R.W.	
Cohen	Gustafson	Marty	Ramstad	

Those who voted in the negative were:

Adkins	Dicklich	Lantry	Pehler	Solon
Bertram	Frederickson, D.J.	Lessard	Piper	Stumpf
Brataas	Johnson, D.J.	Metzen	Pogemiller	Vickerman
Chmielewski	Knaak	Moe, D.M.	Purfeerst	Wegscheid
Davis	Knutson	Moe, R.D.	Samuelson	
DeCramer	Langseth	Novak	Schmitz	

The motion prevailed. So the amendment was adopted.

S.F. No. 2 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 34 and nays 33, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.J.	Moe, R.D.	Purfeerst
Beckman	Davis	Knaak	Morse	Samuelson
Berg	Decker	Kroening	Novak	Solon
Berglin	DeCramer	Langseth	Pehler	Stumpf
Bertram	Dicklich	Lantry	Peterson, D.C.	Vickerman
Brataas	Diessner	Lessard	Piper	Wegscheid
Chmielewski	Frederickson, D.J.	Metzen	Pogemiller	

Those who voted in the negative were:

Anderson	Frederick	Knutson	Merriam	Schmitz
Belanger	Frederickson, D.R.	Laidig	Moe, D.M.	Spear
Benson	Freeman	Larson	Olson	Storm
Bernhagen	Gustafson	Luther	Peterson, R.W.	Taylor
Brandl	Hughes	Marty	Ramstad	Waldorf
Dahl	Johnson, D.E.	McQuaid	Reichgott	
Frank	Jude	Mehrkins	Renneke	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Bertram moved that S.F. No. 1610 be taken from the table. The motion prevailed.

S.F. No. 1610: A bill for an act relating to advertising devices; providing for specific service signs relating to rural agricultural businesses and places of worship to be displayed along highways; amending Minnesota Statutes 1986, sections 160.292, subdivisions 2 and 10; 160.293, subdivisions 1 and 3; and 160.295, by adding a subdivision.

Mr. Bertram moved that the Senate do not concur in the amendments by the House to S.F. No. 1610, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

SPECIAL ORDER

S.F. No. 2055: A bill for an act relating to human services; defining terms; requiring that court receive annual reviews of people with indeterminate commitments; providing for court-ordered community-based treatment; defining procedures for community-based commitment; requiring procedures for release before commitment and provisional discharge; appropriating money; amending Minnesota Statutes 1986, sections 253B.02, subdivisions 13, 19, and by adding subdivisions; 253B.03, subdivision 5; 253B.09, subdivision 1; 253B.15, subdivisions 1, 3, 5, 6, 7, and by adding a subdivision; and 253B.16, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1986, section 253B.09, subdivision 4.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2139: A bill for an act relating to establishment of rates for intermediate care facilities for the mentally retarded (ICF/MR); changing the procedures for determining ICF/MR rates beginning in 1988; requiring a report; amending Minnesota Statutes 1986, section 256B.501, by adding subdivisions.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 45 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	McQuaid	Ramstad
Anderson	Davis	Johnson, D.E.	Mehrkens	Renneke
Beckman	Decker	Jude	Merriam	Samuelson
Belanger	DeCramer	Kroening	Olson	Schmitz
Berglin	Diessner	Langseth	Pehler	Solon
Bernhagen	Frank	Lantry	Peterson, D.C.	Spear
Bertram	Frederick	Larson	Peterson, R.W.	Stumpf
Brataas	Frederickson, D.J.	Lessard	Piper	Vickerman
Cohen	Frederickson, D.R.	Marty	Purfeerst	Waldorf

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Merriam moved that H.F. No. 2344 be taken from the table. The motion prevailed.

H.F. No. 2344: A bill for an act relating to the organization and operation of state government; clarifying, providing for deficiencies in, and supplementing appropriations for the expenses of state government with certain conditions; creating and modifying agencies and functions; fixing and limiting fees; requiring studies and reports; appropriating money; amending Minnesota Statutes 1986, sections 3.9223, subdivision 5; 3.9225, subdivision 5; 3.9226, subdivision 5; 16B.24, by adding a subdivision; 88.22, by adding a subdivision; 89.001, by adding a subdivision; 89.19; 116.48, by adding subdivisions; 116J.615, by adding a subdivision; 296.16, by adding a subdivision; and 296.421, by adding a subdivision; Minnesota Statutes 1987 Supplement, sections 3.732, subdivision 1; 3.885; 85.055, subdivision 1; 105.44, subdivision 10; 115C.02, subdivision 13; 116C.712, subdivision 5; 116J.941, subdivision 1; 116O.03, subdivision 2; 116O.04, subdivision 1; 116O.06, subdivision 1; and 480.241, subdivision 2; Laws 1985; First Special Session chapter 15, section 4, subdivision 6; Laws 1987, chapter 357, section 27, subdivision 2; Laws 1987, chapter 404, sections 20, subdivision 6; and 22, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 89; 115C; 424A; and 446A; repealing Minnesota Statutes 1987 Supplement, section 161.52.

SUSPENSION OF RULES

Mr. Merriam moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2344 and that the rules of the Senate be so far suspended as to give H.F. No. 2344 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2344 was read the second time.

Mr. Kroening moved to amend H.F. No. 2344 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2344, and insert the language after the enacting clause, and the title, of S.F. No. 2572, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Peterson, R.W. moved to amend H.F. No. 2344, as amended by the Senate, adopted April 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2572.)

Page 6, delete line 19

Reletter the items in sequence

Correct the subdivision and section totals and the summaries by fund accordingly

CALL OF THE SENATE

Mr. Kroening imposed a call of the Senate for the balance of the proceedings on H.F. No. 2344. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 38, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Knaak	Moe, D.M.	Spear
Berg	DeCramer	Knutson	Morse	Wegscheid
Brataas	Diessner	McQuaid	Peterson, R.W.	
Cohen	Freeman	Merriam	Ramstad	

Those who voted in the negative were:

Anderson	Davis	Johnson, D.J.	Luther	Renneke
Beckman	Dicklich	Jude	Mehrrens	Samuelson
Belanger	Frank	Kroening	Metzen	Schmitz
Berglin	Frederick	Laidig	Novak	Stumpf
Bernhagen	Frederickson, D.J.	Langseth	Peterson, D.C.	Taylor
Bertram	Frederickson, D.R.	Lantry	Piper	Waldorf
Chmielewski	Hughes	Larson	Pogemiller	
Dahl	Johnson, D.E.	Lessard	Purfeerst	

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

Mr. Chmielewski moved to amend H.F. No. 2344, as amended by the Senate April 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2572.)

Page 38, after line 33, insert:

"ARTICLE 5

Section 1. [181.931] [TITLE.]

Sections 1 to 5 may be cited as "the employee wage protection act."

Sec. 2. [181.932] [PURPOSE.]

The purpose of sections 1 to 5 is to ensure that employees who work in this state will receive wages due and owing.

Sec. 3. [181.933] [DEFINITION.]

For the purposes of sections 1 to 4, "wages" means remuneration for services provided by an employee to an employer which is due and payable from an employer that has no assets from which such remuneration may be paid, from an employer that has filed under any bankruptcy or receivership law, or from an employer that has ceased operations within 90 days after the employee has left employment.

Sec. 4. [181.934] [WAGE PROTECTION FUND.]

An employee wage protection fund is established as a separate account to be administered by the department of labor and industry. The purpose of the fund is to assure payment of employees' wages for a maximum of four workweeks or \$2,000, whichever is less. Application for payment from the fund and disbursements from the fund must be in accordance with rules adopted by the commissioner of the department of labor and industry. The department is subrogated to any claim against an employer for wages by an employee in the amount of payment from the fund to the employee.

Sec. 5. [181.935] [COLLECTION FROM EMPLOYERS.]

The commissioner shall commence an action to recover from an employer amounts paid from the fund which were owed by the employer. The commissioner shall do all things reasonable to secure and obtain priority for

the claim against an employer. In addition to cost and disbursements, the commissioner is entitled to recover reasonable attorney fees at trial and on appeal, together with a penalty of 25 percent of all wages owed by the employer and paid from the fund or \$200, whichever amount is the greater. Any recovery must be paid into the employee wage protection fund.

Sec. 6. [APPROPRIATION.]

\$200,000 is appropriated from the general fund to the commissioner of the department of labor and industry for deposit into the employee wage protection fund account for the purpose of making the payment described in section 4. The appropriation shall not lapse and is available until expended."

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 33, as follows:

Those who voted in the affirmative were:

Beckman	Davis	Hughes	Lessard	Samuelson
Berglin	Dicklich	Jude	Luther	Schmitz
Bertram	Diessner	Kroening	Metzen	Vickerman
Chmielewski	Frank	Langseth	Peterson, D.C.	Waldorf
Dahl	Frederickson, D.J.	Lantry	Piper	

Those who voted in the negative were:

Adkins	Cohen	Johnson, D.E.	Merriam	Renneke
Anderson	Decker	Knaak	Moe, D.M.	Spear
Belanger	DeCramer	Knutson	Moe, R.D.	Storm
Benson	Frederick	Laidig	Olson	Stumpf
Berg	Frederickson, D.R.	Larson	Peterson, R.W.	Taylor
Bernhagen	Freeman	McQuaid	Purfeerst	
Brataas	Gustafson	Mehrkens	Ramstad	

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

Mr. Dahl moved to amend H.F. No. 2344, as amended by the Senate, adopted April 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2572.)

Page 5, delete line 5, and insert:

"(d) Oak Wilt Control 74,000"

Page 5, after line 11, insert:

"The approved complement of the department of natural resources is increased by one position in fiscal year 1989.

(e) Agricultural Oak Wilt Control	20,200	62,200
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This appropriation is to the commissioner of agriculture. The approved complement of the department of agriculture is increased by one position."

Reletter the paragraphs in sequence

Correct the subdivision and section totals and the summaries by fund accordingly

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

Mrs. McQuaid moved to amend H.F. No. 2344, as amended by the Senate, adopted April 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2572.)

Page 22, after line 9, insert:

"Sec. 40. [CROW WING COUNTY CAMP LAND.]

Lands conveyed by the state to the St. Louis Park Lions Club under Laws 1965, chapter 297, and required by that law to be used only for the purposes of operating a boy scout camp may be conveyed by the St. Louis Park Lions Club to Volunteers in Partnership, Inc. and used for the purpose of operating a youth camp, notwithstanding the reverter in the deed to the contrary. The lands, if conveyed as authorized by this section, shall revert to the state upon failure to use them for a youth camp."

Renumber the sections of article 1 in sequence

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens moved to amend H.F. No. 2344, as amended by the Senate April 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2572.)

Page 3, lines 42 and 43, delete "state agency that paid the tax" and insert "highway user tax distribution fund"

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

Mr. Frederickson, D.R. moved to amend H.F. No. 2344, as amended by the Senate, adopted April 7, 1988, as follows:

(The text of the amended House File is identical to S.F. No. 2572.)

Page 2, after line 12, insert:

"(a) Legislative Commission on

Pensions and Retirement

The unobligated balances of the fiscal year 1988 and fiscal year 1989 appropriations in Laws 1987, chapter 404, section 2, subdivision 4, paragraph (f), for the legislative commission on pensions and retirement are transferred to the appropriation for the legislative coordinating commission and, notwithstanding Minnesota Statutes, section 3.85, subdivision 12, must be used by the coordinating commission to continue the contract with the pension commission's actuary. The actuary must report to the chairs of the senate committee on finance and the house of representatives committee on appropriations rather than to the legislative commission on pensions."

Page 2, line 13, before "Legislative" insert "(b)"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 32, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Jude	Lessard	Samuelson
Belanger	Decker	Knaak	McQuaid	Solon
Benson	Frank	Knutson	Mehrkens	Storm
Berg	Frederick	Kroening	Metzen	Taylor
Bernhagen	Frederickson, D.R.	Laidig	Purfeerst	Vickerman
Bertram	Johnson, D.E.	Lantry	Ramstad	

Those who voted in the negative were:

Adkins	DeCramer	Luther	Pehler	Spear
Beckman	Dicklich	Marty	Peterson, D.C.	Stumpf
Berglin	Diessner	Merriam	Peterson, R.W.	Waldorf
Chmielewski	Freeman	Moe, D.M.	Piper	Wegscheid
Cohen	Johnson, D.J.	Moe, R.D.	Pogemiller	
Dahl	Langseth	Morse	Renneke	
Davis	Larson	Olson	Schmitz	

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

H.F. No. 2344 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 59 and nays 3, as follows:

Those who voted in the affirmative were:

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

Mrs. Adkins, Messrs. Ramstad and Renneke voted in the negative.

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 2569 at 7:00 p.m.:

Mrs. Brataas, Messrs. Dicklich, Dahl, Taylor and Waldorf. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

SPECIAL ORDER

H.F. No. 1493: A bill for an act relating to civil law; deleting the minimum percentage amount for interest on judgments; altering the application of joint and several liability; providing for payment of future damages; amending Minnesota Statutes 1986, section 604.02, subdivision 1; Minnesota

Statutes 1987 Supplement, section 549.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 549; repealing Minnesota Statutes 1986, section 604.07.

Mr. Spear moved that the amendment made to H.F. No. 1493 by the Committee on Rules and Administration in the report adopted March 30, 1988, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1493 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 2537: A bill for an act relating to horse racing; changing the date when the racetrack must submit its financial statement to the racing commission; allowing the breeders' fund to be used to supplement purses for Minnesota horses racing in nonrestricted races; amending Minnesota Statutes 1986, sections 240.15, subdivision 4; and 240.18.

CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate for the balance of the proceedings on H.F. No. 2537. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Schmitz moved to amend H.F. No. 2537 as follows:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1986, section 240.01, is amended by adding a subdivision to read:

Subd. 12. [AVERAGE DAILY HANDLE.] "Average daily handle" means the total amount bet in all pari-mutuel pools at a licensed racetrack during the racing meeting divided by the number of days that horse racing was conducted at the racetrack during the racing meeting.

Sec. 2. Minnesota Statutes 1986, section 240.13, subdivision 4, is amended to read:

Subd. 4. [TAKEOUT; DISTRIBUTION OF WINNINGS.] A licensee conducting pari-mutuel betting must deduct from a straight pari-mutuel pool, before payments to holders of winning tickets, an amount equal to

not more than 17 percent of the total money in that pool. The licensee must deduct from a multiple pari-mutuel pool, before payments to the holders of winning tickets, an amount equal to *not more than* 23 percent of the total money in that pool. The remaining money in each pool must be distributed among the holders of winning tickets in a manner the commission by rule prescribes for each type of pool. Breakage must be computed on the basis of payoffs rounded down to the next lowest increment of 20 cents, with a minimum payoff of \$2.20 on a \$2 ticket, except that the licensee may reduce the minimum payoff to \$2.10 on a \$2 ticket if there is not a sufficient amount in a pool to make a minimum payoff of \$2.20.

Sec. 3. Minnesota Statutes 1987 Supplement, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] (a) From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than ~~five percent~~ *the following percentages* of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, *provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:*

(1) *For a licensee conducting a racing meeting with an average daily handle of \$500,000 or less, four percent of the average daily handle times the number of racing days in that meeting.*

(2) *For a licensee conducting a racing meeting with an average daily handle of more than \$500,000 but not more than \$750,000, six percent of the average daily handle times the number of racing days in that meeting.*

(3) *For a licensee conducting a racing meeting with an average daily handle of more than \$750,000, 8.4 percent of the first \$1 million in average daily handle times the number of racing days in that meeting.*

The commission may by rule provide for the administration and enforcement of this subdivision.

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

(c) *Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.*

Sec. 4. Minnesota Statutes 1986, section 240.13, subdivision 6, is amended to read:

Subd. 6. [TELEVISED RACES.] The commission may by rule permit

a class B or class D licensee to conduct on the premises of the licensed racetrack pari-mutuel betting on horse races run in other states and broadcast by television on the premises. All provisions of law governing pari-mutuel betting apply to pari-mutuel betting on televised races except as otherwise provided in this subdivision or in the commission's rules. Pari-mutuel pools conducted on such televised races may consist only of money bet on the premises and may not be commingled with any other pool off the premises, except that:

(a) the licensee may pay a fee to the person or entity conducting the race for the privileges of conducting pari-mutuel betting on the race, and

(b) the licensee may pay the costs of transmitting the broadcast of the race.

Pari-mutuel betting on a televised race may be conducted only on a racing day assigned by the commission. The takeout and taxes on pari-mutuel pools on televised races are as provided for other pari-mutuel pools. All televised races under this subdivision must comply with the Interstate Horse Racing Act of 1978 as found in United States Code, title 15, section 3001 and the following relevant sections. *In lieu of the purse requirement established by section 240.13, subdivision 5, the licensee shall set aside for purses one-half of the take-out from the amount bet on televised races after the payment of fees and taxes. For the purposes of purse distribution under section 240.13, subdivision 5, the average daily handle shall not include amounts bet in pari-mutuel pools on televised races.*

Sec. 5. Minnesota Statutes 1986, section 240.15, subdivision 1, is amended to read:

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

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

(2) For each racing day in a calendar year after the racing day on which the total amount bet in all pari-mutuel pools at the same licensed racetrack in the same calendar year exceeds \$48,000,000, six percent of the total amount bet in all pari-mutuel pools rate of six percent of the total amount withheld from all pari-mutuel pools by the licensee, including breakage and amounts withheld under section 240.13, subdivision 4.

In addition to the above tax, the licensee must designate and pay to the commission a tax of one percent of the total amount bet on each racing day, for deposit in the Minnesota breeders fund, at the following rates:

(1) For racing days on which the state tax under clause (a)(1) is 1-3/4 percent, one-half percent of the total amount bet in all pari-mutuel pools.

(2) For racing days on which the state tax under clause (a)(2) is six percent, one percent of the total amount bet in all pari-mutuel pools.

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

(b) The commission shall impose on each paid admission to each licensed racetrack on a racing day a tax of 40 cents. It may impose an additional

admissions tax of not more than ten cents *on each paid admission at any a licensed racetrack on a racing day* if:

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

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

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

Sec. 6. Minnesota Statutes 1986, section 240.15, subdivision 2, is amended to read:

Subd. 2. [PAYMENT.] The licensee must remit the tax to the commission or its representative within seven days of the day on which it was collected. ~~In addition to the tax and at that time the licensee must pay to the commission or its representative a sum equal to one-half the total breakage for each racing day during the period for which the tax is paid.~~ The payments must be accompanied by a detailed statement of the remittance on a form the commission prescribes. The commission may by rule provide for the direct deposit of required payments in the commission's account in a financial institution within the state and for determining the time of applicability of different tax rates under subdivision 1.

Sec. 7. Minnesota Statutes 1986, section 240.15, subdivision 3, is amended to read:

Subd. 3. [TAX EXCLUSIVE.] The tax imposed by subdivision 1 is in lieu of any tax or license fee, other than taxes on real property, imposed by a political subdivision and in lieu of any other sales or excise tax imposed by the state on ~~racetrack admissions or pari-mutuel pools or pari-mutuel ticket sales.~~"

Page 1, after line 22, insert:

"Sec. 9. Minnesota Statutes 1986, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18. Revenue from an ~~additional~~ admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund."

Page 2, line 3, after "shall" insert "*apportion the remaining net proceeds into categories corresponding with the various breeds of horses which are racing at licensed Minnesota racetracks in proportion to each category's contribution to the fund and*" and after "proceeds" insert "*in each category*"

Page 2, line 4, after "(1)" insert "*With respect to available money apportioned in the thoroughbred and quarterhorse categories*" and strike "of the available money in the fund"

Page 2, line 9, strike everything after "proceeds"

Page 2, strike lines 10 and 11

Page 2, line 12, strike everything before "in"

Page 2, line 19, after "races" insert "in that category"

Page 2, line 21, after "horses" insert "in that category"

Page 2, after line 24, insert:

"(3) With respect to the available money apportioned in the standardbred category, twenty percent must be expended as follows:

(a) one-half of that amount to supplement purses for standardbreds at nonpari-mutuel racetracks in the state;

(b) one-fourth of that amount for the development of nonpari-mutuel standardbred tracks in the state; and

(c) one-fourth of that amount as grants for equine research and related education at public institutions of post-secondary learning in the state.

(4) After deducting the amount for paragraph (3), the balance of the available proceeds in the standardbred category must be expended by the commission to:

(a) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled standardbreds;

(b) pay breeders or owners awards to the breeders or owners of Minnesota-bred standardbreds which win money at licensed racetracks in the state; and

(c) provide other financial incentives to encourage the horse breeding industry in Minnesota."

Page 2, line 31, delete "and 2" and insert "to 10"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "increasing the minimum required purses;"

Page 1, line 6, after the semicolon, insert "decreasing the pari-mutuel tax;"

Page 1, line 7, delete everything after "sections" and insert "240.01, by adding a subdivision; 240.13, subdivisions 4 and 6; 240.15, subdivisions 1, 2, 3, 4, and 6; and 240.18; Minnesota Statutes 1987 Supplement, section 240.13, subdivision 5."

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Adkins	Diessner	Knutson	Morse	Samuelson
Anderson	Frederick	Kroening	Novak	Schmitz
Belanger	Frederickson, D.J.	Laidig	Olson	Solon
Berg	Frederickson, D.R.	Lantry	Piper	Storm
Bertram	Gustafson	Lessard	Pogemiller	Stumpf
Chmielewski	Johnson, D.E.	McQuaid	Purfeerst	Vickerman
Cohen	Johnson, D.J.	Mehrkens	Ramstad	Wegscheid
Davis	Jude	Metzen	Reichgott	
Decker	Knaak	Moe, R.D.	Renneke	

Those who voted in the negative were:

Beckman	DeCramer	Luther	Merriam	Peterson, D.C.
Berglin	Frank	Marty	Pehler	Peterson, R.W.
Bernhagen	Larson			

The motion prevailed. So the amendment was adopted.

H.F. No. 2537 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 49 and nays 14, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Jude	Metzen	Renneke
Anderson	DeCramer	Knaak	Moe, R.D.	Samuelson
Belanger	Dicklich	Knutson	Morse	Schmitz
Benson	Diessner	Kroening	Novak	Solon
Berg	Frederick	Laidig	Olson	Storm
Bertram	Frederickson, D.J.	Langseth	Piper	Stumpf
Brataas	Frederickson, D.R.	Lantry	Pogemiller	Taylor
Chmielewski	Gustafson	Lessard	Purfeerst	Vickerman
Cohen	Johnson, D.E.	McQuaid	Ramstad	Wegscheid
Davis	Johnson, D.J.	Mehrkens	Reichgott	

Those who voted in the negative were:

Beckman	Dahl	Luther	Moe, D.M.	Peterson, R.W.
Berglin	Frank	Marty	Pehler	Waldorf
Bernhagen	Larson	Merriam	Peterson, D.C.	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Pogemiller moved that S.F. No. 1608 be taken from the table. The motion prevailed.

S.F. No. 1608: A bill for an act relating to the city of Minneapolis; updating references in its development laws; amending Laws 1980, chapter 595, section 3, subdivisions 1, as amended, 3, 6, and 7; and section 4.

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 1608, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Messages From the House, Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

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. 2525 and 1940.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 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. 1955: A bill for an act relating to Ramsey county; authorizing the county to use certain land dedicated as open space for highway purposes; authorizing the sale of certain land.

Senate File No. 1955 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 1988

Mr. Novak moved that the Senate do not concur in the amendments by the House to S.F. No. 1955, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 2191: A bill for an act relating to animals; modifying regulations of kennels and dealers of certain animals used for research purposes; amending Minnesota Statutes 1987 Supplement, sections 347.31, subdivision 4; and 347.37.

Senate File No. 2191 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 1988

CONCURRENCE AND REPASSAGE

Mr. Pogemiller moved that the Senate concur in the amendments by the House to S.F. No. 2191 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2191 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 48 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Merriam	Ramstad
Anderson	Diessner	Laidig	Metzen	Reichgott
Beckman	Frank	Langseth	Moe, R. D.	Samuelson
Belanger	Frederick	Lantry	Olson	Schmitz
Bernhagen	Frederickson, D.I.	Larson	Pehler	Solon
Bertram	Frederickson, D.R.	Lessard	Peterson, D.C.	Stumpf
Chmielewski	Johnson, D.E.	Luther	Peterson, R. W.	Vickerman
Cohen	Jude	Marty	Piper	Wegscheid
Davis	Knaak	McQuaid	Pogemiller	
Decker	Knutson	Mehrkens	Purfeerst	

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

NOTICE OF RECONSIDERATION

Mr. Merriam gave notice of intention to move for reconsideration of S.F. No. 2191.

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. 1885: A bill for an act relating to commerce; motor fuel franchises; regulating certain building alterations; providing remedies; amending Minnesota Statutes 1986, section 80C.146, subdivisions 2 and 3; repealing Laws 1984, chapter 444, section 4, as amended by Laws 1986, chapter 343, section 1.

Senate File No. 1885 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 1988

Ms. Peterson, D.C. moved that the Senate do not concur in the amendments by the House to S.F. No. 1885, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 1867 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 1988

CONCURRENCE AND REPASSAGE

Ms. Piper moved that the Senate concur in the amendments by the House to S.F. No. 1867 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1867 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 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Laidig	Metzen	Ramstad
Anderson	Frank	Langseth	Moe, R.D.	Reichgott
Belanger	Frederick	Lantry	Novak	Schmitz
Bernhagen	Frederickson, D.J.	Larson	Olson	Solon
Bertram	Frederickson, D.R.	Lessard	Pehler	Stumpf
Chmielewski	Freeman	Luther	Peterson, D.C.	Vickerman
Cohen	Johnson, D.E.	Marty	Peterson, R.W.	Wegscheid
Davis	Jude	McQuaid	Piper	
Decker	Knutson	Mehrkens	Pogemiller	
DeCramer	Kroening	Merriam	Purfeerst	

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. 2122: A bill for an act relating to the collection and dissemination of data; proposing classifications of data as private and nonpublic; providing for patient access to medical records; requiring outpatient diagnostic and test results to be retained as part of an individual permanent medical record; amending Minnesota Statutes 1986, sections 13.04, subdivision 4; 13.67; 13.791, subdivision 1; 144.335, subdivision 2; 145.32, subdivision 2; 171.12, by adding a subdivision; and 363.061, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13 and 221; repealing Minnesota Statutes 1986, section 13.72, subdivision 3.

Senate File No. 2122 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 1988

Mr. Peterson, R.W. moved that the Senate do not concur in the amendments by the House to S.F. No. 2122, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 2096: A bill for an act relating to commerce; regulating and governing business relations between manufacturers of agricultural equipment and independent retail dealers of those products; proposing coding for new law in Minnesota Statutes, chapter 325E.

Senate File No. 2096 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 1988

CONCURRENCE AND REPASSAGE

Mr. Schmitz moved that the Senate concur in the amendments by the House to S.F. No. 2096 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2096 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 48 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 2214: A bill for an act relating to natural resources; authorizing the commissioner to sell certain surplus lands to local governments for local recreation or natural resource purposes; authorizing the commissioner

of natural resources to convey road and flowage easements in certain circumstances; transferring duties and powers of county auditors and treasurers relating to sales of certain classes of state land to the commissioner; transferring the authority to issue state land patents from the governor to the commissioner; specifying the amount above appraised value that the commissioner may pay when acquiring land; authorizing long-term leases of state land for certain purposes; modifying certain provisions of land exchange laws relating to appraisals and fees; implementing exchanges of public land authorized by the constitution; authorizing exchange of school trust land located within a state park; appointing an independent trustee and legal counsel for land exchanges involving school trust land; providing a procedure for exchange of Class B land with Class A or Class C land; authorizing governmental units to exchange land in the same manner as private persons; amending Minnesota Statutes 1986, sections 84.027, by adding a subdivision; 84.631; 85.015, subdivision 1; 92.16, subdivision 1; 92.23; 92.24; 92.26; 92.27; 92.29; 92.50, subdivision 1; 94.342, subdivision 3, and by adding subdivisions; 94.343, subdivisions 3 and 9; 94.344, subdivisions 1, 3, 7, and 10; 94.348; Minnesota Statutes 1987 Supplement, sections 84.0272; and 105.392, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 84 and 92; repealing Minnesota Statutes 1986, section 92.25.

Senate File No. 2214 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 7, 1988

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 2214, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2221: A bill for an act relating to motor vehicles; motorcycles; increasing percentage of money appropriated from motorcycle safety fund to commissioner of public safety that may be spent for training and coordinating activities of instructors and making reimbursements to schools and others; increasing the fee for duplicate driver's license obtained to add a two-wheeled vehicle endorsement; increasing portion of two-wheeled endorsement license fee that is dedicated to the motorcycle safety fund; amending Minnesota Statutes 1986, sections 126.115, subdivision 3; and 171.06, subdivision 2a.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2382: A bill for an act relating to commerce; clarifying certain procedures and fees relating to the statewide uniform commercial code computerized filing system; amending Minnesota Statutes 1987 Supplement, sections 336.9-407; 336.9-411; and 336.9-413.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1719: A bill for an act relating to occupational safety and health; regulating penalties for violations; amending Minnesota Statutes 1986, section 182.666, subdivisions 3, 5a, and 7; Minnesota Statutes 1987 Supplement, section 182.666, subdivisions 1, 2, 4, and 5.

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

Page 1, line 15, delete "\$15,000" and insert "\$20,000"

Page 1, line 22, delete "\$1,500" and insert "\$2,000"

Page 1, line 25, delete "\$15,000" and insert "\$10,000"

Page 2, lines 6, 17, 24, and 28, delete "\$1,500" and insert "\$2,000"

Page 2, line 30, delete "\$300" and insert "\$400"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2131: A bill for an act relating to the environment; prohibiting government units and vendors from purchasing and using chlorofluorocarbon-processed packaging materials; providing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Page 1, line 14, delete "CFCs" and insert "CFC'S"

Page 1, lines 15 and 19, delete "CFCs" and insert "CFC's"

Page 2, line 24, delete "paragraph" and insert "section"

Page 3, line 2, delete "\$" and insert "\$25,000"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1517: A bill for an act relating to traffic regulations; providing for allocation of civil fines for motor vehicle maximum weight violations; amending Minnesota Statutes 1986, section 169.871, subdivisions 3 and 5.

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

Amend the title as follows:

Page 1, line 4, before the semicolon, insert "in Hennepin county"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1093: A bill for an act relating to employees; providing for a wage protection program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 181.

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

Page 2, line 4, after the period, insert "*Money in the fund is appropriated to the commissioner to make the payment.*"

Page 2, line 10, delete "*do all things reasonable*" and insert "*attempt*"

Page 2, line 19, after "*fund*" insert "*for transfer*"

Page 2, delete line 20

Page 2, line 21, delete "*into the*" and delete "*account for the purpose*" and insert a period

Page 2, delete lines 22 and 23

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1678: A bill for an act relating to natural resources; establishing a controlled burn program; requiring permits for controlled burns; providing assistance for controlled burns; establishing the position of controlled burn coordinator; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Page 1, lines 12 and 18, delete "*shall*" and insert "*may*"

Page 1, line 14, delete "*prairie management*" and insert "*to manage the prairie.*"

Page 2, delete lines 1 to 4

Page 2, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete everything after "*burns;*"

Page 1, line 6, delete "*coordinator; appropriating money;*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2318: A bill for an act relating to natural resources; recodifying groundwater law; protecting groundwater; providing a cost-share program to protect abandoned wells; identifying fragile groundwater recharge areas; providing fragile groundwater recharge areas may be placed in the conservation reserve program; identification of wells on state property; prohibiting purchase of state land without identifying wells on the property; appropriating money; amending Minnesota Statutes 1986, sections 40.036, by adding a subdivision; 40.42, by adding a subdivision; 40.43, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 40; proposing coding for new law as Minnesota Statutes, chapter 105E; repealing Minnesota Statutes 1986, sections 84.57; 84.58; 84.59; 84.60; 84.61; 84.611; 84.62; 84.621, subdivision 1; 156A.02; 156A.03; 156A.031, subdivision 1; 156A.04; 156A.05; 156A.06, subdivision 1; 156A.07, subdivisions 1, 2, 4, 5, 6, 7, 8, and 9; 156A.071; 156A.075; 156A.08; 156A.10; 156A.11; Minnesota Statutes 1987 Supplement, sections 105.416; 105.51; and 469.141.

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 40.036, is amended by adding a subdivision to read:

Subd. 1a. [ABANDONED WELLS.] (a) The state board shall, within the limits of available money, provide cost-sharing funds for a pilot project to seal abandoned wells and to properly abandon wells that are not subject to the abandonment requirements under chapter 156A. The cost-share contracts must be based on a state cost share of up to 75 percent for the project.

(b) The abandonment project must be implemented under procedures adopted by the state board that protects groundwater from further contamination from the well. The district board must certify the location of the wells that have been properly sealed with cost-share funds and forward the certification to the state board.

(c) The owner of a well that has been certified as being properly sealed is not liable for contamination of groundwater from the well that occurs after the well has been sealed if the owner has not disturbed or disrupted the sealed well.

Sec. 2. [40.0371] [COST-SHARING CONTRACTS TO SEAL ABANDONED WELLS.]

The board shall establish a pilot program to share the cost of projects to identify and permanently seal abandoned wells. The abandoned well projects must protect groundwater from pollution. The wells must be abandoned and sealed under chapter 156A unless the well is abandoned and sealed as an observation well.

Sec. 3. [40.0372] [STATEWIDE ASSESSMENT.]

The board, in consultation with the commissioner of natural resources, the commissioner of the pollution control agency, the commissioner of health, and the director of the Minnesota geological survey, shall assess

geographical areas for a potential for groundwater pollution caused by abandoned wells. The assessment must include notice of the program and assessment that is published in newspapers of general circulation and opportunities for persons to report abandoned wells to the district board. Districts having staff trained in groundwater resources must assess areas within their districts, in cooperation with the board. The board shall provide financial and technical assistance to districts for projects that have been assessed as areas with a high potential for groundwater pollution caused by abandoned wells.

Sec. 4. [40.0373] [FINANCIAL AND TECHNICAL ASSISTANCE.]

Subdivision 1. [FINANCIAL ASSISTANCE.] (a) The board must allocate at least 70 percent of available well abandonment cost-sharing funds to districts to share the cost of identifying or properly sealing abandoned wells in high-priority areas. Areas must be selected based on statewide priorities established by the board.

(b) Remaining cost-sharing funds may be allocated to districts for administrative expenses, not exceeding 20 percent of the funds, and sealing wells in lower-priority areas.

Subd. 2. [TECHNICAL ASSISTANCE.] The board may provide technical assistance to districts to efficiently and effectively develop and implement projects.

Sec. 5. [40.0374] [ELIGIBILITY FOR ASSISTANCE.]

Subdivision 1. [GENERALLY.] Only projects that are a part of, or responsive to, a district comprehensive or annual work plan are eligible for the assistance provided in section 4. After July 1, 1991, only projects that are a part of, or responsive to, a local water plan under chapter 110B or section 473.8785 are eligible for the assistance provided in section 4.

Subd. 2. [DOCUMENTS REQUIRED.] To be eligible for the assistance provided in section 4, a district must provide the board with:

- (1) an application prescribed by the board;*
- (2) evidence that the district has consulted the local health department in preparing the application; and*
- (3) one of the following documents:*
 - (i) the comprehensive water plan authorized under chapter 110B;*
 - (ii) the county groundwater plan authorized under section 473.8785; or*
 - (iii) the district comprehensive or annual work plan that provides an inventory of existing physical and hydrologic information about the area, that provides general identification of water quality problems and goals, and that demonstrates a local commitment to water quality protection or improvement.*

Sec. 6. [40.0375] [BOARD REVIEW OF APPLICATIONS.]

Subdivision 1. [RANKING OF APPLICATIONS.] The district boards must rank applications for technical and financial assistance in order of priority and within the limits of available funding and grant applications with the highest priority.

Subd. 2. [RANKING CRITERIA.] (a) The state board, in cooperation

with the commissioner of natural resources, the commissioner of the pollution control agency, the commissioner of health, and other appropriate state agencies, must by rule adopt appropriate criteria for the district boards to determine the priority of projects. The criteria used to rank projects must include:

- (1) current use of the affected aquifer or aquifers for water supply;
- (2) projected water demand;
- (3) availability of alternate sources of drinking water;
- (4) proximity of potential contaminant sources;
- (5) aquifer susceptibility to contamination;
- (6) current contamination of the wells and the aquifer;
- (7) present and anticipated land use in the area;
- (8) well construction; and
- (9) suitability of the well for use as a monitoring well.

(b) The state board shall contact the commissioner of natural resources and the director of the Minnesota geological survey for locations where observation wells are needed.

Sec. 7. [40.0376] [IMPLEMENTATION.]

Subdivision 1. [CONTRACTS BY DISTRICTS.] A district may contract on a cost-share basis to furnish financial aid to a land occupier to seal abandoned wells. Payment to a land occupier must not be made until the well, or wells, specified in the contract has been properly sealed by a licensed water well contractor. The district board must certify the location of the wells that have been properly sealed with cost-share funds, forward the certification to the state board and commissioner of health, and file the well abandonment certification with the county recorder or registrar of deeds where the abandoned well is located.

Subd. 2. [REVIEW BY BOARD.] The board or its designated representative may inspect a project at any reasonable time and must audit the cost-sharing funds expended by the district.

Sec. 8. [40.0377] [RULES FOR COST-SHARING PROGRAM.]

The board, in consultation with the commissioner of the department of health, must adopt rules specifying:

- (1) procedures and criteria for allocating funds to districts for cost-sharing contracts;
- (2) standards and guidelines for all cost-sharing contracts;
- (3) scope and content of comprehensive plans, plan amendments, and annual work plans, which districts submit under section 40.07, subdivision 9;
- (4) standards and methods necessary to plan and implement a priority cost-sharing program, including guidelines to identify high-priority areas;
- (5) the share of the cost of sealing abandoned wells to be paid from cost-sharing funds; and
- (6) requirements for districts to document their efforts to identify and

contact land occupiers in high-priority areas.

Sec. 9. Minnesota Statutes 1986, section 40.42, is amended by adding a subdivision to read:

Subd. 4a. [SUSCEPTIBLE GROUNDWATER RECHARGE AREA.] "Susceptible groundwater recharge area" means an area of land with unique hydrogeological characteristics that make the area highly susceptible to groundwater contamination from land use practices.

Sec. 10. Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land:

(1) is marginal agricultural land, or is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description, or consists of a drained wetland, or is land that with a windbreak would be beneficial to resource protection, or is land consisting of a susceptible groundwater recharge area. Cropland adjacent to the restored wetland may also be enrolled to the extent of up to four acres of cropland for each acre of wetland restored;

(2) was owned by the landowner on January 1, 1985, or was owned by the landowner, or a parent or other blood relative of the landowner, for at least three years before the date of application;

(3) is at least five acres in size, except for a windbreak, or is a whole field as defined by the United States Agricultural Stabilization and Conservation Services;

(4) is not set aside, enrolled or diverted under another federal or state government program; and

(5) was in agricultural crop production for at least two years during the period 1981 to 1985.

(b) The enrolled land of a landowner may not exceed 20 percent of the landowner's total agricultural land acreage in the state, if the landowner owns at least 200 acres of agricultural land as defined by section 500.24, subdivision 2. If a landowner owns less than 200 acres of agricultural land the amount that may be enrolled in the conservation reserve is:

~~(a)~~ (1) all agricultural land owned, if 20 acres or less; or

~~(b)~~ (2) if the total agricultural land owned is more than 20 acres but less than 200 acres, 20 acres plus ten percent of the balance of the agricultural land.

(c) In selecting land for enrollment in the program, highest priority must be given to permanent easements that are consistent with the purposes stated in section 40.41.

Sec. 11. Minnesota Statutes 1986, section 40.43, is amended by adding a subdivision to read:

Subd. 2a. [SUSCEPTIBLE GROUNDWATER RECHARGE AREA DESIGNATION.] The commissioner of natural resources, in cooperation with the board of water and soil resources, the director of the Minnesota geological survey, and the commissioner of the pollution control agency, shall develop criteria for identifying susceptible groundwater recharge areas by

December 31, 1988, and provide maps identifying susceptible recharge areas to the board for use in administration of the pilot conservation reserve program for protecting susceptible groundwater recharge areas.

Sec. 12. Minnesota Statutes 1986, section 40.43, is amended by adding a subdivision to read:

Subd. 8. [CORRECTION OF CONSERVATION EASEMENT BOUNDARY LINES.] To correct errors in legal descriptions for easements obtained that affect the ownership interests in the state and adjacent landowners, the commissioner may, in the name of the state, with the approval of the attorney general, convey, without consideration, interests of the state necessary to correct legal descriptions of boundaries. The conveyance must be by quitclaim deed or release in a form approved by the attorney general.

Sec. 13. [40.435] [LIABILITY AFTER PROTECTION OF SUSCEPTIBLE GROUNDWATER RECHARGE AREA.]

A landowner is not liable for contamination of groundwater through a susceptible groundwater recharge area occurring after a project is implemented if:

(1) the soil and water conservation district adopts a plan protecting the groundwater recharge area;

(2) projects or practices are implemented according to the plan and certified as being implemented by the district;

(3) unlawful practices are not allowed by the landowner on the property subject to the plan; and

(4) after implementation the project and practices are maintained according to the plan.

Sec. 14. [105E.50] [GROUNDWATER DEGRADATION PROHIBITED.]

It is the policy of the state that the state, a state agency, or a person may not allow degradation of groundwater in the state.

Sec. 15. [105E.51] [IDENTIFICATION OF WELLS ON STATE PROPERTY.]

Subdivision 1. [PLAN AND APPROPRIATION REQUEST FOR WELL SEALING.] In each budget year of a biennium, the commissioner must present a plan and an appropriation request to properly seal wells on state property.

Subd. 2. [PROHIBITION ON STATE LAND PURCHASES WITHOUT WELL IDENTIFICATION.] The state may not purchase or sell real property or an interest in real property without identifying the location of all wells in use and abandoned on the property and making provisions to have the wells properly abandoned at the cost of the seller as part of the contract and deed for sale. A transfer of land is void if this subdivision is not complied with.

Sec. 16. [156A.055] [ABANDONED WELLS.]

The state, a person, or other legal entity must seal or abandon a water well that is not in use under rules of the commissioner if the water well:

(1) has not been used to withdraw water for more than ten years;

(2) is in such disrepair as to prevent use to obtain groundwater in a

practical manner; or

(3) is not in use and is a health hazard or allows contamination of groundwater.

Sec. 17. [APPROPRIATION.]

\$250,000 is appropriated from the general fund to the board of water and soil resources to be available until June 30, 1989. \$55,800 is to conduct a statewide well abandonment assessment and to administer the pilot grant program for well abandonment. \$97,100 is for grants for the pilot project to identify and seal abandoned wells. \$97,100 is for the pilot project for conservation easements on susceptible groundwater recharge areas."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for a cost-share program to protect abandoned wells; identifying susceptible groundwater recharge areas; providing that susceptible groundwater recharge areas may be placed in the conservation reserve program; appropriating money; amending Minnesota Statutes 1986, sections 40.036, by adding a subdivision; 40.42, by adding a subdivision; 40.43, by adding subdivisions; Minnesota Statutes 1987 Supplement, section 40.43, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 40; 105E; and 156A."

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 2108: A bill for an act relating to state government; ratifying labor agreements, compensation plans, and salaries for state employees, and salaries for certain employees of metropolitan agencies; limiting the number of highway patrol supervisors; amending Minnesota Statutes 1986, section 299D.03, subdivision 2.

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

Page 4, line 17, delete "*Sections 1 and 2 are*" and insert "*This act is*"

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1399: A bill for an act relating to economic development; authorizing certain entities involved in economic development to participate in secondary markets; authorizing the use of appropriated money for secondary market purposes; amending Minnesota Statutes 1986, sections 116M.04, by adding a subdivision; 116M.08, by adding a subdivision; 362A.03, by adding a subdivision; 458.192, by adding a subdivision; 458C.14, by adding a subdivision; and 462.445, subdivision 4.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1987 Supplement, section 41A.023, is amended to read:

41A.023 [POWERS.]

In addition to other powers granted by this chapter, the board may:

- (1) sue and be sued;
- (2) acquire, hold, lease, and transfer any interest in real and personal property for its corporate purposes;
- (3) sell at public or private sale, *at the price or prices determined by the board, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;*
- (4) obtain insurance on its property;
- (5) obtain municipal bond insurance, letters of credit, surety obligations, or similar agreements from financial institutions;
- (6) enter into other agreements or transactions, without regard to chapter 16B, that the board considers necessary or appropriate to carry out the purposes of this chapter with federal or state agencies, political subdivisions of the state, or other persons, firms, or corporations;
- (7) establish and collect fees without regard to chapter 14 and section 16A.128;
- (8) accept appropriations, gifts, grants, and bequests;
- (9) use money received from any source for any legal purpose or program of the board;
- (10) participate in loans for agricultural resource projects in accordance with section 41A.035;
- (11) provide small business development loans in accordance with section 41A.036; and
- (12) guarantee or insure bonds or notes issued by the board.

Sec. 2. Minnesota Statutes 1987 Supplement, section 116J.982, is amended by adding a subdivision to read:

Subd. 6a. [SECONDARY MARKET.] A community development corporation may sell, at private or public sale, at the price or prices determined by the corporation, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual.

Sec. 3. Minnesota Statutes 1987 Supplement, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers

include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents, and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for

improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the federal housing administration or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make, or agree to make, payments in lieu of taxes to the city or the county, the state or any political subdivision thereof, that it finds consistent with the purposes of sections 469.001 to 469.047;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants, gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low or moderate income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority; ~~and~~

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5); ~~and~~

(29) *to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual.*

Sec. 4. Minnesota Statutes 1987 Supplement, section 469.059, is amended by adding a subdivision to read:

Subd. 17. [SECONDARY MARKET.] The port authority may sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual.

Sec. 5. Minnesota Statutes 1987 Supplement, section 469.101, is amended by adding a subdivision to read:

Subd. 22. [SECONDARY MARKET.] An authority may sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual.

Sec. 6. Minnesota Statutes 1987 Supplement, section 469.146, is amended by adding a subdivision to read:

Subd. 3. [SECONDARY MARKET.] An authority may sell, at private

or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual.

Sec. 7. [AUTHORITY TO USE AGRICULTURAL AND ECONOMIC DEVELOPMENT FUND.]

The Minnesota agricultural and economic development board may use up to \$500,000 of the money in the agricultural and economic development fund created in Minnesota Statutes, section 41A.05, subdivision 1, to make a grant to an organization that is engaged, or is planning to be engaged, in the purchase, packaging, insurance, or sale of loans, securities, or other obligations that are secured by loans primarily made for economic development purposes. The money authorized by this section must be used to establish a credit reserve to support a secondary market for economic development, job creation, redevelopment, or community revitalization loans. In the selection of the organization to receive the grant, the Minnesota agricultural and economic development board must consider the potential for raising private money to supplement the money of the Minnesota agricultural and economic development fund."

Amend the title as follows:

Page 1, delete lines 6 to 10 and insert "amending Minnesota Statutes 1987 Supplement, sections 41A.023; 116J.982, by adding a subdivision; 469.012, subdivision 1; 469.059, by adding a subdivision; 469.101, by adding a subdivision; and 469.146, by adding a subdivision."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2221, 2382, 1719, 2131, 1517, 1093, 1678 and 2318 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2108 and 1399 were read the second time.

RECESS

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

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

APPOINTMENTS

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

S.F. No. 1727: Ms. Piper, Messrs. Beckman and Marty.

H.F. No. 2038: Messrs. Freeman, Morse and Renneke.

S.F. No. 2165: Messrs. Dahl, Lessard and Ms. Olson.

S.F. No. 1610: Messrs. Bertram, Mehrkens and Merriam.

S.F. No. 1955: Messrs. Novak; Moe, D.M. and Marty.

S.F. No. 2214: Messrs. Merriam; Peterson, R.W. and Frederickson, D.R.

S.F. No. 1608: Messrs. Pogemiller, Frank and Gustafson.

S.F. No. 2122: Messrs. Peterson, R.W.; Cohen and Knaak.

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

MEMBERS EXCUSED

Mr. Chmielewski was excused from the Session of today from 12:30 to 2:00 p.m. Mr. Gustafson was excused from the Session of today from 1:00 to 4:00 and 4:15 to 6:15 p.m. Mr. Bernhagen was excused from the Session of today from 2:30 to 4:00 p.m. Ms. Reichgott was excused from the Session of today from 2:30 to 4:00 and 5:00 to 8:30 p.m. Mr. Pogemiller was excused from the Session of today from 2:30 to 4:00 p.m. Ms. Piper was excused from the Session of today from 2:30 to 3:40 p.m. Mr. Laidig was excused from the Session of today from 5:00 to 5:30 p.m. Mr. Brandl was excused from the Session of today from 5:40 to 8:30 p.m. Mr. Novak was excused from the Session of today from 6:15 to 8:30 p.m. Mr. Spear was excused from the Session of today at 7:40 p.m. Mr. Hughes was excused from the Session of today at 6:30 p.m. Ms. Berglin was excused from the Session of today at 8:00 p.m. Mr. Storm was excused from the Session of today at 8:00 p.m. Mr. Knaak was excused from the Session of today at 8:15 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Friday, April 8, 1988. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate