

SIXTEENTH DAY

St. Paul, Minnesota, Monday, February 27, 1989

The Senate met at 2:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. William R. Chadwick.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Brandl was excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committees indicated.

January 25, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Housing Finance Agency is hereby respectfully submitted to the Senate for confirmation as required by law:

Maureen Bye, 609 W. 2nd St., Duluth, St. Louis County, has been appointed by me, effective January 24, 1989, for a term expiring the first Monday in

January, 1993.

(Referred to the Committee on Economic Development and Housing.)

February 8, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Board of Animal Health is hereby respectfully submitted to the Senate for confirmation as required by law:

Henry Banal, 520 Grove Lake, Sauk Centre, Stearns County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Agriculture and Rural Development.)

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 175, 210, 268 and 279.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted February 23, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 175: A bill for an act relating to animals; requiring notice to possess dangerous nondomesticated animals; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 210: A bill for an act relating to counties; permitting counties to rent county-owned residences by less formal procedure; amending Minnesota Statutes 1988, section 373.01, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 229, now on General Orders.

H.F. No. 268: A bill for an act relating to commerce; regulating burglar alarm franchises; amending Minnesota Statutes 1988, section 80C.30.

Referred to the Committee on Commerce.

H.F. No. 279: A bill for an act relating to local government; permitting bank letters of credit in lieu of certain bonds; proposing coding for new law in Minnesota Statutes, chapter 574.

Referred to the Committee on Local and Urban Government.

REPORTS OF COMMITTEES

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

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

S.F. No. 374: A bill for an act relating to human services; increasing the medical assistance income standard for aged, blind, and disabled persons; amending Minnesota Statutes 1988, section 256B.056, subdivision 4.

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

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

S.F. No. 477: A bill for an act relating to regional railroad authorities; permitting authorities to enter certain agreements; amending Minnesota Statutes 1988, section 398A.04, subdivision 9.

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

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

S.F. No. 438: A bill for an act relating to public safety; defining high pressure piping; regulating the practice of pipefitting; amending Minnesota Statutes 1988, section 326.461, subdivision 2.

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

Amend the title as follows:

Page 1, line 2, delete "safety" and insert "safety"

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

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

S.F. No. 200: A bill for an act relating to insurance; regulating continuing insurance education; amending Minnesota Statutes 1988, section 60A.1701, subdivisions 1, 5, 7, 8, and 9; repealing Minnesota Rules, part 2725.0240.

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

Page 1, lines 11 to 15, delete the new language and insert "A *professional designation examination* means a written, proctored, and graded examination the passage of which leads to a bona fide professional designation used by agents."

Page 2, lines 13, 16, and 34, delete "national" and insert "professional designation"

Page 2, line 15, after "awarded" insert "for passage of the examination"

Page 2, line 17, delete "insurance"

Page 2, line 18, before the semicolon, insert "*used by agents*"

Page 2, line 35, delete "*studying for a national*" and insert "*receiving credit for time spent in an approved course preparing for the*"

Page 2, line 36, delete everything before "*may*" and after "*may*" insert "*not also*"

Page 3, delete lines 1 and 2 and insert "*credit for passing the professional designation examination.*"

Page 3, lines 13 and 14, delete the new language

Page 5, after line 9, insert:

"Sec. 7. [EFFECTIVE DATE; APPLICATION.]

Sections 1 to 6 are effective for the reporting year beginning June 1, 1989. The advisory task force may begin recommending approval and disapproval of, and the commissioner may approve or disapprove, professional designation examinations beginning the day following final enactment of sections 1 to 6.

An agent completing a program of instruction provided through home study on or after June 1, 1988, but before the effective date of sections 1 to 6, shall receive full continuing education credit for the reporting year beginning June 1, 1989, if the program meets the requirements of a professional designation examination as defined in section 1."

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

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

S.F. No. 182: A bill for an act relating to agriculture; extending the farmer-lender mediation act; extending mortgage foreclosure relief provisions; amending provisions relating to the time period under which there is a rebuttable presumption that a sale is a violation of the right to receive an offer to buy agricultural land; amending Minnesota Statutes 1988, section 500.24, subdivision 6; and Laws 1983, chapter 215, section 16, as amended; and Laws 1986, chapter 398, article 1, section 18, as amended.

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

Page 2, line 36, after "bonds" insert "*of similar maturity*"

Page 6, after line 28, insert:

"Sec. 2. Minnesota Statutes 1988, section 550.37, subdivision 4a, is amended to read:

Subd. 4a. [ADJUSTMENT OF DOLLAR AMOUNTS.] (a) *Except for subdivisions 5 and 7, the dollar amounts in this section shall change periodically as provided in this subdivision to the extent of changes in the implicit price deflator for the gross national product, 1972 = 100, compiled by the United States Department of Commerce, and hereafter referred to as the index. The index for December, 1980, is the reference base index.*

(b) *The designated dollar amounts shall change on July 1 of each even-numbered year if the percentage of change, calculated to the nearest whole*

percentage point, between the index for December of the preceding year and the reference base index is ten percent or more. The portion of the percentage change in the index in excess of a multiple of ten percent shall be disregarded and the dollar amounts shall change only in multiples of ten percent of the amounts stated in this section.

(c) If the index is revised, the percentage of change pursuant to this section shall be calculated on the basis of the revised index. If a revision of the index changes the reference base index, a revised reference base index shall be determined by multiplying the reference base index then applicable by the rebasing factor furnished by the department of commerce. If the index is superseded, the index referred to in this section is the one represented by the department of commerce as reflecting most accurately changes in the purchasing power of the dollar for consumers.

(d) The commissioner of commerce shall announce and publish:

(1) on or before April 30 of each year in which dollar amounts are to change, the changes in dollar amounts required by paragraph (b); and

(2) promptly after the changes occur, changes in the index required by paragraph (c) including, if applicable, the numerical equivalent of the reference base index under a revised reference base index and the designation or title of any index superseding the index.

(e) A person does not violate this chapter with respect to a transaction otherwise complying with this chapter if the person relies on dollar amounts either determined according to paragraph (b) or appearing in the last publication of the commissioner announcing the then current dollar amounts.

Sec. 3. Minnesota Statutes 1988, section 550.37, subdivision 5, is amended to read:

Subd. 5. Farm machines and implements used in farming operations by a debtor engaged principally in farming, livestock, farm produce, and standing crops, not exceeding ~~\$10,000~~ \$13,000 in value. When a debtor is a partnership of spouses or a partnership of natural persons related to each other within the third degree of kindred according to the rules of the civil law, for the purposes of the exemption in this subdivision, the partners may elect to treat the assets of the partnership as assets of the individual partners.

Sec. 4. Minnesota Statutes 1988, section 550.37, subdivision 7, is amended to read:

Subd. 7. The total value of property selected by a debtor pursuant to subdivisions 5 and 6 shall not exceed ~~\$10,000~~ \$13,000, if the exemptions under subdivisions 5 and 6 are combined.

Sec. 5. Minnesota Statutes 1988, section 583.24, subdivision 4, is amended to read:

Subd. 4. [DEBTS.] (a) The farmer-lender mediation act does not apply to a debt:

(1) for which a proof of claim form has been filed in bankruptcy by a creditor or that was listed as a scheduled debt, of a debtor who has filed a petition in bankruptcy after July 1, 1987, under United States Code, title 11, chapter 7, 11, 12, or 13;

(2) if the debt was in default when the creditor received a mediation proceeding notice under the farmer-lender mediation act and the creditor

filed a claim form, the debt was mediated during the mediation period under section 583.26, subdivision 8, and (i) the mediation was unresolved; or (ii) a mediation agreement with respect to that debt was signed;

(3) for which the creditor has served a mediation notice, the debtor has failed to make a timely request for mediation, and within 30 45 days after the debtor failed to make a timely request the creditor began a proceeding to enforce the debt against the agricultural property of the debtor;

(4) for which a creditor has received a mediation proceeding notice and the creditor and debtor have restructured the debt and have signed a separate mediation agreement with respect to that debt; or

(5) for which there is a lien for rental value of farm machinery under section 514.661 or a lien for rental value relating to a contract for deed subject to the farmer-lender mediation act under section 559.2091.

~~(b) For purposes of paragraph (a), clause (3), providing a copy of a forbearance policy is considered beginning a proceeding to enforce a debt if the board of an institution has adopted a forbearance policy that provides for deferring or rescheduling payments of principal or interest, renewal or extension of loan terms, reduction in the amount or rate of principal or interest due on a loan, or other similar actions, and requires that the debtor must receive a copy of the policy at least 20 days prior to loan acceleration or debt collection proceedings.~~

Sec. 6. Minnesota Statutes 1988, section 583.26, subdivision 1, is amended to read:

Subdivision 1. [MEDIATION NOTICE.] (a) A creditor desiring to start a proceeding to enforce a debt against agricultural property under chapter 580 or 581 or sections 336.9-501 to 336.9-508, to terminate a contract for deed to purchase agricultural property under section 559.21, or to garnish, levy on, execute on, seize, or attach agricultural property, must serve an applicable mediation notice under sections 336.9-501, 550.365, 559.209, and 582.039 on the debtor and the director. The creditor must also file with the director proof of the date the mediation notice was served on the debtor. The creditor may not begin the proceeding until the stay of the creditor's remedies is lifted under subdivision 5, or as allowed under sections 583.20 to 583.32.

(b) For purposes of the farmer-lender mediation act, starting a proceeding to enforce a debt means initiating a proceeding under chapter 550, 580, or 581; sections 336.9-501 to 336.9-508; or section 559.21.

(c) The director shall combine all mediation notices for the same debtor that are received prior to the initial mediation meeting into one mediation proceeding."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "limiting certain exemptions relating to farm machinery subject to execution; amending certain provisions of the farmer-lender mediation act;"

Page 1, line 8, delete "section" and insert "sections" and delete "and" and insert "550.37, subdivisions 4a, 5, and 7; 583.24, subdivision 4; 583.26, subdivision 1;"

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 513: A bill for an act relating to veterans; changing the amount of state cash bonus payments to certain members of the Minnesota national guard; appropriating money; amending Laws 1988, chapter 686, article 1, section 21.

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

Mr. Bertram from the Committee on Veterans and Military Affairs, to which was referred

S.F. No. 340: A bill for an act relating to veterans; clarifying the treatment of certain settlement payments for the purposes of certain assistance programs and benefits; proposing coding for new law in Minnesota Statutes, chapter 196.

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

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

S.F. No. 247: A bill for an act relating to the city of Hibbing; authorizing two additional on-sale liquor licenses.

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

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

S.F. No. 361: A bill for an act relating to insurance; no-fault auto; clarifying eligibility for economic loss benefits; amending Minnesota Statutes 1988, sections 65B.51, subdivision 2; and 65B.64, subdivisions 2 and 3.

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

Page 2, line 16, after "children" insert "*and adults who have been adjudicated as incompetent*"

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

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

S.F. No. 203: A bill for an act relating to intoxicating liquor; authorizing an on-sale liquor license for the Minneapolis convention center; repealing Laws 1973, chapter 505.

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

Page 1, line 9, before "*liquor*" insert "*intoxicating*"

Page 1, line 12, before "*licenses*" insert "*intoxicating liquor*"

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

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

S.F. No. 60: A bill for an act relating to water; recodifying, clarifying, and relocating provisions relating to water law; amending Minnesota Statutes 1988, sections 9.071; 16B.62, subdivision 1; 18.191; 18B.07, subdivision 6; 40A.13, subdivision 1; 41B.039, subdivision 3; 84.083, by adding subdivisions; 84.91, subdivision 4; 84.911, subdivisions 5 and 6; 84.95, subdivision 2; 85.33, subdivision 3; 86A.05, subdivision 10; 88.43, subdivision 2; 93.335, subdivision 1; 94.343, subdivision 4; 97A.015, subdivision 41; 97A.071, subdivision 4; 97A.101, subdivision 2; 115.097, subdivision 2; 144.95, subdivision 4; 156A.10, subdivision 2; 161.28, subdivision 1; 163.17; 272.02, subdivisions 1 and 6; 273.19, subdivision 5; 295.44, subdivision 1; 357.021, subdivision 2; 375.471; 383A.602, subdivision 5; 383A.604, subdivision 1; 394.25, subdivision 2; 459.20; 462.357, subdivision 1; 465.20; 469.141, subdivision 4; 469.174, subdivision 19; 471.345, subdivision 3; 471.591, subdivision 1; 471.98, subdivision 2; 473.191, subdivision 2; 609.68; and 645.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 83A; 156A; and 375; proposing coding for new law as Minnesota Statutes, chapters 86B; 103A; 103B; 103C; 103D; 103E; 103F; and 103G; repealing Minnesota Statutes 1988, sections 40.01 to 40.45; 84.031; 84.032; and 84.158; 104.01 to 104.50; 105.37 to 105.81; 106A.005 to 106A.811; 110.13 to 110.72; 110B.01 to 110B.35; 112.34 to 112.89; 114.12 and 114.13; 114B.01 to 114B.07; 116C.41; 361.01 to 361.29; 378.01 to 378.57; 465.18; and 473.875 to 473.883.

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

- Page 1, line 38, delete "103A.01" and insert "103A.001"
- Page 2, line 6, delete "103A.02" and insert "103A.201"
- Page 2, line 20, delete "103A.03" and insert "103A.202"
- Page 2, line 29, delete "103A.04" and insert "103A.203"
- Page 3, line 3, delete "103A.05" and insert "103A.205"
- Page 3, line 12, delete "111.82" and insert "111.72"
- Page 3, line 13, delete "103A.06" and insert "103A.206"
- Page 3, line 14, delete "*land-use*" and insert "*land use*"
- Page 3, line 21, delete "*the*"
- Page 3, line 30, delete "103A.07" and insert "103A.207"
- Page 3, line 36, delete "*to not prohibit but*" and insert "*not to prohibit but to*"
- Page 4, line 10, delete "103A.08" and insert "103A.208"
- Page 4, line 18, delete "103A.09" and insert "103A.209" and delete "ERODABLE" and insert "ERODIBLE"
- Page 4, line 21, delete "*erodable*" and insert "*erodible*"

Page 4, line 24, delete "103A.10" and insert "103A.211"

Page 4, line 35, delete "103A.20" and insert "103A.301"

Page 5, line 5, delete "involved" and insert "involves"

Page 5, line 15, delete ", and" and insert "in which"

Page 5, line 19, delete "resolving" and insert "resolution of"

Page 5, line 24, delete "103A.21" and insert "103A.305"

Page 5, line 25, delete the comma

Page 5, delete lines 30 to 33 and insert "article 5, sections 2 and 3; article 7, sections 26, subdivisions 1 to 6; 27; 28; 31 to 35; 36, subdivisions 1, 10, and 11; 37; 38; 41; 42; 50 to 56; sections 84.57; 97A.135; 115.04; or 115.05. [105.74]"

Page 5, line 34, delete "103A.22" and insert "103A.311"

Page 6, line 33, delete "intervene" and insert "allow intervention in"

Page 6, line 36, delete "103A.23" and insert "103A.315"

Page 7, line 8, delete "103A.24" and insert "103A.321"

Page 7, line 16, delete "103A.25" and insert "103A.325"

Page 7, line 21, delete "it refuses to" and insert "the board may not"

Page 7, line 28, delete "103A.26" and insert "103A.331"

Page 7, line 36, delete "2." and insert "2."

Page 8, line 10, after "court" insert "of"

Page 8, line 16, delete "103A.27" and insert "103A.335"

Page 8, line 27, delete the first "or" and after the second "or" insert "refusal"

Page 9, line 10, delete "to disclose" and insert "in disclosing"

Page 9, line 12, delete "103A.28" and insert "103A.341"

Page 9, delete lines 16 and 17

Pages 9 and 10, delete section 20

Page 10, line 4, delete "103A.40" and insert "103A.401"

Page 10, line 5, after "commissioner" insert "of natural resources"

Page 10, line 13, delete "103A.41" and insert "103A.405"

Page 10, line 21, delete "103A.42" and insert "103A.411"

Renumber the sections of article 1 in sequence

Page 11, line 11, delete "official of, any" and insert "officials of, a"

Page 13, line 18, after "under" insert "section 26, subdivision 9;"

Page 13, line 19, delete everything before "and"

Page 16, after line 33, insert:

"Subd. 8. [METROPOLITAN AREA.] "Metropolitan area" has the meaning given in section 473.121, subdivision 2."

Renumber the subdivisions in sequence

Page 18, line 18, after "16" insert a comma

Page 18, line 34, before "A" insert "(a)"

Page 19, line 16, before "The" insert:

"(b)" and after "in" insert "paragraph (a)," and after "(1)" insert a comma

Page 20, line 21, after "petition" insert a comma

Page 20, line 25, after "If" insert "a"

Page 22, line 18, before the period, insert "takes effect"

Page 27, line 7, after "in" insert "article 4,"

Page 27, line 8, after "31" insert a comma

Page 27, line 20, delete everything after "resources" and insert ", health, and the pollution control"

Page 28, line 17, after "with" insert "the"

Page 29, line 14, after "to" insert "meet"

Page 35, line 23, delete "section 70" and insert "sections 71 and 72"

Page 35, line 25, delete "thereunder"

Page 37, line 13, delete "8" and insert "7"

Page 39, line 17, delete everything after "resources" and insert ", health, and the pollution control"

Page 39, lines 20 and 23, delete "water resources board" and insert "board of water and soil resources"

Page 46, line 33, delete "legislative commission on" and after "Minnesota" insert "future"

Page 46, line 34, after "resources" insert "commission"

Page 49, line 5, delete the period and insert a semicolon

Page 52, delete line 14 and insert "submit to the Minnesota future resources commission a"

Page 52, delete lines 33 and 34

Pages 52 to 59, delete sections 29 to 37

Page 59, line 23, delete "commissioner" and insert "commissioners" and delete "director of the"

Page 60, line 7, delete everything after "to" and insert "implement projects voluntarily"

Page 61, line 7, after "court" insert a comma and after "be" insert a comma

Page 61, delete lines 9 and 10

Pages 61 to 65, delete sections 39 to 47

Page 65, delete lines 2 and 3

Pages 65 to 68, delete sections 48 to 54

Page 69, line 3, delete "103B.601" and insert "103B.501"

Page 69, line 4, delete "55 to 71" and insert "30 to 46"

Page 69, line 6, delete "103B.605" and insert "103B.505"

Page 69, line 8, delete "56 to 71" and insert "31 to 46"

Page 69, line 17, delete "60" and insert "35"

Page 69, line 21, delete "103B.611" and insert "103B.511"

Page 69, line 22, delete "In order"

Page 69, line 23, delete "of Minnesota"

Page 69, line 24, delete "these" and insert "the"

Page 69, line 25, delete "there is established"

Page 69, line 26, after "program" insert "is established"

Page 69, line 27, delete "as" and insert "where"

Page 69, line 31, delete "which are"

Page 69, line 32, delete everything before the period

Page 69, line 35, after "boundaries" insert a comma

Page 70, line 4, delete "that" and insert "over which"

Page 70, line 5, after "authority" insert a comma

Page 70, line 10, after "for" insert "the"

Page 70, line 12, delete "103B.615" and insert "103B.515"

Page 70, line 33, delete "to the town board"

Page 71, line 21, delete "103B.621" and insert "103B.521"

Page 72, line 8, after the first "board" insert a comma

Page 72, line 26, delete "62" and insert "37"

Page 72, line 29, delete "103B.625" and insert "103B.525"

Page 73, line 1, before "a" insert "by" and delete "58" and insert "33"

Page 73, line 3, delete "103B.631" and insert "103B.531"

Page 73, line 9, delete "59" and insert "34"

Page 73, line 16, delete "board" and insert "boards"

Page 73, line 31, delete "57" and insert "32" and before "be" insert "would"

Page 73, lines 33 and 35, delete "creation" and insert "establishment"

Page 73, line 34, delete ", otherwise" and insert ". If the commissioner does not approve the establishment of the district"

Page 74, line 3, delete "103B.635" and insert "103B.535"

Page 74, line 14, delete "103B.641" and insert "103B.541"

Page 74, line 27, delete "103B.645" and insert "103B.545"

Page 74, line 31, delete "58" and insert "33"

Page 75, line 23, delete "103B.651" and insert "103B.551"

Page 76, line 9, after "related" insert "land"

Page 76, lines 18 and 21, delete "17" and insert "21"

Page 76, line 30, after "transmit" insert "the results of"

Page 77, line 7, delete "county or city" and insert "counties or cities"

Page 77, line 16, delete "55 and 58" and insert "59 and 62"

Page 77, line 17, delete "103B.655" and insert "103B.555"

Page 77, line 31, delete "may"

Page 78, line 6, delete "its" and insert "their"

Page 78, line 8, delete "103B.661" and insert "103B.561"

Page 78, lines 10 and 22, delete "61" and insert "36"

Page 78, line 19, delete "103B.665" and insert "103B.565"

Page 78, line 21, delete "60" and insert "35"

Page 78, line 26, delete "103B.671" and insert "103B.571"

Page 78, line 33, delete "weeks" and insert "weeks"

Page 79, line 12, delete "as" and insert "that" and delete "it" and insert "them"

Page 79, line 25, delete "103B.675" and insert "103B.575"

Page 79, lines 28 and 29, delete "57 to 63" and insert "32 to 38"

Page 79, line 30, delete "103B.681" and insert "103B.581"

Page 80, line 3, delete "determine" and insert "determines"

Page 80, line 7, delete "Upon" and insert "On"

Page 80, line 24, delete "103B.701" and insert "103B.601"

Page 80, line 26, delete "72 to 79" and insert "47 to 54"

Page 80, delete lines 31 and 32 and insert:

"Subd. 4. [MUNICIPALITY.] *The term "municipality" means the home rule charter and statutory cities of Minnetrista, Mound, Spring Park, Orono, Minnetonka Beach, Wayzata, Minnetonka, Woodland, Deephaven, Shorewood, Greenwood, Excelsior, Tonka Bay, and Victoria.*"

Page 80, line 33, delete "103B.705" and insert "103B.605"

Page 80, line 36, after the second comma, insert "and"

Page 81, line 16, delete "103B.711" and insert "103B.611"

Page 81, line 32, delete "37, 38" and insert "41, 42"

Page 81, line 33, delete "46, 47, 48, 49, 50, and 51" and insert "50, 51, 52, 53, 54, and 55"

Page 83, line 4, delete "is" and insert "are"

Page 83, line 5, delete "103B.715" and insert "103B.615"

Page 83, line 15, delete "be" and insert "are"

Page 83, line 18, delete "103B.721" and insert "103B.621"

Page 83, line 21, delete "MN L 1967" and insert "[MN L 1967"

Page 84, line 8, delete the second "and" and insert a period

Page 84, line 9, after the comma, insert "*the treasurer must*"

Page 84, line 24, delete "103B.725" and insert "103B.625"

Page 85, line 6, delete "103B.731" and insert "103B.631"

Page 85, line 14, delete "103B.735" and insert "103B.635"

Page 86, line 4, delete "103B.751" and insert "103B.651"

Page 86, line 6, delete "80 to 88" and insert "55 to 63"

Page 86, line 15, delete "103B.755" and insert "103B.655"

Page 86, line 18, after the first comma, insert "and"

Page 86, line 35, delete "103B.761" and insert "103B.661"

Page 88, line 12, delete everything after the second comma and insert "*for which a bond may not be*"

Page 88, line 19, delete "103B.765" and insert "103B.665"

Page 88, line 29, delete "be" and insert "are"

Page 88, line 31, delete "103B.771" and insert "103B.671"

Page 89, line 35, delete everything after "*compensation*"

Page 89, delete line 36

Page 90, line 1, delete everything before the period and insert "*to cover hiring clerks and to carry out the treasurer's duties*"

Page 90, line 2, delete "103B.775" and insert "103B.675"

Page 90, delete line 15 and insert "*and other powers granted by the board, except the director does not have authority to*"

Page 90, line 20, delete "103B.781" and insert "103B.681"

Page 91, line 10, delete "103B.785" and insert "103B.685"

Page 91, line 20, delete "103B.791" and insert "103B.691"

Page 91, line 27, after "*notice*" insert "*from a municipality must hear objections to the budget. After the hearing, the board may modify or amend the budget. Notice must be given*"

Page 92, delete lines 6 and 7

Pages 92 to 104, delete sections 89 to 109

Renumber the sections of article 2 in sequence

Page 104, line 15, delete "103C.01" and insert "103C.001"

Page 104, after line 19, insert:

"Sec. 2. [103C.005] [SOIL AND WATER CONSERVATION POLICY.]

Improper land use practices have caused serious wind and water erosion of the land of this state, the runoff of polluting materials, increased costs to maintain agricultural productivity, increased energy costs and increased

flood damage. Land occupiers have the responsibility to implement practices to correct these conditions and conserve the soil and water resources of the state. It is the policy of the state to encourage land occupiers to conserve soil and water resources through the implementation of practices that effectively reduce or prevent erosion, sedimentation, siltation and agriculturally related pollution in order to preserve natural resources, ensure continued soil productivity, control floods, prevent impairment of dams and reservoirs, assist in maintaining the navigability of rivers and harbors, preserve wildlife, protect the tax base, and protect public lands. [40.02]"

Page 104, line 20, delete "103C.03" and insert "103C.009"

Page 104, line 23, delete "103C.05" and insert "103C.101"

Page 104, line 27, delete "include" and insert "means"

Page 105, line 21, delete "12" and insert "13" and delete "13" and insert "14"

Page 106, line 10, delete "103C.10" and insert "103C.201"

Page 107, line 32, delete "land-use" and insert "land use"

Page 110, line 1, delete "case" and insert "cast"

Page 111, line 34, delete everything before "so" and insert "to the name of another district in the state, and is not"

Page 112, line 20, after "whether" insert "an"

Page 112, line 21, after "determine" insert "whether"

Page 112, line 22, delete "district where"

Page 112, line 32, delete "103C.11" and insert "103C.205"

Page 113, line 11, delete "with" and insert "within"

Page 113, line 13, delete "103C.12" and insert "103C.211"

Page 114, line 9, delete "103C.13" and insert "103C.215"

Page 114, line 15, delete "103C.14" and insert "103C.221"

Page 114, line 16, after "OFFICE.]" insert paragraph coding

Page 114, line 19, after "and" insert "by"

Page 114, line 21, delete "103C.15" and insert "103C.225"

Page 117, line 2, delete "103C.16" and insert "103C.231"

Page 117, line 7, delete "30 to 41" and insert "57 to 68"

Page 117, line 14, delete "(b)" and insert "(c)"

Page 117, line 36, delete "103C.17" and insert "103C.235"

Page 118, line 7, delete "30 to 41" and insert "57 to 68"

Page 118, line 12, delete "103C.20" and insert "103C.301"

Page 119, line 14, delete "103C.21" and insert "103C.305"

Page 119, lines 16 and 24, delete "12" and insert "13"

Page 119, line 33, delete "14" and insert "15"

- Page 120, line 27, delete "103C.22" and insert "103C.311"
- Page 121, line 13, delete "103C.23" and insert "103C.315"
- Page 121, line 14, delete "*be*" and insert "*consist of*"
- Page 121, line 15, delete "4" and insert "5"
- Page 121, line 16, delete "*12 and 13*" and insert "*13 and 14*"
- Page 122, line 7, delete "103C.24" and insert "103C.321"
- Page 123, line 2, delete "103C.25" and insert "103C.325" and after "TO" insert "STATE"
- Page 123, line 19, delete "103C.26" and insert "103C.331"
- Page 124, line 14, delete everything before "*structural*"
- Page 124, line 35, delete "*30 to 41*" and insert "*57 to 68*"
- Page 125, line 11, delete "*30 to 41*" and insert "*57 to 68*"
- Page 125, line 24, after "*other*" insert "*land use, soil erosion reduction, and agricultural*"
- Page 126, lines 2 and 8, delete "22" and insert "23"
- Page 126, line 36, delete "*30 to 41*" and insert "*57 to 68*"
- Page 128, line 20, delete "*associations*" and insert "*the associations' membership*"
- Page 128, line 31, delete "103C.27" and insert "103C.335"
- Page 129, line 11, delete "103C.30" and insert "103C.401" and delete the first "AND"
- Page 129, line 14, delete "*that are*"
- Page 129, line 20, delete "*board*" and insert "*boards*"
- Page 130, line 2, delete "*of erosion*" and insert "*relating to erosion control*"
- Page 130, lines 15 and 23, delete "*agriculturally-related*" and insert "*agriculturally related*"
- Page 130, line 26, delete everything before "*established*"
- Page 131, line 4, delete "103C.31" and insert "103C.405"
- Page 131, line 9, after "*emphasize*" insert "*the*"
- Page 131, line 11, after "*and*" insert "*the*"
- Page 131, line 13, delete "PLAN" and after "HEARING" insert "ON PLAN"
- Page 131, line 15, delete "*a*" and delete "*agency*" and insert "*agencies*"
- Page 131, line 27, delete "103C.40" and insert "103C.501"
- Page 132, line 5, delete "*18*" and insert "*19*"
- Page 132, line 21, delete "*work annual*" and insert "*and annual work*"
- Page 133, line 3, delete "*system*" and insert "*systems*"
- Page 133, line 31, delete "103C.50" and insert "103C.601"

- Page 135, line 12, delete "By" and insert "In"
- Page 135, line 18, delete "24" and insert "25"
- Page 135, line 24, after the first "of" insert "the"
- Page 135, line 36, after "and" insert "the"
- Page 136, line 1, delete "that"
- Page 136, line 2, delete everything before "federal" and insert "not expected to be paid by"
- Page 136, line 3, delete the first "the"
- Page 136, line 4, after "and" insert "the district board may"
- Page 136, line 16, before "containing" insert "and"
- Page 136, line 21, delete "give" and insert "provide"
- Page 137, line 7, delete "follow" and insert "following"
- Page 137, line 15, delete "103C.51" and insert "103C.605"
- Page 138, line 5, delete "section 103E.205" and insert "article 5, section 27"
- Page 138, line 10, delete "section 103E.261" and insert "article 5, section 39"
- Page 138, line 19, after "(3)" insert "in"
- Page 138, line 21, delete everything after "(4)" and insert "within the estimated cost for which funds"
- Page 138, line 30, delete "103C.52" and insert "103C.611"
- Page 138, line 31, delete "no" and insert "a"
- Page 138, line 32, after "is" insert "not"
- Page 139, line 1, delete "section 103E.341" and insert "article 5, section 57"
- Page 139, line 4, delete "section 103E.325" and insert "article 5, section 54"
- Page 139, line 18, delete "103C.53" and insert "103C.615"
- Page 139, line 22, delete "section 103E.305" and insert "article 5, section 49" and delete "sections 106A.311" and insert "article 5, sections 50"
- Page 139, line 23, delete "103E.315" and insert "51" and delete "103E.321" and insert "52"
- Page 139, line 32, delete "sections 103E.325 to 103E.341" and insert "article 5, sections 54 to 57"
- Page 139, line 34, delete "23 to 30" and insert "24 to 31"
- Page 140, line 23, after "as" insert "is"
- Page 140, line 29, delete "section 103E.601" and insert "article 5, section 77"
- Page 140, line 36, delete "section 103E.635" and insert "article 5, section 84"

Page 141, line 1, delete "*section 103E.635*" and insert "*article 5, section 84*"

Page 141, line 19, delete "103C.54" and insert "103C.621"

Page 141, line 25, delete "103C.55" and insert "103C.625"

Page 141, lines 27 and 31, delete "24" and insert "25"

Page 141, line 33, delete "103C.56" and insert "103C.631"

Page 142, lines 12 and 19, delete "*sections 103E.701 to 103E.745*" and insert "*article 5, sections 90 to 100*"

Page 142, line 21, delete "103C.57" and insert "103C.635"

Page 142, line 23, after "*proceeding*" insert "*under*" and delete "23 to 29," and insert "24 to 30"

Page 142, line 25, delete "*sections 103E.091 and 103E.095*" and insert "*article 5, sections 19 and 20*"

Page 142, line 27, delete "*sections 103E.091 and 103E.095,*" and insert "*article 5, sections 19 and 20*"

Page 142, line 30, delete "*of the board*"

Page 142, delete lines 31 and 32 and insert "*made under sections 24 to 30 by the board, joint board of county commissioners, district board, or joint district board if the order*"

Renumber the sections of article 3 in sequence

Page 144, line 30, delete "*that*" and insert "*for which*"

Page 145, line 25, after "*is*" insert "*in*"

Page 148, line 12, delete the first "*groundwater*" and insert "*its*"

Page 148, line 13, delete "*use*" and insert "*purposes*"

Page 148, line 27, after "*or*" insert "*would*"

Page 148, line 29, after "*by*" insert "*illustration in*"

Page 148, line 32, after "(7)" insert "*a list of*"

Page 149, line 4, delete everything after "*by*" and insert "*one or more of the following groups:*"

Page 149, line 5, delete "*at least*" and after "*one-half*" insert "*or more*"

Page 149, line 7, delete everything after "(2)" and insert "*counties having 50 percent or more of the area*"

Page 149, line 9, delete "*by*"

Page 149, line 11, delete "*by at least*" and insert "*or more*"

Page 151, line 22, delete "*district*" and insert "*district's*"

Page 152, line 9, delete "*districts*" and insert "*district*"

Page 152, line 15, delete "*that are*"

Page 153, line 25, delete "*personally serve each manager selected*" and insert "*have each manager personally served*"

Page 154, line 19, after "*section*" insert a comma

Page 154, line 34, after “by” insert “*illustration in*”

Page 155, lines 6, 8, 10, and 12, delete “with” and insert “if” and after “change” insert “were adopted”

Page 155, line 17, delete everything after “managers”

Page 155, delete line 18 and insert “*must pass a resolution authorizing the boundary change before the*”

Page 155, line 19, delete “to”

Page 156, line 6, delete “with” and insert “to”

Page 156, line 16, delete “interest” and insert “purposes”

Page 157, line 15, after “not” insert “received”

Page 158, line 15, after the second “the” insert “proposed”

Page 159, line 35, delete “end on” and insert “ends on the date of”

Page 160, line 15, delete “remain” and insert “remains”

Page 160, line 31, delete everything after “district” and insert “*may only be initiated by filing a*”

Page 160, line 32, after the period, insert “[112.411 s. 1]”

Page 161, line 1, delete “112.441” and insert “112.411”

Page 161, line 12, delete the second “for” and insert “of”

Page 161, line 17, delete “if” and insert “*from the tax records whether*”

Page 161, line 19, delete “*from the tax records*”

Page 161, line 32, delete “subdivision 3” and insert “*subdivisions 4 and 5*”

Page 163, line 9, delete everything before “by” and insert “*must provide that managers are distributed*”

Page 163, delete line 35 and insert “*filing a petition with the secretary of the board.*”

Page 163, line 36, delete “managers.”

Page 164, delete line 3 and insert “*by one or more of the following groups:*”

Page 164, line 4, delete “at least” and after “one-half” insert “or more”

Page 164, line 6, delete “having at least” and insert “with” and after “percent” insert “or more”

Page 164, line 8, after “majority” insert “or greater number”

Page 164, line 9, delete “at least” and after “50” insert “or more”

Page 167, line 11, delete “its” and insert “the board’s”

Page 167, line 31, delete everything after “service”

Page 167, line 32, delete “of managers” and insert “of their selection”

Page 168, line 21, before “PRINCIPAL” insert “CHANGE OF” and after “BUSINESS” delete “CHANGE”

Page 168, line 26, after “of” insert “the”

Page 168, line 29, delete "*before the date of the hearing*".

Page 169, line 15, before the period, insert "*undertaken by the district*"

Page 170, line 26, before "*The*" insert "(a)"

Page 170, after line 28, insert:

"(b) *The exercise of the managers' powers is subject to review by the board as provided in this chapter. [112.43 s. 4]*"

Page 172, line 32, after the second comma, insert "*and*"

Page 172, line 33, delete "*and require the*" and insert "*, and may require a*"

Page 174, line 21, delete "*flood plain*" and insert "*floodplain*"

Page 175, line 19, delete "*make*" and insert "*have*"

Page 175, line 20, after "*audit*" insert "*completed*"

Page 176, line 28, delete "DIRECTOR" and insert "DIRECTOR'S" and delete "COUNCIL" and insert "COUNCIL'S"

Page 177, line 8, delete "*recommendation*" and insert "*recommendations*"

Page 178, line 34, delete "*3 to 5*" and insert "*2 to 4*"

Page 179, line 4, delete "*revised watershed management plan*"

Page 179, line 23, after "*council*" insert "*, if applicable,*"

Page 180, line 21, delete "*to be*"

Page 182, line 5, delete "*continues*" and insert "*continue*"

Page 182, line 18, delete "IMPROVED"

Page 183, line 3, delete "*finds*" and insert "*find*"

Page 183, line 4, delete "*does*" and insert "*do*"

Page 183, line 23, delete "*fails*" and insert "*fail*"

Page 185, line 7, after "*bond*" insert "*of at least \$250*"

Page 185, line 8, delete "*of at least \$250*"

Page 187, line 21, after "*injunction*" insert a comma

Page 189, line 23, delete "STATE OR"

Page 189, line 24, delete "FEDERAL" and after "GOVERNMENT" insert "AID OR AS PART OF PLAN"

Page 189, line 31, delete "*expenses*" and insert "*cost*"

Page 189, line 36, delete "BOARD OF DIRECTOR" and insert "BOARD'S AND DIRECTOR'S"

Page 190, line 6, delete "*report*" and insert "*reports*"

Page 190, line 7, delete the first "*project*"

Page 190, line 17, after "*is*" insert "*to be*"

Page 191, line 7, before "*director*" insert "*the*" and delete "*and the board and*" and insert a period

Page 191, line 8, after "*and*" insert "*the board shall prepare*"

- Page 191, line 24, after “*director*” insert a comma
- Page 191, line 25, after “*assessed*” insert “*and*”
- Page 191, line 33, after the first “*and*” insert “*will*” and after the second “*and*” insert “*that it*”
- Page 192, line 29, delete the first “*the*”
- Page 192, line 35, delete “*as*” and after “*in*” insert “*the manner for*”
- Page 192, line 36, after the first “*notice*” insert a comma
- Page 193, line 10, delete “*listing*” and insert “*with the auditor of a county that lists*”
- Page 193, line 12, delete “*with the auditor*”
- Page 193, line 13, delete “*of a county*”
- Page 193, line 24, after “*government*” insert “. *The notice of pendency must be recorded*”
- Page 194, line 7, after “*property*” insert “*to be*”
- Page 195, lines 24 and 25, delete “*section 103E.005*” and insert “*article 5, section 1*”
- Page 196, line 25, delete “*by*”
- Page 196, line 29, delete “*weeks*” and insert “*weeks*’”
- Page 197, line 4, delete the second “*is*”
- Page 197, line 21, after “*condition*” insert “*so*”
- Page 197, line 31, after “*project*” insert a comma
- Page 198, line 5, delete “*section 103E.731*” and insert “*article 5, section 97*”
- Page 198, line 12, delete “*(a)*”
- Page 199, line 12, delete “*sections 103E.601 to 103E.631*” and insert “*article 5, sections 77 to 83*”
- Page 200, lines 18 and 19, delete “*section 103E.005*” and insert “*article 5, section 1*”
- Page 200, line 22, delete “*section 103E.005*” and insert “*article 5, section 1*”
- Page 200, line 28, delete “*section 103E.215*” and insert “*article 5, section 29*”
- Page 202, line 17, before “*The*” insert “*(a)*”
- Page 205, lines 10 and 11, delete “*sections 103E.025 and 103E.315*” and insert “*article 5, sections 5 and 51*”
- Page 205, lines 12 and 34, delete “*sections 103E.025 and 103E.315*” and insert “*article 5, sections 5 and 51*”
- Page 205, lines 35 and 36, delete “*sections 103E.025 and 103E.315*” and insert “*article 5, sections 5 and 51*”
- Page 206, line 11, delete “*sections 103E.311 to 103E.321*” and insert “*article 5, sections 50 to 52*”

Page 208, line 4, delete "and"

Page 208, line 8, delete the second "and" and insert "or"

Page 208, line 10, delete the period and insert "; and"

Page 208, line 11, delete "(b)" and insert "(6)"

Page 211, line 10, delete "section 103E.511" and insert "article 5, section 65"

Page 214, lines 33 and 35, delete "section 103E.635" and insert "article 5, section 84"

Page 215, lines 5 and 6, delete "sections 103E.601 to 103E.631" and insert "article 5, sections 77 to 83"

Page 222, line 8, delete "103E.241" and insert "35"

Page 224, line 6, delete "17" and insert "21"

Page 224, line 10, delete "60" and insert "16"

Page 225, line 15, delete "5, 10, 25," and insert "5-, 10-, 25-,"

Page 226, line 35, delete "103E.705" and insert "91"

Page 233, line 8, delete "103E.005 to 103E.811" and insert "1 to 103"

Page 233, line 20, delete "103E.015" and insert "3"

Page 236, line 10, delete "103E.091 or 103E.095" and insert "19 or 20"

Page 238, line 14, after "s." insert "2,"

Page 242, line 12, delete "103E.205" and insert "27"

Page 243, line 10, delete "103E.731" and insert "97"

Page 245, line 27, delete "103E.202" and insert "27"

Page 245, line 36, delete "103E.401" and insert "60"

Page 248, line 19, delete "103E.645" and insert "86"

Page 249, lines 13 and 26, delete "103E.015" and insert "3"

Page 250, lines 17 and 36, delete "103E.015" and insert "3"

Page 251, line 17, delete "103E.015" and insert "3"

Page 252, line 29, delete "103E.015" and insert "3"

Page 253, line 11, delete "103E.015" and insert "3"

Page 253, line 23, delete "103E.401" and insert "60"

Page 255, lines 27 and 28, delete "sections 103E.205 and 103E.211" and insert "section 27"

Page 256, line 3, delete "103E.261" and insert "39"

Page 257, line 16, delete "103E.021" and insert "4"

Page 258, line 14, delete "103E.021" and insert "4"

Page 258, line 22, delete "103E.281" and insert "44"

Page 259, line 3, delete "103E.015" and insert "3"

Page 260, line 6, delete "103E.015" and insert "3"

Page 261, line 3, delete "103E.025" and insert "5"

Page 261, line 17, delete "103E.525" and insert "68"

Page 262, line 36, delete "103E.021" and insert "4"

Page 263, line 21, delete "103E.021" and insert "4"

Page 263, line 28, delete "60" and insert "16"

Page 265, line 9, delete "60" and insert "16"

Page 265, line 27, delete "103E.321" and insert "52"

Page 267, line 5, delete "103E.035" and insert "7"

Page 268, line 30, delete "103E.015" and insert "3"

Page 270, line 11, delete "103E.311 to 103E.321" and insert "50 to 52"

Page 270, line 19, delete "103E.325, 103E.335, and 103E.341" and insert "54, 56, and 57"

Page 270, line 32, delete "103E.091" and insert "19"

Page 272, line 10, delete "103E.601" and insert "77"

Page 277, line 3, delete "103E.015" and insert "3"

Page 278, line 30, delete "103E.501" and insert "63"

Page 281, line 32, delete "103E.091" and insert "19"

Page 284, line 7, delete "103E.021" and insert "4"

Page 291, line 36, delete "103E.611" and insert "79"

Page 292, line 3, delete "103E.611" and insert "79"

Page 298, line 24, delete "103E.635" and insert "84"

Page 302, line 27, delete "103E.525" and insert "68"

Page 303, line 1, delete "103E.351" and insert "59"

Page 303, lines 7 and 8, delete "103E.701 to 103E.745" and insert "90 to 100"

Page 303, line 11, delete "103E.526" and insert "69"

Page 303, lines 17, 26, and 29, delete "103E.021" and insert "4"

Page 304, lines 1, 3, 8, 10, 14, and 25, delete "103E.021" and insert "4"

Page 308, line 27, delete "103E.315 and 103E.321" and insert "51 and 52"

Page 308, lines 29 and 30, delete "103E.325, 103E.335, and 103E.341" and insert "54, 56, and 57"

Page 308, line 32, delete "103E.315" and insert "51"

Page 309, line 4, delete "103E.741" and insert "99"

Page 310, line 19, delete "103E.731" and insert "97"

Page 310, line 35, delete "103E.021" and insert "4"

Page 312, line 4, delete "103E.601" and insert "77"

Page 312, line 5, delete "103E.605, 103E.611, and 103E.615" and insert "78, 79, and 80"

Page 312, line 15, delete "103E.635" and insert "84"

Page 313, lines 3 and 5, delete "103E.731" and insert "97"

Page 313, line 34, delete "103E.305" and insert "49"

Page 314, line 3, delete "103E.315" and insert "51"

Page 314, line 5, delete "103E.325" and insert "54"

Page 314, line 7, delete "103E.331" and insert "55"

Page 314, line 15, delete "103E.091" and insert "19"

Page 314, line 29, delete "103E.215" and insert "29"

Page 315, line 4, delete "103E.351" and insert "59"

Page 315, line 9, delete "103E.805 or 103E.811" and insert "102 or 103"

Page 319, line 31, delete "12" and insert "13"

Page 320, line 29, delete "13" and insert "15"

Page 324, lines 6, 8, 12, and 14, delete "sections" and insert "section"

Page 327, lines 13 and 21, delete "12" and insert "13"

Page 327, after line 22, insert:

"Sec. 12. [103F151] [FLOOD PRONE AREA INVENTORY AND ASSESSMENT.]

The commissioner shall conduct a statewide inventory and flood damage assessment of flood prone structures and lands. [104.10]"

Page 327, line 23, delete "[103F161]" and insert "[103F155]"

Page 328, after line 1, insert:

"Sec. 14. [103F161] [FLOOD HAZARD MITIGATION GRANTS.]

Subdivision 1. [GRANTS AUTHORIZED.] The commissioner may make grants to local governments to:

(1) conduct floodplain damage reduction studies to determine the most feasible, practical, and effective methods and programs for mitigating the damages due to flooding within flood prone rural and urban areas and their watersheds; and

(2) plan and implement flood mitigation measures. [104.11 s. 1]

Subd. 2. [ACTION ON GRANT APPLICATIONS.] (a) A local government may apply to the commissioner for a grant on forms provided by the commissioner. The commissioner shall confer with the local government requesting the grant and may make a grant up to \$75,000 based on the following considerations:

(1) the extent and effectiveness of mitigation measures already implemented by the local government requesting the grant;

(2) the feasibility, practicality, and effectiveness of the proposed mitigation measures and the associated nonflood related benefits and detriments;

(3) the level of grant assistance that should be provided to the local government, based on available facts regarding the nature, extent, and severity of flood problems;

(4) the frequency of occurrence of severe flooding that has resulted in declaration of the area as a flood disaster area by the president of the United States;

(5) the economic, social, and environmental benefits and detriments of the proposed mitigation measures;

(6) whether the floodplain management ordinance or regulation adopted by the local government meets the minimum standards established by the commissioner, the degree of enforcement of the ordinance or regulation, and whether the local government is complying with the ordinance or regulation;

(7) the degree to which the grant request is consistent with local water plans developed under chapters 103B and 103D;

(8) the financial capability of the local government to solve its flood hazard problems without financial assistance; and

(9) the estimated cost and method of financing of the proposed mitigation measures based on local money and federal and state financial assistance.

(b) If the amount of the grant requested is \$75,000 or more, the commissioner shall determine, under the considerations in paragraph (a), whether any part of the grant should be awarded. The commissioner must submit an appropriation request to the governor and the legislature for funding consideration before each odd-numbered year, consisting of requests or parts of grant requests of \$75,000 or more. The commissioner must prioritize the grant requests, under the considerations in paragraph (a), beginning with the projects the commissioner determines most deserving of financing.

(c) A grant may not exceed one-half the total cost of the proposed mitigation measures.

(d) After July 1, 1991, grants made under this section may be made to local governments whose grant requests are part of, or responsive to, a comprehensive local water plan prepared under chapter 103B or 103D. [104.11 s. 2]"

Page 328, line 2, delete "[103F171]" and insert "[103F165]"

Page 328, after line 27, insert:

"SOUTHERN MINNESOTA RIVERS BASIN AREA II

Sec. 16. [103F171] [SOUTHERN MINNESOTA RIVERS BASIN AREA II BOUNDARIES.]

For the purposes of sections 16 to 24, the term "southern Minnesota rivers basin area II" means the area within the watersheds of rivers and streams that are tributaries of the Minnesota river from the south between the cities of Ortonville and Mankato. Major rivers included within the watershed are the Yellow Bank, Lac Qui Parle, Yellow Medicine, Redwood, and Cottonwood. All of Lac Qui Parle, Yellow Medicine, and Redwood

counties, and parts of Lincoln, Lyon, Pipestone, Murray, Cottonwood, and Brown counties are included within the boundaries of the area. [104.42]

Sec. 17. [103F173] [PROGRAM.]

There shall be a state grant-in-aid pilot program of providing financial assistance to units of local government, including counties, soil and water conservation districts, and watershed districts, located in the southern Minnesota river basin area II for project and construction costs for the building of floodwater retarding and retention structures within a general plan for floodplain management. [104.43]

Sec. 18. [103F175] [AID FORMULA.]

Grants may be made by the board of water and soil resources to a local governmental unit for the purposes of sections 16 to 24 in an amount not to exceed 75 percent of the total cost of each project, including site acquisition, engineering, and construction. If federal funds are being utilized for a portion of the project costs, the state contribution may not exceed 50 percent of the remaining nonfederal costs. If the structure is located in the state of South Dakota, the two states shall share the nonfederal costs equally. Money granted by the state may not be used for any project of stream channelization. [104.44]

Sec. 19. [103F177] [OPERATION WITHIN AGENCY.]

Subdivision 1. [BOARD OF WATER AND SOIL RESOURCES.] The board of water and soil resources shall supervise the grant-in-aid pilot program pursuant to sections 16 to 24.

Subd. 2. [PROCEDURES AND FORMS.] The board shall devise procedures and forms for application for grants by the local units of government, and review of and decision on the applications by the state board.

Subd. 3. [STAFF POSITION.] A professional engineer shall be employed by the board to work exclusively on the technical implementation and engineering of the pilot project established pursuant to sections 16 to 24. The engineer shall assist the local units of government and the board to achieve the purposes of the project, and shall have duties including:

- (1) field review and analysis of projects and project sites;*
- (2) preparation of permit applications, including evaluation of environmental effects;*
- (3) development of recommended pertinent provisions of permits for specific projects;*
- (4) preparation of plans for further consideration of remedial flood control structural measures as part of a general rural floodplain management effort; and*
- (5) evaluation of the effectiveness of completed projects constructed under this project. [104.45]*

Sec. 20. [103F179] [SELECTION OF PROJECTS.]

Subdivision 1. [EVALUATION OF AREA AND SITES; FEDERAL COOPERATION.] Before a grant is made, a priority system shall be devised for the selection of projects to receive the aid. The board of water and soil resources is the granting authority and shall cooperate with the United States Army Corps of Engineers, the department of natural resources, the

Soil Conservation Service and the area II action committee in analysis of the general floodplain management plan for the area and in hydrological and engineering studies on specific proposed sites. From that information, the board of water and soil resources shall determine the relative severity of the flooding problem which would be wholly or partly solved by each project. The range of priorities based on these findings shall provide a basis for selection of project sites.

Subd. 2. [PROJECT REQUIREMENT FOR EACH WATERSHED.] Notwithstanding the requirement in subdivision 1 that project selection be based on a priority system, not more than one project may be located within any one of the Cottonwood, Lac Qui Parle, Redwood, Yellow Medicine, and Yellow Bank rivers watersheds unless agreed upon by the area II action committee composed of representatives of each of those watersheds. [104.46]

Sec. 21. [103F181] [CONDITIONS FOR GRANTS.]

Subdivision 1. [LOCAL EXPRESSION OF WILLINGNESS.] The local unit of government shall apply for a grant by a resolution requesting state funding assistance for the construction of a floodwater retention or retarding structure within its jurisdiction. The resolution shall include provisions concerning local funding, if any. The local unit of government shall state its intent to obtain necessary land rights for proposed construction sites and to assume responsibility for maintenance of the structure on its completion.

Subd. 2. [GENERAL PLAN.] The local unit of government shall demonstrate that the construction project that it proposes is consistent with its general plan for floodplain management. The general plan of the local government unit shall be in conformity with the policy and objectives of this chapter and shall, where reasonable and practicable, include non-structural means of floodplain management.

Subd. 3. [FEDERAL AID AVAILABILITY.] The board of water and soil resources shall complete a detailed analysis of the availability of federal funds and programs to supplement or complement state and local efforts on each project and include the eligibility requirements and time frame for receiving the federal aid.

Subd. 4. [ENVIRONMENTAL IMPACT STATEMENT.] The local unit of government, assisted by the project staff engineer, shall make a comprehensive evaluation of the positive and negative environmental effects which would be reasonably likely to take place if the particular proposed project would be constructed. [104.47]

Sec. 22. [103F183] [APPROVED PROJECTS.]

Subdivision 1. [CONTRACTS.] When a proposed project is approved to receive a grant, the board of water and soil resources shall negotiate a contract with the local unit of government involved. The contract shall specify the terms of state and local cooperation, including the financing arrangement for the construction and an agreement on maintenance of the structure after completion.

Subd. 2. [PERMITS.] Before grant money is spent on construction of the structure, permits required for construction must be obtained from state agencies. [104.48]

Sec. 23. [103F185] [INTERSTATE COOPERATION.]

The board of water and soil resources and the staff engineer may enter into a working agreement with the South Dakota-Minnesota Boundary Waters Commission, or successor organization, in regard to flood retention and retarding structures constructed pursuant to sections 16 to 24 that involve territory of the state of South Dakota as well as this state. [104.49]

Sec. 24. [103F187] [REPORT TO LEGISLATURE.]

When the project has been in operation for a period of two years, the board of water and soil resources and the staff engineer shall prepare and deliver a report to the legislature on the program and its consequences with an evaluation of the feasibility and benefit of continuing the project. [104.50]"

Page 329, line 7, delete "14 to 18" and insert "25 to 29"

Page 329, line 35, delete "105.482" and insert "105.485"

Page 330, line 2, delete "state soil"

Page 330, line 3, delete everything before the semicolon and insert "board of water and soil resources"

Page 330, line 16, delete "31" and insert "35"

Page 330, line 27, delete everything after "the"

Page 330, line 28, delete "the commissioner to" and insert "commissioner's model ordinance for"

Page 332, line 19, delete ", by order,"

Page 333, line 2, delete "5" and insert "1"

Page 333, line 11, delete "19 to 28" and insert "30 to 39"

Page 333, line 23, delete "21 to 28" and insert "32 to 39" and after the period, insert "[104.02 s. 1]"

Page 335, lines 17 and 24, delete "14 to 18" and insert "25 to 29"

Page 335, lines 18 and 19, delete "14 to 18" and insert "25 to 29"

Page 335, line 21, delete "19 to 28" and insert "30 to 39"

Page 336, line 11, delete "23" and insert "34"

Page 338, line 25, delete "17" and insert "28"

Page 339, lines 8 and 20, delete "19 to 28" and insert "30 to 39"

Page 339, after line 22, insert:

"LOWER ST. CROIX RIVER"

Page 339, line 23, delete "103E361" and insert "103E351"

Page 341, after line 16, insert:

"MISSISSIPPI HEADWATERS PLANNING AND MANAGEMENT

Sec. 41. [103E361] [FINDINGS AND INTENT.]

Subdivision 1. [FINDINGS.] The legislature finds that:

(1) the Mississippi river from its outlet at Lake Itasca, Clearwater county,

to the southerly boundary of Morrison county, Minnesota, possesses outstanding and unique natural, scientific, historical, recreational and cultural values deserving of protection and enhancement;

(2) the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison have entered into a joint powers agreement pursuant to law to develop a plan for the protection and enhancement of the foregoing values; and

(3) the plan adopted by the counties pursuant to the joint powers agreement establishes guidelines and minimum standards for cooperative local management of this segment of the Mississippi river. [114B.01]

Subd. 2. [LEGISLATIVE INTENT.] *It is the intent of sections 41 to 49 to authorize and direct the board and the counties to implement this comprehensive plan for the Mississippi headwaters area.* [114B.01]

Sec. 42. [103F363] [APPLICABILITY.]

Subdivision 1. [GENERALLY.] *Sections 41 to 49 apply to the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison.* [114B.07]

Subd. 2. [LEECH LAKE INDIAN RESERVATION.] *Sections 41 to 49 do not alter or expand the zoning jurisdiction of the counties within the exterior boundaries of the Leech Lake Indian Reservation. The comprehensive plan of the board and the county ordinances adopted pursuant to section 45, subdivision 1, apply only to areas within the zoning jurisdiction of the counties as provided by law in effect prior to May 20, 1981.* [114B.03 s. 4]

Sec. 43. [103F365] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] *The definitions in this section apply to sections 41 to 49.* [114B.02 s. 1]

Subd. 2. [BOARD.] *“Board” means the Mississippi headwaters board established under section 44.* [114B.02 s. 1]

Subd. 3. [COUNTIES.] *“Counties” means the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison.* [114B.02 s. 1]

Sec. 44. [103F367] [MISSISSIPPI HEADWATERS BOARD.]

Subdivision 1. [ESTABLISHMENT.] *The Mississippi headwaters board established by the counties of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing and Morrison by agreement entered into on February 22, 1980, pursuant to section 471.59, is established as a permanent board with authority to prepare, adopt and implement a comprehensive land use plan designed to protect and enhance the Mississippi River and related shoreland areas situated within the counties.* [114B.02 s. 2]

Subd. 2. [MEMBERSHIP.] (a) *The board shall consist of eight members. The governing body of each county shall appoint one of its members to serve on the board.*

(b) *The terms of board members are two years commencing on the first Monday in January of odd-numbered years.*

(c) *Vacancies on the board shall be filled for the remainder of the term by the governing body that made the original appointment.*

(d) The governing body of a county may designate another member of the governing body or a county officer to act as an alternate for the member appointed by that county. [114B.02 s. 3]

Subd. 3. [OFFICERS.] (a) The board shall annually appoint from among its members a chair, vice-chair, and secretary-treasurer who shall serve for concurrent one year terms.

(b) The chair shall preside over all meetings of the board and may call special meetings at reasonable times and upon adequate notice when necessary.

(c) The vice-chair shall preside over the meetings of the board in the absence of the chair.

(d) The secretary-treasurer or the designee of the secretary-treasurer shall keep a record of all proceedings of the board. The secretary-treasurer shall provide for the proper receipt and disbursement of funds. [114B.02 s. 4]

Subd. 4. [MEETINGS.] (a) The regular meetings of the board shall be held at times and places prescribed by it.

(b) A majority of all members of the board shall constitute a quorum and a majority vote of all members shall be required for actions taken by the board. [114B.02 s. 5]

Subd. 5. [STAFF AND CONTRACTS.] The board may employ staff and contract for goods and services as necessary to implement sections 41 to 49. Contracts are subject to the statutory procedures and restrictions applicable to county contracts. [114B.03 s. 7]

Subd. 6. [FUNDING.] The board shall annually submit to each county for its approval an estimate of the funds it will need from that county in the next fiscal year to prepare and implement the comprehensive land use plan and otherwise carry out the duties imposed upon it by sections 41 to 49. Each county shall, upon approval of the estimate by its governing body, furnish the necessary funds to the board. The board may apply for, receive and disburse federal, state and other grants and donations. [114B.03 s. 6]

Subd. 7. [ADVISORY COMMITTEES.] The board shall appoint advisory committees, representing a broad geographical area and diverse public interests, and conduct public meetings and hearings necessary to afford the public an opportunity to become fully informed of all deliberations in the preparation and implementation of the plan. [114B.03 s. 2]

Subd. 8. [CONTACT WITH GOVERNMENT AGENCIES.] The board shall initiate and maintain contacts with governmental agencies as necessary to properly prepare the plan and shall negotiate cooperative management agreements with the United States forest service and bureau of land management and the state department of natural resources. The board, Beltrami, Cass, Hubbard, and Itasca counties shall initiate and maintain contacts with the governing body of the Leech Lake Indian Reservation and shall negotiate a cooperative management and jurisdiction agreement with the reservation governing body. [114B.03 s. 3]

Sec. 45. [103F369] [COMPREHENSIVE LAND USE PLAN.]

Subdivision 1. [ADOPTION OF EXISTING PLAN.] The comprehensive land use plan prepared by the board and approved by resolution adopted

on February 12, 1981, is the comprehensive land use plan authorized by section 44, subdivision 1, and shall be implemented by the board as provided in this section and section 47. [114B.03 s. 1]

Subd. 2. [PLAN PROVIDES MINIMUM STANDARDS.] The standards set forth in the plan are the minimum standards which may be adopted by the board and by the counties for the protection and enhancement of the natural, scientific, historical, recreational and cultural values of the Mississippi river and related shoreland areas subject to the plan. Except for forest management, fish and wildlife habitat improvement, and open space recreational uses as defined in the plan, state or county lands within the boundaries established by the plan may not be offered for public sale or lease. The board with the agreement, expressed by resolution adopted after public hearing, of the county boards of Clearwater, Hubbard, Beltrami, Cass, Itasca, Aitkin, Crow Wing, and Morrison counties may amend the plan in any way that does not reduce the minimum standards set forth in the plan approved on February 12, 1981. [114B.03 s. 1]

Subd. 3. [IMPLEMENTATION.] The board shall develop and establish a schedule for implementation and common administration of the plan by the counties. The schedule shall be binding upon the counties subject to approval by the governing bodies of the respective counties. [114B.03 s. 5]

Subd. 4. [COUNTY LAND USE ORDINANCE MUST BE CONSISTENT WITH PLAN.] The counties shall adopt land use ordinances consistent with the comprehensive land use plan of the board. [114B.03 s. 1]

Sec. 46. [103E371] [RESPONSIBILITIES OF OTHER GOVERNMENTAL UNITS.]

All local and special governmental units, councils, commissions, boards and districts and all state agencies and departments must exercise their powers so as to further the purposes of sections 41 to 49 and the land use plan adopted by the board on February 12, 1981. Land owned by the state, its agencies, and political subdivisions shall be administered in accordance with the land use plan adopted by the board on February 12, 1981. [114B.031]

Sec. 47. [103E373] [REVIEW AND CERTIFICATION OF LAND USE ACTIONS.]

Subdivision 1. [PURPOSE.] To assure that the comprehensive land use plan prepared by the board is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by the counties and directly or indirectly affecting land use within the area covered by the plan:

(1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of particular tracts of land;

(2) the granting of a variance from provisions of the land use ordinance; and

(3) the approval of a plat which is inconsistent with the land use ordinance. [114B.04 s. 1]

Subd. 2. [CERTIFICATION.] Notwithstanding any provision of chapter 394 to the contrary, an action of a type specified in subdivision 1, clauses (1) to (3), is not effective until the board has reviewed the action and

certified that it is consistent with the comprehensive plan of the board. In determining consistency of ordinances and ordinance amendments, the provisions of the comprehensive land use plan shall be considered minimum standards. An aggrieved person may appeal a decision of the type specified in subdivision 1, clauses (1) to (3), that is reviewed by the board under this section in the same manner as provided for review of a decision of a board of adjustment in section 394.27, subdivision 9, but only after the procedures prescribed under this section have been completed. [114B.04 s. 2]

Subd. 3. [PROCEDURE FOR CERTIFICATION.] A copy of the notices of public hearings or, when a hearing is not required, a copy of the application to consider an action of a type specified in subdivision 1, clauses (1) to (3), must be forwarded to the board by the county at least 15 days before the hearing or meetings to consider the actions. The county shall notify the board of its final decision on the proposed action within ten days of the decision. By 30 days after the board receives the notice, the board shall notify the county and the applicant of its approval or disapproval of the proposed action. [114B.04 s. 3]

Subd. 4. [DISAPPROVAL OF ACTIONS.] (a) If a notice of disapproval is issued by the board, the county or the applicant may, within 30 days of the notice, file with the board a demand for a hearing. If a demand is not filed within the 30-day period, the disapproval becomes final.

(b) If a demand is filed within the 30-day period, a hearing must be held within 60 days of demand. The hearing must be preceded by two weeks published notice. Within 30 days after the hearing, the board must:

- (1) affirm its disapproval of the proposed action; or*
- (2) certify approval of the proposed action. [114B.04 s. 4]*

Sec. 48. [103E375] [INCORPORATION AND ANNEXATION.]

Subdivision 1. [MORATORIUM ON CERTAIN ACTIVITIES.] If land subject to the comprehensive land use plan of the board is annexed, incorporated, or otherwise subjected to the land use planning authority of a home rule charter or statutory city, a moratorium shall exist on:

(1) all subdivision platting and building permits on the land until zoning regulations are adopted for the land that comply with the provisions of the comprehensive plan of the board; and

(2) construction, grading and filling, and vegetative cutting as those activities are defined in the comprehensive plan. [114B.05]

Subd. 2. [EXCEPTION FOR WORK UNDER PRIOR PERMITS.] This section does not apply to work done pursuant to lawful permits issued before the land became subject to the land use planning authority of the city. [114B.05]

Sec. 49. [103E377] [BIENNIAL REPORT.]

During the first year of each biennial legislative session, the board shall prepare and present to the appropriate policy committees of the legislature a report concerning the actions of the board in exercising the authority granted by the legislature under sections 41 to 49. The report must include an assessment of the effectiveness of the board's comprehensive land use plan and its implementation in protecting and enhancing the natural, scientific, historical, recreational and cultural values of the Mississippi river

and related shorelands situated within the member counties. [114B.06]

PROJECT RIVERBEND

Sec. 50. [103F381] [FINDINGS.]

The legislature finds that the Minnesota river from the city of Franklin in Renville county to LeSueur in LeSueur county possesses outstanding scenic, recreational, natural, historical, scientific, and similar values. Because it is in the interest of present and future generations to retain these values, the legislature finds that the adoption and implementation of a comprehensive land use plan is necessary. [MN L 1982, c 627, sec 1, subd 1]

Sec. 51. [103F383] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 51 to 56.

Subd. 2. [BOARD.] "Board" means the project riverbend board.

Subd. 3. [COUNTIES.] "Counties" means the counties of Renville, Redwood, Brown, Nicollet, Blue Earth, and LeSueur, except as otherwise provided in Laws 1982, chapter 627, section 7. [MN L 1982, c 627, sec 1, subd 2]

Sec. 52. [103F385] [BOARD.]

Subdivision 1. [ESTABLISHMENT.] The project riverbend board is established under Laws 1982, chapter 627. [MN L 1982, c 627, sec 2, subd 1]

Subd. 2. [MEMBERS.] (a) Except as provided in Laws 1982, chapter 627, section 7, the board shall consist of six members, one each from the counties of Renville, Redwood, Brown, Nicollet, Blue Earth, and LeSueur.

(b) The members shall be appointed by their respective county boards for a term of two years. [MN L 1982, c 627, sec 2, subd 2]

Subd. 3. [CHAIR.] The board shall select a chairperson, who shall preside at meetings and hearings and may call special meetings. [MN L 1982, c 627, sec 2, subd 3]

Subd. 4. [PROCEDURAL RULES AND RECORDS.] The board shall adopt rules for the transaction of its business and shall keep a public record of its transactions, findings, and determinations. [MN L 1982, c 627, sec 2, subd 3]

Subd. 5. [QUORUM.] A majority of all members of the board constitutes a quorum and a majority vote of all members is required for the board to take any action pursuant to section 54. [MN L 1982, c 627, sec 2, subd 3]

Subd. 6. [STAFF AND FUNDS.] The counties shall supply staff and funds to the board as may be necessary for its operation. [MN L 1982, c 627, sec 2, subd 4]

Sec. 53. [103F387] [COMPREHENSIVE PLAN.]

(a) The comprehensive plan known as "Project Riverbend Fifth Draft, June 1981" shall be implemented by the board and the counties as provided in sections 51 to 56. The counties shall adopt land use ordinances consistent with the plan. The standards set forth in the plan are the minimum standards that may be adopted by the board and the counties. The board may amend

the comprehensive land use plan in any way that does not reduce the minimum standards set forth in the plan.

(b) The board shall develop and establish a schedule for implementation and administration of the plan by the counties. The schedule shall be binding on the counties subject to approval by the governing bodies of the respective counties. [MN L 1982, c 627, sec 3]

Sec. 54. [103F389] [REVIEW AND CERTIFICATION OF LAND USE ACTIONS.]

Subdivision 1. [LAND USE ACTIONS COVERED.] To ensure that the comprehensive land use plan is not nullified by unjustified exceptions in particular cases and to promote uniformity in the treatment of applications for exceptions, a review and certification procedure is established for the following categories of land use actions taken by the counties and directly or indirectly affecting land use within the area covered by the plan:

(1) the adoption or amendment of an ordinance regulating the use of land, including rezoning of a particular tract of land;

(2) the granting of a variance from provisions of the land use ordinances; and

(3) the approval of a plat which is inconsistent with the land use ordinance. [MN L 1982, c 627, sec 4, subd 1]

Subd. 2. [LAND USE ACTIONS MUST BE CONSISTENT WITH PLAN.]

(a) Notwithstanding any contrary provision of chapter 394, an action of a type specified in subdivision 1, clauses (1) to (3), is not effective until the board has reviewed the action and certified that it is consistent with the comprehensive plan of the board.

(b) In determining consistency of ordinances and ordinance amendments, the provisions of the comprehensive land use plan shall be considered minimum standards. An aggrieved person may appeal a decision of the type specified in subdivision 1, clauses (1) to (3), which is reviewed by the board under this section in the manner provided for review of a decision of a board of adjustment under section 394.27, subdivision 9, but only after the procedures prescribed under this section have been completed. [MN L 1982, c 627, sec 4, subd 2]

Subd. 3. [PROCEDURE FOR CERTIFICATION.] *(a) A copy of all notices of public hearings or, when a hearing is not required, a copy of the application to consider any actions of a type specified in subdivision 1, clauses (1) to (3), must be forwarded to the board by the county at least ten days prior to the hearing or meetings to consider the land use actions.*

(b) The county shall notify the board of its final decision on the proposed action within ten days of the decision.

(c) By 30 days from the time it receives the notice, the board shall notify the county and the applicant of its approval or disapproval of the proposed action. [MN L 1982, c 627, sec 4, subd 3]

Subd. 4. [DISAPPROVAL OF ACTIONS.] *(a) If the board issues a notice of disapproval, either the county or the applicant may, within 30 days of notice, file a demand for a hearing with the board.*

(b) If a demand is not filed during that period, the disapproval becomes final.

(c) *If a demand is filed within the 30-day period, a hearing shall be held within 60 days of demand and shall be preceded by two weeks published notice. Within 30 days after the hearing, the board shall either affirm its disapproval of the proposed action or certify its approval.* [MN L 1982, c 627, sec 4, subd 4]

Sec. 55. [103F391] [RESTRICTIONS ON LAND INCORPORATED OR ANNEXED.]

(a) *If land subject to the comprehensive land use plan of the board is annexed, incorporated, or otherwise subjected to the land use planning authority of a home rule charter or statutory city, a moratorium shall exist on all subdivision platting and building permits on that land until zoning regulations are adopted for the land that comply with the provisions of the comprehensive plan of the board.*

(b) *The moratorium shall also apply to construction, grading and filling, and vegetative cutting as those activities are defined in the comprehensive plan.*

(c) *This section does not apply to work done pursuant to lawful permits issued before the land became subject to the land use planning authority of the city.* [MN L 1982, c 627, sec 5]

Sec. 56. [103F393] [BIENNIAL REPORT.]

During the first year of each biennial legislative session, the board shall prepare and present to the appropriate policy committees of the legislature a report concerning the actions of the board in exercising the authority granted by the legislature under sections 51 to 56. The report shall include an assessment of the effectiveness of the board's comprehensive land use plan and its implementation in protecting and enhancing the outstanding scenic, recreational, natural, historical, scientific, and similar values of the Minnesota river and related shorelands situated within the member counties. [MN L 1982, c 627, sec 6]"

Page 341, line 21, delete "30 to 41" and insert "57 to 68"

Page 344, lines 5 and 6, delete "30 to 41" and insert "57 to 68"

Page 346, line 20, delete "35" and insert "62"

Page 347, line 32, delete "34" and insert "61" and delete "35" and insert "62"

Page 349, lines 13 and 14, delete "34 and 35" and insert "61 and 62"

Page 350, line 3, delete "30 to 41" and insert "57 to 68"

Page 350, line 7, delete "33" and insert "60"

Page 350, lines 12, 15, and 24, delete "43 to 48" and insert "70 to 75"

Page 350, line 32, delete "45" and insert "72"

Page 351, line 26, delete "43 to 48" and insert "70 to 75"

Page 352, line 28, delete "43" and insert "70"

Page 355, lines 29 and 30, delete "43 to 48" and insert "70 to 75"

Page 359, line 36, delete "50 to 62" and insert "77 to 89"

Page 360, line 24, delete "50 to 62" and insert "77 to 89"

Page 361, line 36, delete "50 to 62" and insert "77 to 89"

Page 362, line 3, delete "54" and insert "81"

Page 362, line 5, delete "55" and insert "82"

Page 363, line 1, delete "55" and insert "82"

Page 363, line 30, after "(2)" insert a comma

Page 364, line 20, delete "54" and insert "81"

Page 364, lines 28 and 29, delete "50 to 62" and insert "77 to 89"

Page 365, lines 6 and 24, delete "50 to 62" and insert "77 to 89"

Page 366, line 9, delete "50 to 62" and insert "77 to 89"

Page 368, lines 10 and 13, delete "17 and 34" and insert "21 and 38"

Page 369, line 10, delete "17 and 34" and insert "21 and 38"

Page 369, line 13, delete "56 to 71" and insert "31 to 46"

Page 369, line 31, after "commissioner" insert "of natural resources"

Renumber the sections of article 6 in sequence

Page 372, lines 4 and 5, delete "14 to 18" and insert "25 to 29"

Page 377, line 19, delete everything before the period and insert "1979, chapter 199"

Page 377, line 35, delete "60 to 63" and insert "16 to 19"

Page 378, after line 11, insert:

"WETLANDS

Sec. 16. [103G.221] [DRAINAGE OF WETLANDS.]

Subdivision 1. [DRAINAGE OF WETLANDS GENERALLY PROHIBITED WITHOUT REPLACEMENT.] Except as provided in subdivisions 2 and 3, wetlands may not be drained, and a permit authorizing drainage of wetlands may not be issued, unless the wetlands to be drained are replaced by wetlands that will have equal or greater public value. [105.391 s. 3]

Subd. 2. [DRAINAGE OF WETLANDS FOR CROPLAND.] (a) Wetlands that are lawful, feasible, and practical to drain and if drained would provide high quality cropland and that is the projected land use, as determined by the commissioner, may be drained without a permit and without replacement of wetlands of equal or greater public value if the commissioner does not choose, within 60 days of receiving an application for a permit to drain the wetlands to:

(1) place the wetlands in the state water bank program under article 6, section 76; or

(2) acquire them in fee under section 97A.145.

(b) If the commissioner does not make the offer under paragraph (a), clause (1) or (2), to a person applying for a permit, the wetlands may be drained without a permit. [105.391 s. 3]

Subd. 3. [PERMIT TO DRAIN WETLANDS TEN YEARS AFTER PUBLIC WATERS DESIGNATION.] (a) The owner of property underneath

wetlands on privately owned property may apply to the commissioner for a permit to drain the wetlands after ten years from their original designation as public waters. After receiving the application, the commissioner shall review the status of the wetlands and current conditions.

(b) If the commissioner finds that the status of the wetlands and the current conditions make it likely that the economic or other benefits from agricultural use to the owner from drainage would exceed the public benefits of maintaining the wetlands, the commissioner shall grant the application and issue a drainage permit.

(c) If the application is denied, the owner may not apply again for another ten years. [105.391 s. 3]

Sec. 17. [103G.225] [STATE WETLANDS AND PUBLIC DRAINAGE SYSTEMS.]

If the state owns wetlands on or adjacent to existing public drainage systems, the state shall consider the use of the wetlands as part of the drainage system. If the wetlands interfere with or prevent the authorized functioning of the public drainage system, the state shall provide for necessary work to allow proper use and maintenance of the drainage system while still preserving the wetlands. [105.391 s. 11]

Sec. 18. [103G.231] [PROPERTY OWNER'S USE OF WETLANDS.]

Subdivision 1. [AGRICULTURAL USE DURING DROUGHT.] A property owner may use the bed of wetlands for pasture or cropland during periods of drought if:

(1) dikes, ditches, tile lines, or buildings are not constructed; and

(2) the agricultural use does not result in the drainage of the wetlands. [105.391 s. 10]

Subd. 2. [FILLING WETLANDS FOR IRRIGATION BOOMS.] A landowner may fill a wetland to accommodate wheeled booms on irrigation devices if the fill does not impede normal drainage. [105.391 s. 10]

Sec. 19. [103G.235] [RESTRICTIONS ON ACCESS TO WETLANDS.]

To protect the public health or safety, local units of government may by ordinance restrict public access to wetlands from municipality, county, or township roads that abut wetlands. [105.391 s. 9]"

Page 378, line 14, delete "103G.221" and insert "103G.241"

Page 379, line 13, delete "103G.225" and insert "103G.245"

Page 380, line 17, delete "32" and insert "36"

Page 382, line 24, delete "103G.231" and insert "103G.251"

Page 383, lines 5 and 7, delete "31" and insert "35"

Page 383, line 20, delete "103G.235" and insert "103G.255"

Page 383, line 28, delete "103G.241" and insert "103G.261"

Page 384, line 19, delete "103G.245" and insert "103G.265"

Page 386, line 16, delete "103G.251" and insert "103G.271"

Page 386, line 34, delete "from public"

Page 386, line 35, delete "waters"

Page 387, line 35, delete "103G.255" and insert "103G.275"

Page 388, line 18, delete "103G.261" and insert "103G.281"

Page 389, line 5, delete "103G.265" and insert "103G.285"

Page 390, line 20, delete "103G.271" and insert "103G.291"

Page 391, line 1, delete "103G.275" and insert "103G.295"

Page 391, line 8, delete "18" and insert "19"

Page 393, line 29, delete "103G.281" and insert "103G.297"

Page 396, line 32, delete everything after "a"

Page 396, line 33, delete everything before "permit"

Page 397, delete lines 18 to 24 and insert:

"(b) The application fee for a permit to appropriate water, a permit to construct or repair a dam that is subject to dam safety inspection, or to apply for the state water bank program is \$75. The application fee for a permit to work in public waters, or to divert waters for mining must be at least \$75, but not more than \$500, in accordance with a schedule of fees adopted under section 16A.128. [105.44 s. 10]"

Page 399, line 17, delete "27" and insert "31"

Page 404, line 13, delete "27" and insert "31"

Page 404, line 22, delete "30" and insert "34"

Page 405, line 23, delete "34" and insert "38"

Page 406, line 36, before "114.12" insert "110.46 s. 2;"

Page 413, line 10, delete "31" and insert "35"

Page 414, line 36, delete "41" and insert "45"

Page 415, line 3, delete "31" and insert "35"

Page 417, line 17, delete "1" and insert "2"

Page 421, line 25, delete "48 and 49" and insert "52 and 53"

Page 423, line 21, delete "48 and 49" and insert "52 and 53"

Page 426, line 2, delete "48 and 49" and insert "52 and 53"

Page 426, lines 11 and 18, delete "48" and insert "52"

Page 427, delete line 23 and insert:

"WATER AERATION AND DEICING"

Page 429, delete section 57 and insert:

"HARVEST AND CONTROL OF AQUATIC PLANTS

Sec. 61. [103G.615] [PERMITS TO HARVEST OR DESTROY AQUATIC PLANTS.]

Subdivision 1. [AUTHORIZATION.] (a) The commissioner may issue permits, with or without a fee, to:

(1) gather or harvest aquatic plants, or plant parts, other than wild rice from public waters;

(2) *transplant aquatic plants into public waters;*

(3) *destroy harmful or undesirable aquatic vegetation or organisms in public waters under prescribed conditions to protect the waters, desirable species of fish, vegetation, other forms of aquatic life, and the public.*

(b) *Application for a permit must be accompanied by a permit fee, if required.* [84.092 s. 1]

Subd. 2. [FEES.] (a) The commissioner shall establish a fee schedule for permits to harvest aquatic plants other than wild rice, by order, after holding a public hearing. The fees may not exceed \$100 per permit based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit.

(b) *A fee may not be charged to the state or a federal governmental agency applying for a permit.*

(c) *The money received for the permits under this subdivision shall be deposited in the treasury and credited to the game and fish fund.* [84.092 s. 2]

Subd. 3. [PERMIT STANDARDS.] The commissioner shall, by order, prescribe standards to issue and deny permits under subdivision 2. The standards must ensure that aquatic plant control is consistent with shoreland conservation ordinances, lake management plans and programs, and wild and scenic river plans. [84.092 s. 3]"

Page 431, delete lines 13 and 14

Pages 431 to 433, delete sections 60 to 63

Page 433, line 8, delete "103G.801" and insert "103G.701"

Page 434, line 15, delete "103G.805" and insert "103G.705"

Page 435, line 1, delete "103G.811" and insert "103G.711"

Renumber the sections of article 7 in sequence

Page 435, line 36, delete "47" and insert "51"

Page 439, lines 4 and 5, delete "31 to 41" and insert "58 to 68"

Page 439, line 16, delete "44" and insert "71"

Page 439, lines 18 and 19, delete "45" and insert "72"

Page 439, line 24, delete "1 to 3" and insert "7 to 9"

Page 439, line 27, delete "The commissioner of"

Page 439, line 28, delete "natural resources, or"

Page 439, line 29, delete the comma

Page 443, line 18, delete "45" and insert "72"

Page 444, line 25, delete "19 to 28" and insert "30 to 39"

Page 444, line 29, after "and" insert "article 6," and delete "19 to 28" and insert "30 to 39"

Page 446, line 22, delete "47" and insert "51"

Page 447, line 1, before "section" insert "article 5," and delete "103E.015"

and insert "3"

Page 447, line 2, delete "103E.025, or 103E.615" and insert "5, or 80,"

Page 447, line 18, delete "39" and insert "43"

Page 447, after line 19, insert:

"Sec. 24. [97C.077] [FISH SCREENS IN LAKES.]

Subdivision 1. [LAKE IN ONE COUNTY.] If all or a major part of a navigable lake is located within a single county and has been stocked with fish by the United States government, the county board in order to maintain fish in the lake and prevent their escape from the lake may erect and maintain screens at the inlets and outlets of the lake. The county board may appropriate from the county treasury money for the erection and maintenance of the screens. [378.09]

Subd. 2. [LAKE IN MORE THAN ONE COUNTY.] If a lake is located in more than one county, the county boards of the affected counties may jointly provide for the erection and maintenance of screens. The expense of the screens and maintenance must be paid equally between the counties, and the county boards must appropriate money from the county treasury of their respective counties to pay the expenses of the screens and maintenance. [378.09]"

Page 448, line 6, delete the first "to" and insert "and"

Page 448, line 21, delete "22 to 24" and insert "26 to 28" and delete "18" and insert "22"

Page 448, line 26, delete "22" and insert "26"

Page 448, line 27, delete "24" and insert "28" and delete "32" and insert "36" and delete "27" and insert "31"

Page 450, line 6, before "section" insert "article 5,"

Page 450, line 7, delete "103E.325" and insert "54"

Page 451, line 13, before "section" insert "article 5,"

Page 451, line 14, delete "103E.005" and insert "1"

Page 455, line 6, delete "45" and insert "49"

Page 457, lines 14 and 26, delete "45" and insert "49"

Page 458, lines 4 and 8, delete "45" and insert "49"

Page 460, line 9, before "section" insert "article 5," and delete "103E.201" and insert "27"

Pages 460 to 463, delete sections 38 to 41

Page 464, after line 2, insert:

"Sec. 41. [383B.78] [BATHING BEACHES.]

Subdivision 1. [BATHING BEACH DEFINITION.] For purposes of this section, a public bathing beach means public land, roads, and highways adjoining public waters that have been or may be used for bathing or swimming, and privately owned places that the public is allowed to frequent or use for bathing. [378.20 s. 1]

Subd. 2. [UNLAWFUL TO BATHE AT PUBLIC BEACHES AT CERTAIN TIMES.] In counties that have a population of 450,000 or more, a person may not frequent, swim, bathe, or congregate at a public bathing beach or public waters adjacent to a public bathing beach for the purpose of swimming or bathing, or congregating with others, from 10:30 p.m. to 5:00 a.m. of the next day. [378.20 s. 2]

Subd. 3. [REGULATORY ORDINANCES.] (a) The governing bodies of counties having a population of more than 450,000, and all cities and towns located in the counties may, by ordinance, resolution, or bylaw, regulate the use of public bathing beaches and public waters where a public bathing beach immediately borders for the purpose of bathing, swimming, or congregating with others, within their respective territorial limits, in a manner that is not inconsistent with this section. [378.20 s. 3]

(b) If a governing body determines that the safety, health, morals, or general welfare of the public require, the governing body may, by ordinance, resolution, or bylaw, provide that a public bathing beach is closed to bathing, swimming, and congregating after the hour of 9:00 p.m., or after any time between 9:00 a.m. and 10:30 p.m. of any day. [378.20 s. 4]

Subd. 4. [NOT RESTRICTIVE.] This section does not limit or abrogate any of the existing powers of a body or governing board of a county, home rule charter or statutory city, or town. [378.20 s. 5]

Subd. 5. [PENALTY.] A person who violates a provision of this section is guilty of a misdemeanor. [378.20 s. 6]"

Page 464, line 11, before "sections" insert "article 6," and delete "14 to 18" and insert "25 to 29"

Page 464, line 21, delete "21 and 22" and insert "32 and 33"

Page 464, line 34, strike "section"

Page 464, line 35, strike "378.321" and insert "article 9"

Page 465, lines 2, 12, and 20, delete "55 to 71" and insert "30 to 46"

Page 465, lines 17 and 18, delete "55 to 71" and insert "30 to 46"

Page 466, line 2, delete "14 to 18" and insert "25 to 29"

Page 468, line 22, before "section" insert "article 5," and delete "103E.705" and insert "91"

Page 469, line 18, delete "14 to 18" and insert "25 to 29"

Page 469, line 26, delete "15" and insert "26"

Page 469, line 34, delete everything after "18" and insert a period

Renumber the sections of article 8 in sequence

Page 470, after line 14, insert:

"Subd. 2. [CITY.] "City" means a home rule charter or statutory city."

Page 471, line 36, delete "anchored, beached."

Page 472, line 1, delete "or"

Renumber the subdivisions in sequence

Page 476, line 8, delete "before" and insert "after"

Page 477, line 34, delete "Upon" and insert "On"

Page 477, line 35, after "city" insert a comma and delete " on" and insert "after"

Page 479, line 5, delete "reflectorize" and insert "reflectorized"

Page 479, line 20, delete "and"

Page 482, line 17, delete "watercraft" and insert "motorboat"

Page 484, lines 18 and 36, delete "while underway"

Page 484, line 19, delete "or in use" and insert "in operation"

Page 484, line 31, delete "while underway or in use" and insert "in operation"

Page 485, line 1, delete "or in use" and insert "in operation"

Page 485, after line 1, insert:

"(d) For purposes of this subdivision, a motorboat "in operation" does not include a motorboat that is anchored, beached, or securely fastened to a dock or other permanent mooring."

Page 488, line 5, delete "while underway or in"

Page 488, line 6, delete "use" and insert "in operation"

Page 488, line 9, after the period, insert "A motorboat "in operation" does not include a motorboat that is anchored, beached, or securely fastened to a dock or other permanent mooring."

Page 496, line 13, delete the second "and" and insert a period

Page 496, line 14, delete "issue"

Page 496, line 15, delete "that" and insert "shall be issued and"

Page 499, delete lines 9 to 11 and insert:

"Subd. 5. [DEALER'S LICENSE.] There is no separate fee for watercraft owned by a dealer under a dealer's license. The fee for a dealer's license is \$30. [361.03 s. 3]"

Page 499, line 28, before the period, insert "by deputy registrars"

Page 499, delete line 36 and insert "licensed."

Page 500, line 22, after "A" insert "monohulled" and after "watercraft" insert "less than 20 feet in length"

Page 500, line 24, after "sailboards," insert "and" and after "boats" insert a comma

Page 500, line 25, delete everything before "must"

Page 504, line 6, delete "oxygen" and insert "compressed air"

Page 509, after line 24, insert:

"Section 1. [EFFECT OF CHANGES IN THIS ACT.]

The legislature intends this act to be a clarification and reorganization of provisions of water law. The changes that have been made are not intended to alter the water law and shall not be construed by a court or other authority to alter the meaning of the law.

Sec. 2. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall correct cross-references to provisions contained in this act and codify amendments to provisions contained in this act and future acts of the legislature in a manner that is consistent with this act."

Page 509, delete line 26 and insert:

"Sec. 3. [GENERAL REPEALER.]"

Page 510, line 25, delete everything after "110.53;"

Page 510, delete line 26

Page 510, line 27, delete everything before "110.71;"

Page 511, after line 13, insert:

"Sec. 4. [REPEAL OF JUDICIAL WATER LEVEL STABILIZATION PROJECT AUTHORITY.]

(a) Minnesota Statutes 1988, sections 110.55; 110.56; 110.57; 110.58; 110.59; 110.60; 110.61; 110.62; 110.63; 110.64; 110.65; 110.66; 110.67; 110.68; 110.69; and 110.70 are repealed.

(b) These sections contain obsolete provisions relating to petition and judicial establishment of improvements to control water levels; however, petitions received, proceedings, and projects commenced before August 1, 1989, under the sections repealed in paragraph (a) may continue until their completion."

Amend the title as follows:

Page 1, line 23, after "83A;" insert "97C;"

Page 1, line 24, delete "375" and insert "383B"

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

Mrs. Lantry from the Committee on General Legislation and Public Gaming, to which was referred

S.F. No. 150: A bill for an act relating to gambling; establishing a state-operated lottery; establishing a department of gaming to supervise a state-operated lottery, pari-mutuel horse racing, and charitable gambling; transferring the duties of the charitable gambling control board and the Minnesota racing commission to this department; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 10A.09, subdivision 1; 15A.081, subdivision 1; 240.01, subdivisions 4, 9, and 10; 240.04; 240.28; 290.01, subdivision 19b; 290.61; 290.92, subdivision 27; 297A.25, by adding a subdivision; 349.12, subdivision 16; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapters 240 and 349; proposing coding for new law as Minnesota Statutes, chapters 240B and 349A; repealing Minnesota Statutes 1988, sections 240.02; 240.04, subdivisions 1, 1a, and 6; and 349.151.

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

Delete everything after the enacting clause and insert:

“Section 1. [349A.01] [DEFINITIONS.]

Subdivision 1. [TERMS DEFINED.] For the purposes of this chapter the terms defined in this section have the meanings given them.

Subd. 2. [AGENCY.] “Agency” is the state lottery agency established under section 2.

Subd. 3. [BOARD.] “Board” is the state lottery board established under section 3.

Subd. 4. [DIRECTOR.] “Director” is the director of the state lottery agency.

Subd. 5. [LOTTERY.] “Lottery” is the state lottery operated by the state lottery agency.

Subd. 6. [LOTTERY RETAILER.] “Lottery retailer” means a person with whom the director has contracted to sell lottery tickets to the public.

Subd. 7. [LOTTERY TICKET.] “Lottery ticket” or “ticket” means any tangible evidence issued by the lottery to prove participation in a lottery game.

Subd. 8. [LOTTERY VENDOR.] “Lottery vendor” or “vendor” means a person who has entered into a contract to provide equipment, supplies, or services for the agency. A lottery vendor does not include a lottery retailer.

Subd. 9. [MAJOR PROCUREMENT CONTRACT.] “Major procurement contract” means a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets, and lottery tickets. Major procurement contracts do not include contracts to provide annuity or prize payment agreements, and materials, supplies, equipment, and services common to the ordinary operations of state agencies.

Sec. 2. [349A.02] [STATE LOTTERY AGENCY.]

Subdivision 1. [DIRECTOR.] A state lottery agency is established under the supervision and control of the director of the state lottery. The governor shall appoint the director with the advice and consent of the senate. The director must be qualified by experience and training to supervise the lottery. The director serves in the unclassified service.

Subd. 2. [REMOVAL.] (a) The director may be removed with notice and hearing for:

(1) violating section 11;

(2) malfeasance, nonfeasance, or misfeasance as defined in section 351.14, subdivisions 2, 3, and 4; or

(3) failure to perform adequately the duties of the director.

(b) For the purposes of this subdivision, adequate performance of the director may be determined by:

(1) gross revenue from the sale of lottery tickets;

(2) efficiency of the administration of lottery operations;

(3) public confidence in the integrity of the lottery; and

(4) compliance with advertising requirements in section 9.

Subd. 3. [POWERS AND DUTIES.] The director shall exercise the following powers and duties:

- (1) recommend rules and game procedures to the board;*
- (2) issue lottery retailer contracts and rule on appeals of decisions relating to those contracts;*
- (3) make contracts for the provision of goods and services to the lottery;*
- (4) enter into written agreements with one or more states for the operation, marketing, and promotion of a joint lottery;*
- (5) employ personnel as are required to operate the lottery; and*
- (6) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.*

Subd. 4. [EMPLOYEES; CLASSIFICATION.] The director may appoint other personnel as are necessary to operate the state lottery. Employees of the agency who are not professional employees as defined in section 179A.03, subdivision 13, and employees whose primary responsibilities are in data processing and accounting, are in the classified service. All other employees of the division are in the unclassified service.

Subd. 5. [COMPENSATION.] The compensation of employees in the agency is as provided in chapter 43A. The commissioner of employee relations shall, at the request of the director, develop and implement a plan for making incentive payments to employees of the agency whose primary responsibilities are in marketing.

Subd. 6. [EMPLOYEES; BACKGROUND CHECKS.] The director shall conduct background checks on all prospective employees and shall require that all employees of the agency be fingerprinted. No person may be employed by the agency who has been convicted of a felony or a gross misdemeanor involving gambling within five years of starting employment with the agency, or have ever been convicted of a crime involving fraud or misrepresentation. The director has access to all criminal history data compiled by the bureau of criminal apprehension on employees and prospective employees of the Minnesota state lottery. The director may employ necessary persons pending the completion of a background check.

Subd. 7. [ASSISTANCE.] Other departments or agencies of the state may be required to provide reasonable assistance to the agency at the request of the director. The agency shall make appropriate reimbursement for all assistance.

Sec. 3. [349A.03] [STATE LOTTERY BOARD.]

Subdivision 1. [BOARD CREATED.] There is created within the agency a state lottery board. The board consists of seven members appointed by the governor. Not more than four of the members appointed by the governor may belong to the same political party and at least three members must reside outside the seven-county metropolitan area. The terms of office, removal from office, and compensation of members of the board are as provided in section 15.059. The governor shall designate the chair of the board.

Subd. 2. [BOARD DUTIES AND POWERS.] The board has the following duties and powers:

- (1) to advise the director on all aspects of the lottery;*

- (2) to adopt rules and game procedures submitted by the director;
 - (3) to approve major procurement contracts entered into by the director;
- and
- (4) to review and comment on advertising published by the director at least quarterly to ensure that all advertising is not demeaning to the citizens of this state and consistent with section 9.

Sec. 4. [349A.04] [LOTTERY GAME PROCEDURES.]

The board may adopt game procedures submitted by the director governing the following elements of the lottery:

- (1) lottery games;
- (2) ticket prices;
- (3) number and size of prizes;
- (4) methods of selecting winning tickets; and
- (5) frequency and method of drawings.

The adoption of lottery game procedures is not subject to chapter 14.

Sec. 5. [349A.05] [RULES.]

The board may adopt rules submitted by the director, including emergency rules, under chapter 14 governing the following elements of the lottery:

- (1) the number and types of lottery retailers' locations;
 - (2) qualifications of lottery retailers and application procedures for lottery retailer contracts;
 - (3) investigation of lottery retailer applicants;
 - (4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;
 - (5) compensation of lottery retailers;
 - (6) accounting for and deposit of lottery revenues by lottery retailers;
 - (7) procedures for issuing major procurement contracts and for the investigation of bidders on those contracts;
 - (8) payment of prizes;
 - (9) procedures needed to ensure the integrity and security of the lottery;
- and
- (10) other rules the director considers necessary for the efficient operation and administration of the lottery.

Sec. 6. [349A.06] [LOTTERY RETAILERS.]

Subdivision 1. [CONTRACTS.] The director shall sell tickets for the lottery through lottery retailers the director selects. Contracts under this section are valid for a period of one year.

Subd. 2. [QUALIFICATIONS.] (a) The director may not contract with a retailer who:

- (1) is under the age of 18;

(2) *is in business solely as a seller of lottery tickets;*

(3) *has been convicted within the previous five years of a felony or gross misdemeanor, any crime involving fraud or misrepresentation, or a gambling-related offense;*

(4) *is a member of the immediate family, residing in the same household, as the director, board member, or any employee of the agency; or*

(5) *in the director's judgment does not have the financial stability or responsibility to act as a lottery retailer, or whose contracting as a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery.*

(b) *An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the stock of the corporation, an officer, or director that does not meet the requirements of paragraph (a), clause (3), is not eligible to be a lottery retailer under this section.*

(c) *The restrictions under paragraph (a), clause (3), do not apply to an organization, partnership, or corporation if the director determines that the organization, partnership, or firm has terminated its relationship with the individuals whose actions directly contributed to the disqualification under this subdivision.*

Subd. 3. [BOND.] The director shall require that each lottery retailer post a bond, in an amount as the director deems necessary, to protect the financial interests of the state.

Subd. 4. [CRIMINAL HISTORY.] The director may request the bureau of criminal apprehension to investigate all applicants for lottery retailer contracts. The director may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section.

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) *A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.*

(c) *A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the agency at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the agency.*

(d) *A contract issued under this section may not be transferred or assigned.*

(e) *The director shall require that lottery tickets may be sold by retailers only for cash.*

Subd. 6. [RETENTION BY RETAILERS.] The board may by rule provide for:

(1) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets; and

(2) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets as a commission.

Subd. 7. [RETAILER RENTAL PAYMENTS.] If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and the computation of retail sales is not explicitly defined to include the sale of lottery tickets, the compensation retained by the sales agent for the sale of lottery tickets shall be considered the amount of the retail sale for purposes of computing the rental payments.

Subd. 8. [PROCEEDS OF SALES.] All proceeds from the sale of lottery tickets received by a lottery retailer constitute a trust fund until paid to the director. The lottery retailer is personally liable for all proceeds.

Subd. 9. [PRIVATE DATA.] All reports filed by lottery retailers with the director are private data under chapter 13.

Subd. 10. [FEE.] The director may charge a nonrefundable application fee to a person applying for a lottery retailer contract. The fee collected under this subdivision must be deposited in the lottery fund.

Subd. 11. [LOCAL LICENSES.] No political subdivision may require a local license to operate as a lottery retailer or impose a tax or fee on the business of operating as a lottery retailer.

Subd. 12. [REVOCATION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.] (a) The director may cancel the contract of any lottery retailer who:

(1) has been convicted of a felony or gross misdemeanor in any federal or state court;

(2) has committed fraud, misrepresentation, or deceit;

(3) has provided false or misleading information to the division; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the director in accordance with the director's rules;

(4) violates a law or a rule or order of the director;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to comply with bond requirements under this section; or

(7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer.

(c) The director may also cancel, suspend, or refuse to renew a lottery

retailer's contract if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the director may issue an order making the suspension permanent.

Sec. 7. [349A.07] [VENDOR CONTRACTS.]

Subdivision 1. [CONTRACTS AUTHORIZED.] The director may enter into contracts for the purchase, lease, or lease-purchase of the goods or services that are necessary for the purposes of this chapter. Any major procurement contract entered into by the director must be approved by the board. In entering into all contracts, the director shall utilize an open bid process and shall take into account the particularly sensitive nature of the state lottery and shall consider the competence, quality of product, experience, and timely performance of each potential vendor in order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery.

Subd. 2. [INVESTIGATION OF POTENTIAL VENDORS.] The director shall request the director of the bureau of criminal apprehension to investigate the background, financial responsibility, security, and integrity of any person who submits a bid, proposal, or offer as part of a major procurement contract issuance by the agency. The director may require the person making the bid, proposal, or offer to pay for the cost of the investigation. Any fee collected under this subdivision must be deposited into the state lottery fund. At the time of submitting any bid, proposal, or offer, the bidder shall disclose to the director the information the director considers necessary to carry out the purposes of this section. The director has access to all criminal history data compiled by the bureau of criminal apprehension on all vendors and potential vendors who have submitted a bid to the agency.

Subd. 3. [PERSONS INELIGIBLE FOR CONTRACT.] (a) The director may not enter into a major procurement contract with an applicant that has been convicted of a felony in a state or federal court, has been convicted of a gambling-related offense, or has been found guilty of any crime involving fraud or misrepresentation within the last five years.

(b) The director may not enter into a major procurement contract with an applicant that has a person who owns more than five percent of the stock in the applicant, a partner, officer, director, or a person in a supervisory or management capacity that does not meet the requirements of this subdivision.

(c) The restrictions under this subdivision do not apply to an applicant for a major procurement contract if the director determines that the applicant has terminated its relationship with the individuals whose actions directly contributed to the disqualification of the applicant under this

subdivision.

Subd. 4. [CONFLICT OF INTEREST.] The director may not enter into a contract with a person to supply goods or services if that person has an ownership interest in an entity that had supplied consultation services under a contract to the lottery regarding the request for proposal pertaining to those particular goods or services.

Subd. 5. [BOND.] (a) The director shall require securities to be deposited, or a performance bond or a letter of credit to be executed by the person or corporation that is awarded a major procurement contract in an amount as determined by the director.

(b) Any securities deposited with the director under this subdivision must be interest-bearing and limited to:

(1) certificates of deposit issued by a solvent bank or savings association organized and existing under the laws of this state or under the laws of the United States and having its principal place of business in this state;

(2) United States bonds, notes, and bills, for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and

(3) general obligation bonds of any political subdivision of this state, or corporate bonds of a corporation that is not an affiliate or subsidiary of the vendor, if the general obligation bonds or corporate bonds are rated in one of the four highest classifications by an established nationally recognized investment rating service.

(c) Any letter of credit executed under this subdivision must provide that:

(1) nothing more than a demand for payment is necessary for payment and is not conditional on the delivery of any other documents or materials;

(2) the letter of credit is irrevocable and cannot be modified or revoked without the consent of the director;

(3) the letter of credit cannot expire without notice from the issuer and the notice must occur at least 60 days before the expiration date of the letter of credit;

(4) the letter of credit is issued by a bank which is a member of the federal reserve system which has a long-term debt rating by a recognized national rating agency of investment grade or better;

(5) the letter of credit is unconditional, is not conditional upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreement, document, or entity; and

(6) the letter of credit designates the director as beneficiary.

Subd. 6. [EXEMPTIONS.] Major procurement contracts entered into by the director are not subject to the provisions of sections 16B.06 to 16B.102, provided that the director must utilize an open and competitive bid process for major procurement contracts, and as nearly as practicable follow the procedures of chapter 16B governing contracts, consistent with the provisions of this section.

Subd. 7. [ASSIGNMENT.] A contract entered into under this section may not be assigned without the specific written approval of the director.

Sec. 8. [349A.08] [LOTTERY PRIZES.]

Subdivision 1. [AGREEMENT BY PLAYERS.] A person who buys a lottery ticket agrees to be bound by the rules applicable to the particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket is a valid winning ticket is subject to the rules of the director, claims procedures established by the director for that game, and any confidential or public validation tests established by the director for that game.

Subd. 2. [PRIZES NOT ASSIGNABLE.] A prize in the state lottery is not assignable except as provided in subdivision 3 and except that:

(1) if a prize winner dies before the prize is paid, the director shall pay the prize to the prize winner's estate; and

(2) the director may pay a prize to a person other than the winner of that prize under an appropriate court order.

Subd. 3. [PRIZES WON BY PERSONS UNDER AGE 18.] The following provisions govern the payment of a lottery prize to a person under age 18:

(1) if the prize is less than \$5,000, the director may give a draft, payable to the order of the person under age 18, to the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family; and

(2) if the prize is \$5,000 or more, the director may deposit the prize in a financial institution to the credit of the person's parents, custodial parent if one parent has custody, guardian, or other adult member of the person's family.

Subd. 4. [DISCHARGE OF LIABILITY.] The payment of a prize by the director discharges the director and the state of all liability for the prize.

Subd. 5. [PAYMENT; UNCLAIMED PRIZES.] A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded. Any prize money not claimed at the end of this period must be added by the director to prize pools of subsequent lottery games and the winner of the prize shall have no further claim to the prize. A prize won by a person who purchased the winning ticket in violation of section 12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section.

Subd. 6. [INSTALLMENT PAYMENTS.] If the director decides to pay all or part of a prize in the form of installments over a period of years, the director shall provide for the payment of all installments by:

(1) entering into a contract with a financially responsible person or firm or by purchasing an annuity to provide for the payment of the installments; or

(2) establishing and maintaining as a separate and independent fund outside the state treasury a reserve account with sufficient funds for the payment of the installments as they become due.

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the director, or an employee of the agency, or a member of their families residing in the same household of the member,

director, or employee. No prize may be paid to an officer or employee of a division of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a major procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

Subd. 8. [WITHHOLDING OF DELINQUENT STATE TAXES OR CHILD SUPPORT.] The director shall report the name, address, and social security number of each winner of a lottery prize of \$1,000 or more to the department of revenue to determine whether the person that won the prize is delinquent in payment of state taxes and to the department of human services to determine whether the person is delinquent in court-ordered payment of child support. If the person is delinquent in payment of state taxes or court-ordered child support, the director shall withhold the delinquent amount from the person's prize for remittance to the department of revenue or to the appropriate person. If the winner of a prize is delinquent both in payments of state taxes and court-ordered child support, the amount remitted to the department of revenue or to the appropriate person shall be in proportion to the prize amount as is the amount owed by the winner.

Sec. 9. [349A.09] [LOTTERY ADVERTISING.]

Subdivision 1. [ODDS; REQUIRED INFORMATION.] The director shall include on each brochure, pamphlet, booklet, or other similar material the director publishes to promote or explain any lottery game, a prominent and clear statement of the chances of winning each prize offered in that lottery game. Each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the director of the odds of winning each prize in each game for which the lottery retailer sells tickets.

Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director may only:

(1) present factual information on how lottery games are played, prizes offered, where and how tickets may be purchased, and odds on the games advertised;

(2) identify state programs supported by lottery net revenues;

(3) present the lottery as a form of entertainment or recreation; or

(4) state the winning numbers or identity of winners of lottery prizes.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial or economic difficulties; or

(2) is specifically targeted with the intent to exploit specific groups or economic classes of people.

Sec. 10. [349A.10] [LOTTERY FUNDS.]

Subdivision 1. [FUND ESTABLISHED.] Money received by the director from the sale of lottery tickets must be deposited in the state treasury and credited to a state lottery fund.

Subd. 2. [PRIZES AND ADMINISTRATION.] (a) The amount necessary to pay the holders of winning lottery tickets, purchase and promote lottery games and game-related services, and make payments to lottery retailers is appropriated from the lottery fund to the director. All other expenses for the operation and administration of the lottery must be appropriated from the state lottery fund by direct appropriation of the legislature.

(b) The director shall determine the percentage of money in the state lottery fund to be allocated for payment of prizes in a fiscal year which may not be less than 45 percent of the gross revenues from the sale of lottery tickets.

Subd. 3. [DEPOSIT OF RECEIPTS.] (a) The director may require lottery retailers:

(1) to deposit in a separate account to the credit of the state lottery fund, in banks designated by the director, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes or sales discounts;

(2) to file with the director reports of the lottery retailer's receipts and transactions in ticket sales in a form that the director prescribes; and

(3) to allow money deposited by the lottery retailer from the sale of lottery tickets to be transferred to the agency through electronic fund transfer.

(b) The director may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the director within the time prescribed by the director shall pay interest on the amount owed at the rate determined by rule.

Subd. 4. [DETERMINATION OF NET PROCEEDS.] Within 30 days after the end of each month, the director shall determine the net proceeds from the lottery for that month. The net proceeds is determined by deducting from gross receipts to the lottery for that month and interest earned by the lottery:

(1) total prizes paid out in that month;

(2) an amount the director determines to be reasonably required to pay future prize obligations resulting from lottery drawings in that month;

(3) the value of lottery tickets returned or canceled;

(4) an amount sufficient to pay costs incurred for the operation and administration of the lottery;

(5) payments made for the purchase and promotion of lottery games and game-related services; and

(6) payments made to lottery retailers.

Sec. 11. [349A.11] [CONFLICT OF INTEREST.]

(a) The director, a board member, an employee of the agency, a member of the immediate family of the director, board member, or employee residing in the same household may not:

(1) purchase a lottery ticket;

(2) have any personal pecuniary interest in any vendor contracting with the state to supply services or gaming equipment or materials for use in the operation of the lottery, or in any lottery retailer; or

(3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.

(b) The director or an unclassified employee of the agency may not, within one year of terminating employment with the agency, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any major procurement contract or bid for a major procurement contract with the agency within a period of two years prior to the termination of their employment.

Sec. 12. [349A.12] [PROHIBITED ACTS.]

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy a ticket in the state lottery.

Subd. 2. [SALE TO MINORS.] A lottery retailer may not knowingly sell a ticket in the state lottery to any person under the age of 18 years.

Subd. 3. [PROHIBITED SALES.] (a) A person other than a lottery retailer may not sell a ticket in the state lottery.

(b) A lottery retailer may not sell a ticket for a price other than the price set by the director.

Subd. 4. [FRAUDULENT TICKETS.] A person may not:

(1) counterfeit or alter a state lottery ticket with intent to make a fraudulent claim for payment;

(2) knowingly present a counterfeit or altered state lottery ticket for payment;

(3) knowingly transfer a counterfeit or altered state lottery ticket to another person to present for payment; or

(4) conspire, aid, abet, or agree to aid another person or persons to claim a lottery prize by means of fraud, deceit, or misrepresentation.

Subd. 5. [FALSE STATEMENTS.] A person may not:

(1) make a false or misleading statement in a book or record required to be submitted under this chapter;

(2) willfully refuse to produce for inspection when required under this chapter a book, record, or document required to be maintained; or

(3) make a false or misleading statement in information submitted to the director in a lottery retailer's application or a document related to a bid.

Subd. 6. [ILLEGAL ACCESS.] (a) A person may not obtain access to a computer data base maintained by the director without the specific authorization of the director.

(b) A person may not obtain access to a computer data base maintained by a person under contract with the director to maintain the data base without the specific authorization of the director and the person maintaining the data base.

(c) A person may not attempt to violate paragraph (a) or (b), or conspire with, aid, abet, or agree to aid another person to violate or attempt to violate paragraph (a) or (b).

Subd. 7. [LOTTERY RETAILERS AND VENDORS.] A person who is a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the director, or a person under contract with the director to supply lottery games, equipment, or services may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the director, board member, employee of the lottery agency, or to a member of the immediate family residing in the same household as that person.

Subd. 8. [VIOLATION OF RULE.] A person may not violate a rule of the director adopted under this chapter.

Subd. 9. [EXCEPTIONS.] Nothing in this chapter prohibits giving a state lottery ticket as a gift, or buying a state lottery ticket as a gift for a person under the age of 18.

Subd. 10. [VIOLATIONS.] Violation of subdivision 1 or 2 is a misdemeanor. Violation of subdivision 3, 7, or 8 is a gross misdemeanor. Violation of subdivision 4, 5, or 6 is a felony.

Sec. 13. [349A.13] [RESTRICTIONS.]

The director may not:

(1) conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;

(2) install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and

(3) sell pull-tabs as defined under section 349.12, subdivision 10.

Sec. 14. [349A.14] [AUDIT.]

The director shall contract for an annual certified audit of all accounts and transactions of the lottery. The audit must be conducted by a certified public accountant in accordance with generally accepted accounting standards. The director shall file a copy of each audit report of the lottery with the governor and the legislature.

Sec. 15. [349A.15] [REPORT.]

The director shall file an annual report with the governor and legislature setting forth a complete statement of lottery revenues, administrative and operating costs, net revenues transferred under section 10, and other financial transactions for the period the report covers.

Sec. 16. [INITIAL DIRECTOR OF THE STATE LOTTERY.]

The governor shall appoint the initial director of the state lottery agency from the person or persons which are recommended to the governor by the governor's commission on the lottery which was appointed by the governor on December 8, 1988.

Sec. 17. [APPROPRIATION.]

Subdivision 1. [LOAN.] There is appropriated from the general fund to

the director of the state lottery the sum of \$ This appropriation is available until expended. The director shall reimburse the general fund from the lottery fund the amount appropriated under this subdivision by June 30, 1991.

Subd. 2. [COMPLEMENT.] The approved complement of the lottery division is

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 15 and 17 are effective July 1, 1989. Section 16 is effective the day following final enactment.

ARTICLE 2
MISCELLANEOUS

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) member of the legislature;
- (b) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) executive director of the state board of investment;
- (g) executive director of the Indian affairs intertribal board;
- (h) commissioner of the iron range resources and rehabilitation board;
- (i) director of mediation services;
- (j) deputy of any official listed in clauses (e) to (i);
- (k) judge of the workers' compensation court of appeals;
- (l) administrative law judge or compensation judge in the state office of administrative hearings or hearing examiner in the department of jobs and training;
- (m) solicitor general or deputy, assistant or special assistant attorney general;
- (n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research;
- (o) member or chief administrative officer of the metropolitan council, regional transit board, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission;

OF

or

(p) the director, deputy director, and assistant directors of the state lottery agency.

Sec. 2. Minnesota Statutes 1988, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

\$57,500-\$78,500

Commissioner of finance;
 Commissioner of education;
 Commissioner of transportation;
 Commissioner of human services;
 Commissioner of revenue;
Director, Minnesota state lottery;
 Executive director, state board of investment;

\$50,000-\$67,500

Commissioner of administration;
 Commissioner of agriculture;
 Commissioner of commerce;
 Commissioner of corrections;
 Commissioner of jobs and training;
 Commissioner of employee relations;
 Commissioner of health;
 Commissioner of labor and industry;
 Commissioner of natural resources;
 Commissioner of public safety;
 Commissioner of trade and economic development;
 Chair, waste management board;
 Chief administrative law judge; office of administrative hearings;
 Commissioner, pollution control agency;
 Commissioner, state planning agency;

Executive director, housing finance agency;

Executive director, public employees retirement association;

Executive director, teacher's retirement association;

Executive director, state retirement system;

Chair, metropolitan council;

Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;

Commissioner, department of public service;

Commissioner of veterans' affairs;

Commissioner, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board;

Ombudsman for corrections;

Ombudsman for mental health and retardation.

Sec. 3. Minnesota Statutes 1988, section 290.92, is amended by adding a subdivision to read:

Subd. 29. [LOTTERY PRIZES.] The director of the Minnesota state lottery shall deduct and withhold eight percent of the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, the term "winnings which are subject to withholding" has the meaning given in section 3402(q)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1988. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the director of the Minnesota state lottery with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment. The Minnesota state lottery is liable for the payment of the tax required to be withheld under this subdivision but is not liable to any person for the amount of the payment.

Sec. 4. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 42. [STATE LOTTERY TICKETS.] The gross receipts from the sale of tickets for the state lottery under chapter 349A are exempt.

Sec. 5. Minnesota Statutes 1988, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed

to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.

(c) *Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the state lottery under chapter 349A.*

Sec. 6. Minnesota Statutes 1988, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, *purchase or sale of tickets in the state lottery*, or gambling authorized under ~~chapter~~ *chapters 349 and 349A.*

Sec. 7. Minnesota Statutes 1988, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to ~~chapter~~ *chapters 240 and 349 or purchase of tickets in the state lottery under chapter 349A.*

Sec. 8. Minnesota Statutes 1988, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections

349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the charitable gambling control board or an organization exempt from licensing under section 349.214.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

(8) *The purchase and sale of state lottery tickets under chapter 349A.*

Sec. 9. Minnesota Statutes 1988, section 609.761, is amended to read:

609.761 [OPERATIONS PERMITTED.]

Subdivision 1. [LAWFUL GAMBLING.] Notwithstanding sections 609.755 and 609.76, an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to gambling; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law as Minnesota Statutes, chapter 349A."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 438, 200, 182, 247, 361 and 203 were read the second time.

MOTIONS AND RESOLUTIONS

Mrs. Lantry moved that her name be stricken as chief author, shown as a co-author, and the name of Mr. Lessard be added as chief author to S.F. No. 150. The motion prevailed.

Mr. Lessard moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 150. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Novak be added as a co-author to S.F. No. 401. The motion prevailed.

Mr. Beckman moved that his name be stricken as a co-author to S.F. No.

484. The motion prevailed.

Mr. Vickerman moved that his name be stricken as a co-author to S.F. No. 484. The motion prevailed.

Mr. Ramstad moved that the name of Mr. Beckman be added as a co-author to S.F. No. 494. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 629. The motion prevailed.

Mr. Pehler moved that the name of Mr. Solon be added as a co-author to S.F. No. 722. The motion prevailed.

Mr. Benson moved that the name of Mr. Pehler be added as a co-author to S.F. No. 724. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 738. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 739. The motion prevailed.

Messrs. Bertram, Beckman, Larson and Vickerman introduced—

Senate Resolution No. 54: A Senate resolution commemorating the VFW Ladies Auxiliary for their community service.

Referred to the Committee on Rules and Administration.

Mr. Berg moved that S.F. No. 182, on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 574 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 574: A bill for an act relating to natural resources; providing for a deficiency in the appropriation for emergency deer feeding; appropriating money.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S.F No. 112: A bill for an act relating to vocational rehabilitation: changing term "extended employment plan participants" to "workers": amending Minnesota Statutes 1988, section 129A.08, 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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F No. 686: A resolution memorializing the President and Congress to condemn the government of Iran because of its action against Salman Rushdie and to refuse efforts to return frozen Iranian assets to Iran.

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

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Knaak, Storm and Mrs. McQuaid introduced —

S.F No. 750: A bill for an act relating to individual income taxation; exempting wartime relocation restitution payments to Japanese-Americans

from taxation; amending Minnesota Statutes 1988, section 290.01, subdivision 19b.

Referred to the Committee on Taxes and Tax Laws.

Mr. Vickerman introduced—

S.F. No. 751: A bill for an act relating to taxation; allowing a special levy to the cities of Windom and Jackson to meet costs of operating municipal hospitals; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Solon, Metzen, Gustafson and Mehrkens introduced—

S.F. No. 752: A bill for an act relating to agriculture; appropriating money to discharge mandated grain inspection costs at Duluth; proposing coding for new law in Minnesota Statutes, chapter 17B.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Spear; Moe, R.D.; Luther; Merriam and Taylor introduced—

S.F. No. 753: A bill for an act relating to government operations; creating a drug abuse prevention resource council; providing for its membership, powers, and duties; appropriating money; amending Minnesota Statutes 1988, section 256.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 144; and 152.

Referred to the Committee on Judiciary.

Mr. Peterson, R.W. introduced—

S.F. No. 754: A bill for an act relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

Referred to the Committee on Agriculture and Rural Development.

Mrs. Brataas, Messrs. Gustafson, Larson, Frederick and Benson introduced—

S.F. No. 755: A bill for an act relating to unemployment compensation; regulating benefit requalification after voluntary quit or discharge for misconduct; amending Minnesota Statutes 1988, section 268.09, subdivision 1.

Referred to the Committee on Employment.

Mrs. Brataas, Messrs. Gustafson, Storm, Mehrkens and Anderson introduced—

S.F. No. 756: A bill for an act relating to workers' compensation; eliminating supplemental benefits for new claims; amending Minnesota Statutes 1988, section 176.132, subdivision 1.

Referred to the Committee on Employment.

Mr. Vickerman, Ms. Peterson, D.C.; Mrs. Lantry, Messrs. Diessner and Storm introduced—

S.F. No. 757: A bill for an act relating to occupations and professions; establishing the board of professional counseling; requiring professional counselors to be licensed; appropriating money; amending Minnesota Statutes 1988, sections 148A.01, subdivision 5; 148B.01, subdivision 6, and by adding a subdivision; 148B.02, subdivision 1; 148B.40, subdivision 3; 214.01, subdivision 2; 214.04, subdivision 3; and 609.341, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 148B.

Referred to the Committee on Health and Human Services.

Mrs. Pariseau introduced—

S.F. No. 758: A bill for an act relating to the Vermillion River watershed district; changing certain approval procedures.

Referred to the Committee on Environment and Natural Resources.

Messrs. Solon and Gustafson introduced—

S.F. No. 759: A bill for an act relating to capital improvements; appropriating money for the Duluth public marine terminal; authorizing sale of state bonds.

Referred to the Committee on Local and Urban Government.

Messrs. Knaak, Laidig, Mrs. McQuaid and Mr. Mehrkens introduced—

S.F. No. 760: A bill for an act relating to education; increasing the general education formula allowance; increasing the special education reimbursement; authorizing a levy for teacher retirement costs; appropriating money; amending Minnesota Statutes 1988, sections 124.32, subdivision 1b; 124A.22, subdivision 2; and 275.125, by adding a subdivision; repealing Minnesota Statutes 1988, sections 124A.22, subdivisions 7, 8, and 9; and 124A.23, subdivision 2a.

Referred to the Committee on Education.

Mr. Benson, Mmes. Brataas, Pariseau, Messrs. Storm and McGowan introduced—

S.F. No. 761: A bill for an act relating to individual income taxation; allowing a dependent care credit equal to the federal credit; repealing Minnesota Statutes 1988, section 290.067, subdivisions 2 and 2a.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Adkins, Mr. Gustafson and Mrs. Brataas introduced—

S.F. No. 762: A bill for an act relating to employment; setting the minimum wage for employees who receive gratuities; amending Minnesota Statutes 1988, section 177.24, subdivision 1.

Referred to the Committee on Employment.

Mmes. Pariseau, McQuaid, Messrs. Bernhagen, Laidig and Hughes introduced—

S.F. No. 763: A bill for an act relating to elections; defining expenses a candidate must pay for an optional recount; amending Minnesota Statutes 1988, sections 204C.35, subdivision 2; and 204C.36.

Referred to the Committee on Elections and Ethics.

Mr. Pehler introduced—

S.F. No. 764: A bill for an act relating to local government; changing conditions for the establishment and operation of special service districts in Sartell, Sauk Rapids, St. Cloud, Isle, Mora, Becker, and Waite Park; amending Laws 1985, chapter 301, sections 5, subdivision 5; 7, subdivision 1; 9; 12; and 13, subdivision 2; repealing Laws 1985, chapter 301, section 7, subdivision 4.

Referred to the Committee on Local and Urban Government.

Mr. Frederickson, D.R. introduced—

S.F. No. 765: A bill for an act relating to human services; creating an exception to the moratorium on certification of nursing home beds; amending Minnesota Statutes 1988, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Mr. Mehrkens introduced—

S.F. No. 766: A bill for an act relating to taxation; allowing a special levy to Goodhue county for a county historical society; amending Minnesota Statutes 1988, section 275.50, subdivision 5, and by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Freeman and Belanger introduced—

S.F. No. 767: A bill for an act relating to education; allowing school districts to use certain community education levies to purchase capital equipment; amending Minnesota Statutes 1988, section 275.125, subdivision 8.

Referred to the Committee on Education.

Messrs. Storm, Solon and Berg introduced—

S.F. No. 768: A bill for an act relating to crimes; authorizing imposition of the death penalty for murder in certain circumstances; providing a statutory framework, including procedures and criteria, consistent with due process for determining when the imposition of the death penalty is appropriate; requiring the court to select the mode of execution; providing for automatic appellate review of death penalty cases; providing for appointment of attorneys in death penalty cases; providing an administrative framework for implementing the death penalty; amending Minnesota Statutes 1988, sections 243.05, subdivision 1; 609.10; 609.12, subdivision 1; 609.135, subdivision 1; 609.185; 609.19; and 611.25, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 609A.

Referred to the Committee on Judiciary.

Mr. Belanger introduced—

S.F. No. 769: A bill for an act relating to torts; providing immunity against tort liability for any school district which is unable to obtain insurance for claims relating to asbestos or hazardous waste; amending Minnesota Statutes 1988, section 466.06.

Referred to the Committee on Judiciary.

Messrs. Storm and Anderson introduced—

S.F. No. 770: A resolution memorializing the President and Congress of the United States to take action to isolate Iran because of its barbarism.

Referred to the Committee on General Legislation and Public Gaming.

Messrs. DeCramer, Solon, Mrs. McQuaid, Messrs. Pehler and Benson introduced—

S.F. No. 771: A bill for an act relating to charitable gambling; authorizing and regulating the use of video pull-tab devices at certain locations; regulating manufacturers and distributors of these devices; providing a tax; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivision 15, and by adding subdivisions; 349.161, subdivisions 1, 2, 3, 5, and by adding subdivisions; 349.162, subdivision 2, and by adding subdivisions; 349.163, by adding a subdivision; 349.212, subdivision 4; 349.2121, subdivisions 1 and 10; 349.2122; and 349.30, subdivision 2; proposing coding for new law in chapter 349.

Referred to the Committee on General Legislation and Public Gaming.

Mrs. Pariseau, Messrs. Purfeerst; Frederickson, D.R.; Bernhagen and Mrs. Lantry introduced—

S.F. No. 772: A bill for an act relating to traffic regulations; providing that signs for handicapped parking spaces state penalty imposed for unlawful use; amending Minnesota Statutes 1988, section 169.346, subdivision 2.

Referred to the Committee on Transportation.

Messrs. Marty and Hughes introduced—

S.F. No. 773: A bill for an act relating to the city of Roseville; authorizing the city to use certain taxes to establish and operate a sports and recreation facility.

Referred to the Committee on Local and Urban Government.

Messrs. Marty and Hughes introduced—

S.F. No. 774: A bill for an act relating to economic development; appropriating money to plan a sports and recreation facility.

Referred to the Committee on Local and Urban Government.

Mr. Frank, Mrs. Brataas, Messrs. Chmielewski and Kroening introduced—

S.F. No. 775: A bill for an act relating to workers' compensation; requiring a report on recodification and simplification of the workers' compensation law; appropriating money.

Referred to the Committee on Employment.

Messrs. Solon, Metzen and Purfeerst introduced—

S.F. No. 776: A bill for an act relating to crimes; providing mandatory minimum penalties for aggravated robbery of a pharmacy; amending Minnesota Statutes 1988, section 609.245.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 777: A bill for an act relating to commerce; restraint of trade; providing an evidentiary presumption in resale price maintenance cases; proposing coding for new law in Minnesota Statutes, chapter 325D.

Referred to the Committee on Commerce.

Ms. Berglin introduced—

S.F. No. 778: A bill for an act relating to human services; authorizing general assistance medical care payments for patients in facilities determined to be institutions for mental diseases; creating an exception to negotiated rate facility limits for institutions for mental diseases.

Referred to the Committee on Health and Human Services.

Ms. Berglin, Mrs. Lantry, Messrs. Brandl, Solon and Knutson introduced—

S.F. No. 779: A bill for an act relating to human services; allowing for allocation of federal fiscal disallowances; amending date for rule adoption for family and group family foster care; permitting charges for postadoption services; permitting charges for searches involving original birth certificate information; amending Minnesota Statutes 1988, sections 256.01, subdivision 2; 256F05, subdivisions 2, 3, and 4; 257.071, subdivision 7; 259.47, subdivision 5; and 259.49, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 256E and 256F; repealing Minnesota Statutes 1988, section 256F05, subdivision 1.

Referred to the Committee on Health and Human Services.

Mr. Benson, Ms. Piper, Messrs. Taylor, Dicklich and Johnson, D.E. introduced—

S.F. No. 780: A bill for an act relating to capital improvements; providing for capital expenses in the Rochester area of southeastern Minnesota; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Education.

Mrs. Brataas, Messrs. Morse; Moe, R.D.; Mehrkens and Frederick introduced—

S.F. No. 781: A bill for an act relating to capital improvements; providing for capital expenses in the Rochester area of southeastern Minnesota; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Education.

Messrs. Hughes; Moe, R.D.; Waldorf; Pehler and Taylor introduced—

S.F. No. 782: A bill for an act relating to education; entering into the Midwestern Education Compact; proposing coding for new law in Minnesota Statutes, chapter 121; repealing Minnesota Statutes 1988, sections 121.843; 121.844; and 121.845.

Referred to the Committee on Education.

Mr. Solon introduced—

S.F. No. 783: A bill for an act relating to education; proposing a fifth year incentive plan for teachers in the Duluth school district.

Referred to the Committee on Education.

Messrs. Belanger, Solon, Samuelson, Mrs. Adkins and Mr. Anderson introduced—

S.F. No. 784: A bill for an act relating to commerce; prohibiting car rental companies from holding renters liable for damages, except under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 325E.

Referred to the Committee on Commerce.

Messrs. Belanger, Stumpf, Novak, Chmielewski and Larson introduced—

S.F. No. 785: A bill for an act relating to taxation; extending valuation and deferment of agricultural property taxes in certain instances; amending Minnesota Statutes 1988, section 273.111, subdivision 3.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bertram, Larson, Benson, Schmitz and Mrs. Adkins introduced—

S.F. No. 786: A bill for an act relating to sheriffs; allowing county boards to set sheriffs' fees; amending Minnesota Statutes 1988, section 357.09.

Referred to the Committee on Local and Urban Government.

Messrs. Waldorf, Brandl, Benson and Knutson introduced—

S.F. No. 787: A bill for an act relating to human services; establishing reporting requirements; defining the functions and responsibilities of the commissioner in supervising community social services administered by the counties; requiring the commissioner of human services to ensure compliance with applicable program laws and regulations; implementing corrective action plans; providing sanctions and establishing an incentive program;

amending Minnesota Statutes 1988, sections 245.482; 245.716; 245.73, subdivision 4; 252.275, subdivision 7; 256.01, subdivision 2; 256.72; 256.736, subdivision 15; 256.871, subdivision 6; 256.935, subdivision 1; 256B.05, subdivision 1; 256B.20; 256D.04; 256D.39; 256E.05, subdivision 3, and by adding subdivisions; 256E.08, subdivisions 1 and 8; 256F.06, subdivision 4; 256H.09, subdivision 1; and 257.3575, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Bertram, Vickerman, Samuelson and Ms. Berglin introduced—

S.F. No. 788: A bill for an act relating to corrections; providing that prisoners pay for medical expenses when they have the ability to pay; amending Minnesota Statutes 1988, section 641.15.

Referred to the Committee on Health and Human Services.

Mr. Vickerman, Ms. Berglin, Messrs. Spear, Renneke and Mrs. Adkins introduced—

S.F. No. 789: A bill for an act relating to child care; amending certain provisions of the child care fund; amending provisions of the child care resource and referral grant program; amending provisions of the child care services grant program; amending Minnesota Statutes 1988, sections 256H.01, subdivisions 1, 2, 7, 8, 11, and 12; 256H.02; 256H.03; 256H.05; 256H.07; 256H.08; 256H.09; 256H.10, subdivision 3, and by adding a subdivision; 256H.11; 256H.12; 256H.13; 256H.15; 256H.18; and 256H.20, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 256H; repealing Minnesota Statutes 1988, sections 245.83; 245.84; 245.85; 245.871; 245.872; 245.873; 256H.04; 256H.05, subdivision 4; 256H.06; and 256H.07, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Schmitz; Hughes; Johnson, D.E.; Luther and Mrs. McQuaid introduced—

S.F. No. 790: A bill for an act relating to local government; clarifying certain procedures for adoption of town optional plans of government; amending Minnesota Statutes 1988, sections 367.31, subdivisions 1, 2, 3, and 5; and 367.33, subdivisions 1 and 5.

Referred to the Committee on Elections and Ethics.

Mses. Peterson, D.C.; Olson; Messrs. Spear, Pogemiller and Ramstad introduced—

S.F. No. 791: A bill for an act relating to Hennepin county; permitting appropriations for the arts; proposing coding for new law in Minnesota Statutes, chapter 383B.

Referred to the Committee on Local and Urban Government.

Messrs. Luther and McGowan introduced—

S.F. No. 792: A bill for an act relating to retirement; volunteer firefighters; excluding volunteer firefighters serving with the Brooklyn Park fire department from the definition of public employee.

Referred to the Committee on Governmental Operations.

Mr. Davis introduced—

S.F. No. 793: A bill for an act relating to education; approving a capital loan to the Ogilvie school district.

Referred to the Committee on Education.

Ms. Berglin, Messrs. Benson, Waldorf and Moe, R.D. introduced—

S.F. No. 794: A bill for an act relating to human services; establishing a capital replacement fund for nursing homes; authorizing certain changes in the property costs for nursing homes; amending Minnesota Statutes 1988, section 256B.431, subdivisions 3f, 4, and by adding subdivisions; repealing Minnesota Statutes 1988, sections 256B.431, subdivision 3c.

Referred to the Committee on Health and Human Services.

Mr. Johnson, D.J. introduced—

S.F. No. 795: A bill for an act relating to retirement; authorizing benefit increases for retired Eveleth police officers, firefighters, and surviving spouses.

Referred to the Committee on Governmental Operations.

Mr. Laidig, Meses. Reichgott and Peterson, D.C. introduced—

S.F. No. 796: A bill for an act relating to education; prohibiting certain punishment in schools; providing for civil liability; proposing coding for new law in Minnesota Statutes, chapter 127.

Referred to the Committee on Education.

Messrs. Ramstad, Mehrkens and Pogemiller introduced—

S.F. No. 797: A bill for an act relating to education; requiring planning by post-secondary systems; appropriating money.

Referred to the Committee on Education.

Messrs. Hughes, Schmitz, Luther, Ms. Piper and Mr. Johnson, D.E. introduced—

S.F. No. 798: A bill for an act relating to elections; eliminating a penalty for issuing certain election certificates; amending Minnesota Statutes 1988, section 211A.05, subdivision 1.

Referred to the Committee on Elections and Ethics.

Messrs. Morse; Taylor; Frederickson, D.J.; Luther and Pogemiller introduced—

S.F. No. 799: A bill for an act relating to retirement; judges' retirement fund; providing coverage under the combined service annuity, disability, and survivor benefit provisions; amending Minnesota Statutes 1988, sections 356.30, subdivision 3; 356.302, subdivision 7; and 356.303, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Hughes; Peterson, R. W.; Ms. Olson and Mr. Knaak introduced—

S.F. No. 800: A bill for an act relating to education; providing matching grants to school districts for participation in the Center for Applied Research and Education Improvement; appropriating money.

Referred to the Committee on Education.

Mr. Luther introduced—

S.F. No. 801: A bill for an act relating to insurance; clarifying the applicability of the antitrust laws to the business of insurance; amending Minnesota Statutes 1988, sections 70A.14, by adding a subdivision; 72A.17; and 72A.29, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 72A; repealing Minnesota Statutes 1988, sections 70A.10; 70A.15; and 70A.21, subdivision 2.

Referred to the Committee on Commerce.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 2, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate