

TWENTY-SECOND DAY

St. Paul, Minnesota, Thursday, March 16, 1989

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

Prayer was offered by the Chaplain, Rev. Parry Paraschou.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Belanger, DeCramer, Kroening and Samuelson were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

February 24, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Metropolitan Council are hereby respectfully submitted to the Senate for confirmation as required by law:

Liz (Mary E.) Anderson, 914 Parkview, St. Paul, Ramsey County, has been appointed by me, effective February 25, 1989, for a term expiring

the first Monday in January, 1993.

James Senden, 507 - 17th Ave. N.W., New Brighton, Ramsey County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

Ken Kunzman, 15449 S. Ham Lake Dr., Ham Lake, Anoka County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

Margaret Schreiner, 1795 Monterey Ln., Eagan, Dakota County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Local and Urban Government.)

February 24, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Metropolitan Council are hereby respectfully submitted to the Senate for confirmation as required by law:

Dottie Rietow, 1317 Kilmer Ave. S., St. Louis Park, Hennepin County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

Mary Hauser, 616 Hall Ave., Birchwood, Washington County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

David Fisher, 5047 Gladstone Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

Dirk DeVries, 18600 Woolman Dr., Minnetonka, Hennepin County, has been appointed by me, effective February 25, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Local and Urban Government.)

March 3, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the Hazardous Substance Injury Compensation Board are hereby respectfully submitted to the Senate for confirmation as required by law:

John Phillips, 5604 Grand Ave. S., Minneapolis, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1995.

Debra McBride, 876 Westwind Dr., Little Canada, Ramsey County, has been appointed by me, effective February 1, 1989, for a term expiring the

first Monday in January, 1995.

(Referred to the Committee on Judiciary.)

Sincerely,
Rudy Perpich, Governor

March 9, 1989

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1989	Date Filed 1989
204		7	1124 hours March 9	March 9
574		8	1125 hours March 9	March 9
32		5	1853 hours March 9	March 9

Sincerely,
Joan Anderson Growe
Secretary of State

March 14, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 300.

Sincerely,
Rudy Perpich, Governor

March 14, 1989

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1989 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1989	Date Filed 1989
	113	9	1042 hours March 14	March 14
300		10	1144 hours March 14	March 14

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 300, 481, 937 and 664.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 13, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 300: A bill for an act relating to occupational safety and health; increasing certain penalties; proposing changes to the employee right-to-know act of 1984; amending Minnesota Statutes 1988, sections 182.651, subdivisions 7, 14, 15, and by adding a subdivision; and 182.653, subdivisions 4b, 4c, and 4f; repealing Minnesota Statutes 1988, section 182.651, subdivision 16.

Referred to the Committee on Employment.

H.F. No. 481: A bill for an act relating to the city of Mora; authorizing the city to negotiate certain contracts.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 546, now on General Orders.

H.F. No. 937: A bill for an act relating to commerce; uniform commercial code; providing a 20-day notice period for certain fixture filings; amending Minnesota Statutes 1988, section 336.9-313.

Referred to the Committee on Commerce.

H.F. No. 664: A bill for an act relating to local government; providing for the appointment of certain employees of the city of Minneapolis and special school district No. 1; amending Laws 1969, chapter 937, section 1, subdivision 9, as amended.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 591, now on General Orders.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 476. The motion prevailed.

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

S.F. No. 486: A bill for an act relating to juvenile justice; requiring reasonable efforts to prevent placement of children in need of protection

or services proceedings; amending duty of juvenile court to ensure placement prevention and family reunification; defining reasonable efforts; clarifying definitions, jurisdiction, and services for Indian children; requiring preference for racial or ethnic heritage for appointment of guardian ad litem; requiring consideration of reasonable efforts in factors determining neglect; requiring that a child be in imminent danger for detention; permitting social services to release for detention; requiring finding of reasonable efforts at detention; and imposing requirements for disposition case plans; amending Minnesota Statutes 1988, sections 260.012; 260.015, subdivisions 11, 13, 14, and by adding subdivisions; 260.111, by adding a subdivision; 260.135, subdivision 2; 260.141; 260.155, subdivisions 4 and 7; 260.165, subdivision 1; 260.171, subdivision 1; 260.172, subdivisions 1 and 4; 260.173, subdivision 2; 260.181, subdivision 2; and 260.191, subdivisions 1a and 1e.

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

Page 2, lines 12 and 13, delete "*appropriate and available*"

Page 2, line 13, after "*services*" insert "*that are appropriate and available, or may reasonably be developed,*"

Page 4, line 23, delete "*or*" and insert "*and*"

Page 4, line 34, delete "*trial*" and insert "*proceeding*"

Page 7, line 3, before "*when*" insert "*when a child is the subject of suspected physical or sexual abuse or*"

Page 7, line 23, after the first comma, insert "*subdivision 1,*"

Page 10, line 2, after "*(a)*" insert "*or clause (c)(2)*" and strike "*or had been found in*"

Page 10, line 3, strike the old language and delete the new language

Page 10, line 4, strike "*endanger the child's health or welfare,*"

Page 10, line 16, after the second comma, insert "*foster parent,*"

Page 11, line 15, before "*or*" insert "*foster parent,*" and after "*custodian*" insert "*, guardian ad litem,*"

Page 11, line 20, before "*or*" insert "*foster parent,*"

Page 11, line 23, after the period, insert "*Actions required of the child or the child's parent, guardian, foster parent, or custodian in the case plan must be limited to those reasonably necessary to remedy the circumstances that formed the basis of the adjudication that the child was in need of protection or services.*"

Page 11, after line 33, insert:

"(2) *any services or resources that were requested by the child or the child's parent, guardian, foster parent, or custodian since the date of initial adjudication, and whether those services or resources were provided or the basis for denial of the services or resources;*"

Page 11, line 34, delete "*(2)*" and insert "*(3)*"

Page 11, line 36, delete "*(3)*" and insert "*(4)*"

Page 12, line 2, delete "*(4)*" and insert "*(5)*"

Page 12, line 4, delete "(5)" and insert "(6)"

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

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

S.F. No. 468: A bill for an act relating to human services; clarifying methods of determining the cost of care rendered at state facilities; allowing the commissioner of human services to charge on a fee for service basis; clarifying responsibility for collection of the cost of care at state-operated, community-based programs for persons with mental retardation or related conditions; clarifying legislative intent to allow the commissioner of human services to continue to collect for cost of care of persons treated for chemical dependency at state facilities; amending Minnesota Statutes 1988, section 246.50, subdivisions 3, 4, and 5, and by adding a subdivision; repealing Minnesota Statutes 1988, section 246.50, subdivisions 3a, 4a, and 9.

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

Page 3, line 1, after the comma, insert "*depreciation of buildings and equipment,*"

Page 3, lines 5 and 6, delete "*cost on a per service charge,*" and insert "*a charge per service*"

Page 3, lines 7 and 8, delete "*, and a margin for working capital and projected capital needs*"

Page 3, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 1988, section 246.54, is amended to read:

246.54 [LIABILITY OF COUNTY; REIMBURSEMENT.]

Except for chemical dependency services provided under sections 254B.01 to 254B.09, the patient's or resident's county shall pay to the state of Minnesota a portion of the cost of care provided in a regional treatment center to a patient or resident legally settled in that county. A county's payment shall be made from the county's own sources of revenue and payments shall be paid as follows: payments to the state from the county shall equal ten percent of the ~~per capita rate~~ *cost of care*, as determined by the commissioner, for each day, or the portion thereof, that the patient or resident spends at a regional treatment center. If payments received by the state under sections 246.50 to 246.53 exceed 90 percent of the ~~per capita rate~~ *cost of care*, the county shall be responsible for paying the state only the remaining amount. The county shall not be entitled to reimbursement from the patient or resident, the patient's or resident's estate, or from the patient's or resident's relatives, except as provided in section 246.53. No such payments shall be made for any patient or resident who was last committed prior to July 1, 1947."

Amend the title as follows:

Page 1, line 13, delete "section" and insert "sections"

Page 1, line 14, delete "*, and by adding a subdivision*" and insert "*; and 246.54*"

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

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

S.F. No. 195: A bill for an act relating to human services; giving subpoena power to the ombudsman for mental health and retardation; requiring reporting of death or serious injury; amending Minnesota Statutes 1988, sections 245.91, by adding a subdivision; and 245.94, subdivision 1, and by adding a subdivision.

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

Page 1, line 24, after "*foreign*" insert "*substances and*" and delete "*a physician*"

Page 1, line 25, delete "*considers*" and insert "*are*"

Page 1, line 26, delete "*and*"

Page 1, after line 26, insert:

"(12) heat exhaustion or sun stroke; and"

Page 2, line 1, delete "*(12)*" and insert "*(13)*"

Page 2, line 36, after the period, insert "*Data obtained from a person under this paragraph are private data as defined in section 13.02, subdivision 12.*"

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

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

S.F. No. 342: A bill for an act relating to health; requiring a person to be licensed to perform radon work; regulating radon testing and mitigation work; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326.

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

Delete everything after the enacting clause and insert:

"Section 1. [326.83] [TITLE.]

Sections 326.83 to 326.89 may be cited as the "radon research and remediation act."

Sec. 2. [326.84] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 326.83 to 326.89, the following terms have the meanings given them in this section.

Subd. 2. [PERSON.] "Person" means any individual, partnership, association, private corporation, or other private business entity.

Subd. 3. [RADON.] "Radon" means the radioactive noble gas radon-222 and the short-lived radionuclides that are products of radon-222 decay, including polonium-218, lead-214, bismuth-214, and polonium-214.

Sec. 3. [326.85] [DUTIES OF THE COMMISSIONER OF HEALTH.]

Subdivision 1. [RADON EDUCATION.] (a) The commissioner of health shall establish and maintain a toll-free number to provide information about radon. The commissioner of health shall also hold public meetings and publish material the commissioner of health determines is necessary to inform the public about radon. The commissioner of health shall make written materials about radon testing and remediation available to realtors, builders, public libraries, building code enforcement officials, hardware stores, and home improvement stores for free distribution.

(b) The commissioner of health must make available technical information the commissioner of health determines is necessary or useful to help assure testing, building, and mitigation practices that will accurately identify radon levels and will help reduce or abate radon problems. The commissioner of health must distribute this information to radon mitigation companies, builders, radon testing companies, and local officials.

(c) The commissioner of health may charge a fee for educational materials based on the cost of producing the materials.

Subd. 2. [RADON RESEARCH.] (a) The commissioner of health shall undertake research and publish the results of the research in the following areas:

- (1) radon mitigation techniques for single-family homes;*
- (2) soil gas testing to determine radon source levels;*
- (3) radon testing procedures for schools, licensed day care centers, and publicly owned residential facilities;*
- (4) testing and remediation techniques for apartment buildings and other multiple-family dwellings with particular emphasis on below-grade units;*
- (5) health risk assessments using varying exposure levels and lengths of exposure;*
- (6) the estimation of long-term radon and radon daughter product levels;*
- (7) radon levels in selected public buildings; and*
- (8) other subjects the commissioner of health determines require research.*

(b) To the extent possible, consistent with the objectives of the research, homes of low-income residents shall be selected for research under this subdivision. Studies conducted by the commissioner of health may not duplicate work available from the federal government or from other sources. The commissioner of health may establish priorities among the areas of research listed in this subdivision.

Sec. 4. [326.86] [STATE PLUMBING CODE.]

The commissioner of administration, in consultation with the commissioner of health, shall adopt changes to the state plumbing code that the commissioner of administration finds are necessary to minimize infiltration of soil gas into buildings. The changes shall be adopted within six months after federal standards are adopted.

Sec. 5. [326.87] [STATE BUILDING CODE.]

The commissioner of administration shall adopt changes to the state building code that the commissioner of administration finds are needed to

minimize the accumulation of excess levels of radon in buildings. The changes shall be adopted within six months after federal standards are adopted.

Sec. 6. [326.88] [REPORT OF RADON TEST DATA.]

A person who conducts radon tests in Minnesota must submit a copy of the test results to the department of health. The test results need not include the name of the property owner but must include the street address of the building. The street addresses of buildings for which data is collected under this section are nonpublic data. A government agency may share the data, including street addresses, with other government agencies.

Sec. 7. [326.89] [MANDATORY TESTING.]

Public and private schools and licensed day care centers must conduct an initial screening test for radon by July 1, 1991. The commissioner of administration may by rule require additional testing.

Sec. 8. [STUDY.]

The commissioner of administration shall study the feasibility and necessity of consumer protection measures in the area of radon testing and mitigation, including a review of certification and licensure, education and experience requirements for testers and mitigators, standards for testing and remediation, and other issues identified by the commissioner. The commissioner shall report to the legislature by December 1, 1989, with the results of the study and recommendations regarding legislative action.

Sec. 9. [APPROPRIATIONS.]

Subdivision 1. \$100,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 1.

Subd. 2. \$235,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (1).

Subd. 3. \$240,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (2).

Subd. 4. \$18,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (3).

Subd. 5. \$255,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (4).

Subd. 6. \$40,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (5).

Subd. 7. \$47,500 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (6).

Subd. 8. \$9,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 3, subdivision 2, paragraph (a), clause (7).

Subd. 9. \$60,000 is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, to carry out the requirements of section 6.

Subd. 10. The department of health complement is increased by . . . persons.

Subd. 11. \$ is appropriated from the general fund to the commissioner of administration for the biennium ending June 30, 1991, to carry out the requirements of sections 4, 5, and 8."

Delete the title and insert:

"A bill for an act relating to health; requiring the commissioner of health to conduct radon research and engage in educational activities; requiring amendments to the state plumbing code and building code to minimize exposure to radon; requiring a study; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 326."

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

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

S.F. No. 748: A bill for an act relating to human services; establishing state child mortality review panel; authorizing the state to require local reviews; protecting data generated by the review panel as confidential and nondiscoverable; clarifying neglect or endangerment of a child; amending Minnesota Statutes 1988, sections 256.01, by adding a subdivision; 609.378; 626.556, subdivision 2; and 626.558.

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

Page 1, after line 10, insert:

"Section 1. [145.898] [SUDDEN INFANT DEATH.]

The commissioner of health shall develop uniform guidelines and protocols for coroners and medical examiners conducting death scene investigations and autopsies of children under two years of age who die suddenly under circumstances that might be attributed to sudden infant death syndrome."

Page 2, line 3, delete "and" and after "providers" insert ", and educators"

Page 2, after line 36, insert:

"Sec. 3. Minnesota Statutes 1988, section 383B.225, is amended by adding a subdivision to read:

Subd. 14. [SUDDEN INFANT DEATH.] If a child under the age of two years dies suddenly and unexpectedly under circumstances indicating that the death may have been caused by sudden infant death syndrome, the county medical examiner or designated pathologist shall conduct a complete autopsy and notify the child's parents or guardian that an autopsy is required to establish the cause of death as sudden infant death syndrome. If an autopsy reveals that sudden infant death syndrome is the cause of death, that fact must be stated in the autopsy report. The parents or guardian of the child shall be promptly notified of death and of the availability

of counseling services.

Sec. 4. Minnesota Statutes 1988, section 390.11, subdivision 10, is amended to read:

Subd. 10. [SUDDEN INFANT DEATH.] *If a child under the age of two years dies suddenly and unexpectedly under circumstances indicating that the death may have been caused by sudden infant death syndrome, the coroner, medical examiner, or personal physician or designated pathologist shall conduct a complete autopsy and notify the child's parents or guardian that an autopsy is essential required to establish the cause of death as sudden infant death syndrome. If an autopsy reveals that sudden death syndrome is the cause of death, that fact must be stated in the autopsy report. The parents or guardian of the child shall be promptly notified of the cause of death and of the availability of counseling services.*

Sec. 5. Minnesota Statutes 1988, section 390.32, is amended by adding a subdivision to read:

Subd. 11. [SUDDEN INFANT DEATH.] *If a child under the age of two years dies suddenly and unexpectedly under circumstances indicating that the death may have been caused by sudden infant death syndrome, the coroner, medical examiner, or designated pathologist shall conduct a complete autopsy and notify the child's parents or guardian that an autopsy is required to establish the cause of death as sudden infant death syndrome. If an autopsy reveals that sudden infant death syndrome is the cause of death, that fact must be stated in the autopsy report. The parents or guardian of the child shall be promptly notified of death and of the availability of counseling services."*

Page 3, line 15, after the period, insert *"If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment or care is "health care," for purposes of this clause."*

Page 3, line 24, delete *"substantial"*

Page 3, line 26, delete *"(a)"*

Page 3, lines 32 to 35, delete the new language and strike the old language

Page 3, line 36, strike *"as used in"* and delete *"subdivision 1, paragraph (a),"* and strike *"clause"* and delete *"(1)"* and strike the period

Page 4, line 34, after the first comma, insert *"in lieu of medical care,"*

Page 5, line 2, strike *"10"* and insert *"2a"* and strike *"(e)"* and insert *"(5)"*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert *"requiring an autopsy in cases involving sudden death of an infant; requiring the commissioner of health to develop uniform procedures for coroner and medical examiner investigations relating to sudden deaths of infants;"*

Page 1, line 8, after the first semicolon, insert *"383B.225, by adding a subdivision; 390.11, subdivision 10; 390.32, by adding a subdivision;"*

Page 1, line 9, before the period, insert *"; proposing coding for new*

law in Minnesota Statutes, chapter 145"

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

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

H.F. No. 512: A bill for an act relating to local government; authorizing towns to require a bond or other security in establishing cartways; amending Minnesota Statutes 1988, section 164.08, subdivision 2.

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

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

S.F. No. 643: A bill for an act relating to peace officers; establishing reimbursement program for purchases of soft body armor by and for peace officers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A.

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

Page 1, delete lines 10 and 11 and insert:

"(b) "Peace officer" means a person who is licensed under section 626.84, subdivision 1, paragraph (c)."

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

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

S.F. No. 128: A bill for an act relating to veterans; requiring the commissioner of veterans affairs to provide certain grave markers; appropriating money; amending Minnesota Statutes 1988, section 197.23.

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

Page 1, line 11, reinstate the stricken language

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

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

S.F. No. 700: A bill for an act relating to the military; enacting financial incentives for members of the national guard; creating cash bonus and tuition reimbursement programs; appropriating money; providing that the appropriations for the national guard cash bonus and tuition assistance programs are available until expended and that the appropriation for one program may be used for the other; amending Laws 1988, chapter 686, section 21.

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

as follows:

Page 1, line 11, after "1." insert "[192.50]"

Page 1, line 14, delete "\$100" and insert "\$300"

Page 3, line 31, strike "\$100" and insert "\$300"

Page 6, delete section 5

Amend the title as follows:

Page 1, line 9, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 192"

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

Mr. Dicklich from the Committee on Public Utilities and Energy, to which was referred

S.F. No. 879: A bill for an act relating to public safety; providing for authority to regulate pipelines; imposing penalties; amending Minnesota Statutes 1988, sections 116I.01, subdivision 3; 116I.05; 216D.01, subdivisions 9 and 10, and by adding a subdivision; 299F.56, subdivisions 5 and 6a; 299F.57; 299F.59, subdivision 1; 299F.60; 299F.61; 299F.62; 299F.63; 299F.631; 299F.641; 299J.01; 299J.03, subdivision 2; 299J.04; 299J.06, subdivision 2; 299J.08; 299J.10; 299J.11; 299J.12; and 299J.16; proposing coding for new law in Minnesota Statutes, chapter 216D; repealing Minnesota Statutes 1988, sections 299J.05 and 299J.09.

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

Page 2, delete lines 30 to 35 and insert:

"Subdivision 1. [PENALTY.] A person who is engaged in excavation for remuneration or an operator other than an operator subject to section 11 who violates sections 216D.01 to 216D.07 is subject to a civil penalty to be imposed by the commissioner not to exceed \$500 for each violation per day of violation."

Page 3, delete lines 18 to 30

Page 4, line 11, delete *"the district in the state of Minnesota"* and insert *"district court in the district"*

Page 4, line 12, after *"business"* insert *"in the state"*

Page 7, line 6, strike *"(a)"* and insert *"(1)"*

Page 7, line 9, strike *"(b)"* and insert *"(2)"*

Page 7, line 10, strike the second *"and"*

Page 7, line 11, strike *"(c)"* and insert *"(3)"*

Page 7, line 14, before the period, insert *": and"*

(4) comply with sections 216D.01 to 216D.07, the one call excavation notice system"

Page 20, line 5, strike *"at times"*

Page 20, line 6, before *"specified"* insert *"as"*

Page 21, after line 17, insert:

"Sec. 21. Minnesota Statutes 1988, section 299J.05, is amended to read:
299J.05 [PIPELINE SETBACK ORDINANCE.]

(a) The commissioner shall adopt a model ordinance under chapter 14 requiring a setback from pipelines in areas where residential or other development is allowed. The model ordinance must apply only to new development and not to development that has occurred, or for which development permits have been issued, before the effective date of the ordinance.

(b) By August 1, ~~1989~~ 1991, each statutory or home rule charter city, town, or county that has planning and zoning authority under sections 366.10 to 366.19, 394.21 to 394.37, or 462.351 to 462.365, and in which a pipeline is located, shall adopt a pipeline setback ordinance that meets or exceeds the minimum standards of the model ordinance and is approved by the commissioner. The model ordinance applies in a jurisdiction where the local governmental unit does not adopt a setback ordinance that is approved by the commissioner by August 1, ~~1989~~ 1991."

Page 25, line 28, delete "*sections 299J.05 and 299J.09, are*" and insert "*section 299J.09, is*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "299J.04;" insert "299J.05;"

Page 1, line 13, delete "sections 299J.05 and" and insert "section"

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

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

S.F. No. 852: A bill for an act relating to transportation; changing distribution of highway user taxes; authorizing use of state park road account to improve and maintain town roads that provide immediate access to state parks and campgrounds; increasing motor vehicle license tax on older vehicles; increasing dealer's motor vehicle tax; eliminating use of dealer plates by other family members; providing for annual adjustment of gasoline tax rate; reducing shrinkage allowance; transferring an additional ten percent of motor vehicle excise tax receipts for highways and transit; authorizing sale of state transportation bonds; appropriating money; amending Minnesota Statutes 1988, sections 161.081; 161.082, subdivision 2a; 162.06, subdivision 5; 168.013, subdivision 1a; 168.27, subdivision 16; 296.02, subdivision 1b, and by adding a subdivision; 296.14, subdivision 1; and 297B.09, subdivision 1; Laws 1979, chapter 280, sections 1 and 2, as amended.

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

Page 3, after line 26, insert:

"Sec. 4. Minnesota Statutes 1988, section 162.081, subdivision 1, is amended to read:

Subdivision 1. [ACCOUNT CREATED.] A town road account is created in the county state-aid highway fund, consisting of ~~37 percent of the amounts~~

transferred from the county turnback account as provided in section 161.082."

Pages 5 to 7, delete section 5

Pages 8 and 9, delete section 8

Page 11, line 14, delete "10" and insert "9"

Page 13, line 4, delete "*Sections 1 to 11 are*" and insert "*This act is*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the first semicolon

Page 1, delete line 8

Page 1, line 9, delete "members;"

Page 1, line 10, delete "reducing shrinkage allowance;"

Page 1, line 15, after the second semicolon, insert "162.081, subdivision 1;"

Page 1, line 16, delete everything after the first semicolon

Page 1, line 18, delete "296.14, subdivision 1;"

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

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

S.F. No. 38: A bill for an act relating to taxation; requiring a registration certificate for park trailers; imposing a registration tax on park trailers; requiring owners of unregistered park trailers to pay property tax; imposing motor vehicle excise tax on park trailers; providing that motor vehicle dealers may sell park trailers; amending Minnesota Statutes 1988, sections 168.011, subdivisions 4 and 8; 168.012, subdivision 9; 168.013, subdivision 1, and by adding a subdivision; 168.053, subdivision 2; 168.27, subdivision 1; and 297B.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 168.011, subdivision 4, is amended to read:

Subd. 4. [MOTOR VEHICLE.] (a) "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles ~~and~~, manufactured homes, *and park trailers*.

(b) "Motor vehicle" also includes an all-terrain vehicle, as defined in section 84.92, subdivision 8, which (1) has at least four wheels, (2) is owned and operated by a physically handicapped person, and (3) displays both physically handicapped license plates and a physically handicapped certificate issued under section 169.345, subdivision 3.

(c) Motor vehicle does not include an all-terrain vehicle as defined in section 84.92, subdivision 8; except (1) an all-terrain vehicle described in paragraph (b), or (2) an all-terrain vehicle licensed as a motor vehicle before August 1, 1985, in which case the owner may continue to license it as a motor vehicle until it is conveyed or otherwise transferred to another owner, is destroyed, or fails to comply with the registration and licensing requirements of this chapter.

Sec. 2. Minnesota Statutes 1988, section 168.011, subdivision 8, is amended to read:

Subd. 8. [MANUFACTURED HOME AND HOUSE TRAILER; PARK TRAILER; TRAVEL TRAILER.] (a) ~~"Manufactured home" means any trailer or semitrailer which is designed, constructed, and equipped for use as a human dwelling place, living abode, or living quarters except house trailers has the meaning given it in section 327.31, subdivision 6.~~

(b) ~~"House trailer" means any trailer or semitrailer which is not more than eight feet in width and not more than 35 feet in length and which is designed, constructed, and equipped for use as a human dwelling place, living abode, or living quarters. "Park trailer" means a trailer or manufactured home that:~~

~~(1) exceeds eight feet in width but is no larger than 400 square feet when the collapsible components are fully extended or at maximum horizontal width; and~~

~~(2) is used as temporary living quarters.~~

(c) ~~"Travel trailer" means a trailer, mounted on wheels, that is designed to provide temporary living quarters during recreation, camping, or travel, does not require a special highway movement permit based on its size or weight when towed by a motor vehicle, and has a gross trailer area of less than 320 square feet.~~

Sec. 3. Minnesota Statutes 1988, section 168.011, subdivision 22, is amended to read:

Subd. 22. [SPECIAL MOBILE EQUIPMENT.] "Special mobile equipment" means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: ditch digging apparatus, moving dollies and other machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck-tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carryalls, scrapers, power shovels, drag lines, self-propelled cranes and earth moving equipment. The term does not include ~~house~~ travel trailers, dump trucks, truck mounted transit mixers, truck mounted feed grinders or other motor vehicles designed for the transportation of persons or property to which machinery has been attached.

Sec. 4. Minnesota Statutes 1988, section 168.011, subdivision 25, is amended to read:

Subd. 25. [RECREATIONAL EQUIPMENT.] (a) "Recreational equipment" means ~~house~~ travel trailers including those which telescope or fold down, chassis mounted campers, house cars, motor homes, tent trailers, slip in campers, and converted buses that provide temporary human living quarters. A vehicle is considered to provide temporary living quarters if it:

- (1) is not used as the residence of the owner or occupant;
- (2) is used for temporary living quarters by the owner or occupant while engaged in recreational or vacation activities; and
- (3) is self-propelled or towed on the public streets or highways incidental to the recreational or vacation activities.

(b) For the purposes of this subdivision, a motor home means a unit designed to provide temporary living quarters, built into as an integral part of, or permanently attached to, a self-propelled motor vehicle chassis or van. A motor home must contain permanently installed independent life support systems which meet the American National Standards Institute standard number A119.2 for recreational vehicles and provide at least four of the following facilities, two of which must be from the systems listed in clauses (1), (5), and (6): (1) cooking facility with liquid propane gas supply, (2) refrigerator, (3) self-contained toilet or a toilet connected to a plumbing system with connection for external water disposal, (4) heating or air conditioning separate from the vehicle engine, (5) a potable water supply system including a sink with faucet either self-contained or with connections for an external source, and (6) separate 110-125 volt electrical power supply. For purposes of this subdivision, "permanently installed" means built into or attached as an integral part of a chassis or van, and designed not to be removed except for repair or replacement. A system which is readily removable or held in place by clamps or tie downs is not permanently installed.

Motor homes include but are not limited to, the following:

(1) Type A Motor Home — a raw chassis upon which is built a driver's compartment and an entire body that provides temporary living quarters as defined in this paragraph;

(2) Type B Motor Home — a van-type vehicle that conforms to the motor home definition in this paragraph and has been completed or altered by the final stage manufacturer; and

(3) Type C Motor Home — an incomplete vehicle upon which is permanently attached a body designed to provide temporary living quarters as defined in this paragraph.

(c) Slip in campers are mounted into a pickup truck in the pickup box, either by bolting through the floor of the pickup box or by firmly clamping to the side of the pickup box. The vehicle must be registered as a passenger automobile.

Sec. 5. Minnesota Statutes 1988, section 168.012, subdivision 8, is amended to read:

Subd. 8. Every passenger automobile, ~~house~~ travel trailer, other than manufactured homes, or passenger car utility trailer duly registered in any foreign state, district, territory or country and displaying all license number plates or like insignia required by the laws of such state, district, territory or country shall be exempt from the provisions of this chapter during the first 60 days of residence of the owner in this state; provided that if the 60-day period expires after the 15th day of any month, the remainder of that month shall be deemed to be within the 60-day period and provided further that any such vehicles shall become subject to the provisions of this chapter immediately upon transfer of the ownership of such vehicles or upon expiration of the registration.

Sec. 6. Minnesota Statutes 1988, section 168.012, subdivision 9, is amended to read:

Subd. 9. Manufactured homes shall not be taxed as motor vehicles using the public streets and highways and shall be exempt from the motor vehicle tax provisions of this chapter. Except as provided in section 274.19, manufactured homes shall be taxed as personal property. The provisions of Minnesota Statutes 1957, section 272.02 or any other act providing for tax exemption shall be inapplicable to manufactured homes, except such manufactured homes as are held by a licensed dealer and exempted as inventory. ~~House~~ *Travel trailers not used on the highway conspicuously displaying current registration plates during any calendar year shall be taxed as manufactured homes if occupied as human dwelling places. A park trailer that does not conspicuously display a current registration receipt required by section 10 shall be taxed as personal property.*

Sec. 7. Minnesota Statutes 1988, section 168.013, subdivision 1, is amended to read:

Subdivision 1. [IMPOSITION.] Motor vehicles, except as set forth in section 168.012, using the public streets or highways in the state, *and park trailers*, shall be taxed in lieu of all other taxes thereon, except wheelage taxes, so-called, which may be imposed by any city as provided by law, and except gross earnings taxes paid by companies subject or made subject thereto, and shall be privileged to use the public streets and highways, on the basis and at the rate for each calendar year as hereinafter provided.

Sec. 8. Minnesota Statutes 1988, section 168.013, is amended by adding a subdivision to read:

Subd. 1j. [PARK TRAILERS.] Park trailers shall be taxed annually on the basis of total gross weight at 30 percent of the Minnesota base rate prescribed in subdivision 1e, but in no event less than \$5.

Sec. 9. Minnesota Statutes 1988, section 168.053, subdivision 2, is amended to read:

Subd. 2. Notwithstanding any provisions of subdivision 1 inconsistent herewith the provisions of sections 168.053 to 168.057 shall also apply to the delivery of new ~~house~~ *travel trailers, park trailers*, manufactured homes, sectional buildings, and semitrailers by towing methods whether or not the power unit is a part of the combination being delivered.

Sec. 10. [168.093] [REGISTRATION OF PARK TRAILERS.]

The motor vehicle registrar shall issue a registration receipt for a park trailer on payment of annual registration tax but may not issue license plates or other insignia. The receipt must be in the form prescribed by the commissioner and must provide the name and address of the owner, the dimensions of the park trailer, and other information required by the registrar.

Sec. 11. Minnesota Statutes 1988, section 168.181, subdivision 1, is amended to read:

Subdivision 1. Notwithstanding any provision of law to the contrary or inconsistent herewith the registrar of motor vehicles with the approval of the attorney general is hereby empowered to make agreements with the duly authorized representatives of the other states, District of Columbia, territories and possessions of the United States or arrangements with foreign countries or provinces exempting the residents of such other states,

districts, territories and possessions and foreign countries or provinces using the public streets and highways of this state from the payment of any or all motor vehicle taxes or fees imposed by this chapter, subject to the following conditions and limitations:

(1) Upon condition that the exemption provided herein shall be operative as to a motor vehicle owned by a nonresident only to the extent that under the laws of the state, district, territory or possession or foreign country or province of residence like exemptions are granted to motor vehicles registered under the laws and owned by residents of Minnesota.

(2) Upon condition that any such motor vehicle so operated in this state by any such nonresident shall at all times carry and display all license number plates or like insignia required by the laws of the state, district, territory or possession or foreign country or province of residence.

(3) Upon condition that the exemptions provided herein shall not apply to a passenger automobile or ~~house~~ *travel* trailer owned by a resident of any state, district, territory or possession or foreign country or province temporarily residing in this state while gainfully employed on the same job for a period of six months or more.

(4) Upon condition that the exemptions provided herein shall not apply to motor vehicles owned by nonresidents including any foreign corporation and used for carrying on intrastate commerce within this state. Such nonresident or foreign corporation shall be required to register each such vehicle and pay the same tax and penalties if any therefor as is required with reference to like vehicles owned by residents of Minnesota.

(5) Upon condition that the exemption provided herein shall not apply to a truck, tractor, truck-tractor, or semitrailer, except two-wheeled trailers of less than 3,000 pounds carrying capacity; if

(a) The class of its registration does not permit to it a statewide operation in the state of its registration, or if

(b) The registration fee or tax for which it is registered is computed on a mileage basis, or if

(c) Its gross weight exceeds the gross weight for which it is registered in the state, district, territory or possession, or foreign country or province of its registration.

(6) Upon condition that nonresident owners of commercial vehicles, including trucks, truck-tractors, trailers, semitrailers and buses domiciled in a foreign state, district, territory or possession or foreign country or province, and bringing such vehicles into the state of Minnesota for the purpose of doing interstate business shall be required to comply with all the laws and regulations as to payment of taxes applicable to like vehicles owned by Minnesota residents unless the state, district, territory or possession or foreign country or province grants full reciprocity privileges comparable to that extended by sections 168.181 to 168.231. In the event a state, district, territory or possession or foreign country or province is not fully reciprocal as to taxes or fees on commercial vehicles or buses operated in interstate commerce, then in that event such owners of foreign commercial vehicles or buses shall be required to pay a tax in an amount similar to the tax of whatever character assessed by such other state, district, territory or possession or foreign country or province against vehicles registered in Minnesota and operated in interstate commerce in that state,

district, territory or possession or foreign country or province. It is further provided that such owners of foreign commercial vehicles and buses subject to registration under the provisions of this paragraph shall make application for a permit in which shall be set forth the conditions for operation of such vehicles in this state.

Sec. 12. Minnesota Statutes 1988, section 168.27, subdivision 1, is amended to read:

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

(1) "Leasing motor vehicles" means furnishing a motor vehicle for a fee under a bailor-bailee relationship where no incidences of ownership are intended to be transferred other than the right to use the vehicle for a stated period of time.

(2) "Brokering motor vehicles" means arranging sales between willing buyers and sellers of motor vehicles and receiving a fee for said service.

(3) "Wholesaling motor vehicles" means selling new or used motor vehicles to dealers for resale to the public.

(4) "Auctioning motor vehicles" means arranging for and handling the sale of motor vehicles, not the property of the auctioneer, to the highest bidder.

(5) "Dealer" includes new motor vehicle dealers, used motor vehicle dealers, wholesalers, auctioneers, lessors of new or used motor vehicles, scrap metal processors, used vehicle parts dealers, and salvage pools.

(6) "Commercial building" means a permanent, enclosed building that is on a permanent foundation and connected to local sewer and water facilities or otherwise complying with local sanitary codes, is adapted to commercial use, and conforms to local government zoning requirements. "Commercial building" may include strip office malls or garages if a separate entrance and a separate address are maintained and the dealership is clearly identified as a separate business.

(7) "Commercial office space" means office space occupying all or part of a commercial building.

(8) "Horse trailer" is a trailer designed and used to carry horses and other livestock, which has not more than three axles and a maximum gross weight capacity of not more than 24,000 pounds.

(9) "Isolated or occasional sales or leases" means the sale or lease of not more than five motor vehicles in a 12-month period, exclusive of pioneer or classic motor vehicles as defined in section 168.10, subdivisions 1a and 1b, or sales by a licensed auctioneer selling motor vehicles at an auction if, in the ordinary course of the auctioneer's business, the sale of motor vehicles is incidental to the sale of other real or personal property.

(10) "Used motor vehicle" means a motor vehicle for which title has been transferred from the person who first acquired it from the manufacturer, distributor, or dealer. A new motor vehicle will not be considered a used motor vehicle until it has been placed in actual operation and not held for resale by an owner who has been granted a certificate of title on the motor vehicle and has registered the motor vehicle in accordance with this chapter and chapters 168A and 297B, or the laws of the residence of the owner.

(11) "New motor vehicle" means a motor vehicle other than described in paragraph (10).

(12) "Junked vehicle" means a vehicle that is graded and stamped as a "class D" total loss vehicle under section 168A.151.

(13) *"Motor vehicle" has the meaning given it in section 168.011, subdivision 4, and also includes a park trailer as defined in section 168.011, subdivision 8.*

Sec. 13. Minnesota Statutes 1988, section 168A.01, subdivision 21, is amended to read:

Subd. 21. "Special mobile equipment" means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway, including but not limited to: Ditch digging apparatus, well boring apparatus, moving dollies, sawing machines, corn shellers, and road construction and maintenance machinery such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth moving carryalls and scrapers, power shovels and drag lines, and self-propelled cranes and earth moving equipment. The term does not include ~~house~~ travel trailers, dump trucks, truck mounted transit mixers, truck mounted feed grinders, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

Sec. 14. Minnesota Statutes 1988, section 169.34, is amended to read:
169.34 [PROHIBITIONS; STOPPING, PARKING.]

No person shall stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

- (1) On a sidewalk;
- (2) In front of a public or private driveway;
- (3) Within an intersection;
- (4) Within ten feet of a fire hydrant;
- (5) On a crosswalk;
- (6) Within 20 feet of a crosswalk at an intersection;
- (7) Within 30 feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway;
- (8) Between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless a different length is indicated by signs or markings;
- (9) Within 50 feet of the nearest rail of a railroad crossing;
- (10) Within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance when properly signposted;
- (11) Alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic;
- (12) On the roadway side of any vehicle stopped or parked at the edge

or curb of a street;

(13) Upon any bridge or other elevated structure upon a highway or within a highway tunnel, except as otherwise provided by ordinance;

(14) At any place where official signs prohibit stopping.

No person shall move a vehicle not owned by such person into any prohibited area or away from a curb such distance as is unlawful.

No person shall, for camping purposes, leave or park a ~~house~~ *travel* trailer on or within the limits of any highway or on any highway right-of-way, except where signs are erected designating the place as a camp site.

No person shall stop or park a vehicle on a street or highway when directed or ordered to proceed by any peace officer invested by law with authority to direct, control, or regulate traffic.

Sec. 15. Minnesota Statutes 1988, section 169.67, subdivision 4, is amended to read:

Subd. 4. [SERVICE BRAKES ON ALL WHEELS; EXCEPTIONS.] Every motor vehicle, trailer, or semitrailer, manufactured after June 30, 1988, and operated upon the highways shall be equipped with service brakes upon all wheels of every such vehicle, except mobile cranes not exceeding 45 miles per hour and capable of stopping within the performance standards of subdivision 5, and except that any motorcycle, any semitrailer of less than 1,500 pounds gross weight, a third wheel, of a swivel type, on a ~~house~~ *travel* trailer, a temporary auxiliary axle attached to a motor vehicle during the period of road restrictions for the purpose of relieving weight of another axle, when the temporary auxiliary axle and the axle to be relieved do not exceed the combined gross weight of 18,000 pounds, and the vehicle to which such temporary axle is attached meets the brake requirements of this section, need not be equipped with brakes; and except, further, that brakes are not required on the front wheels of vehicles manufactured before July 1, 1988, having three or more axles or upon more than one wheel of a motorcycle provided the brakes on the other wheels are adequate to stop the vehicle in accordance with the braking performance requirements of subdivision 5.

Sec. 16. Minnesota Statutes 1988, section 169.75, subdivision 1, is amended to read:

Subdivision 1. [NUMBER REQUIRED.] No person shall operate any motor vehicle towing a ~~house~~ *travel* trailer, any passenger bus or any other motor vehicle or combination of vehicles of an actual gross weight or manufacturer's rated gross weight of more than 10,000 pounds at any location upon an interstate highway or freeway or upon any other highway outside of a business or residence district at any time from a half hour after sunset to a half hour before sunrise, unless there shall be carried in such vehicle the following equipment except as otherwise provided in subdivision 2.

At least three flares or three red electric lanterns or three emergency reflective triangles or three portable red reflector devices, each of which shall be capable of being seen and distinguished at a distance of 500 feet under normal atmospheric conditions at nighttime.

Sec. 17. Minnesota Statutes 1988, section 169.75, subdivision 3, is amended to read:

Subd. 3. [FLAGS AND REFLECTORS.] No person shall operate any motor vehicle towing a ~~house travel~~ trailer, any passenger bus or any other motor vehicle or combination of vehicles of an actual gross weight or manufacturer's rated gross weight of more than 10,000 pounds at any location upon any interstate highway or freeway or upon any other highway outside of a business or residence district unless there shall be carried in such vehicle at least three emergency reflective triangles or two red, yellow or orange flags not less than 12 inches square which shall be displayed at any time from one-half hour before sunrise to one-half hour after sunset under circumstances which would require the use of warning lights at night and in the manner and position governing the use of warning lights as prescribed in subdivision 5, except a flag or reflector is not required to be displayed at the ten foot distance.

Sec. 18. Minnesota Statutes 1988, section 171.01, subdivision 18, is amended to read:

Subd. 18. [~~HOUSE TRAVEL TRAILER AND MANUFACTURED HOME.~~] (a) "~~House Travel~~ trailer" means any trailer or semitrailer designed and used for human living quarters, ~~and meeting that meets~~ all of the following qualifications:

- (1) Is not used as the residence of the owner or occupant;
- (2) Is used for temporary living quarters by the owner or occupant while engaged in recreational or vacation activities; *and*
- (3) Is towed on the public streets or highways incidental to such recreational or vacation activities.

The term "~~house travel~~ trailer" shall not include bunkhouses, so called, temporarily mounted on trailers, and manufactured homes. Such bunkhouses, exclusive of the trailer and manufactured homes, shall be listed and taxed as personal property as provided by law.

(b) "Manufactured home" means any trailer or semitrailer which is designed, constructed, and equipped for use as a human dwelling place, living abode, or living quarters except ~~house travel~~ trailers.

Sec. 19. Minnesota Statutes 1988, section 171.02, subdivision 2, is amended to read:

Subd. 2. [VOLUNTEER FIREFIGHTERS; TRUCKS AND EMERGENCY EQUIPMENT; MIDMOUNT AERIAL LADDER TRUCK.] Drivers' licenses shall be classified according to the types of vehicles which may be driven by the holder of each type or class of license. The commissioner may, as appropriate, subdivide the classes listed in this subdivision and issue licenses classified accordingly. No class of license shall be valid to operate a motorcycle or school bus unless so endorsed. There shall be three general classes of licenses as follows:

(a) Class C; valid for all farm trucks as defined in section 168.011, subdivision 17, operated by the owner or an immediate family member or an employee not primarily employed for the purpose of operating the farm truck or employed for the purpose of operating the farm truck during harvest for the first, continuous transportation of agricultural products from the place of production or on farm storage site to any other location within 50 miles of the place of the production or on farm storage site, fire trucks and emergency fire equipment, regardless of the number of axles, and whether or not in excess of 26,000 pounds GVW, driven or operated by volunteer

firefighters while on duty, and all single unit two-axle vehicles not in excess of 26,000 pounds GVW including vehicles with a temporary auxiliary axle as defined in section 169.67, subdivision 4. Holder may also tow trailers under 10,000 pounds GVW including ~~house~~ *travel* trailers. Buses as defined under this chapter may not be driven by a holder of a class C license. A person employed as a tiller operator by a fire department may drive the rear portion of a midmount aerial ladder truck with a class C license.

(b) Class B; valid for all vehicles in class C and all other single unit vehicles including buses.

(c) Class A; valid for any vehicle or combination thereof.

Sec. 20. Minnesota Statutes 1988, section 297B.01, subdivision 5, is amended to read:

Subd. 5. "Motor vehicle" means any self-propelled vehicle not operated exclusively upon railroad tracks and any vehicle propelled or drawn by a self-propelled vehicle and includes vehicles known as trackless trolleys which are propelled by electric power obtained from overhead trolley wires but not operated upon rails, except snowmobiles, for which registration is required by chapter 168, but not including ~~house~~ *travel* trailers or manufactured homes. *For purposes of taxation only under this section, "motor vehicle" includes a park trailer as defined in section 168.011, subdivision 8, paragraph (b)."*

Delete the title and insert:

"A bill for an act relating to taxation; regulating travel trailers; requiring a registration certificate for park trailers; imposing a registration tax on park trailers; requiring owners of unregistered park trailers to pay property tax; imposing motor vehicle excise tax on park trailers; providing that motor vehicle dealers may sell park trailers; amending Minnesota Statutes 1988, sections 168.011, subdivisions 4, 8, 22, and 25; 168.012, subdivisions 8 and 9; 168.013, subdivision 1, and by adding a subdivision; 168.053, subdivision 2; 168.181, subdivision 1; 168.27, subdivision 1; 168A.01, subdivision 21; 169.34; 169.67, subdivision 4; 169.75, subdivisions 1 and 3; 171.01, subdivision 18; 171.02, subdivision 2; and 297B.01, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 168."

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. 701: A bill for an act relating to insurance; requiring coverage for child health supervision and prenatal services; clarifying certain definitions; amending Minnesota Statutes 1988, section 62A.047.

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

Page 1, line 12, before "shall" insert "*health maintenance contract regulated under chapter 62D, or health benefit certificate regulated under chapter 64B,*"

Page 1, line 20, delete the new language

Page 2, line 14, strike the first comma and insert "*and*" and strike "*delivery, and*" and delete "*60 days of*" and strike "*postpartum*"

Page 2, line 15, delete “care”

Page 2, line 16, after the first comma, insert “and”

Page 2, line 17, strike everything after the first comma

Page 2, line 18, strike everything before “as”

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. 916: A bill for an act relating to consumer protection; regulating landscape application contracts; providing penalties and remedies; proposing coding for new law in Minnesota Statutes, chapter 325F

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

Page 2, delete lines 11 to 18

Renumber the subdivisions in sequence

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. 332: A bill for an act relating to game and fish; open season for walleyed pike on the Rainy River; amending Minnesota Statutes 1988, section 97C.403, subdivision 3.

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

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

S.F. No. 476: A bill for an act relating to game and fish; prohibiting harassment of hunters and anglers; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

Page 1, line 9, delete the first comma and insert “or” and delete “, or”

Page 1, line 10, delete “dissuade” and delete everything after “animal”

Page 1, line 11, delete “doors”

Page 1, line 22, delete “enter or remain” and insert “be”

Page 1, line 23, before “on” insert “be”

Page 1, delete lines 24 and 25

Page 2, delete lines 1 to 7 and insert:

“Subd. 4. [PEACE OFFICER OR ENFORCEMENT OFFICER ORDER.]
A person must obey the order of a peace officer or enforcement officer to stop the harassing conduct that violates subdivision 1, 2, or 3 if the officer:

(1) *observes the conduct; or*

(2) *has reasonable grounds to believe that the person has engaged in harassing conduct or that the person intends to engage in harassing conduct."*

Amend the title as follows:

Page 1, line 3, delete everything before the second semicolon and insert "persons taking wild animals"

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

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

S.F. No. 280: A bill for an act relating to natural resources; allowing counties to authorize predator control; setting payment rates for fox that are taken; suspension of certain trespass laws to allow taking of fox if authorized by county resolution; authorizing a bounty on fox; requiring proof of fox killed; appropriating money; amending Minnesota Statutes 1988, sections 97B.001, by adding a subdivision; 97B.671; 348.12; and 348.13.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 97B.001, is amended by adding a subdivision to read:

Subd. 9. [SUSPENSION OF CERTAIN TRESPASS LAWS.] Notwithstanding subdivision 2, a person may enter nonposted agricultural land on foot to take fox during the months of January and February."

Delete the title and insert:

"A bill for an act relating to natural resources; suspension of certain trespass laws to allow taking of fox during certain periods; amending Minnesota Statutes 1988, section 97B.001, by adding a subdivision."

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. 271: A bill for an act relating to game and fish; contents of firearms safety course for young hunters; amending Minnesota Statutes 1988, section 97B.015, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 97B.015, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT] The commissioner shall make rules establishing a statewide course in the safe use of firearms *and identification*

of wild mammals and birds. At least one course must be held within the boundary of each school district. The courses must be conducted by the commissioner in cooperation with other organizations. The courses must instruct youths in commonly accepted principles of safety in hunting and handling common hunting firearms *and identification of various species of wild mammals and birds by sight and other unique characteristics."*

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. 281: A bill for an act relating to agriculture; allowing nuisance free, pollution free, aesthetic disposal of solid waste on agricultural land by a person engaged in farming; requiring the pollution control agency to notify the commissioner of agriculture and hold public hearings on rules affecting farming operations; amending Minnesota Statutes 1988, section 116.07, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 14.115, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "small business" means a business entity, including *farming and other agricultural operations* and its affiliates, that (a) is independently owned and operated; (b) is not dominant in its field; and (c) employs fewer than 50 full-time employees or has gross annual sales of less than \$4,000,000. For purposes of a specific rule, an agency may define small business to include more employees if necessary to adapt the rule to the needs and problems of small businesses.

Sec. 2. [17.135] [FARM DISPOSAL OF SOLID WASTE.]

A permit is not required from a state agency, except under sections 88.16 and 88.17, for a person who owns or operates land used for farming that buries, or burns and buries, solid waste generated from the person's household or as part of the person's farming operation if the burying is done in a nuisance free, pollution free, and aesthetic manner on the land used for farming. This exception does not apply if there is regularly scheduled pickup of solid waste available at the person's farm.

Sec. 3. Minnesota Statutes 1988, section 116.07, subdivision 4, is amended to read:

Subd. 4. [RULES AND STANDARDS.] Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, chapter 1046, for the prevention, abatement, or control of air pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or

standards may relate to sources or emissions of air contamination or air pollution, to the quality or composition of such emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or to any other matter relevant to the prevention, abatement, or control of air pollution.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, chapter 1046, for the collection, transportation, storage, processing, and disposal of solid waste and the prevention, abatement, or control of water, air, and land pollution which may be related thereto, and the deposit in or on land of any other material that may tend to cause pollution. The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic suitability of land, the volume and rate of application of sewage sludge of various degrees of intrinsic hazard, design of facilities, and operation of facilities and sites. The agency shall promulgate emergency rules for sewage sludge pursuant to sections 14.29 to 14.36. Notwithstanding the provisions of sections 14.29 to 14.36, the emergency rules shall be effective until permanent rules are promulgated or March 1, 1982, whichever is earlier. Any such rule or standard may be of general application throughout the state or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to collection, transportation, processing, disposal, equipment, location, procedures, methods, systems or techniques or to any other matter relevant to the prevention, abatement or control of water, air, and land pollution which may be advised through the control of collection, transportation, processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of any other material that may tend to cause pollution. By January 1, 1983, the rules for the management of sewage sludge shall include an analysis of the sewage sludge determined by the commissioner of agriculture to be necessary to meet the soil amendment labeling requirements of section 17.716.

Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the pollution control agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the pollution control agency.

Pursuant to chapter 14, the pollution control agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for generators of hazardous waste, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and the location of hazardous waste facilities. A rule or standard may be of general application throughout the state or may be limited as to

time, places, circumstances, or conditions. In implementing its hazardous waste rules, the pollution control agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

The pollution control agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

In addition to the provisions under section 14.115, before the pollution control agency adopts or repeals rules that affect farming operations, the agency must provide a copy of the proposed rule change and a statement of the effect of the rule change on farming operations to the commissioner of agriculture for review and comment and hold public meetings in agricultural areas of the state.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day after final enactment."

Amend the title as follows:

Page 1, line 8, delete "section" and insert "sections 14.115, subdivision 1; and"

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

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

S.F. No. 94: A bill for an act relating to insurance; regulating insurance information collection, use, disclosure, access, and correction practices; requiring reasons for adverse underwriting decisions; amending Minnesota Statutes 1988, section 72A.20, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 72A.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 72A.20, subdivision 11, is amended to read:

Subd. 11. [APPLICATION TO CERTAIN SECTIONS.] Violating any provision of the following sections of this chapter not set forth in this section shall constitute an unfair method of competition and an unfair and deceptive act or practice: sections 72A.12, subdivisions 2, 3, and 4, 72A.16, subdivision 2, 72A.03 and 72A.04, 72A.08, subdivision 1, as modified by ~~section~~ sections 72A.08, subdivision 4, 72A.201, sections 2 to 17, and 65B.13.

Sec. 2. [72A.49] [SHORT TITLE.]

Sections 2 to 17 may be cited as the "Minnesota fair information reporting act."

Sec. 3. [72A.491] [DEFINITIONS.]

Subdivision 1. [APPLICATION.] For the purposes of sections 2 to 17, the following terms shall have the meanings given to them.

Subd. 2. [ADVERSE UNDERWRITING DECISION.] "Adverse underwriting decision" means any of the following actions with respect to insurance transactions involving insurance coverage which is individually underwritten:

(1) denial, in whole or in part, of coverage which was requested in writing to the insurer;

(2) termination or reduction of insurance coverage or policy;

(3) failure of an insurance agent to apply for coverage with a specific insurer which the agent represents and which is specifically requested by an applicant;

(4) placement by an insurer or insurance agent of a risk with a residual market mechanism, an unauthorized insurer, or an insurer which specializes in substandard risks;

(5) charging a higher rate on the basis of information which differs from that which the applicant or policyholder furnished for property or casualty coverage;

(6) an offer to insure at higher than standard rates for life, health, or disability coverage; or

(7) the rescission of a policy.

Subd. 3. [AFFILIATE OR AFFILIATED.] "Affiliate" or "affiliated" means a person who directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with another person.

Subd. 4. [APPLICANT.] "Applicant" means any person who seeks to contract for insurance coverage from an insurer.

Subd. 5. [CONSUMER REPORT.] "Consumer report" means any written, oral, or other communication of information bearing on a person's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used in connection with an insurance transaction.

Subd. 6. [CONSUMER REPORTING AGENCY.] "Consumer reporting agency" means any person who:

(1) regularly engages, in whole or in part, in the practice of assembling or preparing consumer reports for a monetary fee;

(2) obtains information primarily from sources other than insurers; and

(3) furnishes consumer reports to other persons.

Subd. 7. [CONTROL.] "Control," "controlled by," or "under common control with" means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract other than a commercial contract for goods or nonmanagement services, or otherwise, unless the power is the result of an official position with or corporate office held by the person.

Subd. 8. [HEALTH CARE INSTITUTION.] "Health care institution" means any facility or institution that is licensed to provide health care services to natural persons.

Subd. 9. [HEALTH PROFESSIONAL.] "Health professional" means any person licensed or certified to provide health care services to natural persons.

Subd. 10. [HEALTH RECORD INFORMATION.] "Health record information" means personal information which:

(1) relates to an individual's physical or mental condition, health history, or health treatment; and

(2) is obtained from a health professional or health care institution, from the individual, or from the individual's spouse, parent, legal guardian, or other person.

Subd. 11. [INDIVIDUAL.] "Individual" means any natural person who:

(1) in the case of property or casualty insurance is a past, present, or proposed named insured or certificate holder;

(2) in the case of life, health, or disability insurance is a past, present, or proposed principal insured or certificate holder;

(3) is a past, present, or proposed policy owner;

(4) is a past or present applicant;

(5) is a past or present claimant; or

(6) derived, derives, or is proposed to derive insurance coverage under an insurance policy or certificate subject to this act.

Subd. 12. [INSURANCE-SUPPORT ORGANIZATION.] (a) "Insurance-support organization" means any person who regularly engages, in whole or in part, in the practice of assembling or collecting information about persons for the primary purpose of providing the information to an insurer or insurance agent for insurance transactions, including:

(1) the furnishing of consumer reports or investigative consumer reports to an insurer or insurance agent for use in connection with an insurance transaction; and

(2) the collection of personal information from insurers, insurance agents, or other insurance-support organizations for the purpose of detecting or preventing fraud, material misrepresentation, or material nondisclosure in connection with insurance underwriting or insurance claim activity.

(b) Insurance-support organizations do not include insurance agents, government institutions, insurers, health care institutions, or health professionals.

Subd. 13. [INSURANCE TRANSACTION.] "Insurance transaction" means any transaction which involves:

(1) the determination of an individual's eligibility for an insurance coverage, benefit, or payment; or

(2) the servicing of an insurance application, policy, contract, or certificate.

Subd. 14. [INSURER.] "Insurer" means any insurance company, risk retention group as defined under section 60E.02, service plan corporation

as defined under section 62C.02, health maintenance organization as defined under section 62D.02, fraternal benefit society regulated under chapter 64B, township mutual company regulated under chapter 67A, joint self-insurance plan or multiple employer trust regulated under chapter 60F, 62H, or section 471.617, subdivision 2, and persons administering a self-insurance plan as defined under section 60A.23, subdivision 8, paragraph (2), clauses (a) and (d).

Subd. 15. [INSURER WHICH SPECIALIZES IN SUBSTANDARD RISKS.] "Insurer which specializes in substandard risks" means an insurer whose rates and market orientation are directed at risks other than preferred or standard risks.

Subd. 16. [INVESTIGATIVE CONSUMER REPORT.] "Investigative consumer report" means a consumer report or portion thereof in which information about a person's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with the person's neighbors, friends, associates, acquaintances, or others who may have knowledge concerning these items of information.

Subd. 17. [PERSONAL INFORMATION.] "Personal information" means any individually identifiable information gathered in connection with an insurance transaction from which judgments can be made about an individual's character, habits, avocations, finances, occupation, general reputation, credit, health, or any other personal characteristics. The term includes the individual's name and address and health record information, but does not include privileged information. "Personal information" does not include health information maintained by a health maintenance organization as defined under section 62D.02, subdivision 4, in its capacity as a health provider.

Subd. 18. [POLICYHOLDER.] "Policyholder" means any individual who is a present named insured, a present policyowner, or a present group certificate holder.

Subd. 19. [PRIVILEGED INFORMATION.] (a) "Privileged information" means any individually identifiable information that:

(1) relates to a claim for insurance benefits or a civil or criminal proceeding; or

(2) is collected in connection with or in reasonable anticipation of a claim for insurance benefits or civil or criminal proceeding.

(b) Information otherwise meeting the definition of privileged information under paragraph (a) shall be considered personal information if it is disclosed in violation of section 14.

Subd. 20. [RESIDUAL MARKET MECHANISM.] "Residual market mechanism" means an association, organization, or other entity created under the laws of this state for the purpose of providing insurance coverage to any person who is unable to obtain coverage through ordinary methods in the normal insurance markets.

Subd. 21. [TERMINATION OF INSURANCE COVERAGE OR POLICY.] "Termination of insurance coverage" or "termination of an insurance policy" means either a cancellation or nonrenewal of an insurance policy, in whole or in part, for any reason other than the failure to pay a premium as required by the policy.

Subd. 22. [UNAUTHORIZED INSURER.] "Unauthorized insurer" means an insurance company that has not been granted a certificate of authority by the commissioner to transact the business of insurance in this state.

Sec. 4. [72A.492] [SCOPE.]

Subdivision 1. [COVERED POLICIES.] The obligations imposed by sections 2 to 17 apply to insurers, insurance agents, and insurance-support organizations which:

- (1) collect, receive, or maintain information in connection with insurance transactions which pertains to persons who are residents of this state; or*
- (2) engage in insurance transactions with applicants, individuals, or policyholders who are residents of this state.*

Subd. 2. [COVERED PERSONS.] The rights granted by sections 2 to 17 extend to:

- (1) a person who is a resident of this state and is the subject of information collected, received, or maintained in connection with an insurance transaction; and*
- (2) a person who is a resident of this state and engages in or seeks to engage in an insurance transaction.*

Subd. 3. [EXCEPTIONS.] (a) Sections 2 to 17 do not apply to information collected from the public records of a governmental authority and maintained by an insurance company or its representatives for the purpose of insuring the title to real property located in this state.

(b) Nothing in sections 2 to 17 gives a patient access to the health records pertaining to the patient maintained by the patient's health provider, or gives the patient the right to alter or amend those health records unless otherwise provided by law.

(c) Sections 2 to 17 do not apply to any insurance transactions involving property and casualty insurance primarily for business or professional needs.

Sec. 5. [72A.493] [OBTAINING INFORMATION BY IMPROPER MEANS.]

No insurer, insurance agent, or insurance-support organization may obtain information or authorize another person to obtain information in connection with an insurance transaction by:

- (1) pretending to be someone he or she is not;*
- (2) pretending to represent a person he or she is not in fact representing;*
- (3) misrepresenting the true purpose of the interview; or*
- (4) refusing to identify himself or herself upon request.*

Sec. 6. [72A.494] [NOTICE.]

Subdivision 1. [REQUIRED.] Each insurer or insurance agent shall provide a notice relating to information practices to each applicant or policyholder in the manner and at the time required by this section.

Subd. 2. [EXEMPTION.] A notice is not required to be provided under this section for:

- (1) a group policy or contract that is not individually underwritten; or*

(2) a renewal, reinstatement, or a change in benefits for a policy or contract if no personal information is to be collected other than from the applicant or policyholder, or from public records.

Subd. 3. [TIMING.] (a) In the case of an application for insurance coverage, the notice must be provided to the applicant or policyholder no later than the time application is made for the coverage, renewal, reinstatement, or change in benefits.

(b) If personal information is to be collected only from the applicant or from public records, the notice may be provided at the time of delivery of the policy or the certificate.

Subd. 4. [CONTENT OF NOTICE.] The notice required by this section must be in writing and state:

(1) whether personal information may be collected from persons other than the individual or individuals proposed for coverage;

(2) the types of personal information that may be collected and the types of sources and investigative techniques that may be used to collect the information;

(3) the types of disclosures of personal information that may be made under section 13 and the circumstances under which the disclosures may be made without prior authorization; except that, only those circumstances which occur with such frequency as to indicate a general business practice must be described;

(4) a description of the rights established under sections 9 and 10 and the manner in which those rights may be exercised; and

(5) that information obtained from a report prepared by an insurance-support organization may be retained by the insurance-support organization and disclosed to other persons.

Subd. 5. [ABBREVIATED NOTICE.] In lieu of the notice required under subdivision 3, the insurer or insurance agent may provide an abbreviated notice informing the applicant or policyholder that:

(1) personal information may be collected from persons other than the person or persons proposed for coverage;

(2) the information collected by the insurer or insurance agent may in certain circumstances be disclosed to third parties without authorization;

(3) the person has a right to see their personal records and correct personal information collected; and

(4) the person will be furnished the detailed notice required under subdivision 3 upon request.

Subd. 6. [OTHER COMPANIES OR AGENCIES ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.

Sec. 7. [72A.495] [MARKETING AND RESEARCH SURVEYS.]

An insurer or insurance agent shall clearly specify any questions designed to obtain information solely for marketing or research purposes from an individual in connection with an insurance transaction, and state that responses to the questions are not required to obtain coverage.

Sec. 8. [72A.496] [INVESTIGATIVE CONSUMER REPORTS.]

Subdivision 1. [NOTICE.] An insurer, insurance agent, or insurance-support organization may not prepare or request an investigative consumer report about an individual in connection with an insurance transaction involving an application for insurance, a policy renewal, a policy reinstatement, or a change in insurance benefits unless the insurer or insurance agent informs the person:

(1) that the individual may request to be interviewed in connection with the preparation of the investigative consumer report; and

(2) that upon a request pursuant to section 9, the individual is entitled to receive a copy of the investigative consumer report.

Subd. 2. [REPORTS PREPARED BY INSURERS.] If an investigative consumer report is to be prepared by an insurer or insurance agent, the insurer or insurance agent shall institute reasonable procedures to conduct a personal interview requested by an individual.

Subd. 3. [REPORTS PREPARED BY INSURANCE-SUPPORT ORGANIZATIONS.] If an investigative consumer report is to be prepared by an insurance-support organization, the insurer or insurance agent desiring the report shall inform the insurance-support organization whether a personal interview has been requested by the individual. The insurance-support organization shall institute reasonable procedures for conducting an interview, if requested.

Sec. 9. [72A.497] [ACCESS TO PERSONAL INFORMATION.]

Subdivision 1. [REQUEST.] (a) If an individual, after proper identification, submits a written request to an insurer, insurance agent, or insurance-support organization for access to personal information about the individual, the insurer, insurance agent, or insurance-support organization shall within 30 business days from the date the request is received:

(1) inform the individual of the nature and substance of the personal information that they possess in writing, by telephone, or by other oral communication, whichever the insurer, insurance agent, or insurance-support organization elects;

(2) permit the individual to see and copy, in person, the personal information pertaining to that person;

(3) permit the individual to obtain by mail a copy of the entire personal information or a reasonably described portion thereof, whichever the individual requests;

(4) disclose to the individual the identity of those persons to whom the insurer, insurance agent, or insurance-support organization has disclosed the personal information within two years prior to the request; and

(5) provide the individual with a summary of the procedures by which the person may request correction, amendment, or deletion of personal information, as provided under section 10.

(b) If the personal information is in coded form, an accurate translation in plain language must be provided in writing.

(c) If credit information is requested which federal law prohibits an insurer to disclose, the insurer must disclose that the individual has the right to receive the credit information from the credit reporting agency.

The insurer must disclose the name, address, and telephone number of the credit reporting agency that supplied the insurer with the credit information.

Subd. 2. [SOURCE.] Any personal information collected must specifically identify the source of the information.

Subd. 3. [HEALTH RECORDS.] (a) Health record information requested under subdivision 1 which has been supplied by a health care institution or a health professional must provide the identity of the health professional or health care institution which supplied the information. The health record information must be provided either directly to the individual or to a health professional designated by the person who is licensed to provide health care with respect to the condition to which the information relates, whichever the individual elects. If the information is provided to a designated health professional, the insurer, insurance agent, or insurance-support organization shall notify the person, at the time of the disclosure, that the information has been provided to the health professional.

(b) If a health professional or a health care institution has provided health information to an insurer, insurance-support organization, or insurance agent that the health professional or health care institution has determined and indicates in writing that the release of the health record information is detrimental to the physical or mental health of the person, or is likely to cause the individual to inflict self harm or to harm another, the insurer, insurance agent, or insurance-support organization may provide that information directly to the individual only with the approval of the health professional with treatment responsibility for the condition to which the information relates. If approval is not obtained, the information must be provided to the health professional designated by the individual.

(c) Nothing in this section may reduce or affect a patient's rights under section 144.335.

Subd. 4. [FEE.] An insurer, insurance agent, or insurance-support organization may charge a reasonable fee, not to exceed the actual costs, to copy information provided under this section. If an individual is requesting information as a result of an adverse underwriting decision, the insurer, insurance agent, or insurance-support organization must provide the information free of any charge.

Subd. 5. [OTHER COMPANIES OR AGENTS ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf. With respect to the copying and disclosure of personal information under a request under subdivision 1, an insurer, insurance agent, or insurance-support organization may make arrangements with an insurance-support organization or a consumer reporting agency to copy and disclose personal information on its behalf.

Subd. 6. [PRIVILEGED INFORMATION.] The rights granted under this section and section 10 do not extend to privileged information.

Sec. 10. [72A.498] [CORRECTION, AMENDMENT, OR DELETION OF PERSONAL INFORMATION.]

Subdivision 1. [PROCEDURE.] Within 30 business days from the date of receipt of a written request from an individual to correct, amend, or delete any personal information about the person within its possession, an insurer, insurance agent, or insurance-support organization shall either:

(1) correct, amend, or delete the portion of the personal information in dispute; or

(2) notify the individual of its refusal to make the correction, amendment, or deletion, the reasons for the refusal, and the person's right to file a statement as provided in subdivision 3, and the individual's right to appeal to the commissioner under subdivision 5.

Subd. 2. [NOTICE.] If the insurer, insurance agent, or insurance-support organization corrects, amends, or deletes disputed personal information upon request of an individual or as ordered by the commissioner, the insurer, insurance agent, or insurance-support organization shall notify the person in writing and provide the correction, amendment, or fact of deletion to:

(1) any person specifically designated by the individual who may have within the preceding two years received the personal information;

(2) any insurance-support organization whose primary source of personal information is insurers, if the insurance-support organization has systematically received the personal information from the insurer within the preceding seven years, provided that the correction, amendment, or fact of deletion need not be provided to an insurance-support organization if the insurance-support organization no longer maintains personal information about the individual; and

(3) any insurance-support organization that provided the personal information that has been corrected, amended, or deleted.

Subd. 3. [STATEMENT.] If the insurer, insurance agent, or insurance-support organization refuses to correct, amend, or delete disputed personal information, the individual must be permitted to file with the insurer, insurance agent, or insurance-support organization a concise statement setting forth what the person thinks is the correct, relevant, or fair information and stating the reasons why the individual disagrees with the insurer's, insurance agent's, or insurance-support organization's refusal to correct, amend, or delete disputed personal information.

Subd. 4. [DISPUTED INFORMATION.] In the event an individual files a statement described in subdivision 3, the insurer, insurance agent, or insurance-support organization shall:

(1) file the statement with the disputed personal information and provide a means by which anyone reviewing the disputed personal information will be made aware of the individual's statement and have access to it;

(2) in any subsequent disclosure by the insurer, insurance agent, or insurance-support organization of the disputed personal information, clearly identify the matter or matters in dispute and provide the individual's statement along with the personal information being disclosed; and

(3) furnish the statement to the persons and in the manner specified in subdivision 2.

Subd. 5. [APPEAL.] (a) If an insurer, insurance-support organization, or insurance agent refuses to correct, amend, or delete disputed personal information, the individual may file an appeal with the commissioner.

(b) The commissioner may, after providing the insurer, insurance-support organization, or insurance agent an opportunity for a hearing, order the insurer, insurance-support organization, or insurance agent to amend, correct, or delete disputed personal information if the commissioner finds

that the personal information kept by the insurer, insurance-support organization, or insurance agent is in error. If the commissioner finds that the disputed personal information maintained by the insurer, insurance agent, or insurance-support organization is correct, the insurer, insurance agent, or insurance-support organization may delete from the individual's records any statement filed with them by that individual relating to the disputed information under subdivision 3.

Sec. 11. [72A.499] [REASONS FOR ADVERSE UNDERWRITING DECISIONS.]

Subdivision 1. [NOTICE AND INFORMATION.] In the event of an adverse underwriting decision, the insurer or insurance agent responsible for the decision shall provide in writing to the applicant, policyholder, or individual proposed for coverage:

(1) the specific reason or reasons for the adverse underwriting decision, a summary of the person's rights under sections 9 and 10, and that upon request the person may receive the specific items of personal information that support those reasons and the specific sources of the information; or

(2) the specific reason or reasons for the adverse underwriting decision, the specific items of personal and privileged information that support those reasons, the names and addresses of the sources that supplied the specific items of information specified, and a summary of the rights established under sections 9 and 10.

Subd. 2. [HEALTH REASONS.] If the specific reason for an adverse underwriting decision is based on health record information, the insurer may, in lieu of providing the specific reason to the individual under subdivision 1, provide the individual with the specific source of the adverse underwriting decision referring to the specific date, page, and line of the information received from a health professional or health care institution. If the insured has been informed of the condition indicated by their health provider and is unable to determine the reason for the adverse underwriting decision, then the insurer must provide the specific reason to the individual. The insurer must provide the specific reason for the adverse underwriting decision to a health professional designated by the individual, if requested either orally or in writing by the individual.

Subd. 3. [EXEMPTION.] (a) This section is not applicable to group policies or contracts, except for group policies that are individually underwritten. For group policies or contracts that are individually underwritten, the notice required under this section must be given to the individual or individuals in the group whose personal information resulted in the adverse underwriting decision.

(b) If a policy or contract is terminated on a class or statewide basis, or an insurance coverage is declined solely because the coverage is unavailable on a class or statewide basis, the insurer or agent is not required to provide the notice required under this section provided that the applicant or policyholder is provided with the specific reason for the termination or declination of coverage.

Subd. 4. [PRIVILEGED INFORMATION.] (a) An insurer or insurance agent is not required to provide particular, specific items of privileged information under subdivision 1 if it has a reasonable suspicion, based upon that specific information, that the applicant, policyholder, or person proposed for coverage has engaged in criminal activity, fraud, material

misrepresentation, or material nondisclosure. If an insurer or insurance agent does not provide the specific items of information because the information is privileged under this subdivision, the insurer or insurance agent must notify the applicant, policyholder, or individual proposed for coverage that the specific items of information are privileged and of the person's right to appeal to the commissioner under this subdivision.

(b) If a person is not provided with the specific items of information relating to an adverse underwriting decision because the information is privileged under this subdivision, the person may request that the commissioner review the information. The commissioner may then order the insurer or insurance agent to supply the privileged information to the commissioner. If the commissioner determines that the information is not privileged under this subdivision, the commissioner shall order the insurer or insurance agent to provide the information to the applicant, policyholder, or person proposed for coverage.

Subd. 5. [HEALTH RECORDS INFORMATION.] Specific items of health record information supplied by a health care institution or health professional, and the identity of the health professional or health care institution which supplied the information, must be disclosed in the manner required under section 9, subdivision 3.

Subd. 6. [OTHER COMPANIES OR AGENTS ACTING ON ITS BEHALF] The obligations imposed by this section upon an insurer or insurance agent may be satisfied by another insurer or insurance agent authorized to act on its behalf.

Sec. 12. [72A.50] [PREVIOUS ADVERSE UNDERWRITING DECISIONS.]

Subdivision 1. [ADDITIONAL INFORMATION REQUIRED.] An insurer, insurance agent, or insurance-support organization may not seek information in connection with an insurance transaction concerning any previous adverse underwriting decision experienced by a person, or any previous insurance coverage obtained by a person through a residual market mechanism, unless the inquiry also requests the reasons for the previous adverse underwriting decision or the reasons why insurance coverage was previously obtained through a residual market mechanism.

Subd. 2. [PROHIBITIONS.] An insurer or insurance agent may not base an adverse underwriting decision, in whole or in part, on:

(1) the fact of a previous adverse underwriting decision or the fact that a person previously obtained insurance coverage through a residual market mechanism, provided that an insurer or insurance agent may base an adverse underwriting decision on further information obtained from an insurer or insurance agent responsible for a previous adverse underwriting decision; or

(2) personal information received from an insurance-support organization whose primary source of information is insurers, provided that an insurer or insurance agent may base an adverse underwriting decision on further personal information obtained as the result of information received from the insurance-support organization.

Sec. 13. [72A.501] [DISCLOSURE AUTHORIZATION.]

Subdivision 1. [REQUIREMENT; CONTENT.] An authorization used

by an insurer, insurance-support organization, or insurance agent to disclose or collect personal information must be in writing and must meet the following requirements:

- (1) is written in plain language;
- (2) is dated;
- (3) specifies the types of persons authorized to disclose information about the person;
- (4) specifies the nature of the information authorized to be disclosed;
- (5) names the insurer or insurance agent and identifies by generic reference representatives of the insurer to whom the person is authorizing information to be disclosed;
- (6) specifies the purposes for which the information is collected; and
- (7) specifies the length of time the authorization remains valid.

Subd. 2. [APPLICATION.] (a) If the authorization is signed for the purpose of collecting information in connection with an application for a property and casualty insurance policy, a policy reinstatement, or a request for a change in benefits, the authorization may not remain valid for longer than one year from the date the authorization is signed or the date the insurer grants or denies coverage, reinstatement, or change in benefits, whichever is sooner.

(b) If the authorization is signed for the purpose of collecting information in connection with an application for a life, disability, and health insurance policy or contract, reinstatement, or request for change in benefits, the authorization may not remain valid for longer than 26 months from the date the authorization is signed.

Subd. 3. [CLAIMS.] If the authorization is signed for the purpose of collecting information in connection with a claim for benefits under an insurance policy, the authorization may not remain valid for longer than:

- (1) the term of coverage of the policy, if the claim is for a health insurance benefit; or
- (2) the duration of the claim, if the claim is for a claim other than for a health insurance benefit.

Subd. 4. [AUTHORIZATION; NON-INSURERS.] If an authorization is submitted to an insurer, insurance-support organization, or insurance agent by a person other than an insurer, insurance-support organization, or insurance agent, the authorization must be dated, signed by the person, and obtained one year or less prior to the date a disclosure is sought.

Sec. 14. [72A.502] [DISCLOSURE OF INFORMATION; LIMITATIONS AND CONDITIONS.]

Subdivision 1. [REQUIREMENT.] An insurer, insurance agent, or insurance-support organization may not disclose any personal or privileged information about a person collected or received in connection with an insurance transaction without the written authorization of that person except as authorized by this section. An insurer, insurance agent, or insurance-support organization may not collect personal information about a policyholder or an applicant not relating to a claim from sources other than public records without a written authorization from the person.

Subd. 2. [PREVENTION OF FRAUD.] Personal or privileged information may be disclosed without a written authorization to another person if the information is limited to that which is reasonably necessary to detect or prevent criminal activity, fraud, material misrepresentation, or material nondisclosure in connection with an insurance transaction, and that person agrees not to disclose the information further without the individual written authorization unless the further disclosure is otherwise permitted by this section if made by an insurer, insurance agent, or insurance-support organization.

Subd. 3. [HEALTH CARE INSTITUTIONS AND PROFESSIONALS.] Personal or privileged information may be disclosed without a written authorization to a health care institution or health professional for the purpose of verifying insurance coverage benefits, informing a person of a health problem of which the person may not be aware, or conducting an operations or services audit, if the information is only disclosed that is reasonably necessary to accomplish the purposes under this subdivision.

Subd. 4. [REGULATORY AUTHORITY.] Personal or privileged information may be disclosed without a written authorization to an insurance regulatory authority.

Subd. 5. [OTHER GOVERNMENTAL AUTHORITIES.] Personal or privileged information may be disclosed without a written authorization to a law enforcement or other governmental authority if:

(1) the disclosure is to protect the interests of the insurer, agent, or insurance-support organization in preventing or prosecuting the perpetration of fraud upon it; or

(2) the insurer, agent, or insurance-support organization reasonably believes that illegal activities have been conducted by the individual.

Subd. 6. [OTHER LAWS OR ORDER.] Personal or privileged information may be disclosed without a written authorization if permitted or required by another law or in response to a facially valid administrative or judicial order, including a search warrant or subpoena.

Subd. 7. [ACTUARIAL AND RESEARCH STUDIES.] Personal or privileged information may be disclosed without a written authorization for the purpose of conducting actuarial or research studies if:

(1) no individual may be identified in the actuarial or research report;

(2) materials allowing an individual to be identified are returned or destroyed as soon as they are no longer needed; and

(3) the actuarial or research organization agrees not to disclose the information unless the disclosure would otherwise be permitted by this section if made by an insurance company, agent, or insurance-support organization.

Subd. 8. [AFFILIATE COMPANIES.] Personal or privileged information may be disclosed without a written authorization to an affiliate whose only use of the information will be in connection with an audit of the insurer or agent or the marketing of an insurance product or service, provided the affiliate agrees to not disclose the information for any other purpose or to unaffiliated persons.

Subd. 9. [GROUP POLICYHOLDER.] Personal or privileged information may be disclosed with written authorization to a group policyholder

only for the purpose of reporting claims experience or conducting an audit of the insurer's or agent's operations or services, provided the information disclosed is reasonably necessary for the group policyholder to conduct the review or audit.

Subd. 10. [GOVERNMENTAL LICENSING BOARD.] Personal or privileged information may be disclosed without a written authorization to a governmental professional licensing or regulatory board for the purpose of reviewing the service or conduct of a health care institution or health professional which the insurer has reason to believe has violated their licensing act or engaged in the unlawful practice of a licensed professional.

Subd. 11. [PROFESSIONAL PEER REVIEW.] Subject to the terms of a contract between an insurer and a health professional or health care institution, personal or privileged information may be disclosed without a written authorization to a professional peer review organization for the purpose of reviewing the service or conduct of a health care institution or health professional.

Subd. 12. [NOTICE.] Whenever an insurer, insurance agent, or insurance-support organization discloses personal or privileged information about a person that requires the written authorization of that person under this section, the insurer, insurance agent, or insurance-support organization shall notify that person in writing within ten days of the date the information was disclosed. The notification must specify the identity of the person to whom information was disclosed and the nature and substance of the information that was disclosed. A notice is not required to be given under this subdivision if an insurer is disclosing personal information for underwriting purposes to another insurer, or to an insurance-support organization if the person had signed an authorization authorizing the disclosure.

Sec. 15. [72A.503] [PRIVATE REMEDIES.]

Subdivision 1. [LIABILITY.] Any insurer, insurance agent, or insurance-support organization that violates sections 2 to 17 shall be liable to the aggrieved person for all actual damages sustained by the person as a result of the violation. In determining the amount of general damages the court must consider the nature and seriousness of any intangible harm suffered by the person, the frequency and persistence of violations by the defendant, and the extent to which the violation was intentional, provided that the general damages awarded must be at least \$100 but not more than \$10,000.

Subd. 2. [EQUITABLE RELIEF] Upon application by an aggrieved person, a court of competent jurisdiction may grant equitable and declaratory relief as necessary to enforce the requirements of sections 2 to 17.

Subd. 3. [COSTS.] In any successful action brought under this section, the costs of the action, including reasonable attorney fees as determined by the court, may be awarded in addition to any damages.

Sec. 16. [72A.504] [OBTAINING INFORMATION UNDER IMPROPER MEANS.]

Any person who knowingly and willfully obtains information about a person in violation of section 5 is subject to a fine not to exceed \$3,000 or imprisonment not to exceed one year, or both.

Sec. 17. [72A.505] [IMMUNITY.]

No cause of action in the nature of defamation, invasion of privacy, or negligence may arise against an insurer, insurance agent, or insurance-support organization for disclosing personal or privileged information required to be disclosed under sections 1 to 16, provided no immunity exists for disclosing false information with malice or willful intent to injure any person.

Sec. 18. [EFFECTIVE DATE.]

Sections 1 to 5 and 7 to 17 are effective August 1, 1989, and the rights granted under those sections are effective on that date, regardless of the date of the collection or receipt of the information which is subject to those sections. Section 6 is effective January 1, 1990, provided that insurers may use notices that are in substantial compliance with this section that have not been approved by the commissioner of commerce until July 1, 1990."

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

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

S.F. No. 431: A bill for an act relating to public safety; regulating the operation and operators of elevators; amending Minnesota Statutes 1988, sections 183.351, by adding a subdivision; and 183.355; proposing coding for new law in Minnesota Statutes, chapter 183.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 16B.70, subdivision 1, is amended to read:

Subdivision 1. [COMPUTATION.] To defray the costs of administering sections 16B.59 to 16B.73, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971, as follows:

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or 50 cents, whichever amount is greater. For all other permits, the surcharge is as follows: (a) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration; (b) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000; (c) if the valuation is greater than \$2,000,000 the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000; (d) if the valuation is greater than \$3,000,000 the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000; (e) if the valuation is greater than \$4,000,000 the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and (f) if the valuation exceeds \$5,000,000 the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value which exceeds \$5,000,000.

By September 1 of each odd-numbered year, the commissioner shall rebate to municipalities any money received under this section and section 16B.62 in the previous biennium in excess of the cost to the building code division ~~and the passenger elevator inspector in the department of labor and industry~~ in that biennium of carrying out their duties under sections 16B.59 to 16B.73. The rebate to each municipality must be in proportion to the amount of the surcharges collected by that municipality and remitted to the state. The amount necessary to meet the commissioner's rebate obligations under this subdivision is appropriated to the commissioner from the special revenue fund.

Sec. 2. [183.001] [ADMINISTRATION, PENALTIES.]

The commissioner of the department of labor and industry shall administer chapter 183. In addition to the remedies provided for violations of this chapter, the commissioner may impose a penalty of up to \$1,000 for a violation of any provision of this chapter.

Sec. 3. [183.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] When used in this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of the department of labor and industry.

Subd. 3. [DEPARTMENT.] "Department" means the department of labor and industry.

Sec. 4. [183.022] [ELEVATOR AVAILABLE FOR INSPECTION.]

A person, firm, entity, or corporation that owns or controls a building or other structure housing an elevator that is subject to inspection by the department, shall, upon request, provide access at a reasonable hour to the elevator for purposes of inspection.

Sec. 5. Minnesota Statutes 1988, section 183.351, is amended by adding a subdivision to read:

Subd. 5. As used in this chapter, "elevator" means moving walks and vertical transportation devices such as escalators, passenger elevators, freight elevators, dumbwaiters, handpowered elevators, endless belt lifts, and wheelchair platform lifts, but does not include external temporary material lifts or temporary construction personnel elevators at sites of construction of new or remodeled buildings.

Sec. 6. Minnesota Statutes 1988, section 183.351, is amended by adding a subdivision to read:

Subd. 6. [MUNICIPALITY.] "Municipality," as used in sections 183.351 to 183.358, means a city, county, or town meeting the requirements of section 368.01, subdivision 1.

Sec. 7. Minnesota Statutes 1988, section 183.355, is amended to read:

183.355 [VIOLATIONS, PENALTIES.]

Subdivision 1. [REMOVAL OF SEAL.] Any No person, firm or corporation who violates any of the provisions of sections 183.351 to 183.355 or who removes may remove any seal or notice forbidding the use of any such elevator, except by authority of the department of labor and industry or the licensing authority having jurisdiction over such elevator, or who

~~operates~~ operate such elevator after such notice has been attached forbidding its use, unless such notice has been removed by authority of the department of labor and industry or the licensing authority having jurisdiction over such elevator ~~shall be guilty of a misdemeanor.~~

Subd. 2. [FALSE CERTIFICATION.] No inspector, or other party authorized by this section or by rule to inspect elevators, shall falsely certify the safety of an elevator, or grant a license or permit contrary to any provision of this chapter.

Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation shall construct, install, or repair an elevator that does not meet the minimum requirements of this chapter, adopted rules, or national codes adopted by rule.

Sec. 8. [183.357] [FEES FOR LICENSURE AND INSPECTION.]

Subdivision 1. [PERMITS.] No person, firm, or corporation shall construct or install an elevator without first filing an application for a permit with the department of labor and industry or a municipality authorized by subdivision 3 to inspect elevators. Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department. Upon successfully completing inspection and the payment of the appropriate fee, the owner shall be granted an operating permit for the elevator.

Subd. 2. [CONTRACTOR LICENSES.] The commissioner may establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

Subd. 3. [PERMISSIVE MUNICIPAL REGULATION.] A municipality that conducts a system of elevator inspection on a periodic basis in conformity with this chapter, state building code requirements, and adopted rules, and that employs or contracts with inspectors meeting the minimum requirements established by rule, may provide for the inspection of elevator installation, repair, construction, and the periodic routine inspection of elevators. A municipality may not adopt standards that do not conform to the uniform standards prescribed by the department.

If a municipality does not conduct elevator inspections as provided in this chapter, or if the commissioner determines that a municipality is not properly administering and enforcing the law, rules, and codes, the commissioner shall have the inspection, administration, and enforcement undertaken by a qualified inspector employed by the department.

Subd. 4. [DEPOSIT OF FEES.] Fees received under this section shall be deposited in the state treasury and credited to the special revenue fund.

Sec. 9. [183.358] [RULES.]

The commissioner may adopt rules for the following purposes:

(1) to set a fee pursuant to section 16A.128 for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee pursuant to section 16A.128 to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof of successful completion

of the national elevator construction mechanic examination or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards pursuant to sections 16B.61, subdivisions 1 and 2, and 16B.64; and

(6) to establish procedures for appeals of decisions of the commissioner pursuant to chapter 14 and procedures allowing the commissioner, prior to issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators."

Delete the title and insert:

"A bill for an act relating to public safety; regulating the operation and operators of elevators; imposing penalties; amending Minnesota Statutes 1988, sections 16B.70, subdivision 1; 183.351, by adding subdivisions; and 183.355; proposing coding for new law in Minnesota Statutes, chapter 183." *

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

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

S.F. No. 601: A bill for an act relating to employment; requiring a semi-annual survey to measure underemployment of Minnesota workers; proposing coding for new law in Minnesota Statutes, chapter 268.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 268.31, is amended to read:

268.31 [DEVELOPMENT OF YOUTH EMPLOYMENT OPPORTUNITIES.]

To the extent of available funding, the commissioner of jobs and training shall establish a program to employ individuals from the ages of 14 years up to 22 years. Available money may be used: to operate this program on a full calendar year basis, to *provide transitional services*, to link basic skills training and remedial education to job training and school completion, and for support services. The amount spent on support services in any one fiscal year may not exceed 15 percent of the total annual appropriation for this program. Individuals employed in this program will be placed in service with departments, agencies, and instrumentalities of the state, county, local governments, school districts, with nonprofit organizations, and private sector employers. The maximum number of hours that an individual may be employed in a position supported under this program is 480 hours. Program funds may not be used for private sector placements. Program operators must use the targeted jobs tax credit, other federal, state, and local government resources, as well as private sector resources to fund private sector placements. The commissioner shall cooperate with the commissioner of human services in determining and implementing the most

effective means of disregarding a youth's earnings from family income for purposes of the aid to families with dependent children program, to the extent permitted by the federal government.

Upon request of the commissioner of the department of natural resources, the commissioner may negotiate and provide available services for remedial skills, employability skills, and career counseling activities to youth in the Minnesota conservation corps program.

Sec. 2. Minnesota Statutes 1988, section 268.677, is amended by adding a subdivision to read:

Subd. 4. [ADDITIONAL ASSISTANCE.] Up to 10 percent of the money available under this section may be used to provide wage subsidies and other services to job applicants if it is determined that the job applicant does not have the necessary job skills for placement with an eligible business or nonprofit employer. No more than 20 percent of job applicants assisted under this section may receive assistance under this subdivision. The money available under this subdivision is not subject to the allocation among employers under section 268.676, subdivision 2, and the allocation between wage subsidies and services under subdivision 1 of this section. The assistance provided under this subdivision may be used for:

(1) wage subsidies and fringe benefits for the employment of the eligible job applicant by an eligible employer for up to an additional 520 hours over 13 weeks;

(2) wage subsidies for the temporary employment of the eligible job applicant in a setting where the applicant may enhance their job skills; and

(3) costs of providing other services or activities to prepare the eligible job applicant for permanent employment.

Sec. 3. [268.98] [SUBEMPLOYMENT INDEX.]

(a) The commissioner shall undertake or contract for a statewide survey conducted at least semiannually to calculate a subemployment index. The index must measure the number of:

(1) persons who are discouraged workers or those persons who did not look for employment because they believed that no jobs were available in their geographic area or that no jobs were available for which they could qualify;

(2) persons who wanted to work full time but either could not find full-time employment in their geographic area or had a full-time job and had their hours reduced because of conditions beyond their control; and

(3) persons who work full time but earn insufficient income as measured by the federal poverty level or other measures of household income.

The commissioner must use federal definitions in developing the index to the greatest extent as is methodologically possible.

(b) The commissioner shall report the subemployment index both separately and combined with the unemployment rate at the time of each survey to the governor and the legislature following completion of each survey. The subemployment index data must be broken down by the categories contained in paragraph (a), clauses (1), (2), and (3).

Sec. 4. [APPROPRIATIONS.]

(a) \$750,000 in fiscal year 1990 and \$750,000 in fiscal year 1991 is appropriated from the general fund to the commissioner of jobs and training to provide the transitional services authorized by section 1.

(b) \$260,000 in fiscal year 1990 and \$260,000 in fiscal year 1991 is appropriated from the general fund to the commissioner of jobs and training to ensure that enrollment levels or jobs in the youth employment program under section 1 are not reduced as a result of the increase in the state's minimum wage.

(c) \$18,000,000 is appropriated from the general fund for the biennium ending June 30, 1991 to the commissioner of jobs and training for the wage subsidy program authorized under Minnesota Statutes 1988, sections 268.672 to 268.682.

(d) \$ is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training to develop a methodology for measuring unemployment and underemployment of Minnesota workers as provided under section 3.

(e) \$ is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training to conduct a statewide semiannual survey measuring unemployment and underemployment of Minnesota workers as provided under section 3.

Sec. 5. [EFFECTIVE DATE.]

This act is effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to employment; providing transitional services to develop youth employment opportunities; requiring a semiannual survey to measure subemployment of Minnesota workers; appropriating money; amending Minnesota Statutes 1988, sections 268.31; and 268.677, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268."

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

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

S.F. No. 506: A bill for an act relating to charitable gambling; providing for its licensing and auditing; transferring certain powers and duties to the commissioner of revenue; specifying tax return and payment dates; providing for payment of interest; increasing fees; imposing penalties; amending Minnesota Statutes 1988, sections 349.11; 349.12, subdivisions 2, 3, 11, 12, 13, 15, 17, 20, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.16, subdivision 4; 349.161, subdivisions 3, 4, 5, 7, and 8; 349.162, subdivisions 1, 2, 3, 4, and 5; 349.163, and by adding a subdivision; 349.164, subdivisions 1, 2, 3, 5, and 6; 349.17, subdivisions 2a and 4; 349.18, subdivisions 1, 2, and by adding a subdivision; 349.19, subdivisions 1, 2, 3, 4, 5, 6, 7, and by adding subdivisions; 349.20; 349.21; 349.212, subdivision 4, and by adding subdivisions; 349.2121, subdivisions 2 and 3; 349.2122; 349.2125, subdivisions 1 and 2; 349.2127, subdivision 2, and by adding subdivisions; 349.213, subdivision 2; 349.214, subdivision 2; 349.22, subdivisions 1 and 3; proposing coding for new law

in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1988, sections 349.151, subdivision 5; 349.171; 349.212, subdivision 2; and 349.2121, subdivision 6.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

GAMING ENFORCEMENT

Section 1. [299K.01] [DIVISION OF GAMING ENFORCEMENT.]

Subdivision 1. [DIVISION.] A division of gaming enforcement is created in the department of public safety under the control and supervision of the director of gaming enforcement who shall be appointed by the commissioner of public safety. The director must be qualified by experience in law enforcement to act as the director.

Subd. 2. [REMOVAL.] The director of gaming enforcement may only be removed after notice and hearing for violation of section 4 or for malfeasance, nonfeasance, or misfeasance as defined under section 351.14, subdivisions 2, 3, and 4.

Subd. 3. [EMPLOYEES.] The director of gaming enforcement may employ other persons as necessary to carry out the director's powers and duties under this chapter. All professional employees, as defined under section 179A.03, subdivision 13, of the division of gaming enforcement are in the unclassified service. The director shall request that the bureau of criminal apprehension perform background checks on all persons seeking employment with the division.

Sec. 2. [299K.02] [DUTIES OF DIRECTOR.]

Subdivision 1. [LOTTERY.] (a) The director of gaming enforcement shall conduct background checks on employees of the state lottery, lottery retailers, and successful bidders of major procurement contracts with the lottery.

(b) The director of gaming enforcement shall, when so requested by the director of the state lottery, conduct investigations of lottery retailers, applicants for lottery retailer contracts, suppliers of goods or services to the state lottery, and persons bidding on contracts for goods or services with the state lottery.

(c) The director of gaming enforcement shall conduct an annual security audit of the state lottery, or arrange for such an audit by an outside agency or person, firm, or corporation. The director shall report to the state lottery board and the director of the lottery on the results of the audit.

Subd. 2. [CHARITABLE GAMBLING.] The director of gaming enforcement shall:

(1) conduct background investigations of applicants for licensing as a manufacturer or distributor of gambling equipment or as a bingo hall under chapter 349; and

(2) when requested by the charitable gambling control board, or the director of the board, inspect the premises of a licensee under chapter 349 to determine compliance with law and with the rules of the board, or to conduct an audit of the accounts, books, records, or other documents

required to be kept by the licensee.

Subd. 3. [HORSE RACING INVESTIGATIONS.] *(a) The director of gaming enforcement shall conduct background investigations as provided by law on all applicants for licenses issued by the Minnesota racing commission.*

(b) The director of gaming enforcement shall, upon request of the Minnesota racing commission, or the executive director of the racing commission, investigate the activities of a licensee of the commission to determine the licensee's compliance with law and with rules of the commission.

Subd. 4. [OTHER GAMBLING.] *The director of gaming enforcement shall cooperate with all state and local agencies in the detection and apprehension of unlawful gambling.*

Subd. 5. [BOARDS AND COMMISSION.] *The director of gaming enforcement shall serve as a nonvoting, ex officio member of:*

- (1) the Minnesota racing commission;*
- (2) the charitable gambling control board; and*
- (3) the state lottery board.*

Subd. 6. [BACKGROUND CHECKS.] *In any background check required to be conducted by the director of gaming enforcement under chapter 240, 349, or 349A, the director may require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for the conducting of a national criminal history check.*

Sec. 3. [299K.03] [POWERS OF DIRECTOR.]

Subdivision 1. [INSPECTIONS; ACCESS.] *In conducting any inspection authorized under chapter 240, 349, or 349A, the director of gaming enforcement has free and open access to all parts of the premises being inspected, and may conduct such an inspection at any reasonable time without notice and without a search warrant.*

Subd. 2. [ITEMS REQUIRED TO BE PRODUCED.] *In conducting any audit or inspection authorized under chapter 240, 349, or 349A, the director of gaming enforcement may inspect any book, record, or other document the licensee, retailer, or vendor is required to keep.*

Subd. 3. [SUBPOENA POWER.] *The director of gaming enforcement may issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to any investigation or audit the director is authorized to conduct.*

Subd. 4. [ACCESS TO CRIMINAL HISTORY.] *The director of gaming enforcement has access to all criminal history data compiled by the bureau of criminal apprehension on any person licensed under contract with the state lottery, racing commission, or the charitable gambling control board, or any applicant for licensing or a person who has submitted a bid on a contract.*

Subd. 5. [ARREST POWERS.] *The director of gaming enforcement may designate certain employees who are authorized to arrest or investigate any person who violates any provision of chapter 240, 349, or 349A, or commits any crime involving gambling, and to conduct searches and seizures to enforce any of those laws. Any employee authorized by this subdivision to make an arrest must be licensed under sections 626.84 to*

626.863.

Subd. 6. [UNLICENSED SELLERS.] (a) If anyone not licensed under chapter 349 sells gambling equipment at a business establishment, the director of gaming enforcement or commissioner of revenue may, in addition to any other provisions of chapter 349:

(1) assess a civil penalty of \$300 against each person participating in the sales and assess a civil penalty of \$1,000 against the owner or owners of the business establishment; or

(2) if the subject violation is the second or subsequent violation of this subdivision at the same business establishment within any 24-month period, assess a civil penalty of \$300 against each person participating in such sales, and assess a civil penalty of \$5,000 against the owner or owners of the business establishment.

(b) The assessment of a civil penalty under this section does not preclude a recommendation by the director of gaming enforcement at any time deemed appropriate to a licensing authority for revocation, suspension, or denial of a license controlled by the licensing authority.

(c) The penalties assessed by this subdivision must be collected and interest assessed under this chapter or chapter 270. The provisions of section 270.72 apply to nonpayment of a penalty and interest assessed under this subdivision.

(d) Within ten days of an assessment under this subdivision, the person assessed the penalty must pay the assessment or request that a hearing be held under chapter 14. If a hearing is requested, the hearing must be scheduled within 20 days of the request, and the recommendations of the administrative law judge must be issued within five working days of the close of the hearing. The director of gaming enforcement's or commissioner of revenue's final determination must be issued within five working days of the issuance of the recommendations of the administrative law judge.

Subd. 7. [OTHER POWERS.] Nothing in this chapter limits the authority of the director of gaming enforcement to exercise any other power specified under chapter 240, 349, or 349A.

Subd. 8. [RULEMAKING.] The director of gaming enforcement may adopt rules, including emergency rules, under chapter 14 to carry out the director's duties under this chapter.

Sec. 4. [299K.04] [CONFLICT OF INTEREST.]

Subdivision 1. [INTEREST.] The director of gaming enforcement and any person employed by the division of gaming enforcement may not have any interest in:

(1) a class A or B licensee of the racing commission;

(2) a lottery retailer under contract with the state lottery;

(3) a person who is under a major procurement contract with the state lottery; or

(4) a bingo hall, manufacturer, or distributor licensed under chapter 349.

Subd. 2. [CHARITABLE GAMBLING.] The director of gaming enforcement or an employee of the division may not participate in the conducting

of lawful gambling under chapter 349.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1989.

ARTICLE 2

CHARITABLE GAMBLING

Section 1. Minnesota Statutes 1988, section 349.11, is amended to read:

349.11 [PURPOSE.]

The purpose of sections 349.11 to 349.22 is to regulate legal forms of lawful gambling to prevent their commercialization, to insure integrity of operations, and to provide for the use of net profits only for lawful purposes.

Sec. 2. Minnesota Statutes 1988, section 349.12, subdivision 3, is amended to read:

Subd. 3. [ACTIVE MEMBER.] "Active member" means a member who has paid all dues to the organization, *who is 18 years of age or older, who has equal voting rights with all other members, who has equal opportunity to be an elected officer, who has equal right and responsibilities of attendance at the regularly scheduled meetings of the organization, whose name and membership origination date appear with the member's knowledge and consent on a list of members of the organization, and who has been a member of the organization for at least six months.*

Sec. 3. Minnesota Statutes 1988, section 349.12, subdivision 11, is amended to read:

Subd. 11. "Lawful purpose" means one or more of the following: (a) benefiting persons by enhancing their opportunity for religious or educational advancement, by relieving or protecting them from disease, suffering or distress, by contributing to their physical well-being, by assisting them in establishing themselves in life as worthy and useful citizens, or by increasing their comprehension of and devotion to the principles upon which this nation was founded; (b) initiating, performing, or fostering worthy public works or enabling or furthering the erection or maintenance of public structures; (c) lessening the burdens borne by government or voluntarily supporting, augmenting or supplementing services which government would normally render to the people; ~~or~~ (d) payment of taxes imposed under this chapter, and other taxes imposed by the state or the United States on receipts from lawful gambling; (e) *payment of reasonable costs incurred in complying with the performing of annual audits required under section 349.19, subdivision 9; or* (f) *payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization.*

"Lawful purpose" does not include the erection, acquisition, improvement, expansion, repair, or maintenance of any real property *or capital assets* owned or leased by the organization, unless the board specifically authorizes the expenditures after finding that the property will be used exclusively for one or more of the purposes specified in clauses (a) to (c). The board may by rule adopt procedures and standards to administer this subdivision.

Sec. 4. Minnesota Statutes 1988, section 349.12, subdivision 12, is

amended to read:

Subd. 12. [ORGANIZATION.] "Organization" means any fraternal, religious, veterans, or other nonprofit organization which ~~has been in existence for at least three years~~ and has at least 15 active members, and either has been duly incorporated as a nonprofit organization for at least three years, or has been recognized by the Internal Revenue Service as exempt from income taxation for the most recent three years.

Sec. 5. Minnesota Statutes 1988, section 349.12, subdivision 13, is amended to read:

Subd. 13. [GROSS PROFIT.] "Gross profit" means the gross receipts collected from lawful gambling, less reasonable sums necessarily and actually expended for prizes.

Sec. 6. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 13a. [NET PROFIT.] "Net profit" means gross profit less reasonable sums actually expended for allowable expenses.

Sec. 7. Minnesota Statutes 1988, section 349.12, subdivision 15, is amended to read:

Subd. 15. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo cards ~~and or sheets~~, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels, and tipboards.

Sec. 8. Minnesota Statutes 1988, section 349.12, subdivision 17, is amended to read:

Subd. 17. [DISTRIBUTOR.] "Distributor" is a person who sells gambling equipment ~~the distributor manufactures or purchases for resale within the state to licensed organizations, to organizations conducting exempt activities under section 349.214, or to other distributors.~~

Sec. 9. Minnesota Statutes 1988, section 349.12, subdivision 20, is amended to read:

Subd. 20. [IDEAL NET.] "Ideal net" means the pull-tab or tipboard deal's ideal gross, as defined under subdivision 19, less the total predetermined prize amounts available to be paid out. When the prize is not entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 10. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 21. [CAPITAL ASSETS.] "Capital assets" means property, real or personal, except gambling equipment, with an expected useful life of at least one year.

Sec. 11. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 22. [DIRECTOR.] "Director" is the director of the charitable gambling control board.

Sec. 12. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 23. [MANUFACTURER.] "Manufacturer" means a person or entity who assembles from raw materials or subparts a completed piece

of gambling equipment, and who sells or furnishes the equipment for resale or for use in the state. The term includes a person who converts, modifies, adds to, or removes parts or a portion from an item, device, or assembly to further its promotion, sale, or use as gambling equipment in this state. A person only adding or modifying promotional flares to advise the public of the prizes available, the rules of play, and the consideration required is not a manufacturer.

Sec. 13. Minnesota Statutes 1988, section 349.12, is amended by adding a subdivision to read:

Subd. 24. [PROMOTIONAL TICKET.] A pull-tab or tipboard ticket with the words "no purchase necessary" and "for promotional use only" and for which no consideration is given is a promotional ticket.

Sec. 14. Minnesota Statutes 1988, section 349.15, is amended to read:

349.15 [USE OF PROFITS.]

(a) Profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized at a regular meeting of the conducting organization. Provided that no more than 55 percent of profits from bingo, and no more than 45 percent for other forms of lawful gambling, may be expended for ~~necessary~~ allowable expenses related to lawful gambling.

(b) The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense from the gross receipts from lawful gambling. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The rules may provide a maximum percentage of gross receipts which may be expended for certain expenses.

(c) Allowable expenses also include reasonable costs of bank account service charges, and the reasonable costs of an audit required by the board, except an audit required under section 349.19, subdivision 9.

Sec. 15. Minnesota Statutes 1988, section 349.151, is amended to read:

349.151 [CHARITABLE GAMBLING CONTROL BOARD.]

Subdivision 1. [BOARD CREATED.] The charitable gambling control board is created with the powers and duties established by subdivision 4 3.

Subd. 2. [MEMBERSHIP.] The board consists of ~~13~~ five members appointed as follows:

(1) ~~eleven persons appointed by the governor for terms of six years with the advice and consent of the senate; at least four of whom must reside outside of the seven-county metropolitan area;~~

(2) ~~the commissioner of public safety or a designee; and~~

(3) ~~the attorney general or a designee.~~

~~A member serving on the board by appointment must have been a resident of Minnesota for at least five years. Of the appointees of the governor not more than six may belong to the same political party. A member appointed to the board may be removed at any time by the appointing authority.~~

~~Vacancies on the board are filled in the same manner as the original appointment. Of the members appointed by the governor, three are for terms expiring June 30, 1985, four are for terms expiring June 30, 1986, and four are for terms expiring June 30, 1987. After the expiration of the initial terms, appointments are for three years. No more than three members of the board may belong to the same political party and at least two members must have been domiciled at the time of appointment outside the seven-county metropolitan area. The governor shall appoint the chair from among the governor's appointees. A person may not serve more than two full terms on the board. Members of the board must devote full time to the duties of the board and may not be engaged in any other occupation or profession. The director of gaming enforcement shall serve as a nonvoting, ex officio member of the board.~~

Subd. 3. ~~[COMPENSATION.] The compensation of board members is as provided in section 15.0575, subdivision 3.~~

~~Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:~~

~~(1) to issue, revoke, and suspend licenses to organizations, distributors, bingo halls, and manufacturers under sections 349.16, 349.161, 349.164, and 349.163;~~

~~(2) to collect and deposit license fees and taxes due under this chapter;~~

~~(3) to receive reports required by this chapter and inspect the records, books, and other documents of organizations and suppliers to insure compliance with all applicable laws and rules;~~

~~(4) to make rules, including emergency rules, required by this chapter;~~

~~(5) to register gambling equipment and issue registration stamps under section 349.162;~~

~~(6) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;~~

~~(7) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing charitable gambling; and~~

~~(8) impose civil penalties of not more than \$500 per violation on organizations, distributors, and manufacturers for failure to comply with any provision of sections 349.12 to 349.23 or any rule of the board; and~~

~~(9) to notify city councils, county boards, and town boards before issuing or renewing licenses to organizations and bingo halls as specified under section 349.213.~~

~~(b) Any organization, distributor, bingo hall operator, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.~~

~~(c) All fees and penalties received by the board must be deposited in the general fund.~~

Subd. 4a. [ADDITIONAL POWERS.] Whenever it appears to the board director that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any rule:

(a) The ~~board~~ director has the power to issue and cause to be served upon the person an order requiring the person to cease and desist from violations of this chapter. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. A hearing shall be held not later than seven days after the request for the hearing is received by the board after which and within 20 days of the date of the hearing the board shall issue ~~a further~~ an order vacating the cease and desist order or making it permanent as the facts require. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(b) The board may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any rule and may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the board to post a bond.

~~Subd. 5. [EMPLOYEES.] The board shall employ an executive secretary in the unclassified service and such other employees in the classified service as are required to enable it to carry out its functions. One or more of the employees must be bingo inspectors.~~

~~Subd. 6. [ATTORNEY GENERAL.] The attorney general is the attorney for the board.~~

Sec. 16. [349.152] [DIRECTOR.]

Subdivision 1. [APPOINTED.] The board shall appoint, with the advice and consent of the senate, a person qualified by experience and training to act as the director. The director shall be in the unclassified service.

Subd. 2. [DUTIES OF THE DIRECTOR.] The director has the following duties:

- (1) to carry out charitable gambling policy established by the board;*
- (2) to employ and supervise personnel of the board;*
- (3) to make recommendations to the board on rules;*
- (4) to make recommendations to the board on license issuance, denial, suspension and revocation, and civil penalties the board imposes; and*
- (5) to insure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees.*

Sec. 17. [349.153] [REMOVAL; CONFLICT OF INTEREST.]

Subdivision 1. [REMOVAL OF BOARD MEMBERS OR DIRECTOR.] A member of the board or the director may only be removed after notice and hearing for violating subdivision 2, or for malfeasance, nonfeasance, or misfeasance as defined under section 351.14, subdivisions 2, 3, and 4.

Subd. 2. [CONFLICT OF INTEREST.] (a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, or partnership that is licensed by the board as a distributor, manufacturer, or a bingo hall under section

349.164.

(b) A member of the board, the director, or an employee of the board may not participate in the conducting of lawful gambling.

Sec. 18. Minnesota Statutes 1988, section 349.16, subdivision 4, is amended to read:

Subd. 4. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations *or bingo halls* applying for or renewing a license to conduct lawful gambling *or operate a bingo hall*. An investigation fee may not exceed the following limits:

- (1) for cities of the first class, \$500;
- (2) for cities of the second class, \$250; ~~and~~
- (3) for all other cities ~~and counties~~, \$100; *and*
- (4) *for counties*, \$500.

Sec. 19. Minnesota Statutes 1988, section 349.161, is amended to read:
349.161 [DISTRIBUTOR LICENSES.]

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state for gambling purposes, other than for lawful gambling exempt from licensing under section 349.214, except to an organization licensed for lawful gambling; or

(2) sell, offer for sale, or furnish gambling equipment to an organization licensed for lawful gambling without having obtained a distributor license under this section.

No licensed organization may purchase gambling equipment from any person not licensed as a distributor under this section.

Subd. 2. [LICENSE APPLICATION.] The board may issue licenses for the sale of gambling equipment to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22: Applications must be on a form the board prescribes.

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, other person in a supervisory or management position, or employee eligible to make sales on behalf of the distributor a person, who:

(1) has been convicted of a felony ~~in a state or federal court~~ within the past five years ~~or who has a felony charge pending~~;

(2) ~~has ever been convicted in a state or federal court of a gambling-related offense within ten years of the date of license application~~ *felony involving fraud or misrepresentation or a crime involving gambling*; ~~or~~

(3) is or has ever been engaged in an illegal business;

(4) owes \$500 or more in delinquent taxes as defined in section 270.72;

(5) *has had a sales and use tax permit revoked by the commissioner of*

revenue within the last two years;

(6) after demand, has not filed tax returns required by the commissioner of revenue; or

(7) has not complied with any other lawful order of the board, commissioner of revenue, or director of gaming enforcement.

Subd. 4. [FEES.] The annual fee for a ~~supplier's~~ distributor's license is \$1,500.

Subd. 5. [PROHIBITION.] (a) No distributor, or employee ~~eligible to make sales on behalf~~ of a distributor, may also be a wholesale distributor of ~~liquor or~~ alcoholic beverages ~~or an employee of a wholesale distributor of alcoholic beverages.~~

(b) No distributor, ~~distributor's representative,~~ or employee ~~authorized to make sales on behalf~~ of a distributor, may be involved directly in the operation of lawful gambling conducted by an organization.

(c) ~~No manufacturer or distributor or person acting as a representative, agent, or employee of a manufacturer or distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.~~

(d) ~~No distributor, distributor's representative, or employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor is being used in the conduct of lawful gambling.~~

(e) ~~No distributor, distributor's representative, or employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.~~

Subd. 6. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or for failure to meet the qualifications in subdivision 3 at any time or revoked for what the board determines to be a pattern of willful violations of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Subd. 7. [CRIMINAL HISTORY.] The board may request the assistance of the ~~bureau of criminal apprehension~~ director of gaming enforcement in investigating the background of an applicant for a distributor's license and may reimburse the ~~bureau~~ director of gaming enforcement for the costs thereof. The board has access to all criminal history data compiled by the ~~bureau of criminal apprehension and the director of gaming enforcement~~ on licensees and applicants.

Subd. 8. [EMPLOYEES OF DISTRIBUTORS.] Licensed distributors shall provide the board upon request with the names and ~~business home~~ addresses of all employees. Each ~~person eligible to conduct sales on behalf~~ of a distributor, ~~employee of a distributor, or a person making sales of gambling equipment on behalf of a distributor~~ must have in their possession a picture identification card approved by the board.

Sec. 20. Minnesota Statutes 1988, section 349.162, is amended to read:
349.162 [EQUIPMENT REGISTERED.]

Subdivision 1. [STAMP REQUIRED.] A distributor may not sell ~~to an organization and an organization may not purchase, transfer, furnish, or~~

otherwise provide to a person, organization, or distributor, and no person, organization, or distributor may purchase, borrow, accept, or acquire from a distributor gambling equipment unless the equipment has been registered with the board and has a registration stamp affixed. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor is entitled to a refund for unused stamps and replacement for stamps which are defective or canceled by the distributor.

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

(1) the identity of the person or firm from whom the equipment was purchased;

(2) the registration number of the equipment;

(3) the name and address of the organization to which the sale was made; ~~and~~

(4) the date of the sale;

(5) *the name of the person who ordered the equipment; and*

(6) *the name of the person who received the equipment.*

The invoice for each sale must be retained for at least ~~one year~~ *three and one-half years* after the sale is completed and a copy of ~~the each~~ *each* invoice is ~~to be~~ delivered to the board ~~in the manner and time prescribed by the board~~. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. ~~Employees of the board~~ *The director of gaming enforcement, or the director's authorized representative,* may inspect the books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

Subd. 3. [EXEMPTION.] For purposes of this section, bingo cards ~~intended to be used for more than one game or sheets~~ need not be ~~registered stamped~~.

Subd. 4. [PROHIBITION.] (a) No person other than a licensed ~~organization or a licensed~~ distributor may possess *unaffixed* registration stamps issued by the board.

(b) *Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been registered with the board.*

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale in Minnesota must, prior to ~~its~~ *the equipment's* resale, be unloaded into a sales or storage facility located in Minnesota which the distributor owns or leases; ~~and which has been registered, in advance and in writing, with the board as a sales or storage facility of the distributor's~~. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a sales or storage facility which has been registered with the board. No gambling equipment may be moved from the facility without having been first registered with the board.

(b) All sales and storage facilities owned, leased, used, or operated by a licensed distributor may be entered upon and inspected by the director of gaming enforcement or the director's authorized representatives during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a distributor's licenses and permits issued under this chapter.

(c) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than a registered sales or storage facility are contraband under section 349.2125.

Sec. 21. Minnesota Statutes 1988, section 349.163, is amended to read:

349.163 [~~REGISTRATION~~ LICENSING OF MANUFACTURERS.]

Subdivision 1. [~~REGISTRATION LICENSE.~~] No manufacturer of gambling equipment may sell any gambling equipment to any person unless the manufacturer ~~has registered with the board and has been issued a certificate of registration license by the board.~~

Subd. 2. [~~CERTIFICATE LICENSE; FEE.~~] A ~~certificate~~ license under this section is valid for one year. The annual fee for ~~registration~~ the license is \$500.

Subd. 3. [~~PROHIBITED SALES.~~] A manufacturer may not sell gambling equipment to any person not licensed as a distributor unless the manufacturer is also a licensed distributor.

Subd. 4. [~~INSPECTION OF MANUFACTURERS.~~] *The director of gaming enforcement may inspect the books, records, inventory, and manufacturing operations of a licensed manufacturer without notice during the normal business hours of the manufacturer.*

Sec. 22. Minnesota Statutes 1988, section 349.164, is amended to read:

349.164 [BINGO HALL LICENSES.]

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one ~~licensed~~ individual, corporation, partnership, or organization to conduct bingo without having obtained a bingo hall license under this section, unless the ~~person~~ lessor is a licensed organization.

Subd. 2. [LICENSE APPLICATION.] The board may issue a bingo hall license to persons who meet the qualifications of this section if the board determines that a license is consistent with the purpose of sections 349.11 to 349.22. Applications must be on a form the board prescribes. *The board may not issue or renew a bingo hall license unless the conditions of section 349.213, subdivision 2, have been satisfied.*

Subd. 3. [QUALIFICATIONS.] A license may not be issued under this section to a person, or to a corporation, firm, or partnership which has as an officer, director, or other person in a supervisory or management position, who:

(1) has been convicted of a felony ~~in a state or federal court~~ within the past five years ~~or who has a felony charge pending; or~~

(2) has ~~ever~~ been convicted ~~in a state or federal court~~ of a ~~gambling-related offense within ten years of the date of license application~~ felony involving fraud or misrepresentation or a crime involving gambling; or

(3) owes delinquent taxes in excess of \$500 as defined in section 270.72.

Subd. 4. [FEES.] The annual fee for a bingo hall license is \$250.

Subd. 5. [CRIMINAL HISTORY.] The board may request the assistance of the ~~bureau of criminal apprehension~~ *director of gaming enforcement* in investigating the background of an applicant for a bingo hall license and may reimburse the ~~bureau~~ *director of gaming enforcement* for the costs. The board has access to all criminal history data compiled by the ~~bureau of criminal apprehension and the director of gaming enforcement~~ on licensees and applicants.

Subd. 6. [PROHIBITION.] No bingo hall licensee may also be a licensed distributor or ~~registered~~ *licensed* manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163 *or a wholesale distributor of alcoholic beverages.*

Subd. 7. [RESTRICTIONS.] A bingo hall licensee or affiliate of the licensee may not:

(1) provide any staff to conduct bingo or any other form of lawful gambling during the bingo occasion;

(2) acquire, provide storage or inventory control, or report the use of any gambling equipment used by an organization that conducts bingo on the premises;

(3) provide accounting services to an organization conducting bingo on the premises;

(4) make any expenditures of gross receipts of an organization from lawful gambling; or

(5) charge any fee to a person at a bingo occasion, without which the person could not play a bingo game.

Subd. 8. [LEASES.] All of the remuneration to be received from the organization for the conduct of lawful gambling must be stated in the lease. No amount may be paid by the organization or received by the operator of the bingo hall based on the number of participants attending the bingo occasion or on the gross receipts or profit received by the organization.

Subd. 9. [REVOCATION AND SUSPENSION.] A license under this section may be suspended by the board for a violation of law or board rule or for failure to meet the qualifications in subdivision 3 at any time or revoked for what the board determines to be a pattern of willful violations of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act.

Sec. 23. Minnesota Statutes 1988, section 349.17, subdivision 2a, is amended to read:

Subd. 2a. [DISTRIBUTOR LICENSE EXEMPTION FOR LESSOR.] As part of a lease agreement on a leased bingo premises, the lessor may furnish bingo equipment without being a licensed distributor. *For purposes of this section, "furnish" does not include the right to sell or offer for sale.*

Sec. 24. Minnesota Statutes 1988, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of ~~at least~~ one year and must be in writing. Copies of all leases must be made available to employees of the board on

request. A lease may not provide for rental payments based on a percentage of determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity in a leased space during times the space is leased for lawful gambling.

Sec. 25. Minnesota Statutes 1988, section 349.18, is amended by adding a subdivision to read:

Subd. 1a. [STORAGE OF GAMBLING EQUIPMENT.] (a) Gambling equipment owned by or in the possession of a licensed organization must be kept at a licensed gambling premises owned or operated by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or licensed premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises.

(b) Gambling equipment owned by a licensed organization must be kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers consistent with the organization's internal controls filed with the board.

(c) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

(d) A licensed organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors.

Sec. 26. Minnesota Statutes 1988, section 349.19, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization at each licensed premises must be segregated from all other revenues of the conducting organization and placed in a separate account. The name and address of the bank and the account number for that separate account for that licensed premises, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made. Gambling receipts must be deposited into the gambling bank account within 24 hours of completion of the bingo occasion, deal, or game from which they are received, and deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Sec. 27. Minnesota Statutes 1988, section 349.19, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES.] All expenditures of profits from lawful gambling must be itemized as to payee, purpose, amount, and date of payment. Authorization of the expenditures must be recorded in the regular

meeting minutes of the licensed organization.

Sec. 28. Minnesota Statutes 1988, section 349.19, subdivision 6, is amended to read:

Subd. 6. [PRESERVATION OF RECORDS.] The board may require that records required to be kept by this section must be preserved by a licensed organization for at least two years and may be inspected by ~~employees of the board~~ the director of gaming enforcement or the director's authorized representatives at any reasonable time without notice or a search warrant.

Sec. 29. Minnesota Statutes 1988, section 349.19, is amended by adding a subdivision to read:

Subd. 8. [TERMINATION PLAN.] *Upon termination of a license for any reason, a licensed organization must notify the board in writing within 15 calendar days of the license termination date of its plan for disposal of registered gambling equipment and distribution of remaining gambling proceeds. Before implementation, a plan must be approved by the board. The board may accept or reject a plan and order submission of a new plan or amend a proposed plan. The board may specify a time for submission of new or amended plans or for completion of an accepted plan.*

Sec. 30. Minnesota Statutes 1988, section 349.19, is amended by adding a subdivision to read:

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] *An organization licensed under this chapter must have an annual financial audit of its lawful gambling activities and funds performed by an independent auditor licensed by the state of Minnesota or performed by an independent accountant who has had prior approval of the board. A complete, true, and correct copy of the audit report must be filed with the board upon completion of the audit.*

Sec. 31. Minnesota Statutes 1988, section 349.20, is amended to read:

349.20 [MANAGERS.]

(a) All lawful gambling conducted by a licensed organization must be under the supervision of one or more gambling managers. A gambling manager designated by an organization to supervise a gambling occasion is responsible for the gross receipts from the occasion and for its conduct in compliance with all laws and rules. An organization may designate a different person to act as manager for each type of lawful gambling conducted. Each person designated as a gambling manager must give a fidelity bond in the sum of \$10,000 in favor of the organization conditioned on the faithful performance of the manager's duties, and the terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.

(b) A person may not act as a gambling manager for more than one organization.

(c) *An organization may not conduct lawful gambling without having a gambling manager. The board must be notified in writing of a change in gambling managers. Notification must be made within ten days of the date the gambling manager assumes the manager's duties.*

Sec. 32. Minnesota Statutes 1988, section 349.21, is amended to read:

349.21 [COMPENSATION.]

Subdivision 1. [TO WHOM PAID.] Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that nonmanagement assistants who are not active members or spouses may be hired to assist in the conduct of lawful gambling in nonmanagement positions if approved by a majority of the organization's members.

Subd. 2. [AMOUNTS PAID.] The amounts of compensation which may be paid under this section may be provided for in a schedule of compensation adopted by the board by rule. In adopting a schedule the board must consider the nature of the participation and the types of lawful gambling participated in.

Subd. 3. [COMPENSATION RECORDS.] An organization paying compensation to persons for the conduct of lawful gambling must maintain a compensation record. The record must be retained for at least two years after the month in which the compensation is paid. The record must be an itemization of each payment made to each recipient of compensation, and must include the amount of compensation paid and the full name, home address, and membership status of each recipient.

Subd. 4. [COMPENSATION PAID BY CHECK.] Compensation paid by an organization in connection with lawful gambling must be in the form of a check drawn on the organization's charitable gambling account, as specified in section 349.19.

Subd. 5. [PENALTY.] (a) An organization that makes payment of compensation, or causes compensation to be made, which violates the provisions of subdivision 4 shall be assessed a civil penalty not to exceed \$1,000 for each violation of subdivision 4. A second violation within 12 months of notification by the board to the organization of the first violation shall result in suspension of the organization's gambling license for a period of three months, in addition to any civil penalty assessed. A third violation within 12 months of the board's notification to the organization of the second violation shall result in revocation of the organization's gambling license in addition to any civil penalty assessed.

(b) Upon each violation the director shall notify the organization in writing of its violation and of the penalties under this subdivision for future violations. Notification is effective upon mailing.

(c) For purposes of this subdivision, a violation consists of a payroll period or compensation date that includes payments made in violation of subdivision 4.

Subd. 6. [PERCENTAGE OF GROSS RECEIPTS PAID.] A licensed organization may pay a percentage of the gross receipts from raffle ticket sales to a nonprofit organization which sells tickets for the licensed organization.

Subd. 7. [DIRECT PAYMENT.] All compensation must be paid directly from the organization to the employees of the organization.

Sec. 33. Minnesota Statutes 1988, section 349.212, subdivision 1, is amended to read:

Subdivision 1. [RATE.] (a) There is hereby imposed a tax on all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory

after June 30, 1988, conducted by organizations licensed by the board at the rate specified in this subdivision. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except the tax imposed under subdivision 5 and a fee authorized under section 349.16, subdivision 4. The tax is payable as provided in this section.

On all lawful gambling, other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, the tax is ten percent of the gross receipts of a licensed organization from lawful gambling less prizes actually paid out, payable by the organization.

(b) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor to a licensed or exempt organization, or to an organization holding an exemption identification number. The rate of the tax is ten percent of the ideal net of the pull-tab and tipboard deal. The tax is payable as provided in section 349.212, subdivision 8. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor to an organization is imposed on the retail sales price less the tax imposed by this paragraph. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A if the tax imposed by this paragraph has been paid and is exempt from all local taxes and license fees except taxes and fees authorized under subdivision 5 and section 349.16, subdivision 4. The liability for the tax is incurred when the pull-tabs and tipboards are delivered by the distributor to the licensed or exempt organization, to a common or contract carrier for delivery to the organization, or when received by the organization's authorized representative at the distributor's place of business, unless the distributor's method of accounting is on a cash basis. The exemptions in section 349.214, subdivision 2, paragraph (b), do not apply to the tax imposed in this paragraph.

The tax imposed by this paragraph is imposed on all sales of pull-tabs and tipboards, except the following are exempt:

- (1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;*
- (2) sales to distributors licensed under this chapter;*
- (3) sales to distributors licensed under the laws of another state or of a Province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and*
- (4) sales of promotional tickets as defined in section 349.12.*

Sec. 34. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 6. [POWERS OF COMMISSIONER OF REVENUE.] (a) The commissioner of revenue has the same authority and powers over persons required to pay a tax under subdivision 1 as the commissioner has over persons liable for sales and use tax under chapter 297A.

(b) The commissioner of revenue may investigate and order the production of any records or books, or require the testimony of any person relating to enforcement of the collection of any tax owed under this chapter.

Sec. 35. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 7. [DUE DATE FOR FILING RETURNS.] Tax returns required to be made under subdivision 1 must be filed on or before the 20th day of each month following the close of the preceding reporting period.

Sec. 36. Minnesota Statutes 1988, section 349.212, is amended by adding a subdivision to read:

Subd. 8. [TIME FOR PAYMENT.] The tax imposed by subdivision 1 is due and payable to the commissioner of revenue on or before the 20th day of the month after the reporting period in which the taxable event occurred. The tax must be reported on a form prescribed by the commissioner of revenue. The taxes received by the commissioner must be paid to the state treasurer and deposited in the general fund.

Sec. 37. Minnesota Statutes 1988, section 349.2121, subdivision 2, is amended to read:

Subd. 2. [RECORDS.] A distributor shall keep at each licensed place of business complete and accurate records for that place of business, including itemized invoices of pull-tabs and tipboards held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of pull-tabs and tipboards. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all pull-tab and tipboard deals on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of pull-tab and tipboard deals. Books, records, and other papers and documents required by this section must be kept for a period of at least 3-1/2 years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner of revenue authorizes in writing their destruction or disposal at an earlier date. At any time during usual business hours, the commissioner of revenue, ~~executive secretary of the charitable gambling control board~~ director of gaming enforcement, or any of their duly authorized agents or employees, may enter a place of business of a distributor, ~~or charitable organization, or any site from which pull-tabs or tipboards or other gambling equipment are being sold, or any site at which lawful gambling is being conducted,~~ and inspect the premises and the records required to be kept under this section to determine whether or not all the provisions of this section are being fully complied with. If the commissioner of revenue, ~~executive secretary~~ director of gaming enforcement, or their duly authorized agents or employees are denied free access to or are hindered or interfered with in making an inspection of the distributor's place of business, the permit of the distributor may be revoked by the commissioner, and the license of the distributor may be revoked by the charitable gambling control board.

Sec. 38. Minnesota Statutes 1988, section 349.2121, subdivision 3, is amended to read:

Subd. 3. [SUSPENSION, REVOCATION.] (a) The commissioner of revenue, after giving notice and hearing, may for reasonable cause revoke or suspend a permit held by a distributor. A notice must be sent to the distributor at least 30 15 days before the hearing and give notice of the time and place of the hearing; proposed suspension or revocation is to take effect. The notice must give the reason for the proposed suspension or revocation; and must require the distributor to show cause why the proposed

action should not be taken. The notice may be served personally or by mail ~~in the manner prescribed for service of notice of a deficiency.~~

(b) The notice must inform the distributor of the right to a contested case hearing. If a request in writing is made to the commissioner of revenue within 14 days of the date of the notice, the commissioner shall defer action on the suspension or revocation and shall refer the case to the office of administrative hearings for the scheduling of a contested case hearing. The distributor must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the distributor.

(c) The commissioner of revenue shall issue a final order following receipt of the recommendation of the administrative law judge.

(d) Under section 271.06, subdivision 1, an appeal to the tax court may be taken from the commissioner's order of revocation or suspension. The commissioner of revenue may not issue a new permit after revocation except upon application accompanied by reasonable evidence of the intention of the applicant to comply with all applicable laws and rules.

Sec. 39. Minnesota Statutes 1988, section 349.2122, is amended to read:

349.2122 [MANUFACTURERS; REPORTS TO THE COMMISSIONER OF REVENUE; PENALTY.]

A manufacturer ~~registered~~ *licensed* with the board who sells pull-tabs and tipboards to a distributor licensed by the board must file with the commissioner of revenue, on a form prescribed by the commissioner, a report of pull-tabs and tipboards sold to licensed distributors. The report must be filed monthly on or before the 25th day of the month succeeding the month in which the sale was made. *The commissioner of revenue may inspect the books, records, and inventory of a licensed manufacturer without notice during the normal business hours of the manufacturer.* Any person violating this section shall be guilty of a misdemeanor.

Sec. 40. Minnesota Statutes 1988, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) *all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents; and*

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce, or from one distributor to

another, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of clause (1);

(6) *any unaffixed registration stamps except as provided in section 349.162, subdivision 4;*

(7) *any prize used or offered in a game utilizing contraband as defined in this subdivision;*

(8) *any altered, modified, or counterfeit pull-tab or tipboard ticket;*

(9) *any unregistered gambling equipment except as permitted by this chapter; and*

(10) *any gambling equipment kept in violation of section 349.18.*

Sec. 41. Minnesota Statutes 1988, section 349.2125, subdivision 2, is amended to read:

Subd. 2. [SEIZURE.] ~~Pull-tabs or tipboards or other~~ Property made contraband by subdivision 1 may be seized by the commissioner of revenue or the ~~executive secretary of the charitable gambling control board~~ director of gaming enforcement or their authorized agents or by any sheriff or other police officer, hereinafter referred to as the seizing authority, with or without process, and shall be subject to forfeiture as provided in subdivisions 3 and 4.

Sec. 42. Minnesota Statutes 1988, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within two days after the seizure of any alleged contraband, the person making the seizure shall deliver an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner of revenue or the ~~executive secretary of the charitable gambling control board~~ director of gaming enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 30 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the state by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4, the seizing authority shall release the property seized without further legal proceedings.

Sec. 43. Minnesota Statutes 1988, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) No person, other than a licensed distributor, shall sell, offer for sale, or have in possession with intent to sell or offer for sale, a pull-tab or tipboard deal not stamped in accordance with the provisions of this chapter.

(b) *No person other than a licensed distributor or licensed or exempt organization under section 349.214 may possess gambling equipment except equipment put into play by a licensed or exempt organization.*

(c) *No person, firm, or organization may possess altered, modified, or counterfeit pull-tabs or tipboard tickets with intent to sell, redeem, or exchange them.*

Sec. 44. Minnesota Statutes 1988, section 349.213, subdivision 2, is amended to read:

Subd. 2. [LOCAL APPROVAL.] Before issuing or renewing an organization license or bingo hall license, the board must notify the city council of the statutory or home rule city in which the organization's premises ~~are~~ or the bingo hall is located or, if the premises ~~are~~ or hall is located outside a city, by the county board of the county and the town board of the town where the premises ~~are~~ or hall is located. *The board may require organizations to notify the appropriate local government at the time of application. This required notification is sufficient to constitute the notice required by this subdivision.* If the city council or county board adopts a resolution disapproving the license and so informs the board within 60 days of receiving notice of the ~~license~~ application, the license may not be issued or renewed.

Sec. 45. Minnesota Statutes 1988, section 349.214, subdivision 2, is amended to read:

Subd. 2. [LAWFUL GAMBLING.] (a) Raffles may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections 349.11 to 349.14 and 349.151 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed \$750.

(b) Lawful gambling may be conducted by an organization as defined in section 349.12, subdivision 12, without complying with sections ~~349.11 to 349.14 and~~ 349.151 to 349.16; 349.171 to 349.21; and 349.212 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) the organization notifies the board in writing not less than ~~30~~ 60 days before each lawful gambling occasion of the date and location of the occasion, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit ~~30~~ 60 days before the lawful gambling occasion;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(c) If the organization fails to file a timely report as required by paragraph (b), clause (3) or (6), a \$250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this paragraph if a report is subsequently filed and the penalty paid.

(d) Merchandise prizes must be valued at their fair market value.

(e) *Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept all returns of unopened and undamaged deals returned under this paragraph.*

Sec. 46. Minnesota Statutes 1988, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] A person who in any manner violates sections 349.11 to ~~349.214~~ 349.23 to evade ~~the~~ a tax imposed by a provision of this chapter, or who aids and abets evasion of ~~the~~ a tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 47. Minnesota Statutes 1988, section 349.22, subdivision 3, is amended to read:

Subd. 3. [FELONY.] (a) A person violating section 349.2127, subdivision 1 or 3, is guilty of a felony.

(b) A person violating section 349.2127, ~~subdivisions 2 and subdivision 2 or 4~~, by possessing, receiving, or transporting more than ten pull-tab or tipboard deals ~~not stamped in accordance with this chapter~~ or games, or combination of games which exceed ten deals or games, is guilty of a felony.

Sec. 48. [CHARITABLE GAMBLING CONTROL BOARD.]

The terms of all members serving on the charitable gambling control board on June 30, 1989, expire on that date. Notwithstanding Minnesota Statutes, section 349.151, subdivision 2, of the members of the charitable gambling control board appointed by the governor to serve terms beginning July 1, 1989, one is for a term expiring June 30, 1991, one is for a term expiring June 30, 1992, one is for a term expiring June 30, 1993, one is for a term expiring June 30, 1994, and one is for a term expiring June 30, 1995.

Sec. 49. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall alphabetize the definitions in Minnesota Statutes, section 349.12.

Sec. 50. [APPROPRIATION.]

Subdivision 1. [APPROPRIATION.] \$ is appropriated from the general fund to the charitable gambling control board.

Subd. 2. [COMPLEMENT.] *The complement of the charitable gambling control board is*

Subd. 3. [TRANSFER OF EMPLOYEES.] All employees transferred from the charitable gambling control board to the commissioner of revenue by executive order issued prior to the effective date of this section are transferred to the charitable gambling control board.

Sec. 51. [REPEALER.]

Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.212, subdivisions 2 and 4; and 349.2121, subdivision 4, are repealed.

Sec. 52. [EFFECTIVE DATE.]

Sections 1 to 23, and 25 to 51 are effective July 1, 1989. Section 24 is effective retroactively to November 1, 1988, and applies to any rule adopted by the charitable gambling control board on or after November 1, 1988.

ARTICLE 3

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;
or
- (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;
or

(p) member of the charitable gambling control board, or the director of the charitable gambling control board.

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;
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;
Member, charitable gambling control board.

Sec. 3. Minnesota Statutes 1988, section 240.02, subdivision 1, is amended to read:

Subdivision 1. [COMMISSION CREATED.] A Minnesota racing commission is established with the powers and duties specified in ~~Laws 1983, this chapter 214.~~ The commission consists of nine members appointed by the governor with the advice and consent of the senate. Not more than five of the members may belong to the same political party. The governor shall designate the chair of the commission. ~~Of the members first appointed, three are for terms expiring June 30, 1985, three are for terms expiring June 30, 1987, and three are for terms expiring June 30, 1989. After the expiration of the initial term,~~ Appointments are for terms of six years. An appointment to fill a vacancy in an unexpired term is for the remainder of the term and is with the advice and consent of the senate. *The director of gaming enforcement shall serve as a nonvoting, ex officio member of the commission.*

Sec. 4. Minnesota Statutes 1988, section 240.06, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATION.] Before granting a class A license the commission shall conduct, or request the ~~bureau of criminal apprehension~~ director of gaming enforcement to conduct, a comprehensive background and financial investigation of the applicant and sources of financing. The

commission may charge an applicant an investigation fee to cover the cost of the investigation, and shall from this fee reimburse the ~~bureau~~ *director of gaming enforcement* for ~~its~~ *the director's* share of the cost of the investigation. The commission has access to all criminal history data compiled by the bureau of criminal apprehension and *the director of gaming enforcement* on class A licensees and applicants.

Sec. 5. Minnesota Statutes 1988, section 240.07, subdivision 2, is amended to read:

Subd. 2. [HEARINGS; INVESTIGATIONS.] Before granting an initial class B license the commission shall hold at least one public hearing on the license. Comprehensive investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission has access to all criminal history data compiled by the bureau of criminal apprehension and *the director of gaming enforcement* on class B licensees and applicants.

Sec. 6. Minnesota Statutes 1988, section 240.08, subdivision 3, is amended to read:

Subd. 3. [INVESTIGATIONS.] The commission shall investigate each applicant for a class C license to the extent it deems necessary, and may request the assistance of and may reimburse the ~~bureau of criminal apprehension~~ *director of gaming enforcement* in investigating applicants. The commission may by rule require that an applicant be fingerprinted or furnish the applicant's fingerprints. *Fingerprints taken or furnished under this subdivision may be forwarded to the Federal Bureau of Investigation for the conducting of a national criminal history check.* Investigations must be conducted and their costs paid in the manner prescribed by section 240.06, subdivision 3. The commission may cooperate with national and international organizations and agencies in conducting investigations. The commission may by rule provide for examining the qualifications of an applicant for the license being applied for. The commission has access to all criminal history data compiled by the bureau of criminal apprehension and *the director of gaming enforcement* on class C applicants and licensees.

Sec. 7. Minnesota Statutes 1988, section 240.21, is amended to read:

240.21 [RIGHT OF INSPECTION.]

The commission, *the director of gaming enforcement*, and ~~its~~ *their* representatives have the right to inspect the licensed premises of a licensee and to examine the licensee's books and other records at any time without a search warrant.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to gambling; creating a division of gaming enforcement; providing for its powers and duties; changing size and membership of charitable gambling control board; making changes in the manner in which charitable gambling is conducted; requiring audits; changing the requirement relating to distributors and manufacturers of gambling equipment; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 240.02, subdivision 1; 240.06, subdivision 3; 240.07, subdivision 2; 240.08, subdivision 3; 240.21;

349.11; 349.12, subdivisions 3, 11, 12, 13, 15, 17, 20, and by adding subdivisions; 349.15; 349.151; 349.16, subdivision 4; 349.161; 349.162; 349.163; 349.164; 349.17, subdivision 2a; 349.18, subdivision 1, and by adding a subdivision; 349.19, subdivisions 2, 3, 6, and by adding subdivisions; 349.20; 349.21; 349.212, subdivision 1, and by adding subdivisions; 349.2121, subdivisions 2 and 3; 349.2122; 349.2125, subdivisions 1, 2, and 3; 349.2127, subdivision 2; 349.213, subdivision 2; 349.214, subdivision 2; and 349.22, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 349; proposing coding for new law as Minnesota Statutes, chapter 299K; repealing Minnesota Statutes 1988, sections 349.151, subdivisions 3 and 5; 349.212, subdivisions 2 and 4; and 349.2121, subdivision 4."

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

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

S.F. No. 316: A bill for an act relating to children; controlled substances; requiring reporting of newborns with signs of controlled substance exposure; limiting liability of medical personnel administering toxicology tests on newborns; amending Minnesota Statutes 1988, section 626.556, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 626.

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

SECOND READ OF SENATE BILLS

S.F. Nos. 468, 38, 701, 916, 332, 280, 271 and 94 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 512 was read the second time.

MOTIONS AND RESOLUTIONS

Mr. Metzen moved that the names of Messrs. Vickerman, Lessard and Beckman be added as co-authors to S.F. No. 128. The motion prevailed.

Mr. Berg moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 281. The motion prevailed.

Mr. Moe, D.M. moved that the name of Mr. Knutson be added as a co-author to S.F. No. 331. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Lessard be added as a co-author to S.F. No. 332. The motion prevailed.

Ms. Reichgott moved that the name of Mr. Marty be added as a co-author to S.F. No. 526. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Hughes be added as a co-author to S.F. No. 553. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Langseth be added as a co-author to S.F. No. 831. The motion prevailed.

Mr. Brandl moved that the names of Ms. Piper and Mr. Benson be added as co-authors to S.F. No. 946. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Brandl be added as a co-author to S.F. No. 959. The motion prevailed.

Mr. Pehler moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 986. The motion prevailed.

Mr. Merriam moved that the name of Mr. Luther be added as a co-author to S.F. No. 1001. The motion prevailed.

Mr. Chmielewski moved that the names of Mrs. Lantry and Mr. Samuelson be added as co-authors to S.F. No. 1019. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1026. The motion prevailed.

Mr. Pehler moved that S.F. No. 1020 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Education. The motion prevailed.

Messrs. Schmitz and Purfeerst introduced—

Senate Resolution No. 68: A Senate resolution congratulating Gordie Schmitz, of New Prague, for winning the State High School Class AA 171-pound Wrestling Championship.

Referred to the Committee on Rules and Administration.

Mr. Vickerman introduced—

Senate Resolution No. 69: A Senate resolution congratulating the Storden-Jeffers High School Girls Basketball Team for winning the 1989 Class A State High School Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Belanger introduced—

Senate Resolution No. 70: A Senate resolution congratulating the Bloomington Jefferson Jaguars Hockey Team for winning the 1989 State High School Hockey Championship.

Referred to the Committee on Rules and Administration.

Messrs. Dahl and Merriam introduced—

Senate Resolution No. 71: A Senate resolution congratulating Blaine High School on receiving a three-star performance rating for its one-act play, "Eleemosynary," at the State Class AA One-Act Play Festival.

Referred to the Committee on Rules and Administration.

Messrs. Luther and Merriam introduced—

Senate Resolution No. 72: A Senate resolution congratulating the Osseo High School Girls Basketball Team for winning the 1989 Class AA State High School Girls Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. moved that S.F. No. 38, on General Orders, be stricken and re-referred to the Committee on Taxes and Tax Laws. The motion prevailed.

Mr. Marty moved that S.F. No. 94, on General Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Stumpf moved that S.F. No. 956 be withdrawn from the Committee on Environment and Natural Resources and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mrs. Lantry moved that S.F. No. 351, on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Diessner moved that S.F. No. 230, on General Orders, be stricken and returned to its author. The motion prevailed.

RECESS

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

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

APPOINTMENTS

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

S.F. No. 156: Mrs. Lantry, Messrs. Peterson, R.W. and Knaak.

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

CALENDAR

H.F. No. 148: A bill for an act relating to local government; permitting the counties of Washington and Anoka to establish certain payment procedures.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S.F. No. 671: A bill for an act relating to the commission on uniform state laws; providing for its composition; amending Minnesota Statutes 1988, section 3.251.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

GENERAL ORDERS

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

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

S.F. No. 104 and H.F. No. 27, which the committee recommends to pass.

S.F. No. 382, which the committee recommends to pass with the following amendment offered by Mr. Pogemiller:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1988, section 343.20, is amended by adding a subdivision to read:

Subd. 5. [ANIMAL CONTROL OFFICER.] "Animal control officer" means an officer employed by or under contract with an agency of the state, county, municipality, or other governmental subdivision of the state which is responsible for animal control operations in its jurisdiction.

Sec. 2. Minnesota Statutes 1988, section 343.29, subdivision 1, is amended to read:

Subdivision 1. [DELIVERY TO SHELTER.] Any peace officer, *animal control officer*, or ~~any~~ agent of the federation or county or district societies for the prevention of cruelty, may remove, shelter, and care for any animal which is not properly sheltered from cold, hot, or inclement weather or any animal not properly fed and watered, or provided with suitable food and drink. When necessary, a peace officer, *animal control officer*, or agent may deliver the animal to another person to be sheltered and cared for, and furnished with suitable food and drink. In all cases, the owner, if known, shall be immediately notified, and the person having possession of the animal, shall have a lien thereon for its care and keeping, the reasonable

value of the food and drink furnished, and the expenses of the notice. If the owner or custodian is unknown and cannot by reasonable effort be ascertained, or does not, within five days after notice, redeem the animal by paying the expenses authorized by this subdivision, the animal may be treated as an estray."

Page 5, line 3, delete "10" and insert "12"

Page 5, line 4, delete "11" and insert "13"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "granting certain powers to animal control officers;"

Page 1, line 5, after "sections" insert "343.20, by adding a subdivision; 343.29, subdivision 1;"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Knaak introduced—

S.F. No. 1033: A bill for an act relating to motor vehicles; prohibiting county auditors from collecting any part of filing fee paid to public deputy registrars the county auditor appoints; amending Minnesota Statutes 1988, section 168.33, subdivision 7.

Referred to the Committee on Transportation.

Mr. Laidig, Mses. Reichgott, Berglin and Mr. Stumpf introduced—

S.F. No. 1034: A bill for an act relating to probate; changing procedure for notice to certain creditors; changing certain time limits; amending Minnesota Statutes 1988, sections 524.3-801; 524.3-802; 524.3-803; and 524.3-807.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 1035: A bill for an act relating to probate; exempting certain claims from statutes of limitation; amending Minnesota Statutes 1988, sections 256B.15; and 524.3-803.

Referred to the Committee on Judiciary.

Messrs. Freeman, Pogemiller and Mrs. Lantry introduced—

S.F. No. 1036: A bill for an act relating to dislocated workers; providing procedures to assist workers affected by employer closings; appropriating money; amending Minnesota Statutes 1988, section 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Employment.

Mrs. Lantry, Messrs. Diessner; Johnson, D.E. and McGowan introduced—

S.F. No. 1037: A bill for an act relating to animals; regulating using animals for certain purposes; providing a penalty; amending Minnesota Statutes 1988, sections 343.33; and 343.34.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Cohen introduced—

S.F. No. 1038: A bill for an act relating to retirement; public employees retirement association; authorizing the purchase of service credit by certain city of St. Paul employees.

Referred to the Committee on Governmental Operations.

Messrs. Merriam and Dahl introduced—

S.F. No. 1039: A bill for an act relating to charitable gambling; permitting organizations to treat legal expenses as an allowable expense; amending Minnesota Statutes 1988, section 349.15.

Referred to the Committee on General Legislation and Public Gaming.

Ms. Reichgott, Messrs. Laidig; Peterson, R.W.; Cohen and Luther introduced—

S.F. No. 1040: A bill for an act relating to mechanics' liens; clarifying and simplifying the contractors' and subcontractors' notice; amending Minnesota Statutes 1988, section 514.011, subdivisions 1 and 2.

Referred to the Committee on Judiciary.

Messrs. Larson; Berg; Moe, R.D.; Langseth and Anderson introduced—

S.F. No. 1041: A bill for an act relating to economic development; authorizing certain local jurisdictions to contribute to local or regional economic development organizations; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Economic Development and Housing.

Mr. Vickerman introduced—

S.F. No. 1042: A bill for an act relating to the environment; requiring the use of soy-based ink for some printing operations; proposing coding for new law in Minnesota Statutes, chapter 115A.

Referred to the Committee on Agriculture and Rural Development.

Mr. Moe, R.D. introduced—

S.F. No. 1043: A bill for an act relating to natural resources; authorizing a grant to the Red Lake watershed district, Clearwater county, to construct an improved and enlarged lake on Walker Brook; authorizing the sale of state bonds; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Luther introduced—

S.F. No. 1044: A bill for an act relating to insurance; requiring obligors to issue an insurance identification card; requiring a driver or owner to produce an insurance identification card, policy, or written statement; providing for administrative review; exempting certain vehicles; providing for the impoundment of registration plates; providing for a limited license in certain circumstances; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 65B.67, subdivisions 2 and 4; 168.041, subdivisions 4, 4a, and by adding a subdivision; 169.09, subdivision 14; 171.29, subdivision 1; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.481.

Referred to the Committee on Transportation.

Mr. Moe, D.M. introduced—

S.F. No. 1045: A bill for an act relating to the organization and operation of state government; department of employee relations; establishing a public pension plan bureau within the department; requiring continuing monitoring and oversight of public pension plans by the bureau; amending Minnesota Statutes 1988, sections 43A.01, subdivision 1; 43A.02, subdivision 1, and by adding subdivisions; 43A.03, subdivisions 2, 3, and 4; 43A.04, subdivisions 1, 3, and 7; 43A.17, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Laws 1987, chapter 186, section 11.

Referred to the Committee on Governmental Operations.

Mr. Ramstad and Ms. Reichgott introduced—

S.F. No. 1046: A bill for an act relating to crimes; requiring mandatory minimum terms of imprisonment for soliciting, inducing, or promoting prostitution or receiving profits derived from prostitution; amending Minnesota Statutes 1988, sections 609.322, by adding subdivisions; and 609.323, by adding subdivisions.

Referred to the Committee on Judiciary.

Messrs. Frederickson, D.J.; Vickerman; Langseth; Davis and Beckman introduced—

S.F. No. 1047: A resolution memorializing the President and the Congress of the United States to raise the Commodity Credit Corporation loan rate to target price levels to achieve the needed Agriculture budget reductions.

Referred to the Committee on Agriculture and Rural Development.

Mr. Moe, D.M. introduced—

S.F. No. 1048: A bill for an act relating to retirement; local police and salaried firefighters' relief association amortization state aid; providing for a phase-out of the aid program; amending Minnesota Statutes 1988, section 423A.02; repealing Minnesota Statutes 1988, section 423A.02, as amended; and Laws 1984, chapter 564, section 48, as amended.

Referred to the Committee on Governmental Operations.

Mr. DeCramer, Mrs. McQuaid, Messrs. Davis and Samuelson introduced—

S.F. No. 1049: A bill for an act relating to animals; requiring landlords to allow elderly tenants to keep certain pets; proposing coding for new law in Minnesota Statutes, chapter 504.

Referred to the Committee on Economic Development and Housing.

Messrs. Mehrkens, Vickerman, Ms. Piper, Mrs. Lantry and Mr. Anderson introduced—

S.F. No. 1050: A bill for an act relating to children; termination of parental rights; allowing grandparents to participate in proceedings in certain circumstances; amending Minnesota Statutes 1988, section 260.231, subdivision 2.

Referred to the Committee on Judiciary.

Messrs. Novak; Langseth; Stumpf; Johnson, D.J. and Johnson, D.E. introduced—

S.F. No. 1051: A resolution memorializing the Congress of the United States to reject pending legislation that would authorize the use of Minnesota waters for the transportation of coal and would grant the right of eminent domain of coal slurry pipelines.

Referred to the Committee on Transportation.

Ms. Berglin, Mr. Spear, Ms. Piper, Mrs. Lantry and Mr. Knutson introduced—

S.F. No. 1052: A bill for an act relating to human services; creating a temporary licensure exemption for supportive living arrangements for persons who have mental retardation or chemical dependency or who are frail elderly, or have other functional impairments; requiring the commissioner to adopt licensing rules; amending Minnesota Statutes 1988, section 245A.03, subdivision 2.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1053: A bill for an act relating to human services; providing for eligibility changes in the children's health plan program; clarifying eligibility under the medical assistance program for pregnant women, infants, and children; authorizing the adoption of rules; amending Minnesota Statutes 1988, section 256.936, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Health and Human Services.

Messrs. Diessner, Frank, Ms. Piper, Messrs. Kroening and Gustafson introduced—

S.F. No. 1054: A bill for an act relating to employment; requiring employers to give copies of certain medical reports to employees; proposing coding

for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Employment.

Ms. Berglin, Mr. Samuelson, Mses. Peterson, D.C.; Piper and Mr. Knutson introduced—

S.F. No. 1055: A bill for an act relating to children; creating a statewide grant program to provide neighborhood-based support to enhance the health, development, and school readiness of preschool children; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services.

Ms. Olson, Messrs. Benson, Larson, Mehrkens and Knaak introduced—

S.F. No. 1056: A bill for an act relating to education; increasing the formula allowance; providing an incentive for class size reductions and program improvements; encouraging an emphasis on the teaching of English, math, social studies, and science; providing additional funds for districts offering a comprehensive curriculum; requiring statewide assessment for grades six and ten; lengthening time-on-task; restoring a categorical aid for gifted and talented programs; adjusting the minimum allowance for school districts; appropriating money; amending Minnesota Statutes 1988, sections 120.101, subdivisions 5, 6, and by adding a subdivision; 124.17, subdivision 1; 124.19, subdivision 1, and by adding a subdivision; 124A.22, subdivisions 2 and 9; proposing code for new law in Minnesota Statutes, chapters 124 and 124A.

Referred to the Committee on Education.

Messrs. Cohen; Merriam; Moe, R.D.; Johnson, D.J. and Benson introduced—

S.F. No. 1057: A bill for an act relating to state government; creating a legislative budget office; providing for its duties; providing for a director of the legislative budget office and the manner of the director's appointment and service; eliminating the department of finance and transferring its powers and duties to the department of revenue; amending Minnesota Statutes 1988, sections 3.30, subdivision 1; 3.303, subdivision 2; 3.98, subdivisions 1 and 4; 3.982; 15.06, subdivision 1; 270.66, subdivision 1; 282.09, subdivision 1; and 293.06; proposing coding for new law in Minnesota Statutes, chapter 270A; proposing coding for new law as Minnesota Statutes, chapters 3D and 272A; repealing Minnesota Statutes 1988, sections 3.30, subdivision 2; 16A.01; 16A.1281; and 16A.45.

Referred to the Committee on Governmental Operations.

Mses. Peterson, D.C.; Berglin; Mr. Waldorf, Mrs. Lantry and Mr. Knutson introduced—

S.F. No. 1058: A bill for an act relating to health; clarifying requirements for licensing consulting psychologists and psychological associates; describing duties of the board of psychology; establishing requirements for the independent practice of psychology; amending Minnesota Statutes 1988, sections 148.88; 148.89; 148.90; 148.91; 148.93; 148.95; 148.96; 148.97;

148.975, subdivisions 1 and 5; 148.976, subdivision 1; and 148.98; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 148.92 and 148.97, subdivision 4.

Referred to the Committee on Health and Human Services.

Messrs. Decker, Frank and Storm introduced—

S.F. No. 1059: A bill for an act relating to health; creating an exception to the nursing home moratorium; amending Minnesota Statutes 1988, section 144A.071, subdivision 3.

Referred to the Committee on Health and Human Services.

Messrs. Marty and Dicklich introduced—

S.F. No. 1060: A bill for an act relating to utilities; providing for assessment of costs related to certain certificate of need applications; proposing coding for new law in Minnesota Statutes, chapter 216B.

Referred to the Committee on Public Utilities and Energy.

Mr. Solon, Ms. Berglin, Messrs. Brandl, Chmielewski and Benson introduced—

S.F. No. 1061: A bill for an act relating to human services; requiring joint, uniform rules for services for persons with a disability; funding work activity and community-based employment services at a level equal to day training and habilitation services; appropriating money; amending Minnesota Statutes 1988, sections 129A.03; 129A.08, subdivision 5; and 252.43; proposing coding for new law in Minnesota Statutes, chapter 252.

Referred to the Committee on Health and Human Services.

Messrs. Metzen, Solon, Purfeerst and Frederick introduced—

S.F. No. 1062: A bill for an act relating to financial institutions; regulating check settlements; amending Minnesota Statutes 1988, section 48.158.

Referred to the Committee on Commerce.

Mr. Frederickson, D.J. introduced—

S.F. No. 1063: A bill for an act relating to veterans; providing for establishment of a veterans home in Montevideo; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Mr. Frederickson, D.J. introduced—

S.F. No. 1064: A bill for an act relating to veterans; providing for establishment of a veterans home in Granite Falls; proposing coding for new law in Minnesota Statutes, chapter 198.

Referred to the Committee on Veterans and Military Affairs.

Mr. Frank introduced—

S.F. No. 1065: A bill for an act relating to human services; transferring responsibility for the post-secondary educational institution set-aside to department of education; eliminating set-asides for AFDC priority groups and AFDC post-secondary students; requiring the commissioner to transfer funds from the AFDC set-asides to the basic sliding fee program; mandating child care funding for certain groups; including child care funds planning in the community social services planning process; appropriating money; amending Minnesota Statutes 1988, sections 256E.03, subdivision 2; 256E.09, subdivision 3; 256H.01, subdivision 4; 256H.02; 256H.03, subdivisions 1 and 2; 256H.04; 256H.07; 256H.08; 256H.09, subdivisions 1 and 3; 256H.10, subdivisions 1 and 3; 256H.11, subdivision 2; 256H.12, subdivision 1; 256H.17; and 256H.18; repealing Minnesota Statutes 1988, sections 256H.01, subdivision 14; 256H.04, subdivision 2; 256H.05; 256H.06; and 256H.13.

Referred to the Committee on Health and Human Services.

Mr. Solon, Mrs. McQuaid and Mr. Luther introduced—

S.F. No. 1066: A bill for an act relating to commerce; uniform commercial code; providing a 20-day notice period for certain fixture filings; amending Minnesota Statutes 1988, section 336.9-313.

Referred to the Committee on Commerce.

Mr. Luther introduced—

S.F. No. 1067: A bill for an act relating to metropolitan government; regulating budgets; amending Minnesota Statutes 1988, section 473.1623, subdivision 4, and by adding subdivisions.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.J. introduced—

S.F. No. 1068: A bill for an act relating to Cook county; authorizing the county to appropriate money for county hospitals.

Referred to the Committee on Local and Urban Government.

Mr. Johnson, D.J. introduced—

S.F. No. 1069: A bill for an act relating to Cook county; permitting establishment of a county hospital district; authorizing the district's levy.

Referred to the Committee on Local and Urban Government.

Mr. Peterson, R.W. introduced—

S.F. No. 1070: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Chisago county.

Referred to the Committee on Environment and Natural Resources.

Messrs. Schmitz, Frederick, Dahl, Purfeerst and Anderson introduced—

S.F. No. 1071: A bill for an act relating to trade practices; providing for payment to farm implement retailer by the manufacturer, wholesaler, or

distributor who repurchases stock and inventory; amending Minnesota Statutes 1988, section 325E.06, subdivisions 1, 4, and 5.

Referred to the Committee on Commerce.

Mr. DeCramer, by request, introduced—

S.F. No. 1072: A bill for an act relating to education; requesting the University of Minnesota board of regents to restructure governance of the university.

Referred to the Committee on Education.

Mr. Beckman introduced—

S.F. No. 1073: A bill for an act relating to taxation; sales and use; repealing accelerated payment of June liability; amending Minnesota Statutes 1988, section 297A.27, subdivision 1; repealing Minnesota Statutes 1988, section 297A.275.

Referred to the Committee on Taxes and Tax Laws.

Mr. Hughes, Ms. Peterson, D.C.; Messrs. Morse; Moe, R.D. and Mrs. McQuaid introduced—

S.F. No. 1074: A bill for an act relating to elections; making various changes in laws applicable to school district elections; amending Minnesota Statutes 1988, sections 201.071, subdivision 3; 203B.08, subdivision 3; 204B.08, subdivision 3; 204B.14, subdivision 5; 204B.17; 204B.44; 204C.22, subdivisions 9, 10, 15, and by adding a subdivision; 204D.04, subdivision 2; 205A.05, subdivision 1; 205A.07, by adding a subdivision; 205A.09, subdivision 2; 205A.10, subdivisions 2 and 3; 205A.11; 205A.12, subdivision 2; 209.02, subdivision 1; 209.021, subdivision 1; 209.03; 209.09, subdivision 1; and 211A.01, subdivision 6.

Referred to the Committee on Elections and Ethics.

Messrs. Beckman; Vickerman; Peterson, R.W. and Ms. Berglin introduced—

S.F. No. 1075: A bill for an act relating to education; allowing school districts to be considered providers under the state medical assistance plan; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Education.

Messrs. Freeman, Metzen, Samuelson, Purfeerst and Taylor introduced—

S.F. No. 1076: A bill for an act relating to commerce; regulating real estate appraisers; creating the real estate appraiser advisory board; providing for membership, compensation, powers, and duties; providing licensing and education requirements; regulating the issuance, renewal, suspension, and revocation of licenses; providing fees; prescribing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 82B.

Referred to the Committee on Commerce.

Mr. Knaak introduced—

S.F. No. 1077: A bill for an act relating to taxation; allowing a special levy to city of White Bear Lake for certain reserve funds; amending Minnesota Statutes 1988, sections 275.50, subdivision 5, and by adding a subdivision; and 471.572, subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Adkins, Messrs. Knaak, Benson, Laidig and Johnson, D.J. introduced—

S.F. No. 1078: A bill for an act relating to local government aid; including certain towns with cities for purposes of the distribution formula; amending Minnesota Statutes 1988, section 477A.011, subdivision 1a.

Referred to the Committee on Taxes and Tax Laws.

Mr. Marty, Mrs. Lantry and Mr. Cohen introduced—

S.F. No. 1079: A bill for an act relating to Ramsey county; increasing the size of the personnel board; permitting the personnel director to issue certain subpoenas; amending Minnesota Statutes 1988, sections 383A.287, subdivision 2; and 383A.294, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Pehler introduced—

S.F. No. 1080: A bill for an act relating to state lands; conveying title to state land in St. Cloud.

Referred to the Committee on Environment and Natural Resources.

Mr. Spear, Ms. Berglin, Messrs. Laidig, Cohen and Ms. Reichgott introduced—

S.F. No. 1081: A bill for an act relating to courts; providing for a study by the supreme court of racial bias in the judicial system; establishing a panel to investigate racism by judges and evaluate mechanisms for criticizing judges; appropriating money.

Referred to the Committee on Judiciary.

Mr. Brandl introduced—

S.F. No. 1082: A bill for an act relating to administrative procedure; clarifying the applicability of the requirement that agencies consider the impact of proposed rules on small business; amending Minnesota Statutes 1988, section 14.115, subdivision 7.

Referred to the Committee on Governmental Operations.

Mr. Brandl introduced—

S.F. No. 1083: A bill for an act relating to the environment; providing an exemption process from the power plant siting requirements for certain generating plants; amending Minnesota Statutes 1988, section 116C.57, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Mrs. Lantry introduced—

S.F. No. 1084: A bill for an act relating to motor vehicles; defining terms: including station wagon and certain passenger-carrying vans as passenger automobiles for all purposes; providing for registration of certain vehicles; amending Minnesota Statutes 1988, sections 65B.001, subdivision 3; 65B.43, subdivision 12; 116.60, subdivision 7; 168.011, subdivisions 7, 28, and 35; 168.012, subdivision 1; 168.017, subdivision 1; 168.12, subdivisions 2b and 2c; 168.124, subdivision 5; 168.125, subdivision 1; and 168.126, subdivision 2; repealing Minnesota Statutes 1988, sections 168.011, subdivision 23; and 168.101, subdivision 5.

Referred to the Committee on Transportation.

Mr. Berg and Ms. Piper introduced—

S.F. No. 1085: A bill for an act relating to natural resources; changing certain provisions relating to the taking of turtles; amending Minnesota Statutes 1988, sections 97C.605, subdivision 3; and 97C.611; repealing Minnesota Statutes 1988, section 97C.615.

Referred to the Committee on Environment and Natural Resources.

Mr. Taylor introduced—

S.F. No. 1086: A bill for an act relating to government data practices; defining final disposition of disciplinary action for purposes of access to personnel records; modifying standards for distribution of not public data at public meetings; amending Minnesota Statutes 1988, sections 13.43, subdivision 2; and 471.705, subdivision 1b.

Referred to the Committee on Judiciary.

Mr. Kroening and Ms. Berglin introduced—

S.F. No. 1087: A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 566.

Referred to the Committee on Economic Development and Housing.

Mr. Dahl introduced—

S.F. No. 1088: A bill for an act relating to metropolitan government; extending the responsibility of the mosquito control district to disease vectoring ticks; amending Minnesota Statutes 1988, sections 473.702; 473.704; and 473.711, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Pogemiller, Ms. Peterson, D.C. and Mrs. Lantry introduced—

S.F. No. 1089: A bill for an act relating to the cities of Minneapolis and Saint Paul; authorizing housing and rehabilitation loan and grant programs; providing for the issuance of bonds; amending Laws 1974, chapter 285.

Referred to the Committee on Economic Development and Housing.

Messrs. Luther, Metzen and Freeman introduced—

S.F. No. 1090: A bill for an act relating to insurance; regulating cancellations of insurance agency contracts; amending Minnesota Statutes 1988, section 60A.172.

Referred to the Committee on Commerce.

Mr. Pogemiller introduced—

S.F. No. 1091: A bill for an act relating to retirement; providing partial postretirement adjustments for certain retired public employees; amending Minnesota Statutes 1988, section 11A.18, subdivisions 9 and 10.

Referred to the Committee on Governmental Operations.

Messrs. Benson, Anderson, Decker, Bernhagen and Solon introduced—

S.F. No. 1092: A bill for an act relating to health; authorizing the public facilities authority to make health care planning grants and capital equipment loans available to small hospitals; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 446A.

Referred to the Committee on Health and Human Services.

Mrs. Brataas, Messrs. Morse; Moe, R.D.; Dahl and Benson introduced—

S.F. No. 1093: A bill for an act relating to education; providing for capital expenses at Rochester community college; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Finance.

Mrs. Brataas, Messrs. Morse; Moe, R.D.; Dahl and Benson introduced—

S.F. No. 1094: A bill for an act relating to education; appropriating money to plan construction at Rochester community college.

Referred to the Committee on Finance.

Ms. Peterson, D.C. introduced—

S.F. No. 1095: A bill for an act relating to education; requiring school boards, public post-secondary boards and institutions, the commissioner of human rights, and the high school league to perform certain duties relating to sexual harassment and sexual violence; appropriating money; amending Minnesota Statutes 1988, sections 121.882, subdivision 2; 124A.27, by adding a subdivision; and 129.121, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 121; 127;

135A; and 363.

Referred to the Committee on Education.

Mr. Hughes introduced—

S.F. No. 1096: A bill for an act relating to retirement; excluding Roseville firefighters from membership in the public employees police and fire fund.

Referred to the Committee on Governmental Operations.

Mr. Chmielewski introduced—

S.F. No. 1097: A bill for an act relating to health; defining the practice of traditional midwifery; providing for parental rights and informed consent disclosure statement; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 1988, sections 148.30; 148.31; and 148.32.

Referred to the Committee on Health and Human Services.

Mr. Solon introduced—

S.F. No. 1098: A bill for an act relating to the environment; authorizing participation in the Great Lakes Protection Fund; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Messrs. Merriam; Stumpf; Diessner; Frederickson, D.R. and Lessard introduced—

S.F. No. 1099: A bill for an act relating to public safety; proposing the emergency planning and community right-to-know act; requiring reports on hazardous substances and chemicals; creating an emergency response commission; providing penalties; amending Minnesota Statutes 1988, section 609.671, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

Referred to the Committee on Health and Human Services.

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

MOTIONS AND RESOLUTIONS

Messrs. Bernhagen and Bertram introduced—

Senate Resolution No. 73: A Senate resolution congratulating the Eden Valley-Watkins High School Girls Basketball Team for winning Second Place in the 1989 Class A State High School Girls Basketball Tournament.

Referred to the Committee on Rules and Administration.

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 5: A Senate concurrent resolution relating to adjournment for more than three days.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

1. Upon its adjournment on Monday, March 20, 1989, the House of Representatives may set its next day of meeting by motion.

2. Upon its adjournment on Wednesday, March 22, 1989, the Senate may set its next day of meeting by motion.

3. Each house consents to the adjournment of the other house for more than three days.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. Luther moved that the name of Mr. McGowan be added as second co-author to Senate Resolution No. 72. The motion prevailed.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, March 20, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate