

THIRTY-FIRST DAY

St. Paul, Minnesota, Thursday, April 13, 1989

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Ms. Maxine Anderson.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Mr. Anderson was excused from the Session of today.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 112, 699, 382, 390 and 831.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1989

Mr. President:

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

S.F. No. 163: A bill for an act relating to traffic regulations; regulating U-turns; providing for color and equipment requirements on school buses carrying ten or more persons; establishing conditions under which school bus drivers must activate flashing amber lights; providing for bumper requirements on private passenger vehicles; amending Minnesota Statutes 1988, sections 169.19, subdivision 2; 169.44, subdivisions 1a and 2; and 169.73.

Senate File No. 163 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1989

Mr. Frank moved that S.F. No. 163 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 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.

Senate File No. 916 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1989

CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 916 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 916 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 1444: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding.

Senate File No. 1444 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 12, 1989

Mr. Moe, R.D. moved that S.F. No. 1444 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 593, 956, 895, 1287, 1447, 1517, 627, 945, 951, 1155, 989, 1014, 1117 and 1586.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 12, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 593: A bill for an act relating to occupations and professions; providing for a uniform electrical violation ticket; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 521, now on General Orders.

H.F. No. 956: A bill for an act relating to insurance; clarifying the calculation of underinsured motorist benefits; amending Minnesota Statutes 1988, section 65B.49, subdivisions 3a and 4a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 960.

H.F. No. 895: A bill for an act relating to state lands; authorizing the commissioner of transportation to convey certain surplus property to Stevens county for other than public purposes; authorizing the county to sell the property for other than public purposes through a public sale.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 710, now on General Orders.

H.F. No. 1287: A bill for an act relating to commerce; securities; exempting nonissuer sales of securities issued by the state, its subdivisions, or instrumentalities from regulation; amending Minnesota Statutes 1988, section 80A.15, subdivision 2.

Referred to the Committee on Commerce.

H.F. No. 1447: A bill for an act relating to motor vehicles; defining the effect of certain leases; amending Minnesota Statutes 1988, section 168A.17, by adding a subdivision.

Referred to the Committee on Commerce.

H.F. No. 1517: A bill for an act relating to local government; authorizing the city of St. Louis Park to change the name of the housing and redevelopment authority; permitting the recording of certain deeds.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1373.

H.F. No. 627: A bill for an act relating to motor carriers; exempting rear-end dump trucks operated by private agricultural carriers between point of production and point of processing from requirements for rear-end protection; amending Minnesota Statutes 1988, section 221.031, subdivision 2a.

Referred to the Committee on Transportation.

H.F. No. 945: A bill for an act relating to public employment; modifying the prohibition against bargaining certain retirement contributions; amending Minnesota Statutes 1988, sections 179A.03, subdivision 19; 356.24; and 471.616, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 951: A bill for an act relating to utilities; providing for the establishment of competitive electric utility rates for certain customers subject to effective competition; authorizing public utilities commission to require utility to initiate rate proceeding under limited circumstances; removing repealer of laws providing for establishment of flexible gas utility rates for certain customers subject to effective competition; amending Minnesota Statutes 1988, sections 216B.045, subdivision 5; and 216B.17, subdivision 6, and by adding a subdivision; Laws 1987, chapter 371, section 4; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1988, section 216B.17, subdivisions 2, 3, 4, and 5.

Referred to the Committee on Public Utilities and Energy.

H.F. No. 1155: A bill for an act relating to insurance; life and health;

regulating policy and contract provisions, coverages, certain cost-containment mechanisms, cancellations and nonrenewals, trade and marketing practices, and remedies in these and other lines; making technical changes; amending Minnesota Statutes 1988, sections 45.025, subdivision 8; 45.027, subdivision 7; 45.028, subdivision 1; 61A.011, subdivision 1; 61A.092, subdivision 3; 61B.03, subdivision 6; 62A.01; 62A.041; 62A.08; 62A.09; 62A.15, subdivision 3a; 62A.17, subdivision 2; 62A.46, by adding a subdivision; 62A.48, subdivision 1; 62B.01; 62B.04, subdivision 1; 62D.12, by adding a subdivision; 62E.06, subdivision 1; 72A.20, subdivision 15, and by adding subdivisions; 72A.325; and 149.11; proposing coding for new law in Minnesota Statutes, chapters 60A; 62A; 65A; and 72A; repealing Minnesota Statutes 1988, sections 60A.23, subdivision 7; and 72A.13, subdivision 2.

Referred to the Committee on Commerce.

H.F. No. 989: 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 Rules and Administration for comparison with S.F. No. 1071, now on General Orders.

H.F. No. 1014: A bill for an act relating to mechanics' liens; allowing owner to request statement of actual charges; requiring subcontractor to make good faith estimate of charges; amending Minnesota Statutes 1988, section 514.011, subdivision 2.

Referred to the Committee on Judiciary.

H.F. No. 1117: A bill for an act relating to occupations and professions; regulating the practice of accountancy; creating standards of care; amending Minnesota Statutes 1988, sections 326.165; 326.20, subdivision 1; 326.211, subdivision 6; and 326.212, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Judiciary.

H.F. No. 1586: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding; providing for an arbitration award.

Mr. Moe, R.D. moved that H.F. No. 1586 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

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

S.F. No. 1184: A bill for an act relating to probate; modifying provisions for the award of sentimental property and family allowances; amending Minnesota Statutes 1988, sections 525.151; and 525.152.

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

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

S.F. No. 1001: A bill for an act relating to the community dispute resolution program; giving the state planning agency joint responsibility with the state court administrator's office for administration of the program; establishing eligibility criteria for grant recipients; appropriating money; amending Minnesota Statutes 1988, sections 494.01, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 494; repealing Minnesota Statutes 1988, sections 494.01, subdivisions 3, 4, and 5; and 494.04.

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

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

S.F. No. 1483: A bill for an act relating to courts; authorizing use of alternative dispute resolution statewide; authorizing the court to order binding alternative dispute resolution with a right to appeal; amending Minnesota Statutes 1988, section 484.74, subdivisions 1, 2, 3, and by adding a subdivision; repealing Minnesota Statutes 1988, section 484.74, subdivision 4.

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

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

S.F. No. 1175: A bill for an act relating to education; updating the language and procedures with respect to certain state university bonding authority; amending Minnesota Statutes 1988, section 136.31, subdivisions 3 and 5.

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

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

S.F. No. 1321: A bill for an act relating to education; allowing a school board to compel attendance of enrolled pupils under the age of seven; making conforming changes; amending Minnesota Statutes 1988, sections 120.101, subdivision 5, and by adding a subdivision; and 127.20.

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. 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.

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

Page 1, line 11, delete "*grant*" and insert "*loan*"

Page 1, lines 13 and 15, delete "*Grant*" and insert "*Loan*"

Page 2, delete lines 7 to 13

Page 2, line 14, delete "(d)" and insert "(c)" and delete "grant" and insert "loan"

Page 2, line 16, before "The" insert "(a)" and delete "may" and insert "shall"

Page 2, line 17, delete "all or any part of" and after "costs" insert "for which the district is liable under this section"

Page 2, line 19, delete "shall" and insert "may" and delete "indefinitely" and before "assessment" insert "collection of the levy for the"

Page 2, line 21, before the period, insert ". whichever occurs first"

Page 2, after line 21, insert:

"(b) The Red Lake watershed district shall, in accordance with Minnesota Statutes, chapter 112, appoint appraisers who will view the project and assign appropriate benefits. The Red Lake watershed district shall then prepare a deferred assessment roll reflecting what the benefits will be when the deferred assessments are paid. The assessments, when paid to the Red Lake watershed district, must be forwarded to the commissioner of natural resources, who shall deposit them in the state treasury and credit them to the state bond fund, unless otherwise directed by law."

Amend the title as follows:

Page 1, line 2, delete "grant" and insert "loan"

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

S.F. No. 997: A bill for an act relating to the environment; authorizing the pollution control agency to assist persons in reviewing real property for petroleum tank releases and to be paid for such assistance; authorizing expenditures from the petroleum tank release compensation fund; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; requiring notification by owners of aboveground tanks; amending Minnesota Statutes 1988, sections 115C.03, by adding a subdivision; 115C.08, subdivision 4; 115C.09; and 116.48.

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 115C.03, is amended by adding a subdivision to read:

Subd. 9. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner may, upon request:

(1) assist in determining whether a release has occurred; and

(2) assist in or supervise the development and implementation of reasonable and necessary response actions.

(b) Assistance may include review of agency records and files and review

and approval of a requester's investigation plans and reports and corrective action plans and implementation.

(c) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this subdivision must be deposited in the state treasury and credited to the fund.

Sec. 2. Minnesota Statutes 1988, section 115C.08, subdivision 4, is amended to read:

Subd. 4. [EXPENDITURES.] Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in sections 115C.03 to 115C.10;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04; ~~and~~

(4) for training, certification, and rulemaking under sections 116.46 to 116.50-; and

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks.

Sec. 3. Minnesota Statutes 1988, section 115C.09, is amended to read:

115C.09 [~~CORRECTIVE ACTION~~ REIMBURSEMENT TO RESPONSIBLE AND OTHER PERSONS.]

Subdivision 1. [REIMBURSABLE ~~CORRECTIVE ACTIONS COSTS.~~]

(a) The board shall provide partial reimbursement for the cost of corrective action to eligible responsible persons for reimbursable costs incurred after June 4, 1987.

(b) The following costs shall be considered reimbursable for purposes of this section:

(1) corrective action costs incurred by the responsible person; and

(2) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury or property damage caused by a release if the responsible person's liability for the costs has been established by a court order or a consent decree.

(c) A cost for liability to a third party is considered to be incurred by the responsible person when an order or consent decree establishing the liability is entered. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

Subd. 2. [RESPONSIBLE PERSON ELIGIBILITY.] (a) A responsible person who has ~~taken corrective action and~~ incurred reimbursable costs after June 4, 1987, in response to a release, may apply to the board for partial reimbursement under subdivision 3 and rules adopted by the board. *The board may consider applications for reimbursement after the commissioner has approved a design for corrective action that the commissioner determines will adequately address the release. The board may also consider applications when the corrective action has been fully constructed or installed and periodically afterward as the corrective action continues operation.*

(b) A reimbursement may not be made unless the board determines that:

~~(1) the commissioner has determined that the corrective action has, or when completed will have, adequately addressed the release and that the release no longer poses a threat to public health and welfare or the environment; in terms of public health, welfare, and the environment.~~

(c) The board shall reduce the amount of reimbursement to be made under this section if it finds that the responsible person has not complied with one or more of the following requirements:

~~(1) at the time of the release the tank was in substantial compliance with state and federal rules and regulations applicable to the tank, including rules or regulations relating to financial responsibility;~~

~~(2) the agency was given notice of the release as required by section 115.061;~~

~~(3) the responsible person, to the extent possible, fully cooperated with the agency in responding to the release; and~~

~~(4) if the responsible person is an operator, the person exercised due care with regard to operation of the tank, including maintaining inventory control procedures.~~

(d) The reimbursement shall be reduced as much as 100 percent for failure by the responsible person to comply with the requirements in paragraph (c), clauses (1) to (4). In determining the amount of the reimbursement reduction, the board shall consider:

(1) the likely environmental impact of the noncompliance;

(2) whether the noncompliance was negligent, knowing, or willful;

(3) the deterrent effect of the award reduction on other tank owners and operators; and

(4) the amount of reimbursement reduction recommended by the commissioner.

Subd. 3. [REIMBURSEMENT.] (a) The board shall reimburse a responsible person who is eligible under subdivision 2 from the fund for ~~75~~ 90 percent of the portion of the total ~~corrective action~~ reimbursable costs ~~greater than \$10,000 and less than \$100,000~~ \$250,000. *Not more than \$250,000 may be reimbursed for costs associated with a single release, regardless of the number of persons eligible for reimbursement.*

(b) A reimbursement may not be made from the fund under this subdivision until the board has determined that the costs for which reimbursement is requested were actually incurred and were reasonable.

(c) Money in the fund is appropriated to the board to make reimbursements under this section.

Subd. 3a. [ELIGIBILITY OF OTHER PERSONS.] Notwithstanding the provisions of subdivisions 1 to 3, the board shall provide full reimbursement to a person who has taken corrective action if the board determines that:

(1) the person took the corrective action in response to a request or order of the commissioner made under this chapter;

(2) the commissioner has determined that the person was not a responsible person under section 115C.02; and

(3) the costs for which reimbursement is requested were actually incurred and were reasonable.

Subd. 3b. [VOLUNTEER ELIGIBILITY.] (a) Notwithstanding subdivisions 1 to 3, a person may apply to the board for partial reimbursement under subdivision 3 who:

(1) is not a responsible person under section 115C.02;

(2) holds legal or equitable title to the property where a release occurred; and

(3) incurs reimbursable costs on or after the effective date of this subdivision.

(b) A person eligible for reimbursement under this subdivision must, to the maximum extent possible, comply with the same conditions and requirements of reimbursement as those imposed by this section on a responsible person.

(c) The board may reduce the reimbursement to a person eligible under this subdivision if the person acquired legal or equitable title to the property from a responsible person who failed to comply with the provisions of subdivision 2, paragraph (c).

Subd. 4. [REIMBURSEMENT DOES NOT AFFECT OTHER LIABILITY.] The right to apply for reimbursement and the receipt of reimbursement does not limit the liability of a responsible person for damages or costs incurred by a person or the state as a result of a release.

Subd. 5. [RETURN OF REIMBURSEMENT.] (a) The board may demand the complete or partial return of any reimbursement made under this section if the responsible person:

(1) misrepresents or omits a fact relevant to a determination made by the board or the commissioner under this section; or

(2) fails to complete corrective action that the commissioner determined at the time of the reimbursement to be necessary to adequately address the release.

(b) If a reimbursement under this subdivision is not returned upon demand by the board, the board may recover the reimbursement, with administrative and legal expenses, in a civil action in district court brought by the attorney general against the responsible person. If the board's demand for return of the reimbursement is based on willful actions of the responsible person, the responsible person shall also forfeit and pay to the state a civil penalty, in an amount to be determined by the court, of not more than the full amount of the reimbursement.

Sec. 4. Minnesota Statutes 1988, section 116.48, is amended to read:
116.48 [NOTIFICATION REQUIREMENTS.]

Subdivision 1. [TANK STATUS.] *(a)* An owner of an underground storage tank must notify the agency by June 1, 1986, or within 30 days after installation, whichever is later, of the tank's existence and specify the age, size, type, location, uses, and contents of the tank on forms prescribed by the agency.

(b) An owner of an aboveground storage tank must notify the agency by June 1, 1990, or within 30 days after installation, whichever is later, of the tank's existence and specify the age, size, type, location, uses, and contents of the tank on forms prescribed by the agency.

Subd. 2. [ABANDONED TANKS.] An owner of an underground or aboveground storage tank permanently taken out of service on or after January 1, 1974, must notify the agency by June 1, 1986, *in the case of underground storage tanks; by June 1, 1990, in the case of aboveground storage tanks; or, in either case, within 30 days of discovery, whichever is later*, of the existence of the tank and specify or estimate to the best of the owner's knowledge on forms prescribed by the agency, the date the tank was taken out of service, the age, size, type, and location of the tank, and the type and quantity of substance remaining in the tank.

Subd. 3. [CHANGE IN STATUS.] An owner must notify the agency within 30 days of a permanent removal from service or a change in the reported uses, contents, or ownership of ~~the~~ *an underground or aboveground storage tank*.

Subd. 4. [DEPOSIT INFORMATION.] Beginning on January 1, 1986, and until July 1, 1987, a person who transfers the title to regulated substances to be placed directly into an underground storage tank must inform the owner or operator in writing of the notification requirement of this section.

Subd. 5. [SELLER'S RESPONSIBILITY.] A person who sells a tank intended to be used as an underground *or aboveground* storage tank or property that the seller knows contains an underground *or aboveground* storage tank must inform the purchaser in writing of the owner's notification requirements of this section.

Subd. 6. [AFFIDAVIT.] Before transferring ownership of property that the owner knows contains an underground *or aboveground* storage tank or contained an underground *or aboveground* storage tank that had a release for which no corrective action was taken, the owner shall record with the county recorder or registrar of titles of the county in which the property is located an affidavit containing:

- (1) a legal description of the property where the tank is located;
- (2) a description of the tank, of the location of the tank, and of any known release from the tank of a regulated substance;
- (3) a description of any restrictions currently in force on the use of the property resulting from any release; and
- (4) the name of the owner.

The county recorder shall record the affidavits in a manner that will insure their disclosure in the ordinary course of a title search of the subject

property. Before transferring ownership of property that the owner knows contains an underground *or aboveground* storage tank, the owner shall deliver to the purchaser a copy of the affidavit and any additional information necessary to make the facts in the affidavit accurate as of the date of transfer of ownership.

Subd. 7. [RECORDING OF REMOVAL AFFIDAVIT.] If an affidavit has been recorded under subdivision 6 and the tank and any regulated substance released from the tank have been removed from the property in accordance with applicable law, the owner or other interested party may file with the county recorder or registrar of titles an affidavit stating the name of the owner, the legal description of the property, the place and date of filing and document number of the affidavit filed under subdivision 6, and the approximate date of removal of the tank and regulated substance. Upon filing the affidavit described in this subdivision, the affidavit and the affidavit filed under subdivision 6, together with the information set forth in the affidavits, cease to constitute either actual or constructive notice.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment."

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. 895: A bill for an act relating to conservation; changing certain responsibilities; defining certain terms; adopting eligibility criteria; changing agreement terms and payment procedures; providing for enforcement; authorizing sale of certain bonds; appropriating money; amending Minnesota Statutes 1988, sections 40.42; 40.43; 40.44; and 40.45.

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 40.42, is amended to read:
40.42 [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 40.42 to 40.45.

Subd. 2. [~~COMMISSIONER BOARD.~~] ~~"Commissioner" means the commissioner of agriculture~~ *"Board" means the board of water and soil resources.*

Subd. 3. [CONSERVATION EASEMENT.] *"Conservation easement" means a conservation easement as defined in section 84C.01.*

Subd. 4. [CONSERVATION RESERVE PROGRAM.] *"Conservation reserve program" means the program established under section 40.43.*

Subd. 5. [DRAINED WETLAND.] *"Drained wetland" means a former natural wetland that has been altered by draining, dredging, filling, leveling, or other manipulation sufficient to render the land suitable for agricultural crop production. The alteration must have occurred before December 23, 1985, and must be a legal alteration as determined by the*

commissioner of natural resources.

Subd. 6. [LANDOWNER.] "Landowner" means individuals, *estates and testamentary trusts*, family farms, *family farm partnerships, authorized farm partnerships*, family farm corporations as defined under section 500.24, subdivision 2, paragraph (c), and, authorized farm corporations as defined under section 500.24, subdivision 2, paragraph (d), which either own eligible land or are purchasing eligible land under a contract for deed.

Subd. 6 7. [MARGINAL AGRICULTURAL LAND.] "Marginal agricultural land" means land that is: (1) composed of class IIIe, IVe, V, VI, VII, or VIII land as identified in the land capability classification system of the United States Department of Agriculture; or (2) similar to land described under (1) and identified under a land classification system selected by the ~~commissioner~~ board.

Subd. 8. [PUBLIC WATERS.] "*Public waters*" means waters and wetlands as defined in section 105.37 and inventoried under section 105.391.

Subd. 9. [SENSITIVE GROUNDWATER AREA.] "*Sensitive groundwater area*" means a geographic area defined by natural features where the groundwater is at significant risk of contamination from activities conducted at or near the land surface.

Subd. 7 10. [WETLAND.] "Wetland" means land that has a predominance of hydric soils and that is inundated or saturated by surface or groundwater at a frequency and duration sufficient to support, or that periodically does support, a predominance of hydrophytic vegetation typically adapted for life in saturated soil conditions.

Subd. 8 11. [WINDBREAK.] "Windbreak" means a strip or belt of trees, shrubs, or grass barriers at least six rows deep and within 300 feet of the right-of-way of a highway.

Sec. 2. Minnesota Statutes 1988, section 40.43, is amended to read:

40.43 [CONSERVATION RESERVE PROGRAM.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The *board*, in consultation with the commissioner of agriculture, ~~in consultation with~~ and the commissioner of natural resources, shall establish and administer a conservation reserve program. The ~~commissioner of agriculture shall contract with the board of water and soil resources to~~ shall implement sections 40.40 to 40.44. Selection of land for the conservation reserve program must be based on its potential for fish and wildlife production, reducing erosion, and protecting water quality.

Subd. 2. [ELIGIBLE LAND.] (a) Land may be placed in the conservation reserve program if the land *meets the requirements of paragraphs (b) and (c)*.

(b) *Land is eligible if the land:*

- (1) is marginal agricultural land; ~~or;~~
- (2) is adjacent to marginal agricultural land and is either beneficial to resource protection or necessary for efficient recording of the land description; ~~or;~~
- (3) consists of a drained wetland; ~~or;~~
- (4) is land that with a windbreak would be beneficial to resource protection;

(5) *is cropland in a sensitive groundwater area;*

(6) *is cropland adjacent to public waters;*

(7) *is cropland adjacent to ~~the~~ restored wetland ~~may also be enrolled~~ wetlands to the extent of up to four acres of cropland for each acre of wetland restored;*

(8) *is a woodlot on agricultural land; or*

(9) *is an abandoned building site on agricultural land.*

(c) *Eligible land under paragraph (a) must:*

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

~~(3) is~~ (2) *be at least five acres in size, except for a windbreak, woodlot, abandoned building site, or is be a whole field as defined by the United States Agricultural Stabilization and Conservation Services;*

~~(4) is~~ (3) *not be set aside, enrolled or diverted under another federal or state government program; and*

~~(5) was~~ (4) *have been in agricultural crop production for at least two years during the period 1981 to 1985, except drained wetlands, woodlots, or abandoned building sites.*

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

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

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

(e) *In selecting drained wetlands for enrollment in the program, the highest priority must be given to wetlands with a cropping history during the period 1976 to 1985.*

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

Subd. 3. [CONSERVATION EASEMENTS.] ~~The commissioner board~~ may acquire conservation easements on eligible land. An easement may be permanent or of limited duration. An easement of limited duration may not be acquired if it is for a period less than 20 years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapter 16B.

Subd. 4. [NATURE OF PROPERTY RIGHTS ACQUIRED.] (a) A conservation easement must prohibit:

(1) alteration of wildlife habitat and other natural features, unless specifically approved by the ~~commissioner~~ board;

(2) agricultural crop production, unless specifically approved by the ~~commissioner~~ board for wildlife management purposes;

(3) grazing of livestock unless approved by the ~~commissioner~~ *board* after consultation with the commissioner of natural resources, in the case of severe drought, or a local emergency declared under section 12.29; and

(4) spraying with chemicals or mowing, except as necessary to comply with noxious weed control laws or emergency control of pests necessary to protect public health.

(b) A conservation easement is subject to the terms of the agreement provided in subdivision 5.

(c) A conservation easement must allow repairs, improvements, and inspections necessary to maintain public drainage systems provided the easement area is restored to the condition required by the terms of the conservation easement.

Subd. 5. [AGREEMENTS BY LANDOWNER.] The ~~commissioner~~ *board* may enroll eligible land in the conservation reserve program by signing an agreement in recordable form with a landowner in which the landowner agrees:

(1) to convey to the state a conservation easement that is not subject to any prior title, lien, or encumbrance;

(2) to seed the land subject to the conservation easement, as specified in the agreement, to establish and maintain perennial cover of either a grass-legume mixture or native grasses for the term of the easement, at seeding rates determined by the ~~commissioner~~ *board*; or to plant trees or carry out other long-term capital improvements approved by the ~~commissioner~~ *board* for soil and water conservation or wildlife management;

(3) ~~to restore any drained wetland and~~ to convey to the state a permanent easement for the wetland *restoration*;

(4) that other land supporting natural vegetation owned or leased as part of the same farm operation at the time of application, if it supports natural vegetation or has not been used in agricultural crop production, will not be converted to agricultural crop production or pasture; *and*

(5) ~~to the enforcement of the terms of the easement and agreements in this subdivision by an action for specific performance, a mandatory injunction, or for damages in an amount not to exceed the total amount paid by the state to the landowner under subdivision 6, with interest from the date of each default under the agreement; and~~

(6) that the easement duration may be lengthened through mutual agreement with the *board in consultation with the commissioner* ~~commissioners~~ *commissioner* of agriculture and natural resources if ~~they determine the commissioner determines~~ that the changes effectuate the purpose of the program or ~~to facilitate facilitates~~ its administration.

Subd. 6. [PAYMENTS FOR CONSERVATION EASEMENTS AND ESTABLISHMENT OF COVER.] The ~~commissioner~~ *board* must make the following payments to the landowner for the conservation easement and agreement:

(1) to establish the perennial cover or other improvements required by the agreement, up to 75 percent of the total eligible cost not to exceed \$75 per acre for limited duration easements, ~~and~~ 100 percent of the total eligible cost not to exceed \$100 per acre for perpetual easements, ~~and 100 percent of the total eligible cost of wetland restoration not to exceed \$300 per acre;~~

(2) for the cost of planting trees required by the agreement, up to 75 percent of the total eligible cost not to exceed \$200 per acre for limited duration easements, and 100 percent of the total eligible cost not to exceed \$300 per acre for perpetual easements;

(3) for a permanent easement, 70 percent of the township average equalized estimated market value of agricultural property as established by the commissioner of revenue at the time of easement application;

(4) for an easement of limited duration, 90 percent of the present value of the average of the accepted bids for the federal conservation reserve program, as contained in Public Law Number 99-198, in the relevant geographic area and on bids accepted at the time of easement application; or

(5) an alternative payment system for easements based on cash rent or a similar system as may be determined by the ~~commissioner~~ board.

~~The commissioner may not pay more than \$50,000 to a landowner for all the landowner's conservation easements and agreements.~~

Subd. 7. [EASEMENT RENEWAL.] When a conservation easement of limited duration expires, a new conservation easement and agreement for an additional period of not less than 20 years may be acquired by agreement of the ~~commissioner~~ board and the landowner, under the terms of this section. The ~~commissioner~~ board may adjust payment rates as a result of renewing an agreement and conservation easement only after examining the condition of the established cover, conservation practices, and land values.

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

Subd. 9. [ENFORCEMENT AND DAMAGES.] *(a) A landowner who violates the terms of a conservation easement or agreement under this section, or induces, assists, or allows another to do so, is liable to the state for treble damages if the trespass is willful, but liable for double damages only if the trespass is not willful. The amount of damages is the amount needed to make the state whole or the amount the landowner has gained due to the violation, whichever is greater.*

(b) Upon the request of the board, the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney fees, and any other appropriate relief to enforce sections 40.41 to 40.45 in district court in the county where all or part of the violation is alleged to have been committed, or where the landowner resides or has a principal place of business.

Sec. 3. Minnesota Statutes 1988, section 40.44, is amended to read:

40.44 [COOPERATION AND TECHNICAL ASSISTANCE; SUPPLEMENTAL CONSERVATION PAYMENT.]

Subdivision 1. [COOPERATION.] In implementing sections 40.41 to 40.44 the ~~commissioner~~ board must share information and cooperate with the department of agriculture, the department of natural resources, the

pollution control agency, the United States Fish and Wildlife Service, the Agricultural Stabilization and Conservation Service and Soil Conservation Service of the United States Department of Agriculture, the Minnesota extension service, the University of Minnesota, county boards, and interested private organizations and individuals.

Subd. 2. [TECHNICAL ASSISTANCE.] The ~~commissioners board and the commissioner of agriculture and~~ natural resources must provide necessary technical assistance to landowners enrolled in the conservation reserve program. The commissioner of natural resources must provide technical advice and assistance to the ~~commissioner board~~ on (1) the form and content of the conservation easement and agreement; (2) forestry and agronomic practices; and (3) hydrologic and hydraulic design relating to the establishment and maintenance of permanent cover, or other conservation improvements. The commissioner of transportation must provide technical advice and assistance to the ~~commissioners board and the commissioner of agriculture and~~ natural resources on the planting of windbreaks adjacent to highways. The ~~commissioners of agriculture board and the commissioner of~~ natural resources shall jointly prepare an informational booklet on the conservation reserve program and other state and federal programs for land acquisition, conservation, and retirement to be made available to eligible landowners and the general public.

Subd. 3. [SUPPLEMENTAL CONSERVATION PAYMENTS.] The ~~commissioner board~~ may supplement payments made under federal land retirement programs to the extent of available appropriations other than bond proceeds. The supplemental payments must be used to establish perennial cover on land enrolled or increase payments for land enrollment in programs approved by the ~~commissioner board~~, including the federal conservation reserve program and federal and state waterbank program.

Sec. 4. Minnesota Statutes 1988, section 40.45, is amended to read:

40.45 [RULEMAKING.]

The ~~commissioner board~~ may adopt emergency rules to implement ~~Laws 1987, chapter 357. The emergency rules adopted on August 27, 1986, shall remain in effect until December 31, 1987, or until amended or replaced by emergency or permanent rules sections 40.41 to 40.45.~~ The rules must include standards for tree planting so that planting does not conflict with existing electrical lines, telephone lines, rights-of-way, or drainage ditches.

Sec. 5. Minnesota Statutes 1988, section 84.95, subdivision 2, is amended to read:

Subd. 2. [PURPOSES AND EXPENDITURES.] Money from the reinvest in Minnesota resources fund may only be spent for the following fish and wildlife conservation enhancement purposes:

(1) development and implementation of the comprehensive fish and wildlife management plan under section 84.942;

(2) implementation of the conservation reserve program established by section 40.43;

(3) soil and water conservation practices to improve water quality, reduce soil erosion and crop surpluses;

(4) enhancement of fish and wildlife habitat on lakes, streams, wetlands, and public and private forest lands;

(5) acquisition and development of public access sites and recreation easements to lakes, streams, and rivers for fish and wildlife oriented recreation;

(6) matching funds with government agencies, federally recognized Indian tribes and bands, and the private sector for acquisition and improvement of fish and wildlife habitat;

(7) research and surveys of fish and wildlife species and habitat;

(8) enforcement of natural resource laws and rules;

(9) information and education;

(10) implementing the aspen recycling program ~~under section 88-80~~ and for other forest wildlife management projects; and

(11) necessary support services to carry out these purposes.

Sec. 6. Laws 1986, chapter 383, section 17, subdivision 4, is amended to read:

Subd. 4. [COMMISSIONER OF NATURAL RESOURCES.] \$3,600,000 is appropriated to the commissioner of natural resources:

(a) from the bond proceeds account of the reinvest in Minnesota resources fund for fish and wildlife habitat improvements and acquisition of interests in land under the comprehensive fish and wildlife management plan under section 8, to be available until expended \$2,500,000

(b) from the bond proceeds account of the reinvest in Minnesota resources fund for aspen recycling and other forest wildlife management projects under section 12, to be available until expended \$1,000,000

(c) from the general fund for the development of a fish and wildlife research center, to be available until June 30, 1987 \$100,000

Sec. 7. [92.70] [LAND USE TRESPASS.]

Subdivision 1. [PUBLIC LAND DEFINITION.] "Public land" means publicly owned land or interests in land including land and interests in land that are owned by the state, counties, or road authorities, administered by the commissioner of natural resources, owned by the state as beds of navigable waters, acquired by drainage authorities as permanent grass strips, acquired as conservation easements with benefits running to the state, a county, or the public under the conservation reserve program, water bank program, or other state or county programs.

Subd. 2. [CASUAL TRESPASS.] (a) A person who uses public land for personal use or personal economic gain where the use is prohibited is guilty of trespass and a petty misdemeanor and shall be subject to a penalty not to exceed \$50 per occurrence plus a civil penalty for twice the amount of actual damages.

(b) A person violating paragraph (a) may be issued a ticket by a sheriff,

conservation officer, or personnel of the department designated by the commissioner. The ticket must identify the trespass, where the trespass occurred, and the official observing the trespass. A copy of the ticket must be sent to the public agency responsible for managing the land.

(c) The civil penalty shall be paid to the public agency responsible for managing the public land. A civil penalty paid to the state is appropriated to the state agency responsible for managing the land to restore the damage and improve state land.

(d) Within 20 days after a ticket is issued, the public agency responsible for managing the public land where the trespass occurred must make a determination of whether a civil penalty will be sought for the trespass and notify the person.

Subd. 3. [WILLFUL TRESPASS.] (a) A person who willfully and knowingly uses public land for personal use or personal economic gain where the use is prohibited is guilty of trespass and a misdemeanor and is liable to the state or county for a civil penalty three times the amount of the damage.

(b) A person violating paragraph (a) may be issued a ticket and summons for a court appearance. The prosecuting authority shall prosecute the misdemeanor and demand the civil penalty or, on failure to do so, the attorney general at the request of the public agency responsible for managing the land may prosecute the misdemeanor and demand the civil penalty.

(c) Damages must be determined as the greater of:

(1) the cost to restore the public land to the condition it was in before the trespass occurred plus an amount to compensate the public for the loss of use; or

(2) the economic gain realized by the person committing the trespass.

(d) The civil penalty shall be paid to the court and the court administrator shall pay:

(1) for a trespass on county land, the entire amount to the county to be used for restoration of the trespass and county land improvement purposes;

(2) for a trespass on state land, the civil penalty to the state agency responsible for managing the public land which is appropriated for restoration of the trespass and state land improvement purposes.

Sec. 8. [APPROPRIATIONS: CONSERVATION RESERVE PROGRAM; IMPLEMENTATION OF COMPREHENSIVE FISH AND WILDLIFE PLAN.]

Subdivision 1. [BOARD OF WATER AND SOIL RESOURCES.] \$2,104,000 is appropriated from the general fund to the board of water and soil resources for technical services and implementation of the conservation reserve program, to be available for the biennium ending June 30, 1991. \$1,700,000 of this appropriation must be distributed to soil and water conservation districts. All classified positions associated with the responsibilities of implementing the conservation reserve program under Minnesota Statutes, sections 40.42 to 40.45, are transferred with their incumbents from the department of agriculture to the board of soil and water resources, thereby increasing the board complement by three positions in the general fund and decreasing the department complement by three positions in the general fund.

Subd. 2. [COMMISSIONER OF NATURAL RESOURCES.] \$6,000,000 is appropriated from the general fund to the commissioner of natural resources to implement components of the comprehensive fish and wildlife plan under Minnesota Statutes, section 84.942, to be available until June 30, 1991. The approved complement of the department of natural resources is increased by 42 positions in the unclassified service to implement the provisions of this subdivision and those of section 9, subdivision 2.

Sec. 9. [CAPITAL IMPROVEMENTS.]

Subdivision 1. [APPROPRIATIONS FROM REINVEST IN MINNESOTA RESOURCES FUND.] The sums specified in this section are appropriated from the reinvest in Minnesota resources fund to the state agencies indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as provided in this section.

Subd. 2. [DEPARTMENT OF NATURAL RESOURCES.]

To the commissioner of natural resources for the following purposes to be available until expended.

\$ 9,000,000

(a) Fish and wildlife habitat

\$ 7,000,000

This appropriation is to acquire and improve land for fish and wildlife habitat under the comprehensive fish and wildlife management plan under Minnesota Statutes, section 84.942.

(b) Forest wildlife habitat

\$ 500,000

This appropriation is for expenditure under Minnesota Statutes, section 88.80, and for other forest wildlife management projects.

(c) Native prairie land

\$ 500,000

(d) Critical habitat private sector matching account

\$ 1,000,000

This appropriation is for transfer to the critical habitat private sector matching account.

Subd. 3. [BOARD OF WATER AND SOIL RESOURCES.]

To the board of water and soil resources for the conservation reserve program under Minnesota Statutes, section 40.43, to be available until spent.

\$12,000,000

In addition, any unencumbered balances remaining from appropriations from the reinvest in Minnesota resources fund under Laws 1987, chapter 400, section 12, and Laws 1986, chapter 383, section 17, subdivision 3, to the commissioner or department of agriculture shall be

transferred to the board of water and soil resources. One position in the unclassified service authorized under Laws 1987, chapter 400, section 1, shall be transferred from the department of agriculture to the board of water and soil resources, thereby increasing the board complement by one position in the unclassified service in the reinvest in Minnesota resources fund and decreasing the department complement by one position in the unclassified service in the reinvest in Minnesota resources fund. The position must be a coordinator to work with other agencies to implement this subdivision.

Subd. 4. [BONDS FOR REINVEST IN MINNESOTA FUND.] To provide the money appropriated in this section from the reinvest in Minnesota fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$21,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the reinvest in Minnesota resources fund.

Sec. 10. [EFFECTIVE DATE.]

This act is effective July 1, 1989."

Amend the title as follows:

Page 1, line 8, delete "and" and before the period, insert "; 84.95, subdivision 2; Laws 1986, chapter 383, section 17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 92"

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

S.F. No. 48: A bill for an act relating to economic development; authorizing counties to establish economic development authorities; amending Minnesota Statutes 1988, sections 469.090, by adding a subdivision; 469.091, subdivision 1, and by adding a subdivision; 469.092, subdivisions 1, 3, 4, and 5; 469.093, subdivision 1; 469.094, subdivisions 1, 2, and 3; 469.095; 469.097, subdivisions 3, 5, and 6; 469.099, subdivision 3; 469.100, subdivisions 2, 3, 4, 5, and 6; 469.101, subdivisions 1, 4, 15, and 16; 469.102, subdivisions 1, 2, 4, and 5; 469.103, subdivisions 1 and 6; 469.105, subdivisions 1 and 4; and 469.107.

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

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

S.F. No. 353: A bill for an act relating to commerce; requiring businesses offering check cashing services to be licensed; establishing a maximum fee to be charged for check cashing services; proposing coding for new law as Minnesota Statutes, chapter 55A.

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

Delete everything after the enacting clause and insert:

“Section 1. [53A.01] [DEFINITIONS.]

Subdivision 1. [CURRENCY EXCHANGE.] “Currency exchange” means any person, except a bank, trust company, savings bank, savings and loan association, credit union, or industrial loan and thrift company, engaged in the business of cashing checks and drafts or selling money orders or travelers’ checks for a fee. “Currency exchange” does not include a person who provides these services incidental to the person’s primary business if the charge for cashing a check or draft does not exceed \$1.

Subd. 2. [COMMISSIONER.] “Commissioner” means the commissioner of commerce.

Sec. 2. [53A.02] [LICENSE.]

A person may not engage in the business of a currency exchange without first obtaining a license from the commissioner.

Sec. 3. [53A.03] [APPLICATION FOR LICENSE; FEES.]

(a) An application for a license must be in writing, under oath, and in the form prescribed and furnished by the commissioner and must contain the following:

(1) the full name and address (both of residence and place of business) of the applicant, and if the applicant is a partnership or association, of every member, and the name and business address if the applicant is a corporation;

(2) the county and municipality, with street and number, if any, of all currency exchange locations operated by the applicant; and

(3) the applicant’s occupation or profession, for the ten years immediately preceding the application; present or previous connection with any other currency exchange in this or any other state; whether the applicant has ever been convicted of any crime; and the nature of the applicant’s occupancy of the premises to be licensed; and if the applicant is a partnership or a corporation, the information specified in this paragraph must be supplied for each partner and each officer and director of the corporation.

(b) The application shall be accompanied by a nonrefundable fee of \$250 for the review of the initial application. Upon approval by the commissioner, an additional license fee of \$50 must be paid by the applicant as an annual license fee for the remainder of the calendar year. An annual license fee of \$50 is due for each subsequent calendar year of operation upon submission of a license renewal application on or before December 1. Upon payment of the required annual license fee, the commissioner shall issue a license for the year beginning January 1.

Sec. 4. [53A.04] [APPROVAL OR DENIAL OF AN APPLICATION.]

The commissioner shall approve or deny an application within 30 days from the completed filing of it. If the application is denied, the commissioner shall send by mail notice of the denial and the reason for the denial to the applicant at the address contained in the application. If an application is denied, the applicant may, within 30 days of receiving the notice of a denial, request a contested case hearing pursuant to chapter 14.

Sec. 5. [53A.05] [CHANGE OF NAME OR LOCATION.]

If a licensee proposes to change the name or location of any or all of its currency exchanges, or adds a new currency exchange location, the licensee shall file an application for approval of the change with the commissioner. If the change is approved by the commissioner, the commissioner shall issue an amended license in the licensee's new name or location. A \$50 fee must be paid for the amended license.

Sec. 6. [53A.06] [FINE, SUSPENSION, OR REVOCATION OF LICENSE.]

(a) The commissioner may suspend or revoke any license under section 45.027 if the commissioner finds that:

(1) the licensee has failed to pay the annual license fee or to maintain in effect the required bond or to comply with any order, decision, or finding of the commissioner under this act;

(2) the licensee, or any officer or director of a corporate licensee, has violated any provision of this act or any rule or order of the commissioner under this chapter or chapter 45;

(3) the licensee, or any officer or director of a corporate licensee, has violated any other law which would indicate that the person is untrustworthy or not qualified to operate a currency exchange; or

(4) any fact or condition exists which, if it had existed at the time of the original or renewal application for the license, would have warranted the commissioner refusing the issuance of the license.

(b) A license may not be revoked until the licensee has had notice of a hearing pursuant to the provisions of chapter 14.

(c) A licensee may surrender any license by delivery to the commissioner. The surrender does not affect the licensee's civil or criminal liability for acts committed before the surrender, or affect the liability on the bond required by this act or entitle the licensee to a return of any part of any license fee.

(d) Before suspension or revocation of the license, the commissioner may fine a licensee for violations of this act as authorized under chapter 45.

Sec. 7. [53A.07] [FILING OF FEES; UNREASONABLE FEES.]

Subdivision 1. [APPROVAL OF FEES.] Fees charged at each location for check cashing services must be filed with and approved by the commissioner.

Subd. 2. [AMENDMENT OF FEES.] A licensee may amend its fees at any time by filing the proposed amendments with the commissioner. The application for amendment shall be in writing, under oath, and in the form prescribed by the commissioner. A fee of \$50 shall accompany the application. The commissioner shall approve or deny the application 60 days

after the filing of a complete application to amend its fees.

Subd. 3. [STANDARDS; UNREASONABLE FEES PROHIBITED.] The commissioner may disapprove the fees filed by a currency exchange if they are not fair and reasonable. In determining whether a fee is fair and reasonable, the commissioner shall take into consideration:

(1) rates charged in the past for cashing of checks by those persons and organizations providing check cashing services in the state of Minnesota;

(2) the income, cost, and experience of the operations of currency exchanges existing prior to this enactment or in other states under similar conditions or regulations;

(3) the amount of risk involved in the type of check to be cashed and the location where the currency exchange operates;

(4) the general cost of doing business, insurance costs, security costs, banking fees, and other costs associated with the operations of the particular currency exchange;

(5) a reasonable profit for a currency exchange operation; and

(6) any other matter the commissioner deems appropriate.

Sec. 8. [53A.08] [BOND.]

Any currency exchange that engages in the sale of money orders or travelers' checks shall comply with bonding requirements pursuant to section 48.151.

Sec. 9. [53A.09] [POWERS; LIMITATIONS; PROHIBITIONS.]

A currency exchange may not accept money or currency for deposit, or act as bailee or agent for persons, firms, partnerships, associations, or corporations to hold money or currency in escrow for others for any purpose.

Sec. 10. [53A.10] [VIOLATIONS.]

Any person, firm, association, partnership, or corporation that violates this act shall be guilty of a misdemeanor.

Sec. 11. [53A.11] [BOOKS OF ACCOUNT; ANNUAL REPORT.]

The licensee shall keep and use in the licensee's business the books, accounts, and records that will enable the commissioner to determine whether the licensee is complying with the provisions of this act and with the rules adopted by the commissioner. A licensee shall preserve the books, accounts, and records for at least two years after making the final entry.

Sec. 12. [53A.12] [RULES.]

The commissioner may adopt rules under chapter 14 as may be necessary to administer and enforce this chapter.

Sec. 13. [53A.13] [FEE NOTICE; FALSE ADVERTISING; PENALTY.]

Subdivision 1. [FEE NOTICE.] The fees charged by currency exchanges for rendering any service authorized by this act must be prominently displayed on the premises of the currency exchange in the fashion required by the commissioner.

Subd. 2. [FALSE ADVERTISING.] A licensee may not advertise, print, display, publish, distribute, or broadcast any statement or representation

that is false, misleading, or deceptive, or that omits material information.

Subd. 3. [CIVIL LIABILITY; PENALTY.] A person who violates any subdivision of this chapter is liable to the person damaged by the violation for actual damages. The court may award reasonable attorney fees and costs.

Sec. 14. [53A.14] [EFFECT ON LOCAL LAW.]

Local law requirements that are inconsistent with the requirements in this chapter are preempted to the extent of the inconsistency.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective August 1, 1989. Existing currency exchanges must submit applications in compliance with this chapter by October 1, 1989. No currency exchange shall operate without a license after December 31, 1989."

Delete the title and insert:

"A bill for an act relating to commerce; regulating currency exchanges; requiring currency exchanges to be licensed by the commissioner of commerce; requiring charges to be reasonable; proposing coding for new law as Minnesota Statutes, chapter 53A."

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

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

S.F. No. 150: A bill for an act relating to gambling; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 260.015, subdivisions 5 and 21; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 349A.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [349A.01] [DEFINITIONS.]

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

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

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

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of the state lottery agency.

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

Subd. 6. [LOTTERY PROCUREMENT CONTRACT.] "Lottery procurement contract" means a contract to provide lottery products, computer hardware and software used to monitor sales of lottery tickets, and lottery tickets. "Lottery procurement contract" does not include a contract to provide an annuity or prize payment agreement or materials, supplies, equipment, or services common to the ordinary operation of a state agency.

Subd. 7. [LOTTERY RETAILER.] "Lottery retailer" means a person with whom the commissioner has contracted to sell lottery tickets to the public.

Subd. 8. [LOTTERY TICKET.] "Lottery ticket" or "ticket" means any tangible evidence issued by the lottery to prove participation in a lottery game.

Subd. 9. [LOTTERY VENDOR.] "Lottery vendor" or "vendor" means a person who has entered into a contract to provide equipment, supplies, or services for the agency. A lottery vendor does not include a lottery retailer.

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

Subdivision 1. [COMMISSIONER.] The state lottery agency is an agency in the executive branch under the supervision and control of the state lottery board established by section 3 and under the day-to-day management of a commissioner appointed by the governor with the advice and consent of the senate and serving in the unclassified service. The commissioner must be qualified by training and experience to supervise the lottery.

Subd. 2. [POWERS AND DUTIES.] The commissioner shall exercise the following powers and duties:

- (1) recommend rules and game procedures to the board;*
- (2) issue lottery retailer contracts;*
- (3) enter into lottery procurement contracts, subject to the approval of the board;*
- (4) enter into other contracts for the provision of goods and services;*
- (5) enter into written agreements with one or more states for the operation, marketing, and promotion of a joint lottery;*
- (6) adopt and publish advertising and promotional materials consistent with section 9;*
- (7) employ a deputy commissioner and a confidential secretary in the unclassified service; and*
- (8) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.*

Subd. 3. [EMPLOYEES; CLASSIFICATION.] The commissioner may employ other personnel necessary to operate the state lottery. All positions must be in the classified service unless designated in the unclassified service by the commissioner of employee relations under section 43A.08.

Subd. 4. [COMPENSATION.] The compensation of employees in the

agency is as provided in chapter 43A.

Subd. 5. [EMPLOYEES; BACKGROUND CHECKS.] The commissioner shall conduct background checks on all prospective employees who are finalists for employment and shall require that all finalists of the agency be fingerprinted. Fingerprints that are taken of prospective employees may be forwarded to the Federal Bureau of Investigation for the conducting of a national criminal history check. The agency may not employ a person who has been convicted of a felony within five years of starting employment with the agency, or has ever been convicted of a felony or a gross misdemeanor involving fraud, misrepresentation, or a crime involving gambling. Criminal history data compiled by the bureau of criminal apprehension on employees and prospective employees of the Minnesota state lottery may be released to the commissioner.

Subd. 6. [ASSISTANCE.] Other departments or agencies of the state may be required to provide reasonable assistance to the agency at the request of the commissioner. The agency shall make appropriate reimbursement for all assistance.

Sec. 3. [349A.03] [STATE LOTTERY BOARD.]

Subdivision 1. [MEMBERSHIP.] The state lottery board consists of seven members appointed by the governor. The governor shall designate one of the members to serve as chair of the board. Terms, compensation, and removal of members and the filling of membership vacancies are governed by section 15.059.

Subd. 2. [BOARD DUTIES.] The board shall:

- (1) advise the commissioner on all aspects of the lottery;*
- (2) adopt rules governing the kinds of games to be offered by the lottery agency;*
- (3) approve lottery procurement contracts; and*
- (4) at least quarterly, review and comment on advertising and promotional materials adopted and published or proposed by the commissioner to ensure that the materials are not offensive or demeaning to the citizens of this state and are consistent with section 9.*

Sec. 4. [349A.04] [LOTTERY GAME PROCEDURES.]

The board shall adopt game procedures governing the following elements of the lottery:

- (1) specific lottery games to be offered by the lottery agency;*
- (2) ticket prices;*
- (3) the number and size of prizes;*
- (4) methods of selecting winning tickets; and*
- (5) the frequency and method of drawings.*

The adoption of lottery game procedures is not subject to chapter 14.

Sec. 5. [349A.05] [RULES.]

The board may adopt rules under chapter 14 governing the following elements of the lottery:

- (1) the number and types of lottery retailers' locations;*

(2) qualifications of lottery retailers and application procedures for lottery retailer contracts;

(3) investigation of lottery retailer applicants;

(4) appeal procedures for denial, suspension, or cancellation of lottery retailer contracts;

(5) compensation of lottery retailers;

(6) accounting for and deposit of lottery revenues by lottery retailers;

(7) procedures for issuing lottery procurement contracts and for the investigation of bidders on those contracts;

(8) payment of prizes;

(9) procedures needed to ensure the integrity and security of the lottery; and

(10) other rules the board considers necessary for the efficient operation and administration of the lottery.

Sec. 6. [349A.06] [LOTTERY RETAILERS.]

Subdivision 1. [CONTRACTS.] The commissioner shall sell tickets for the lottery through lottery retailers the commissioner selects. Contracts under this section are valid for a period of one year.

Subd. 2. [QUALIFICATIONS.] (a) The commissioner may not contract with a retailer who:

(1) is under the age of 18;

(2) is in business solely as a seller of lottery tickets;

(3) has been convicted within the previous five years of a felony, or has ever been convicted of any felony involving fraud or misrepresentation, or any crime involving gambling;

(4) is a member of the immediate family and resides in the same household, as the commissioner, a board member, or any employee of the agency; or

(5) in the commissioner's judgment lacks the financial stability or responsibility to act as a lottery retailer, or whose being a lottery retailer would adversely affect the public health, welfare, and safety, or endanger the security and integrity of the lottery.

(b) An organization, firm, partnership, or corporation that has a stockholder who owns more than five percent of the business or the stock of the corporation, an officer, or director that does not meet the requirements of paragraph (a), clause (3), is not eligible to be a lottery retailer under this section.

(c) The restrictions under paragraph (a), clause (3), do not apply to an organization, partnership, or corporation if the commissioner determines that the organization, partnership, or firm has terminated its relationship with the individuals whose actions directly contributed to the disqualification under this subdivision.

Subd. 3. [BOND.] The commissioner shall require that each lottery retailer post a bond, in an amount as the commissioner deems necessary, to protect the financial interests of the state.

Subd. 4. [CRIMINAL HISTORY.] The commissioner shall request the bureau of criminal apprehension to investigate all applicants for lottery retailer contracts. The commissioner may issue a temporary contract, valid for not more than 90 days, to an applicant pending the completion of the investigation or a final determination of qualifications under this section.

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract. Lottery tickets may not be sold on premises owned by or leased from the state or a political subdivision.

(b) A lottery retailer must prominently display a certificate issued by the commissioner on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the agency at all times during business hours. The commissioner may require a lottery retailer to furnish information as the commissioner deems necessary to carry out the purposes of this chapter, and may require an audit of the books of account and records. The commissioner may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to an employee of the agency.

(d) A contract issued under this section may not be transferred or assigned.

(e) The commissioner shall require that lottery tickets may be sold by retailers only for cash.

Subd. 6. [RETENTION BY RETAILERS.] The board may by rule provide for:

(1) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets in order to pay prizes to holders of winning tickets; and

(2) amounts which a lottery retailer may retain from gross receipts from the sale of lottery tickets as a commission.

Subd. 7. [RETAILER RENTAL PAYMENTS.] If a lottery retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and the computation of retail sales is not explicitly defined to include the sale of lottery tickets, the compensation retained by the sales agent for the sale of lottery tickets must be considered the amount of the retail sale for purposes of computing the rental payments.

Subd. 8. [PROCEEDS OF SALES.] All proceeds from the sale of lottery tickets received by a lottery retailer constitute a trust fund until paid to the commissioner. The lottery retailer is personally liable for all proceeds.

Subd. 9. [FEE.] The commissioner may charge a nonrefundable application fee to a person applying for a lottery retailer contract. The fee collected under this subdivision must be deposited in the lottery fund.

Subd. 10. [LOCAL LICENSES.] No political subdivision may require a local license to operate as a lottery retailer or impose a tax or fee on the business of operating as a lottery retailer.

Subd. 11. [REVOCACTION, SUSPENSION, AND REFUSAL TO RENEW LICENSES.] (a) The board shall cancel the contract of any lottery retailer who:

(1) has been convicted of a felony or gross misdemeanor in any federal or state court;

(2) has committed fraud, misrepresentation, or deceit;

(3) has provided false or misleading information to the agency; or

(4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The board may cancel, suspend, or refuse to renew the contract of any lottery retailer who:

(1) changes business location;

(2) fails to account for lottery tickets received or the proceeds from tickets sold;

(3) fails to remit funds to the commissioner in accordance with the board's rules;

(4) violates a law or a rule or order of the board;

(5) fails to comply with any of the terms in the lottery retailer's contract;

(6) fails to comply with bond requirements under this section; or

(7) in the opinion of the board fails to maintain a sufficient sales volume to justify continuation as a lottery retailer.

(c) The board may also cancel, suspend, or refuse to renew a lottery retailer's contract if there is a material change in any of the factors considered by the commissioner under subdivision 2.

(d) The board shall cancel the contract if the retailer has been convicted of violating any provision of section 12 or 16.

(e) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(f) The commissioner may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the board shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the board may issue an order making the suspension permanent.

Sec. 7. [349A.07] [VENDOR CONTRACTS.]

Subdivision 1. [CONTRACTS AUTHORIZED.] The commissioner may enter into contracts for the purchase, lease, or lease-purchase of the goods or services that are necessary for the purposes of this chapter. Any lottery procurement contract entered into by the commissioner must be approved by the board. In entering into a contract, the commissioner shall utilize an open bid process and shall take into account the particularly sensitive nature of the state lottery and shall consider the competence, quality of product, experience, and timely performance of each potential vendor in

order to promote and ensure security, honesty, fairness, and integrity in the operation and administration of the lottery.

Subd. 2. [INVESTIGATION OF POTENTIAL VENDORS.] The commissioner shall request the director of the bureau of criminal apprehension to investigate the background, financial responsibility, security, and integrity of any person who submits a bid, proposal, or offer as part of a lottery procurement contract. The commissioner may require the person making the bid, proposal, or offer to pay for the cost of the investigation. Any fee collected under this subdivision must be deposited in the state lottery fund. At the time of submitting any bid, proposal, or offer, the bidder shall disclose to the commissioner the information the commissioner considers necessary to carry out the purposes of this section. The commissioner has access to all criminal history data compiled by the bureau of criminal apprehension on all vendors and potential vendors who have submitted a bid to the agency.

Subd. 3. [PERSONS INELIGIBLE FOR CONTRACT.] (a) The commissioner may not enter into a lottery procurement contract with an applicant who has been convicted of a felony within the previous five years, or has ever been convicted of a felony involving fraud or misrepresentation or any crime involving gambling.

(b) The commissioner may not enter into a lottery procurement contract with an applicant if a person who owns more than five percent of the stock in the applicant, a partner, officer, director, or a person in a supervisory or management capacity does not meet the requirements of this subdivision.

(c) The restrictions under this subdivision do not apply to an applicant for a lottery procurement contract if the commissioner determines that the applicant has terminated its relationship with the individuals whose actions directly contributed to the disqualification of the applicant under this subdivision.

Subd. 4. [CONFLICT OF INTEREST.] The commissioner may not enter into a contract with a person to supply goods or services if that person has an ownership interest in an entity that had supplied consultation services under a contract to the lottery regarding the request for proposal pertaining to those particular goods or services.

Subd. 5. [BOND.] (a) The commissioner shall require securities to be deposited, or a performance bond or a letter of credit to be executed by the person or corporation that is awarded a lottery procurement contract in an amount as determined by the commissioner.

(b) Any securities deposited with the commissioner under this subdivision must be interest-bearing and limited to:

(1) certificates of deposit issued by a solvent bank or savings association organized and existing under the laws of this state or under the laws of the United States and having its principal place of business in this state;

(2) United States bonds, notes, and bills, for which the full faith and credit of the government of the United States is pledged for the payment of principal and interest; and

(3) general obligation bonds of any political subdivision of this state, or corporate bonds of a corporation that is not an affiliate or subsidiary of the vendor, if the general obligation bonds or corporate bonds are rated

in one of the four highest classifications by an established nationally recognized investment rating service.

(c) Any letter of credit executed under this subdivision must provide that:

(1) nothing more than a demand for payment is necessary for payment and is not conditional on the delivery of any other documents or materials;

(2) the letter of credit is irrevocable and cannot be modified or revoked without the consent of the commissioner;

(3) the letter of credit cannot expire without notice from the issuer and the notice must occur at least 60 days before the expiration date of the letter of credit;

(4) the letter of credit is issued by a bank which is a member of the federal reserve system which has a long-term debt rating by a recognized national rating agency of investment grade or better; if no long-term debt rating is available, the financial institution must have investment grade financial characteristics;

(5) the letter of credit is unconditional, is not conditional upon reimbursement to the bank or the bank's ability to perfect any lien or security interest, and does not contain references to any other agreement, document, or entity; and

(6) the letter of credit designates the commissioner as beneficiary.

Subd. 6. [EXEMPTIONS.] Lottery procurement contracts entered into by the commissioner are not subject to the provisions of sections 16B.06 to 16B.102, provided that the commissioner must utilize an open and competitive bid process for lottery procurement contracts, and as nearly as practicable follow the procedures of chapter 16B governing contracts, consistent with the provisions of this section.

Subd. 7. [ASSIGNMENT.] A contract entered into under this section may not be assigned without the specific written approval of the commissioner.

Sec. 8. [349A.08] [LOTTERY PRIZES.]

Subdivision 1. [AGREEMENT BY PLAYERS.] A person who buys a lottery ticket agrees to be bound by the rules applicable to the particular lottery game for which the ticket is purchased. The player acknowledges that the determination of whether a ticket is a valid winning ticket is subject to the rules of the board, claims procedures established by the commissioner for that game, and any confidential or public validation tests established by the commissioner for that game.

Subd. 2. [PRIZES NOT ASSIGNABLE.] A prize in the state lottery is not assignable except as provided in subdivision 3 and except that:

(1) if a prize winner dies before the prize is paid, the commissioner shall pay the prize to the prize winner's estate; and

(2) the commissioner may pay a prize to a person other than the winner of that prize under an appropriate court order.

Subd. 3. [PRIZES WON BY PERSONS UNDER AGE 18.] The following provisions govern the payment of a lottery prize to a person under age 18:

(1) if the prize is less than \$5,000, the commissioner may give a draft, payable to the order of the person under age 18, to the person's parents,

custodial parent if one parent has custody, guardian, or other adult member of the person's family; and

(2) if the prize is \$5,000 or more, the commissioner shall deposit the prize with the district court and section 540.08 applies to the investment and distribution of the money.

Subd. 4. [DISCHARGE OF LIABILITY.] The payment of a prize by the commissioner discharges the commissioner and the state of all liability for the prize.

Subd. 5. [PAYMENT; UNCLAIMED PRIZES.] A prize in the state lottery must be claimed by the winner within one year of the date of the drawing at which the prize was awarded. Any prize money not claimed at the end of this period must be added by the commissioner to prize pools of subsequent lottery games and the winner of the prize shall have no further claim to the prize. A prize won by a person who purchased the winning ticket in violation of section 12, subdivision 1, or won by a person ineligible to be awarded a prize under subdivision 7 must be treated as an unclaimed prize under this section.

Subd. 6. [INSTALLMENT PAYMENTS.] If the commissioner decides to pay all or part of a prize in the form of installments over a period of years, the commissioner shall provide for the payment of all installments by:

(1) entering into a contract with a financially responsible person or firm or by purchasing an annuity to provide for the payment of the installments; or

(2) establishing and maintaining as a separate and independent fund outside the state treasury a reserve account with sufficient funds for the payment of the installments as they become due.

Subd. 7. [PAYMENTS PROHIBITED.] (a) No prize may be paid to a member of the board, the commissioner, or an employee of the agency, or a member of their families residing in the same household of the member, commissioner, or employee. No prize may be paid to an officer or employee of a division of a vendor which at the time the game or drawing was being conducted was involved with providing goods or services to the lottery under a lottery procurement contract.

(b) No prize may be paid for a stolen, altered, or fraudulent ticket.

Subd. 8. [WITHHOLDING OF DELINQUENT STATE TAXES OR OTHER DEBTS.] The commissioner shall report the name, address, and social security number of each winner of a lottery prize of \$1,000 or more to the department of revenue to determine whether the person who has won the prize is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5. If the person is delinquent in payment of state taxes or owes a debt as defined in section 270A.03, subdivision 5, the commissioner shall withhold the delinquent amount from the person's prize for remittance to the department of revenue for payment of the delinquent taxes or distribution to a claimant agency in accordance with chapter 270A. Section 270A.10 applies to the priority of claims.

Sec. 9. [349A.09] [LOTTERY ADVERTISING.]

Subdivision 1. [ODDS; REQUIRED INFORMATION.] The commissioner shall include on each brochure, pamphlet, booklet, or other similar

material the commissioner publishes to promote or explain any lottery game, a prominent and clear statement of the chances of winning each prize offered in that lottery game. Each lottery retailer must post prominently at or near the point of ticket sale a notice or notices printed and provided by the commissioner of the odds of winning each prize in each game for which the lottery retailer sells tickets.

Subd. 2. [PROHIBITION.] No lottery or other public funds may be expended to advertise or promote the state lottery.

Subd. 3. [NOTICE.] Each lottery retailer shall prominently post at or near the point of ticket sale a notice printed and provided by the commissioner giving the telephone number of a local gamblers' anonymous or similar organization from which a person may receive help regarding a problem with compulsive gambling.

Sec. 10. [349A.10] [LOTTERY FUNDS.]

Subdivision 1. [FUND ESTABLISHED.] Money received by the commissioner from the sale of lottery tickets must be deposited in the state treasury and credited to the state lottery fund.

Subd. 2. [PRIZES AND ADMINISTRATION.] (a) The amount necessary to pay the holders of winning lottery tickets, purchase and promote lottery games and game-related services, and make payments to lottery retailers is appropriated from the lottery fund to the commissioner. All other expenses for the operation and administration of the lottery must be appropriated from the state lottery fund by direct appropriation of the legislature.

(b) The commissioner shall determine the percentage of money in the state lottery fund to be allocated for payment of prizes and expenses in a fiscal year, provided that no more than 50 percent of the gross revenues from the sale of lottery tickets may be used for prizes and after the first full year of operation no more than 15 percent of gross revenues may be used for administrative expenses of the lottery.

Subd. 3. [DEPOSIT OF RECEIPTS.] (a) The commissioner may require lottery retailers:

(1) to deposit in a separate account to the credit of the state lottery fund, in banks designated by the commissioner, all money received by the lottery retailer from the sale of lottery tickets, less money retained as the lottery retailer's commission and for payment of prizes or sales discounts;

(2) to file with the commissioner reports of the lottery retailer's receipts and transactions in ticket sales in a form that the commissioner prescribes; and

(3) to allow money deposited by the lottery retailer from the sale of lottery tickets to be transferred to the agency through electronic fund transfer.

(b) The commissioner may make arrangements for any person, including a financial institution, to perform functions, activities, or services in connection with the receipt and distribution of lottery revenues.

(c) A lottery retailer who fails to pay any money due to the commissioner within the time prescribed by the commissioner shall pay interest on the amount owed at the rate determined by rule.

Subd. 4. [DETERMINATION OF NET PROCEEDS.] Within 30 days after the end of each month, the commissioner shall determine the net proceeds from the lottery for that month. The net proceeds is determined by deducting from gross receipts to the lottery for that month and interest earned by the lottery:

- (1) total prizes paid out in that month;*
- (2) an amount the commissioner determines to be reasonably required to pay future prize obligations resulting from lottery drawings in that month;*
- (3) the value of lottery tickets returned or canceled;*
- (4) an amount sufficient to pay costs incurred for the operation and administration of the lottery;*
- (5) payments made for the purchase and promotion of lottery games and game-related services; and*
- (6) payments made to lottery retailers.*

Sec. 11. [349A.11] [CONFLICT OF INTEREST.]

(a) The commissioner, a board member, an employee of the agency, a member of the immediate family of the commissioner, board member, or employee residing in the same household may not:

- (1) purchase a lottery ticket;*
 - (2) have any ownership interest in any vendor contracting with the state to supply services or gaming equipment or materials for use in the operation of the lottery, or in any lottery retailer; or*
 - (3) receive any gift, gratuity, or other thing of value, excluding food or beverage, from any lottery vendor or lottery retailer, or person applying to be a retailer or vendor, in excess of \$100 in any calendar year.*
- (b) The commissioner or an unclassified employee of the agency may not, within one year of terminating employment with the agency, accept employment with, act as an agent or attorney for, or otherwise represent any person, corporation, or entity that had any lottery procurement contract or bid for a major procurement contract with the agency within a period of two years prior to the termination of their employment.*

Sec. 12. [349A.12] [PROHIBITED ACTS.]

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy a ticket in the state lottery.

Subd. 2. [SALE TO MINORS.] A lottery retailer may not sell a ticket in the state lottery to any person under the age of 18 years. It is an affirmative defense to a charge under this subdivision for the lottery retailer to prove by a preponderance of the evidence that the lottery retailer reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale.

Subd. 3. [PROHIBITED SALES.] (a) A person other than a lottery retailer may not sell a ticket in the state lottery.

(b) A lottery retailer may not sell a ticket for a price other than the price set by the commissioner.

Subd. 4. [LOTTERY RETAILERS AND VENDORS.] A person who is

a lottery retailer, or is applying to be a lottery retailer, a person applying for a contract with the commissioner, or a person under contract with the commissioner to supply lottery games, equipment, or services may not pay, give, or make any economic opportunity, gift, loan, gratuity, special discount, favor, hospitality, or service, excluding food or beverage, having an aggregate value of over \$100 in any calendar year to the commissioner, board member, employee of the lottery agency, or to a member of the immediate family residing in the same household as that person.

Subd. 5. [EXCEPTIONS.] Nothing in this chapter prohibits giving a state lottery ticket as a gift, or buying a state lottery ticket as a gift for a person under the age of 18.

Subd. 6. [VIOLATIONS.] A violation of subdivision 1 is a petty misdemeanor. A violation of subdivision 2 or a rule adopted by the board is a misdemeanor. A violation of subdivision 3 or 4 is a gross misdemeanor.

Sec. 13. [349A.13] [RESTRICTIONS.]

The commissioner may not:

(1) conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;

(2) install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; and

(3) sell pull-tabs as defined under section 349.12, subdivision 10.

Sec. 14. [349A.14] [AUDIT.]

The state lottery agency is subject to audit by the legislative auditor under sections 3.971 and 3.972.

Sec. 15. [349A.15] [REPORT.]

The commissioner shall file an annual report with the governor and legislature setting forth a complete statement of lottery revenues, administrative and operating costs, net revenues transferred under section 10, and other financial transactions for the period the report covers.

Sec. 16. [609.651] [STATE LOTTERY FRAUD.]

Subdivision 1. [FELONY.] A person is guilty of a felony and may be sentenced under subdivision 3 if the person does any of the following with intent to defraud the state lottery:

(1) alters or counterfeits a state lottery ticket;

(2) knowingly presents an altered or counterfeited state lottery ticket for payment;

(3) knowingly transfers an altered or counterfeited state lottery ticket to another person;

(4) obtains access to the state lottery computer data base; or

(5) otherwise claims a lottery prize by means of fraud, deceit, or misrepresentation.

Subd. 2. [FALSE STATEMENTS.] A person is guilty of a felony and may be sentenced under subdivision 3 if the person:

(1) makes a materially false or misleading statement, or a material

omission, in a record required to be submitted under chapter 349A; or

(2) makes a materially false or misleading statement, or a material omission, in information submitted to the commissioner of the state lottery in a lottery retailer's application or a document related to a bid.

Subd. 3. [PENALTY.] (a) A person who violates subdivision 1 may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$50,000, or both.

(b) A person who violates subdivision 1 and defrauds the state lottery of \$35,000 or more may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both.

(c) A person who violates subdivision 2 may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$25,000, or both.

Sec. 17. [TEMPORARY CLASSIFICATION OF EMPLOYEES.]

Notwithstanding section 2, subdivision 3, the commissioner of employee relations may temporarily designate positions in the unclassified service for up to three years for the purpose of establishing the state lottery, provided that the positions do not involve office, clerical, technical, or business management activities such as financial, accounting, purchasing, data processing, or personnel activities.

Sec. 18. [APPROPRIATION.]

Subdivision 1. [LOAN.] There is appropriated from the general fund to the commissioner of the state lottery the sum of \$ This appropriation is available until expended. The commissioner shall reimburse the general fund from the lottery fund the amount appropriated under this subdivision by June 30, 1991.

Subd. 2. [COMPLEMENT.] The approved complement of the lottery agency is

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 11, 13 to 15, and 18 are effective July 1, 1989. Sections 12 and 16 are effective July 1, 1989, and apply to crimes committed on or after that date. Section 17 is effective the day following final enactment.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 1988, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

(a) member of the legislature;

(b) constitutional officer in the executive branch and the officer's chief administrative deputy;

(c) member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;

(d) commissioner, deputy commissioner or assistant commissioner of

any state department as designated pursuant to section 15.01;

(e) individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;

(f) executive director of the state board of investment;

(g) executive director of the Indian affairs intertribal board;

(h) commissioner of the iron range resources and rehabilitation board;

(i) director of mediation services;

(j) deputy of any official listed in clauses (e) to (i);

(k) judge of the workers' compensation court of appeals;

(l) administrative law judge or compensation judge in the state office of administrative hearings or hearing examiner in the department of jobs and training;

(m) solicitor general or deputy, assistant or special assistant attorney general;

(n) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research;
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) the commissioner and deputy commissioner of the state lottery agency.

Sec. 2. Minnesota Statutes 1988, section 15.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] This section applies to the following departments or agencies: the departments of administration, agriculture, commerce, corrections, jobs and training, education, employee relations, trade and economic development, finance, health, human rights, labor and industry, natural resources, public safety, public service, human services, revenue, transportation, and veterans affairs; the housing finance, *state lottery*, state planning, and pollution control agencies; the office of commissioner of iron range resources and rehabilitation; the bureau of mediation services; and their successor departments and agencies. The heads of the foregoing departments or agencies are "commissioners."

Sec. 3. 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 the state lottery agency;
Commissioner of trade and economic development;
Chair, waste management board;
Chief administrative law judge; office of
administrative hearings;
Commissioner, pollution control agency;
Commissioner, state planning agency;
Executive director, housing finance
agency;
Executive director, public employees
retirement association;
Executive director, teacher's
retirement association;
Executive director, state retirement system;
Chair, metropolitan council;
Chair, regional transit board;

\$42,500-\$60,000

Commissioner of human rights;
 Commissioner, department of public service;
 Commissioner of veterans' affairs;
 Commissioner, bureau of mediation services;
 Commissioner, public utilities commission;
 Member, transportation regulation board;
 Ombudsman for corrections;
 Ombudsman for mental health and retardation.

Sec. 4. Minnesota Statutes 1988, section 16B.54, subdivision 2, is amended to read:

Subd. 2. [VEHICLES.] (a) [ACQUISITION FROM AGENCY; APPROPRIATION.] The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck presently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the national automobile dealers association official used car guide.

(b) [PURCHASE.] To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the department of administration.

(c) [TRANSFER AT AGENCY REQUEST.] On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck shall be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) [VEHICLES; MARKING.] The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide by rule for the use of motor vehicles without uniform coloring or marking by the governor, the lieutenant governor, the division of criminal apprehension, arson investigators of the division of fire marshal in the department of public safety, financial institutions division of the department of commerce, *the state lottery agency*, and the office of the attorney general.

Sec. 5. Minnesota Statutes 1988, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing authorities for the following agencies may designate additional unclassified

positions according to this subdivision: the departments of administration; agriculture; commerce; corrections; jobs and training; education; employee relations; trade and economic development; finance; health; human rights; labor and industry; natural resources; office of administrative hearings; public safety; public service; human services; revenue; transportation; and veterans affairs; the housing finance, *state lottery*, state planning, and pollution control agencies; the state board of investment; the waste management board; the offices of the secretary of state, state auditor, and state treasurer; the state board of vocational technical education; the school and resource center for the arts; and the Minnesota zoological board.

A position designated by an appointing authority according to this subdivision must meet the following standards and criteria:

(1) the designation of the position would not be contrary to other law relating specifically to that agency;

(2) the person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(3) the duties of the position would involve significant discretion and substantial involvement in the development, interpretation, and implementation of agency policy;

(4) the duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(5) there would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(6) the position would be at the level of division or bureau director or assistant to the agency head; and

(7) the commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 6. Minnesota Statutes 1988, section 260.015, subdivision 5, is amended to read:

Subd. 5. [DELINQUENT CHILD.] "Delinquent child" means a child:

(a) Who has violated any state or local law, except as provided in section 260.193, subdivision 1, and except for juvenile offenders as described in subdivisions 19 to 23 *unless the child has committed a second or subsequent violation of article 1, section 12, subdivision 1*; or

(b) Who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult; or

(c) Who has escaped from confinement to a state juvenile correctional facility after being committed to the custody of the commissioner of corrections.

Sec. 7. Minnesota Statutes 1988, section 260.015, subdivision 21, is amended to read:

Subd. 21. [JUVENILE PETTY OFFENDER; JUVENILE PETTY

OFFENSE.] "Juvenile petty offense" includes a juvenile alcohol offense, a juvenile controlled substance offense, a violation of section 609.685 or article 1, section 12, subdivision 1, or a violation of a local ordinance, which by its terms prohibits conduct by a child under the age of 18 years which would be lawful conduct if committed by an adult. A child who commits a juvenile petty offense is a "juvenile petty offender."

Sec. 8. Minnesota Statutes 1988, section 290.92, is amended by adding a subdivision to read:

Subd. 29. [LOTTERY PRIZES.] The commissioner of the Minnesota state lottery shall deduct and withhold eight percent of the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, the term "winnings which are subject to withholding" has the meaning given in section 3402(q)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1988. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the commissioner of the Minnesota state lottery with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment. The Minnesota state lottery is liable for the payment of the tax required to be withheld under this subdivision but is not liable to any person for the amount of the payment.

Sec. 9. Minnesota Statutes 1988, section 297A.25, is amended by adding a subdivision to read:

Subd. 42. [STATE LOTTERY TICKETS.] The gross receipts from the sale of tickets for the state lottery under chapter 349A are exempt.

Sec. 10. Minnesota Statutes 1988, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized under chapter 349.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the commissioner of the state lottery under chapter 349A.

Sec. 11. 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. No organization may conduct lawful gambling on premises under the jurisdiction of or leased from a state agency listed in section 15.06, subdivision 1, a metropolitan agency as defined in section 473.121, subdivision 5a, or a school district. 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 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.

Sec. 12. Minnesota Statutes 1988, section 541.20, is amended to read:

541.20 [RECOVERY OF MONEY LOST.]

Every person who, by playing at cards, dice, or other game, or by betting on the hands or sides of such as are gambling, shall lose to any person so playing or betting any sum of money or any goods, and pays or delivers the same, or any part thereof, to the winner, may sue for and recover such money by a civil action, before any court of competent jurisdiction. For purposes of this section, gambling shall not include pari-mutuel wagering conducted under a license issued pursuant to chapter 240, *purchase or sale of tickets in the state lottery*, or gambling authorized under ~~chapter~~ *chapters 349 and 349A*.

Sec. 13. Minnesota Statutes 1988, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to pari-mutuel wagering conducted under a license issued pursuant to ~~chapter~~ *chapters 240 and 349 or purchase of tickets in the state lottery under chapter 349A*.

Sec. 14. Minnesota Statutes 1988, section 609.75, subdivision 3, is amended to read:

Subd. 3. [WHAT ARE NOT BETS.] The following are not bets:

(1) A contract to insure, indemnify, guarantee or otherwise compensate another for a harm or loss sustained, even though the loss depends upon chance.

(2) A contract for the purchase or sale at a future date of securities or other commodities.

(3) Offers of purses, prizes or premiums to the actual contestants in any bona fide contest for the determination of skill, speed, strength, endurance, or quality or to the bona fide owners of animals or other property entered in such a contest.

(4) The game of bingo when conducted in compliance with sections 349.11 to 349.23.

(5) A private social bet not part of or incidental to organized, commercialized, or systematic gambling.

(6) The operation of equipment or the conduct of a raffle under sections 349.11 to 349.22, by an organization licensed by the charitable gambling

control board or an organization exempt from licensing under section 349.214.

(7) Pari-mutuel betting on horse racing when the betting is conducted under chapter 240.

(8) *The purchase and sale of state lottery tickets under chapter 349A.*

Sec. 15. Minnesota Statutes 1988, section 609.761, is amended to read:
609.761 [OPERATIONS PERMITTED.]

Subdivision 1. [LAWFUL GAMBLING.] Notwithstanding sections 609.755 and 609.76, an organization may conduct lawful gambling as defined in section 349.12, if authorized under chapter 349, and a person may manufacture, sell, or offer for sale a gambling device to an organization authorized under chapter 349 to conduct lawful gambling, and pari-mutuel betting on horse racing may be conducted under chapter 240.

Subd. 2. [STATE LOTTERY.] Sections 609.755 and 609.76 do not prohibit the operation of the state lottery or the sale, possession, or purchase of tickets for the state lottery under chapter 349A.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to gambling; authorizing the sale of lottery tickets; establishing a state lottery agency; providing for its powers and duties; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 10A.01, subdivision 18; 15.06, subdivision 1; 15A.081, subdivision 1; 16B.54, subdivision 2; 43A.08, subdivision 1a; 260.015, subdivisions 5 and 21; 290.92, by adding a subdivision; 297A.25, by adding a subdivision; 340A.410, subdivision 5; 349.18, subdivision 1; 541.20; 541.21; 609.75, subdivision 3; and 609.761; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 349A."

And when so amended the bill be re-referred to the Committee on Taxes and Tax Laws without recommendation. Amendments adopted. Report adopted.

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

S.F. No. 1157: A bill for an act relating to education; changing the name of technical institutes to technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivision 2.

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

Page 1, delete section 1 and insert:

"Section 1. [REPEALER.]

Minnesota Statutes 1988, section 136C.02, subdivision 2, is repealed."

Amend the title as follows:

Page 1, line 3, delete "amending" and insert "repealing"

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

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

S.F. No. 1181: A bill for an act relating to education; allowing alternative postseason extracurricular competition; proposing coding for new law in Minnesota Statutes, chapter 129.

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

Page 1, line 17, delete everything after the period

Page 1, delete line 18

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

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

S.F. No. 517: A bill for an act relating to education; appropriating money to the higher education coordinating board for a community service grant program for postsecondary institutions.

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

Page 1, lines 16 and 24, delete "*nonstate sources*" and insert "*any resources available to the institution*"

Page 1, line 17, delete "*full-time*"

Page 1, line 19, delete "*administrative*" and insert "*administration, coordination, training, consultation, and evaluation*"

Page 1, delete line 20

Page 1, line 21, delete everything before the period

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

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

S.F. No. 1261: A bill for an act relating to education; clarifying reporting responsibilities to the HECB; amending Minnesota Statutes 1988, section 136A.05.

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

Page 1, line 9, after "*education*" insert a comma

Page 1, line 11, after "*institutes*" insert a comma

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

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

S.F. No. 278: A bill for an act relating to economic development; revising provisions governing regional development commissions; renaming regional development commissions; authorizing the establishment of area development alliances; appropriating money; amending Minnesota Statutes 1988,

sections 110B.08, subdivision 2; 115A.03, subdivisions 8 and 26; 115A.09, subdivision 3; 115A.21, subdivision 2; 115A.45; 115A.52; 115A.64, subdivision 3; 116E.02, subdivision 1; 116E.03, subdivision 8; 116G.03, subdivision 5; 116G.06; 116G.07; 116G.08; 116J.971, subdivision 2; 116N.08, subdivision 2; 123.58, subdivision 2; 134.34, subdivision 3; 138.93, subdivision 1; 145A.09, subdivision 6; 174.031, subdivision 1; 245.872, subdivision 2; 252.46, subdivisions 4 and 8; 256E.08, subdivision 10; 402.01, subdivision 1; 462.381; 462.382; 462.383; 462.384, subdivisions 1, 2, 7, and by adding subdivisions; 462.386; 462.387; 462.388; 462.389; 462.39; 462.393; 462.394; 462.395; 462.396; 462.397; 462.398; and 462A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 462; repealing Minnesota Statutes 1988, sections 116K.11; 462.371; 462.372; 462.373; 462.374; 462.375; 462.384, subdivisions 3, 4, 5, and 6; 462.385; 462.391; and 462.392.

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

Delete everything after the enacting clause and insert:

“Section 1. [462.399] [TITLE.]

Sections 1 to 17 may be cited as the “area development alliance act.”

Sec. 2. [462.400] [APPLICATION.]

Sections 1 to 17 do not apply to the metropolitan council created by or the region defined by Laws 1967, chapter 896.

Sec. 3. [462.401] [PURPOSE.]

The purposes of sections 1 to 17 are:

(1) to facilitate intergovernmental cooperation;

(2) to ensure the orderly and harmonious coordination of state, federal, and local comprehensive planning and development programs;

(3) to provide assistance to local communities and governmental units on an areawide basis; and

(4) to identify and address rural issues and problems.

Sec. 4. [462.402] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 17.

Subd. 2. [GOVERNMENTAL UNIT.] “Governmental unit” means a county, home rule charter or statutory city, town, school district, or other political subdivision of the state.

Subd. 3. [COMMISSIONER.] “Commissioner” means the commissioner of the state planning agency exercising authority under sections 116K.01 to 116K.13.

Subd. 4. [ALLIANCE.] “Alliance” means an area development alliance established under section 6.

Subd. 5. [ALLIANCE AREA.] “Alliance area” or “area” means a geographic area composed of at least three contiguous counties with a population of at least 50,000, established under section 6.

Subd. 6. [CITY.] “City” means a home rule charter or statutory city.

Sec. 5. [462.403] [CONFORMANCE WITH AREAS.]

Subdivision 1. [MULTICOUNTY PLANNING AND DEVELOPMENT.] All coordination, planning, and development areas assisted or created by the state of Minnesota or federal legislation must conform to the areas established under section 6 except where, after review and approval by the commissioner, nonconformance is clearly justified. The commissioner shall develop working agreements with state and federal departments and agencies to ensure conformance with this subdivision.

Subd. 2. [FEDERAL ECONOMIC DEVELOPMENT DISTRICTS.] The boundaries of an economic development district established under the United States Public Works and Economic Development Act of 1965, as amended through December 31, 1988, United States Code, title 42, section 3171, may be modified with the approval of an affected county and the development district.

Sec. 6. [462.404] [AREA DEVELOPMENT ALLIANCE; ESTABLISHMENT.]

Subdivision 1. [PETITION.] (1) Any combination of counties or cities representing a majority of the population of the area, or (2) any combination of contiguous counties, upon approval by a majority of the governing bodies of the cities and towns of each county located within the area for which an area development alliance is proposed, may petition the commissioner by formal resolution setting forth its desire to establish, and the need for the establishment of, an area development alliance. For purposes of the petition requirement, the population of a county does not include the population of a city within the county. The petition must include the geographic boundaries of the proposed area. The area must include a population of at least 50,000 and at least three contiguous counties. The area may include towns that are contiguous to the counties that are located in the proposed area. The area may also include cities that are located in more than one county and are contiguous to the proposed area. All counties, contiguous towns, and contiguous cities that were part of an alliance that has been terminated and are not part of an existing alliance must be allowed to petition to form the proposed alliance.

Subd. 2. [ESTABLISHMENT.] Within 35 days of the receipt of a petition as provided in subdivision 1, the commissioner shall notify all governmental units within the area for which the alliance is proposed and fix a time and place within the proposed area for a public hearing. Notice and time requirements specified in section 17, subdivision 2, apply to the public hearing. If the boundaries of a proposed area development alliance are coterminous or overlap with the boundaries of an existing regional development commission or area development alliance, the existing commission or alliance must be terminated before the proposed area development alliance may be established. After determining that the boundaries of the proposed alliance area do not overlap with another area development alliance or a regional development commission, and within 60 days of the date of the public hearing, the commissioner shall establish the area development alliance by commissioner's order.

Subd. 3. [SELECTION OF MEMBERSHIP.] The commissioner shall call together each of the membership classifications except the public members, defined in section 8, within 60 days of the establishment of an area development alliance for the purpose of selecting the alliance membership.

Sec. 7. [462.405] [ANNEXATION PROCEDURE.]

Subdivision 1. [COUNTIES IN EXISTING ALLIANCE.] One or more counties comprising a part of an existing area development alliance may petition the commissioner by county board resolution to withdraw the county or counties from the alliance for the purpose of annexing the county or counties to a contiguous proposed or established area development alliance. The commissioner may order the annexation only if the following conditions are met:

(1) the population of the area development alliance from which the county or counties request withdrawal is at least 50,000 after the county or counties withdraw;

(2) at least three contiguous counties remain in the alliance after the withdrawal;

(3) none of the petitioning counties have established an alliance or have been authorized to annex with the alliance that they are currently a part of in the past five years;

(4) the alliance with which the county or counties are requesting annexation must approve of the annexation; and

(5) the commissioner approves of the annexation, after making the determination that the population and economic patterns of the county or counties are consistent with the proposed annexation.

Subd. 2. [COUNTIES OR TOWNS NOT PART OF AN ALLIANCE.] Upon approval by a majority of the governing bodies of the cities and towns of a county, a county that is not part of an existing area development alliance may petition the commissioner by county board resolution for the purpose of annexing the county to a contiguous area development alliance. The commissioner may order the annexation only if the following conditions are met:

(1) the alliance with which the county is requesting annexation must approve of the annexation; and

(2) the commissioner approves of the annexation, after making the determination that the population and economic patterns of the county are consistent with the proposed annexation.

A town that is not part of an existing area development alliance may petition the commissioner by town board resolution for the purpose of annexing the town to a contiguous area development alliance. The commissioner may order the annexation if the town meets the conditions specified in clauses (1) and (2) of this subdivision.

Subd. 3. [ANNEXATION BY COMMISSIONER'S INITIATIVE.] Within two years after a federal decennial census, the state demographer must review the boundaries of the areas and submit a report to the commissioner with boundary modification recommendations, taking into account the population and economic patterns of each area. Upon receiving boundary modification recommendations from the state demographer, the commissioner may order an annexation under subdivision 1 without meeting the petition requirements after determining that the other conditions specified in subdivision 1 have been met.

Subd. 4. [CITY ANNEXATION.] A city that is located in more than one county may petition the commissioner by city council resolution for

the purpose of annexing the entire city to a contiguous area development alliance. The commissioner may order the annexation if the city meets the conditions specified in subdivision 2, clauses (1) and (2).

Subd. 5. [PUBLIC HEARING REQUIREMENTS.] The commissioner must hold a public hearing in the proposed annexation area before ordering an annexation under this section. Notice and time requirements specified in section 17, subdivision 2, apply to the public hearing.

Sec. 8. [462.406] [ALLIANCE MEMBERSHIP]

Subdivision 1. [COMPOSITION.] An alliance consists of the following members:

- (1) one member from each county board of every county in the area, selected by each respective county board;*
- (2) one additional county board member from each county with a population greater than 100,000, selected by each respective county board of these counties;*
- (3) the town clerk, town treasurer, or one member of a town board of supervisors from each county containing organized towns, selected by the town officers association in each respective county, or the town boards of supervisors in each county if a town officers association does not exist in the county;*
- (4) one additional member selected by the county board of any county containing no townships;*
- (5) one mayor or council member from a city with a population less than 10,000, from each county, selected by the mayors of the cities in the county;*
- (6) one mayor or council member from each city with a population greater than 10,000 from each county, selected by the mayor of each of these respective cities;*
- (7) two school board members elected by a majority of the chairs of school boards in the area;*
- (8) one member from each council of governments, selected by each council; and*
- (9) at least one public member from each county or portion of a county in the area, selected by the other alliance members and representing public interests within the area, to be selected after adoption of the bylaws of the alliance. At least 30 percent of the alliance membership must consist of public members who are not members of the governing body of a county, city, or town.*

The public membership of the alliance may consist of members of minority groups, post-secondary educational institutions, senior citizen groups, human service organizations, natural resource organizations, nonprofit economic development entities, local chambers of commerce, and the general public interested in community and economic development.

Subd. 2. [TERMS; SELECTION.] The terms of office and method of selection of members, including the chair and other officers, must be provided for in the bylaws of the alliance. The alliance must select a chair from its own membership. An alliance member may not serve more than ten consecutive years. The bylaws must be consistent with the provisions

of subdivision 1. The alliance shall adopt bylaws providing for its procedures.

Subd. 3. [PER DIEM; EXPENSES.] Members of the alliance may receive a per diem in the amount specified under section 15.0575, subdivision 3, and must be reimbursed for their reasonable expenses as determined by the alliance. The alliance may provide for the election of a board of directors, who need not be alliance members, and provide, at its discretion, for a per diem in the amount specified under section 15.0575, subdivision 3, for meetings of the board and expenses. A member of the board of directors may receive only the per diem payable to board members when meetings of the board of directors and the alliance are held on the same day.

Sec. 9. [462.407] [ALLIANCE CHAIR; OFFICERS AND STAFF]

Subdivision 1. [CHAIR.] The chair of the alliance shall have been a resident of the area for at least one year and shall be a person experienced in the field of government affairs. The chair shall preside at the meetings of the alliance and board of directors, appoint all employees as provided in the personnel system adopted under subdivision 4, and be responsible for carrying out all policy decisions of the alliance. The chair's expense allowances must be fixed by the alliance. The term of the first chair is one year, and the chair shall serve until a successor is selected and qualifies. At the expiration of the term of the first chair, the chair must be elected from the membership of the alliance according to procedures established in its bylaws.

Subd. 2. [OFFICERS.] Except as provided in subdivision 1, the alliance may elect officers it considers necessary for the conduct of its affairs. Times and places of regular and special meetings must be fixed by the alliance and may be provided in the alliance bylaws. In the performance of its duties the alliance may adopt bylaws; establish committees, divisions, departments, and bureaus; staff the committees, divisions, departments, and bureaus as necessary to carry out its duties; and when specifically authorized by law, make appointments to other governmental agencies and districts. All officers and employees serve at the pleasure of the alliance and in accordance with this section.

Subd. 3. [EXECUTIVE DIRECTOR.] Upon the recommendation of the chair, the alliance may appoint an executive director to serve as the chief administrative officer.

Subd. 4. [EMPLOYEES.] The alliance may prepare, in consultation with the commissioner of employee relations, and may adopt, a personnel system for its officers and employees, including hiring procedures and policies, terms and conditions of employment, compensation, classification, benefits, the filing of performance and fidelity bonds, and insurance policies as it considers advisable, with premiums to be paid by the alliance. Officers and employees are public employees within the meaning of chapter 353. The alliance shall make the employer's contributions to pension funds of its employees.

Subd. 5. [STAFF SERVICES.] To avoid duplication of staffs for various regional bodies assisted by the federal government, the alliance may provide basic administrative, research, and planning services for all regional planning and development bodies in Minnesota. The alliance may contract to obtain or perform services with state agencies, nonprofit regional groups,

subdistricts organized as the result of federal programs, councils of governments organized under section 471.59, or other law, and with governmental units.

Subd. 6. [CONSULTANTS.] The alliance may contract for the services of consultants who perform engineering, legal, or other services of a professional nature for peak workloads, continuing advice on program direction, and for specialized and technical services. The contracts are not subject to the requirements of any law relating to public bidding.

Sec. 10. [462.408] [POWERS AND DUTIES.]

Subdivision 1. [GENERAL POWERS.] The alliance shall have and exercise all powers which may be necessary or convenient to enable it to perform and carry out the duties and responsibilities of sections 1 to 17 or which may hereafter be imposed upon it by law. The powers include the specific powers enumerated in this section. The alliance is a political subdivision of the state for purposes of section 297A.25, subdivision 11.

Subd. 2. [STATE AND FEDERAL PROGRAMS.] The alliance is the authorized agency to receive state and federal grants for regional purposes from the following programs:

(1) Public Works and Economic Development Act of 1965, as amended through December 31, 1988, United States Code, title 42, section 3171 (economic development districts); and

(2) any other state and federal programs providing funds for local, multicounty, or regional planning, coordination, service delivery, and development purposes, to the extent determined feasible by the governor.

Subd. 3. [PLANNING.] The alliance may prepare and adopt, after appropriate study and public hearings as may be necessary, development plans for the area or portions of the area. The plans may consist of policy statements, goals, standards, programs, and maps prescribing guides for an orderly and economic development, public and private, of the area. The plans may also include an outline of trends, issues, and problems occurring in rural areas of the state. A development plan or portion of a plan for the area may not be adopted by the alliance until it has been submitted to the commissioner for review and comment and a period of 60 days has elapsed after the submission. When a development plan has been adopted, the alliance shall distribute it to all governmental units within the area.

Subd. 4. [COMPREHENSIVE PLANNING.] The establishment of an area development alliance does not affect the right of counties or cities to conduct planning under sections 462.371 to 462.375 or 471.59. It is the purpose of sections 1 to 17 to encourage local planning capability and the alliance shall, as far as practical, use the data, resources, and input of the local planning agencies.

Subd. 5. [PLANNING REVIEW.] The alliance may review all long-term comprehensive plans of each governmental unit, independent commission, board, or agency, but only if the plan is determined by the alliance to have an areawide effect, a multicomunity effect, or to have a substantial effect on development of the area. Each plan determined to have areawide significance by the alliance must be submitted to the alliance for review and comment before any action is taken to place the plan or any part of the plan into effect. No action shall be taken to place any plan or any part of a plan into effect until 60 days have elapsed after the date of its submission

to the alliance or until the alliance reviews and comments on the plan. The alliance shall develop, in consultation with the commissioner, formal procedures for the review of plans required to be submitted to it under this subdivision. The procedures must be included in a formal resolution adopted after public hearing. After adoption, the resolution must be transmitted to each governmental unit and independent agency, board, or commission within the area.

Subd. 6. [RESEARCH.] The alliance may research and study issues and concerns relating to water, land use, economic development, minority problems, governmental problems, human and natural resources, waste reduction and management, communication, transportation, and other subjects of concern to the general public of the area. The alliance may institute demonstration projects in connection with a study.

Subd. 7. [PROGRAM COORDINATION.] The alliance may coordinate civil defense, community shelter planning, floodplain management programs, and other programs of areawide significance within the area and contract with local governmental agencies and consultants for the purpose of program coordination.

Subd. 8. [LOCAL GOVERNMENT BOUNDARIES.] The alliance may participate as a party in any proceedings originating before the Minnesota municipal board under chapter 414, if the proceedings involve the change in a boundary of a governmental unit in the area.

Subd. 9. [DATA AND INFORMATION.] The alliance, in consultation with appropriate departments and agencies of the state, may develop, in cooperation with the public and private colleges and universities and governmental units, a center for data collection and storage to be used by it and other governmental and private users. The alliance may enter into agreements with any state or federal agency to provide information to the governmental units, and others, regarding federal and state programs and data sources.

Subd. 10. [SERVICES AND TECHNICAL ASSISTANCE.] The alliance may contract with governmental units and private organizations to provide them with services and technical assistance in the conduct of local planning and development activities. The alliance may also provide technical assistance to governmental units on a noncontractual basis.

Subd. 11. [REVOLVING LOAN FUND.] In order to promote and encourage local economic development, the alliance may establish a revolving loan fund to provide loans to businesses. If the alliance establishes a revolving loan fund, the alliance shall establish uniform application forms and procedures, minimum interest rates, security requirements, restrictions on the amount of the alliance's participation in a project, and other financial terms and conditions that the alliance determines are necessary in providing financial assistance. The alliance may sell, at private or public sale, loans made under this subdivision to a business, for-profit or nonprofit organization, or an individual.

Sec. 11. [462.409] [COUNTY ECONOMIC DEVELOPMENT AUTHORITY.]

Subdivision 1. [ESTABLISHMENT.] A county located in an alliance area may establish a county economic development authority that has the same powers as an economic development authority established under

section 469.091. If a county establishes an economic development authority, the county shall exercise all of the powers relating to an economic development authority granted to a city under sections 469.090 to 469.108.

Subd. 2. [DISTRICTS.] A county economic development authority may create and define the boundaries of economic development districts at any place or places within the county. Section 469.174, subdivision 10, and the contiguity requirement specified under section 469.101, subdivision 1, do not apply to county economic development districts.

Subd. 3. [LIMITATION.] A county economic development authority may only exercise its powers or levy authority within the boundaries of a city at the request of the city's governing body. A county economic development authority may not exercise its levy authority within the boundaries of a city that has established an economic development authority or port authority.

Subd. 4. [PROJECT REVIEW.] All county economic development authority projects must be submitted to the alliance for review and comment before any action may be taken on the project. No action may be taken on the project until after 45 days have elapsed from the date of submission of the project to the alliance or until the alliance reviews and comments on the project. For purposes of this subdivision, "project" means an economic development district as described in section 469.101, subdivision 1, a project as defined in section 469.002, subdivision 12, or a project as defined in section 469.153, subdivision 2, paragraph (a), (b), or (c).

Sec. 12. [462.410] [REPORTS.]

Subdivision 1. [ANNUAL REPORT.] On or before August 1 of each year, the alliance shall prepare a report for the governmental units, the public within the area, the legislature and the governor. The report must include:

(1) a statement of the alliance's receipts and expenditures by category since the preceding report;

(2) a detailed budget for the year in which the report is filed and a tentative budget for the following year including an outline of its program for the period;

(3) a description of development plans adopted for the area;

(4) summaries and recommendations of any studies conducted for the area;

(5) recommendations of the alliance regarding federal and state programs, cooperation, funding, and legislative needs; and

(6) a summary of any report made during the previous year by the state auditor relative to the alliance.

Subd. 2. [PERFORMANCE REPORT.] In 1991 and every five years thereafter the alliance shall review its activities and issue a report to the commissioner, the governmental units within the area, and the general public within the area. The report must include:

(1) an assessment of the alliance's performance in fulfilling the purposes of the area development alliance act;

(2) an assessment of the state of the alliance area, outlining trends and problems occurring within the alliance area; and

(3) recommendations addressing the trends and problems outlined.

Sec. 13. [462.411] [CITIZEN PARTICIPATION AND ADVISORY COMMITTEES.]

The alliance may appoint advisory committees of interested and affected members of the general public to assist in the review of plans, programs, and other matters referred for review by the alliance. Whenever a special advisory committee is required by a federal or state regional program, the alliance chair shall, as far as practical, appoint advisory committees to the alliance. Members of the advisory committees shall serve without compensation but shall be reimbursed for their reasonable expenses as determined by the alliance.

Sec. 14. [462.412] [DUTIES OF STATE AGENCIES.]

All state departments and agencies shall cooperate with area development alliances established under sections 1 to 17 and shall make available to them studies, reports, data, and other informational and technical assistance within financial and personnel limitations. The commissioner shall coordinate the state's assistance programs to area development alliances.

Sec. 15. [462.413] [FINANCIAL; STATE ASSISTANCE.]

Subdivision 1. [GRANTS.] The commissioner shall determine the amount of and make grants to any alliance created under sections 1 to 17 from appropriations made available for those purposes, provided a work program is submitted acceptable to the commissioner. An alliance may levy a tax on all taxable property in the area to provide money for the purposes of sections 1 to 17.

Subd. 2. [BUDGET, TAX LEVY.] On or before June 30 of each year, the alliance shall submit its proposed budget for the next fiscal year showing anticipated receipts, disbursements, and ad valorem tax levy, with a written notice of the time and place of the public hearing on the proposed budget, to each county auditor and city clerk within the area and those town clerks who in advance have requested a copy of the budget and notice of public hearing. On or before October 1 of each year, the alliance shall adopt, after a public hearing held no later than September 20, a budget covering its anticipated receipts and disbursements for the next year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. After adoption of the budget and no later than October 1, the secretary of the alliance shall certify to the auditor of each county within the area the county share of the tax, in an amount bearing the same proportion to the total levy agreed on by the alliance as the gross tax capacity of the county bears to the gross tax capacity of the area. The maximum amount of any levy made for the purposes of sections 1 to 17 shall not exceed one-sixth of one mill on each dollar of gross tax capacity of all taxable property in the area. The auditor of each county in the area shall add the amount of any levy made by the alliance within the limits imposed by this subdivision to other tax levies of the county for collection by the county treasurer with other taxes. When taxes are collected, the county treasurer shall make settlement of the taxes with the alliance in the same manner as other taxes are distributed to political subdivisions. The levy authorized by this section is in addition to any other county taxes authorized by law.

Subd. 3. [GIFTS; GRANTS; LOANS.] The alliance may accept gifts, apply for and use grants or loans of money or other property from the United States, the state, private organizations, or any person, local or

governmental body for any alliance purpose and may enter into agreements required in connection therewith and may hold, use, and dispose of money or property in accordance with the terms of the gift, grant, loan, agreement, or contract.

Subd. 4. [ACCOUNTS; AUDITS.] The alliance shall keep an accurate account of its receipts and disbursement. Disbursements of funds of the alliance must be made by check signed by the chair, vice-chair, or secretary of the alliance and countersigned by the executive director or an authorized deputy after the auditing and approval of the expenditure as may be provided by rules of the alliance. The state auditor shall audit the books and accounts of the alliance once each year, or as often as funds and personnel of the state auditor permit. The alliance shall pay to the state the total cost and expenses of the examination, including the salaries paid to the auditors while actually engaged in making the examination. The revolving fund of the state auditor must be credited with all collections made for any examination.

Subd. 5. [UNIFORM MUNICIPAL CONTRACT LAW.] Section 471.345 applies to every contract of the alliance for the purchase of merchandise, materials, or supplies.

Subd. 6. [OFFICIAL DEPOSITORY.] The alliance shall from time to time designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for money of the alliance, and shall require the treasurer to deposit all or part of the money in the bank or banks. The designation must be in writing, must include all the terms and conditions upon which the deposits are made, must be signed by the chair and secretary, and must be made a part of the minutes of the alliance. A designated bank or trust company qualifies as a depository by furnishing a corporate surety bond or collateral as required by chapter 118, and must, as long as money of the alliance is on deposit, maintain the bond or collateral and secure any deposit, insofar as it is insured under federal law, as provided in section 118.10.

Subd. 7. [RESERVE FUND.] The alliance may establish an undedicated reserve fund. The amount of an undedicated reserve fund may not exceed two times the amount of taxes levied during the past fiscal year.

Subd. 8. [STATE EQUALIZATION REVENUE.] In order to receive state equalization revenue, an alliance must levy a tax of at least one-sixth of one mill times the gross tax capacity of taxable property in the area. If an alliance levies one-sixth of one mill times the gross tax capacity of taxable property in the area, the amount of state equalization revenue is equal to the sum of \$100,000 minus the amount of the tax levied by the alliance and .50 times the area population of up to 100,000 and .30 times the amount of the area population over 100,000 or \$40,000, whichever is greater. The population must be determined by using the most recent population estimate of the state demographer, as provided under section 116K.04, subdivision 4. Equalization revenue may be used for any purpose authorized under sections 1 to 17.

Sec. 16. [462.414] [BORROWING MONEY; CERTIFICATES OF INDEBTEDNESS.]

Subdivision 1. [AUTHORIZATION.] At any time after a tax has been levied by the alliance and certified to the county auditors to be spread on the next tax roll for collection, the alliance may borrow money and in

evidence thereof issue and sell its certificates of indebtedness in anticipation of the collection of the levy.

Subd. 2. [AMOUNT.] The aggregate principal amount of the certificates then remaining outstanding, issued in anticipation of any levies whatsoever, plus the then unpaid accrued interest and interest to accrue to maturity on all the certificates, may not exceed 50 percent of all taxes certified to the county auditors to be spread and collected which are not delinquent, less the amount received by the alliance before the latest certificates were issued.

Subd. 3. [MATURITY.] All certificates must mature not later than April 1 following the close of the year of collection of the taxes in anticipation of which they were issued, and may be made subject to redemption before maturity.

Subd. 4. [TERMS.] The alliance shall, by the resolution authorizing each issue of certificates, fix the amount, date, maturity or maturities, prepayment provisions, form, denominations, interest rate or rates, and other details of the certificates, and also pledge the full faith and credit of the alliance for payment of the certificates. In the resolution, the alliance shall also irrevocably appropriate to a special fund the amount, stated in dollars, of the levy anticipated as will be required to pay the principal of and interest on the certificates when due.

Subd. 5. [ADDITIONAL LEVY.] If, due to delinquencies in collection, the levy is not received at the times and in the amounts sufficient to meet the principal of and interest on certificates, the alliance may levy and cause to be extended, assessed and collected upon all taxable property within the area, the ad valorem taxes as may be required to pay the principal and interest and to restore to other funds advances made for that purpose.

Subd. 6. [SALE.] The certificates may be negotiated and sold in the manner determined by the alliance.

Sec. 17. [462.415] [TERMINATION OF ALLIANCE.]

Subdivision 1. [PETITION.] (1) Any combination of counties or cities representing a majority of the population of the alliance area, or (2) a majority of counties within the alliance, upon approval by a majority of the governing bodies of the cities and towns of each county located within the area for which an alliance exists, may petition the commissioner by formal resolution stating that the existing alliance is no longer in the public welfare and interest and does not accomplish the purposes of the area development alliance act. For purposes of the petition requirement, the population of a county does not include the population of a city within the county. Any formal resolution adopted by the governing body of a county, city, or town for the termination of an alliance is effective for a period of one year for the purpose of determining the requisite population of the area or number of counties, cities, and towns needed to petition the commissioner.

Subd. 2. [HEARING; NOTICE.] Within 35 days of the receipt of the petition, the commissioner shall fix a time and place within the area for a hearing. The commissioner shall give notice of the hearing by publication once each week for two successive weeks before the date of the hearing in a legal newspaper in each of the counties which the alliance represents. The hearing must be conducted by members of the alliance. If the alliance determines that the existing alliance is no longer in the public welfare and

interest and that it does not accomplish the purposes of the area development alliance act, the alliance shall recommend to the commissioner that the commissioner terminate the alliance. Within 60 days after receipt of the recommendation, the commissioner shall terminate the alliance by giving notice of the termination to all governmental units within the area for which the alliance was established. Unless otherwise provided by this subdivision, the hearing must be in accordance with sections 14.01 to 14.69.

Subd. 3. [LIMITATION.] The commissioner shall not accept a petition for termination more than once in 30 months for each alliance.

Sec. 18. [APPROPRIATION; LEGISLATIVE AUDITOR.]

§ is appropriated from the general fund to the legislative auditor to conduct a separate program evaluation of each regional development commission existing on January 1, 1989.

Sec. 19. [APPROPRIATION; EQUALIZATION REVENUE.]

§ is appropriated from the general fund to the commissioner of the state planning agency for equalization revenue as provided under section 15."

Delete the title and insert:

"A bill for an act relating to economic development; authorizing the establishment of area development alliances; requiring the legislative auditor to perform project evaluations of existing regional development commissions; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462."

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

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.

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

Page 1, line 19, after "6" insert a comma

Page 1, lines 23 and 25, before "Unit" insert "Cambridge Lake Estates,"

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. 1415: A bill for an act relating to health; appropriating money for a study of radium in public water supplies.

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

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

S.F. No. 1289: A bill for an act relating to natural resources; authorizing the Elephant Creek impoundment in St. Louis county.

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. 921: A bill for an act relating to state lands; authorizing conveyance of state land to the city of St. Peter.

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

Delete everything after the enacting clause and insert:

“Section 1. [CONVEYANCE OF LAND TO CITY OF ST. PETER.]

Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the governor upon the recommendation of the commissioner of administration shall offer to quitclaim and convey to the city of St. Peter the land described in this section.

Conveyance shall be made in a form approved by the attorney general, for a consideration of \$718 per acre.

When the portion of the land to be used for public purposes has been designated by the city of St. Peter, the remaining land may be subdivided and sold. From the proceeds of a sale of any portion of the property, the city of St. Peter shall deduct and retain a proportionate share of the purchase price and the costs associated with purchase, subdivision, and development including utilities, streets, storm sewers, site work, engineering, trail, and greenbelt corridor. The balance remaining after deduction of these costs shall be remitted to the state treasurer and deposited in the state treasury and credited to the general fund.

The land to be conveyed is located in Nicollet county in the city of St. Peter, consists of about 137 acres, and is described as:

All that part of the Southwest Quarter and that part of the Southwest Quarter of the Southeast Quarter of Section 20, Township 110 North, Range 26 West, described as follows:

Beginning at the Southeast corner of the Southwest Quarter of Section 20, Township 110 North, Range 26 West; thence South 89 degrees 54 minutes 24 seconds East (assumed bearing) along the South line of the Southwest Quarter of the Southeast Quarter of said Section 20, a distance of 934.50 feet; thence North 00 degrees 52 minutes 53 seconds East, a distance of 1315.78 feet to a point on the North line of said Southwest Quarter of the Southeast Quarter; thence North 89 degrees 56 minutes 38 seconds West, along the North line of said Southwest Quarter of the Southeast Quarter, a distance of 949.50 feet to the Northwest corner of said Southwest Quarter of the Southeast Quarter; thence North 00 degrees 13 minutes 42 seconds East, along the East line of the Southwest Quarter of said Section 20, a distance of 1315.05 feet to the Northeast corner of said Southwest Quarter; thence South 89 degrees 59 minutes 12 seconds West

on the North line of said Southwest Quarter a distance of 1852.12 feet to a point 794.64 feet East of the West line of the Southwest Quarter of said Section 20; thence South 00 degrees 09 minutes 39 seconds East and parallel to said West line a distance of 1107.00 feet; thence South 89 degrees 59 minutes 12 seconds West, a distance of 2.64 feet to a point 792.00 feet East of the West line of the Southwest Quarter of said Section 20; thence South 00 degrees 47 minutes 47 seconds West, a distance of 553.13 feet; thence South 00 degrees 09 minutes 39 seconds East and parallel to the West line of the Southwest Quarter of said Section 20 a distance of 969.57 feet to a point on the South line of the Southwest Quarter of said Section 20; thence North 90 degrees 00 minutes 00 seconds East on said South line 1846.14 feet to the point of beginning. Excepting: right-of-way of state trunk highway marked No. 99 containing 4.7 acres of land, more or less, and Oshawa Township Road 81 right-of-way containing 1.4 acres of land, more or less.

Said tract is subject to any and all easements of record.

The city of St. Peter desires to acquire the parcel, which was declared surplus in 1980, to construct a new street that aligns with state trunk highway marked no. 333, a primary access to the state security hospital complex, to construct a water main that will connect with the state security hospital complex and provide municipal water to the St. Peter regional treatment center, to construct part of a bicycle and hiking trail system, and to construct a storm drainage system.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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

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

S.F. No. 1129: A bill for an act relating to natural resources: requiring written notice to the commissioner of natural resources of the vacation of roads, highways, streets, alleys, and similar public grounds that terminate at or abut upon any public water; amending Minnesota Statutes 1988, sections 161.16, subdivision 6; 163.11, by adding a subdivision; 164.07, subdivision 2; 412.851; 440.13; 440.135, subdivision 2; and 505.14.

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 161.16, subdivision 6, is amended to read:

Subd. 6. [VACATION.] When the definite location of any trunk highway takes the place of and serves the same purpose as any portion of an existing road, however established, the commissioner may make an order vacating such portion of the road. A copy of the order shall be served upon the owners and occupants of the lands on which is located the portion of the road so vacated and, if the road terminates at or abuts upon any public water, a copy of the order also shall be served upon the commissioner of natural resources. A copy of the order, together with proof of service, or

affidavit of publication if the owners are unknown or reside outside the state, shall be filed with the county auditor of the county in which such lands lie. Any person claiming to be damaged by the vacation may appeal at any time within 30 days after the service of the order to the district court of the county for a determination of damages, by serving notice of the appeal on the commissioner and filing same with proof of service in the office of the court administrator of the district court. The appeal shall be tried in the same manner as an appeal from an award in proceedings in eminent domain.

Sec. 2. Minnesota Statutes 1988, section 163.11, is amended by adding a subdivision to read:

Subd. 7a. [HIGHWAYS TERMINATING AT OR ABUTTING UPON PUBLIC WATER.] By 30 days before the hearing on a resolution to vacate, disclaim, or extinguish a county highway or an interest in a county highway that terminates at or abuts at a public water, the county board must serve notice of the hearing by certified mail on the commissioner of natural resources.

Sec. 3. Minnesota Statutes 1988, section 164.07, subdivision 2, is amended to read:

Subd. 2. [HEARING.] The petition shall be filed with the town clerk, who shall forthwith present it to the town board. The town board within 30 days thereafter shall make an order describing as nearly as practicable the road proposed to be established, altered, or vacated and the several tracts of land through which it passes, and fixing a time and place when and where it will meet an act upon the petition. The petitioners shall cause personal service of such order to be made upon each occupant of such land at least ten days before such meeting and cause ten days' posted notice thereof to be given. In addition, the petitioners must serve notice of the order by certified mail upon the commissioner of natural resources at least 30 days before the meeting if the road to be vacated terminates at or abuts at a public water.

Sec. 4. Minnesota Statutes 1988, section 412.851, is amended to read:
412.851 [VACATION OF STREETS.]

The council may by resolution vacate any street, alley, public grounds, public way, or any part thereof, on its own motion or on petition of a majority of the owners of land abutting on the street, alley, public grounds, public way, or part thereof to be vacated. When there has been no petition, the resolution may be adopted only by a vote of four-fifths of all members of the council. No such vacation shall be made unless it appears in the interest of the public to do so after a hearing preceded by two weeks' published and posted notice. *In addition, if all or part of the street, alley, public grounds, or public way terminates at or abuts at a public water, a vacation may not be made unless written notice of the petition or proposed resolution is served by certified mail upon the commissioner of natural resources at least 30 days before the hearing on the matter.* After a resolution of vacation is adopted, the clerk shall prepare a notice of completion of the proceedings which shall contain the name of the city, an identification of the real estate and lands affected thereby. The notice shall be presented to the county auditor who shall enter the same in the transfer records and note upon the instrument, over official signature, the words

“entered in the transfer record.” The notice shall then be filed with the county recorder. Any failure to file the notice shall not invalidate any such vacation proceedings.

Sec. 5. Minnesota Statutes 1988, section 440.13, is amended to read:

440.13 [COUNCIL MAY VACATE STREETS IN CITIES OF THE FOURTH CLASS.]

In any city of the fourth class organized under a home rule charter, the council thereof shall have power by a majority vote of the council to vacate any street or highway, or any part of any street or highway therein, upon the petition of all the owners of lands abutting both sides of the street or highway, or part thereof, proposed to be vacated wherein one end of the street or highway, or part thereof proposed to be vacated does not connect with any other street or highway. *If a part of the street or highway proposed to be vacated terminates at or abuts at a public water, the petitioners shall serve notice of the petition by certified mail upon the commissioner of natural resources at least 30 days before the council hearing on the matter.* Except as herein provided all other provisions of the home rule charter shall apply to and govern the proceeding.

Sec. 6. Minnesota Statutes 1988, section 440.135, subdivision 2, is amended to read:

Subd. 2. [COUNCIL MAY VACATE; CONDITIONS.] In addition to any other method provided by law, the council of such city, upon the presentation and filing of a verified petition signed by or on behalf of any owner, natural or corporate, of any real estate abutting thereon, may vacate any street or segment of street or any portion of the width thereof within its geographical limits, provided only that the street, segment, or portion thereof so vacated pursuant to such petition shall not be longer than the distance intervening between any two adjacent intersecting streets. *If all or part of a street or segment proposed to be vacated terminates or abuts at a public water, the petitioners shall serve notice of the petition by certified mail upon the commissioner of natural resources at least 30 days before the council hearing on the matter.*

Sec. 7. Minnesota Statutes 1988, section 505.14, is amended to read:

505.14 [VACATION.]

Upon the application of the owner of land included in any plat, and upon proof that all taxes assessed against such land have been paid, and the notice hereinafter provided for given, the district court may vacate or alter all, or any part, of such plat, and adjudge the title to all streets, alleys, and public grounds to be in the persons entitled thereto; but streets or alleys connecting separate plats or lying between blocks or lots or *providing access for the public to a public water*, shall not be vacated between such lots, blocks, or plats as are not also vacated, unless it appears that the street or alley or part thereof sought to be vacated is useless for the purpose for which it was laid out. *If a part of a street, alley, or public ground proposed for vacation terminates or abuts at a public water, the petitioner must serve notice of the petition by certified mail upon the commissioner of natural resources at least 30 days before the term at which it shall be heard.* The petitioner shall cause two weeks published and posted notice of such application to be given, the last publication to be at least ten days before the term at which it shall be heard; and the petitioner shall also serve personally, or cause to be served personally, notice of such application, at least ten

days before the term at which the application shall be heard, upon the mayor of the city, the president of the statutory city, or the chair of the town board of the town where such land is situated. The court shall hear all persons owning or occupying land that would be affected by the proposed vacation, and if, in the judgment of the court, the same would be damaged, the court may determine the amount of such damage and direct its payment by the applicant before the vacation or alteration shall take effect. A certified copy of the order of the court shall be filed with the county auditor, and recorded by the county recorder. The district court shall not vacate or alter any street, alley, or public ground dedicated to the public use in or by any such plat in any city or town organized under a charter or special law which provides a method of procedure for the vacation of streets and public grounds by the municipal authorities of such city or town."

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

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

S.F. No. 929: A bill for an act relating to natural resources; establishing the Minnesota conservation corps; prescribing powers and duties of the commissioner of natural resources; amending Minnesota Statutes 1988, section 86.33; Laws 1988, chapter 690, article 1, section 21.

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

Delete everything after the enacting clause and insert:

"Section 1. [84.98] [MINNESOTA CONSERVATION CORPS.]

Subdivision 1. [ESTABLISHMENT.] The Minnesota conservation corps is established and is under the supervision of the commissioner of natural resources.

Subd. 2. [PLAN.] (a) The commissioner of natural resources shall develop a plan for the Minnesota conservation corps to provide:

(1) opportunities of employment for youths with preference given to youths who are economically, socially, physically, or educationally disadvantaged and youths residing in areas of substantial unemployment;

(2) equal opportunity for female and male youths;

(3) summer youth programs and year-round young adult programs;

(4) ways in which exclusive bargaining representatives are to be involved in regard to the planning and implementation of positions and job duties of persons employed in projects;

(5) methods for coordinating the programs of the Minnesota conservation corps with other publicly authorized or subsidized programs in cooperation with the commissioners of education and jobs and training, the governor's job training council, and other state and local youth service and education entities;

(6) programs for participants to be assisted in gaining employment or training upon completing the projects, including, where feasible, in cooperation with the department of jobs and training and educational agencies,

arranging for career assessment and planning services designed to enhance participant transition from the Minnesota conservation corps to future employment or education;

(7) a remedial education component utilizing, as resources permit and where feasible, the services of the department of jobs and training and educational agencies including instruction in life skills and basic remedial skills for participants who are deficient in the skills or who have not completed high school;

(8) the manner of allocating the services of Minnesota conservation corps members to the various divisions of the department of natural resources, to other state, local, and federal governmental conservation and natural resource managers, and to federally recognized Indian tribes or bands;

(9) standards of conduct and other operating guidelines for Minnesota conservation corps members; and

(10) a determination of preference for projects that will provide long-term benefits to the public, will provide productive work and public service experience to Minnesota conservation corps members, will be primarily labor intensive, and will provide a significant return on taxpayer investment.

(b) The commissioner shall establish the plan notwithstanding chapters 3 and 14.

Subd. 3. [CRITERIA FOR DETERMINING ECONOMIC, SOCIAL, PHYSICAL, OR EDUCATIONAL DISADVANTAGE.] (a) The criteria for determining economic, social, physical, or educational disadvantage shall be determined as provided in this subdivision.

(b) Economically disadvantaged are persons who meet the criteria for disadvantaged established by the department of jobs and training or persons receiving services provided by the department of human services such as welfare payments, food stamps, and aid to families with dependent children.

(c) Socially disadvantaged are persons who have been classified as persons in need of supervision by the court system.

(d) Physically disadvantaged are persons who have been identified as having special needs by public agencies that deal with employment for the disabled.

(e) Educationally disadvantaged are persons who have dropped out of school or are at risk of dropping out of school and persons with learning disabilities or in need of special education classes.

Subd. 4. [REQUIREMENTS FOR ELIGIBILITY FOR ENROLLMENT IN THE CORPS.] A person is eligible to enroll in the Minnesota conservation corps if the person is:

(1) a permanent resident of the state;

(2) unemployed or underemployed;

(3) at least age 15, but not older than age 26 years;

(4) free from medical or behavioral problems that would render an individual unable to adjust to the standards, discipline, or requirements of the corps; and

(5) in the young adult program, the person must have a high school

diploma or equivalent, or agree to work towards a high school diploma or equivalent while participating in the program.

Subd. 5. [CORPS MEMBER STATUS.] Minnesota conservation corps members are not eligible for unemployment compensation or other benefits except workers' compensation, and are not employees of the state within the meaning of section 43A.02, subdivision 21.

Subd. 6. [FEES.] The commissioner may charge a fee for any service performed by the Minnesota conservation corps.

Subd. 7. [LIMITATIONS ON MINNESOTA CONSERVATION CORPS PROJECTS.] Each employing agency must certify that the assignment of Minnesota conservation corps members will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits. Supervising agencies that participate in the program may not terminate, lay off, reduce the seasonal hours, or reduce the working hours of any employee for the purpose of using a corps member with available funds. The positions and job duties of persons employed in projects shall be submitted to affected exclusive representatives prior to actual assignment.

Subd. 8. [EXPENDITURE OF CORPS FUNDS.] The commissioner shall allocate money received for Minnesota conservation corps work projects. An appropriation from a special revenue fund or account to the commissioner for Minnesota conservation corps programs must be spent for projects that are consistent with the purposes of the fund or account from which the appropriation was made.

Sec. 2. [REPEALER.]

Minnesota Statutes 1988, section 86.33, subdivisions 2 and 3, are repealed.

Sec. 3. [EFFECTIVE DATE.]

This act is effective July 1, 1989."

Delete the title and insert:

"A bill for an act relating to natural resources; establishing the Minnesota conservation corps; prescribing powers and duties of the commissioner of natural resources; proposing coding for new law in Minnesota Statutes, chapter 84; repealing Minnesota Statutes 1988, section 86.33, subdivisions 2 and 3."

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

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

S.F. No. 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.

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

Page 1, line 15, delete "*and the surrounding region*"

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

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

S.F. No. 54: A bill for an act relating to the city of Edina; authorizing the city to operate a public transit system and to acquire necessary equipment, land, and interests in land; permitting the establishment of special service districts in the city; providing that the city and the housing and redevelopment authority need not require competitive bidding and bonds in connection with certain redevelopment projects.

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

Page 2, delete section 3

Page 2, after line 36, insert:

"Sections 1 and 2 are effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Edina."

Page 3, line 1, delete "4" and insert "3"

Renumber the sections in sequence

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

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.

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 116C.57, is amended by adding a subdivision to read:

Subd. 5a. [EXEMPTION OF CERTAIN SITES.] (a) A utility or person may apply to the board in a form and manner prescribed by the board to exempt the construction at a proposed site of a proposed electric power generating plant with a capacity between 50 and 80 megawatts from the requirements of sections 116C.51 to 116C.69. Within 15 days of the board's receipt of an exemption application, the utility or person shall:

(1) publish a notice and description of the exemption application in a legal newspaper of general circulation in the county of the proposed site;

(2) send a copy of the exemption application by certified mail to the chief executive of counties, home rule charter and statutory cities, and organized towns within ten miles of the proposed site; and

(3) mail to each owner whose property is part of or contiguous to the proposed site a notice and description of the exemption application, together with an understandable description of the procedures the owner must follow should the owner desire to object.

(b) For the purpose of giving mailed notice under this subdivision, owners are the persons or entities shown on the tax records of the county auditor or, in a county where tax statements are mailed by the county treasurer, on the records of the county treasurer, but other appropriate records may be used to identify owners. Except for owners of tax exempt property or property taxed on a gross earnings basis, a property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived the mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the owner's name on the records for that purpose. The failure to give mailed notice to a property owner or defects in the notice does not invalidate the proceedings, if a good faith effort is made to comply with this subdivision.

(c) If a person who owns real property that is part of or contiguous to the proposed site or an affected political subdivision files an objection with the board within 60 days after the board receives an exemption application, the board must either deny the exemption application or conduct a public hearing to determine if the proposed electric power generating plant at the proposed site will cause any significant human or environmental impact.

(d) The board shall require environmental review under chapter 116D to assist in making its determination regarding potential significant human and environmental impact.

(e) If the board determines that the proposed plant has an electric power production capacity less than 80 megawatts and the proposed site will not have a significant human and environmental impact, the board may exempt the construction of the proposed plant at the proposed site from the requirements of sections 116C.51 to 116C.69 with any appropriate conditions.

(f) If an exemption is granted, the utility or person must comply with applicable state rules, local zoning, building, and land use rules, regulations, and ordinances of any regional, county, local, and special purpose governments in which the facility is to be located.

(g) The board may, by rule, require a fee to pay costs incurred in processing exemptions. An estimated cost for processing the exemption application must be discussed with the applicant and be approved by the board when an application is received. The applicant must remit 50 percent of the approved cost within 14 days of acceptance of the application. The balance is due within 30 days after receipt of an invoice from the board. Costs in excess of those approved must be certified by the board and charged to the applicant. Certification is prima facie evidence that the costs are reasonable and necessary. All money received pursuant to this subdivision must be deposited in a special account. Money in the account is appropriated to the board to pay expenses incurred in processing the application and in the event the expenses are less than the fee paid, to refund the excess to the applicant."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

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. 1174: A bill for an act relating to public lands; conditions for acceptance of transfers from the federal government; proposing coding for new law in Minnesota Statutes, chapter 84.

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

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

S.F. No. 1026: A bill for an act relating to natural resources; promoting Minnesota horticultural peat; appropriating money.

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

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

S.F. No. 110: A bill for an act relating to waters and watercraft safety; changing certain registration fees; amending Minnesota Statutes 1988, section 361.03, subdivision 3.

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

Page 1, lines 17 and 18, delete "16" and insert "17"

Page 1, line 21, delete "\$36" and insert "\$40"

Page 1, line 23, delete "\$48" and insert "\$60"

Page 1, line 24, delete "\$60" and insert "\$80"

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

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

S.F. No. 764: A bill for an act relating to local government; changing conditions for the establishment and operation of special service districts in St. Cloud; amending Laws 1985, chapter 301, sections 5, subdivision 5; 7, subdivision 1; 9; 12; and 13, subdivision 2, and by adding a subdivision; repealing Laws 1985, chapter 301, section 7, subdivision 4.

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

Page 4, lines 5, 6, and 7, delete "15" and insert "25"

Page 4, line 8, delete "individuals resident" and insert "business owners"

Page 5, line 24, delete "individuals" and insert "business owners"

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

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

S.F. No. 941: A bill for an act relating to Olmsted county; authorizing certain appropriations for economic and agricultural development.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 804: A bill for an act relating to Chisago county; permitting the cancellation of certain ditch assessments and providing for the allocation of others.

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

Page 1, line 7, before "The" insert "*Notwithstanding contrary provisions of chapter 106A,*"

Page 1, line 8, after the second comma, insert "*and satisfy the corresponding drainage liens*"

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

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

H.F. No. 245 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
245	344				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 212 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
212	247				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 1061 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1061	846				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1061 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1061 and insert the language after the enacting clause of S.F. No. 846, the first engrossment; further, delete the title of H.F. No. 1061 and insert the title of S.F. No. 846, the first engrossment.

And when so amended H.F. No. 1061 will be identical to S.F. No. 846, and further recommends that H.F. No. 1061 be given its second reading and substituted for S.F. No. 846, and that the Senate File be indefinitely postponed.

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1511, 1184, 1483, 1175, 1321, 997, 1157, 1181, 1261, 1070, 1289, 921, 929, 1041, 1083 and 941 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 804, 245, 212 and 1061 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Pehler moved that the name of Mr. Morse be added as a co-author to S.F. No. 253. The motion prevailed.

Mr. Frank moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1018. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pehler be added as a co-author to S.F. No. 1095. The motion prevailed.

Mr. Dicklich moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1193. The motion prevailed.

Mr. Anderson moved that the name of Mr. Solon be added as a co-author to S.F. No. 1398. The motion prevailed.

Mr. Frederickson, D.J. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1456. The motion prevailed.

Mrs. McQuaid moved that the name of Mr. Ramstad be added as a co-author to S.F. No. 1503. The motion prevailed.

Mr. Freeman moved that the name of Mrs. McQuaid be added as a co-author to S.F. No. 1533. The motion prevailed.

Mr. Freeman moved that S.F. No. 1477 be withdrawn from the Committee on Taxes and Tax Laws and re-referred to the Committee on Education. The motion prevailed.

S.F. No. 156 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 156

A bill for an act relating to gambling; authorizing the governor to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3.

April 11, 1989

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 156, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 156 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [3.9221] [INDIAN TRIBES; COMPACTS TO BE NEGOTIATED.]

Subdivision 1. [DEFINITION.] For purposes of this section, “act” means the Indian gaming regulatory act, Public Law Number 100-497, and future amendments to it.

Subd. 2. [NEGOTIATIONS AUTHORIZED.] The governor or the governor's designated representatives shall, pursuant to section 11 of the act, negotiate in good faith a tribal-state compact regulating the conduct of class III gambling, as defined in section 4 of the act, on Indian lands of a tribe requesting negotiations. The agreement may include any provision authorized under section 11(d)(3)(C) of the act. The attorney general is the legal counsel for the governor or the governor's representatives in regard to negotiating a compact under this section.

Subd. 3. [TIME LIMITS.] (a) In the case of negotiations undertaken pursuant to a request for negotiations received before the effective date of

this act, the authority granted under subdivision 2 to negotiate with an Indian tribe expires 180 days after the effective date of this act.

(b) In the case of negotiations undertaken pursuant to a request for negotiations received after the effective date of this act, the authority granted under subdivision 2 to negotiate with an Indian tribe expires 180 days after receipt of the request by the governor.

Subd. 4. [TERMS OF COMPACT; RIGHTS OF PARTIES.] A compact agreed to on behalf of the state under this section must contain:

(1) a provision recognizing the right of each party to the agreement, including the legislature by joint resolution, to request that the agreement be renegotiated or replaced by a new compact, and providing the terms under which either party, including the legislature, can request a renegotiation or the negotiation of a new compact; and

(2) a provision that in the event of a request for a renegotiation or a new compact the existing compact will remain in effect until renegotiated or replaced.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to gambling; authorizing the governor or the governor's representatives to negotiate a tribal-state compact pursuant to the Indian gaming regulatory act; proposing coding for new law in Minnesota Statutes, chapter 3."

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Marilyn M. Lantry, Randolph W. Peterson

House Conferees: (Signed) Joseph Quinn, Becky Kelso

Mrs. Lantry moved that the foregoing recommendations and Conference Committee Report on S.F. No. 156 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 156 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Piper moved that S.F. No. 1505 be withdrawn from the Committee on Governmental Operations and re-referred to the Committee on Local and Urban Government. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1586 be taken from the table. The motion prevailed.

H.F. No. 1586: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding; providing for an arbitration award.

Mr. Moe, R.D. moved that H.F. No. 1586 be laid on the table. The motion prevailed.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of the Calendar.

CALENDAR

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

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 223: A bill for an act relating to traffic regulations; creating an affirmative defense to a charge of being in physical control of a vehicle while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1988, section 169.121, by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Belanger	Dicklich	Marty	Novak	Spear
Berg	Frederickson, D.J.	Merriam	Peterson, D.C.	Stumpf
Bertram	Freeman	Metzen	Peterson, R.W.	
Chmielewski	Johnson, D.J.	Moe, D.M.	Piper	
Davis	Langseth	Moe, R.D.	Samuelson	
DeCramer	Lessard	Morse	Solon	

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.E.	McGowan	Ramstad
Beckman	Decker	Knaak	McQuaid	Reichgott
Benson	Diessner	Knutson	Mehrkens	Renneke
Berglin	Frank	Kroening	Olson	Schmitz
Bernhagen	Frederick	Laidig	Pariseau	Storm
Brandl	Frederickson, D.R.	Lantry	Pehler	Taylor
Brataas	Gustafson	Larson	Pogemiller	Vickerman
Cohen	Hughes	Luther	Purfeerst	Waldorf

So the bill failed to pass.

S.F. No. 297: A bill for an act relating to game and fish; authorizing party hunting for small game; authorizing party fishing by angling; proposing coding for new law in Minnesota Statutes, chapters 97B and 97C.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 299: A bill for an act relating to game and fish; providing for restitution for wild animals that are illegally killed or injured; providing for civil penalties for wild animals killed or injured; restricting expenditures from restitution to replacement and propagation of wild animals illegally killed or injured; amending Minnesota Statutes 1988, section 97A.065, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 97A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Stumpf voted in the negative.

So the bill passed and its title was agreed to.

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.

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

The question was taken on the passage of the resolution.

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

Those who voted in the affirmative were:

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

So the resolution passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Kroening, Brandl and Ramstad introduced—

S.F. No. 1541: A bill for an act relating to Hennepin county; providing for a chief administrative deputy sheriff in the unclassified service; amending Minnesota Statutes 1988, section 383B.32, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Metzen introduced—

S.F. No. 1542: A bill for an act relating to education; equalizing a portion of the referendum levy; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Chmielewski introduced—

S.F. No. 1543: A bill for an act relating to appropriations; providing planning funds for a Hinckley fire history center.

Referred to the Committee on Finance.

Messrs. Solon; Johnson, D.J.; Purfeerst and Dicklich introduced—

S.F. No. 1544: A bill for an act relating to state lands; authorizing exchange of interests in land between department of transportation and regional rail authority of St. Louis and Lake counties.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 1545: A bill for an act relating to rural development; providing for research and development; providing mechanisms for agriculture diversification; appropriating money; amending Laws 1985, chapter 19, section 2, subdivision 2, as amended, and section 6, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapter 17.

Referred to the Committee on Agriculture and Rural Development.

Mr. Hughes introduced—

S.F. No. 1546: A bill for an act relating to education; providing for a pupil exchange program between school districts; proposing coding for new law in Minnesota Statutes, chapter 120.

Referred to the Committee on Education.

Messrs. Hughes and Novak introduced—

S.F. No. 1547: A bill for an act relating to education; establishing metropolitan teacher centers; authorizing a levy; amending Minnesota Statutes 1988, section 275.125, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Messrs. Merriam, Lessard, Mrs. McQuaid, Messrs. Dahl and Decker introduced—

S.F. No. 1548: A bill for an act relating to public safety; changing the definition of "dwelling"; authorizing more stringent local smoke detector requirements; creating the position of public fire safety educator; appropriating money; amending Minnesota Statutes 1988, section 299F.362, subdivisions 1, 9, and by adding a subdivision.

Referred to the Committee on General Legislation and Public Gaming.

Mr. Luther introduced—

S.F. No. 1549: A resolution memorializing the Congress of the United States to continue to limit the scope of commercial aircraft maintenance performed outside the United States.

Referred to the Committee on Transportation.

Ms. Peterson, D.C. introduced—

S.F. No. 1550: A bill for an act relating to financial institutions; amending Minnesota Statutes 1988, sections 46.041, subdivision 2; 47.015, subdivision 1; 47.101, subdivision 2; 47.16, subdivision 1; 47.54, subdivision 1; 48.475, subdivision 3; 48.48, subdivision 1; 49.24, subdivision 9; 49.33; 49.34, subdivision 1; 49.35; 49.36, subdivision 1; 49.37; 49.38; 49.39; 49.40; 49.41; 53.015; 53.02; 53.03, subdivisions 1 and 5; 53.05; 53.06; 53.08; 53.09, subdivision 3; 54.294, subdivision 1; 56.131, subdivision 1; and 56.155, subdivision 2.

Referred to the Committee on Commerce.

Mr. Morse, Mrs. Lantry, Messrs. Decker and Dicklich introduced—

S.F. No. 1551: A bill for an act relating to education; requiring students on all HECB advisory groups; amending Minnesota Statutes 1988, section 136A.02, subdivision 7, and by adding a subdivision.

Referred to the Committee on Education.

Mr. Lessard introduced—

S.F. No. 1552: A bill for an act relating to economic development; providing for economic development in the city of Northome; appropriating money.

Referred to the Committee on Economic Development and Housing.

Mr. Benson introduced—

S.F. No. 1553: A bill for an act relating to education; approving a capital loan to the Preston-Fountain school district.

Referred to the Committee on Education.

Ms. Reichgott, Messrs. Merriam, Benson and Peterson, R.W. introduced—

S.F. No. 1554: A bill for an act relating to tax increment financing; imposing restrictions on the collection and expenditure of tax increments; amending Minnesota Statutes 1988, sections 469.174, subdivision 10, and by adding a subdivision; 469.176, subdivision 1, and by adding a subdivision; 469.177, subdivision 10; and Laws 1988, chapter 719, article 12, section 30, as amended; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Economic Development and Housing.

Messrs. Merriam, Dahl, McGowan, Luther and Novak introduced—

S.F. No. 1555: A bill for an act relating to education; creating a discretionary revenue program; authorizing a levy; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Messrs. Merriam, Dahl, McGowan, Luther and Novak introduced—

S.F. No. 1556: A bill for an act relating to education; adding a method for a school district to be eligible for AFDC pupil units; amending Minnesota Statutes 1988, section 124.17, by adding a subdivision; repealing Minnesota Statutes 1988, section 124.17, subdivision 1b.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 1557: A bill for an act relating to education; proposing the Minnesota future teachers task force; appropriating money.

Referred to the Committee on Education.

Messrs. Stumpf, Purfeerst, Langseth and Novak introduced—

S.F. No. 1558: A bill for an act relating to transportation; creating legislative study commission to study and report on the AMTRAK Northstar rail line between Duluth and Minneapolis-St. Paul; appropriating money.

Referred to the Committee on Transportation.

Mr. Frederickson, D.J. introduced—

S.F. No. 1559: A bill for an act relating to human services; excluding German war reparation payments from amounts applied to the costs of nursing home care; amending Minnesota Statutes 1988, section 256B.056, subdivision 5.

Referred to the Committee on Health and Human Services.

Messrs. Solon, Metzen, Freeman, Schmitz and Belanger introduced—

S.F. No. 1560: A bill for an act relating to commerce; creating a lien for public improvements and expenditures made for the benefit of certain corporations; proposing coding for new law in Minnesota Statutes, chapter 514.

Referred to the Committee on Commerce.

Messrs. Stumpf; Moe, R.D. and Davis introduced—

S.F. No. 1561: A bill for an act relating to agriculture; appropriating money for agriculture information centers.

Referred to the Committee on Agriculture and Rural Development.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 1586 be taken from the table. The motion prevailed.

H.F. No. 1586: A bill for an act relating to appropriations; providing emergency relief for Red River Valley area flooding; providing for an arbitration award.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1586 and that the rules of the Senate be so far suspended as to give H.F. No. 1586 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1586 was read the second time.

H.F. No. 1586 was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 17, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate