

THIRTY-THIRD DAY

St. Paul, Minnesota, Tuesday, April 18, 1989

The Senate met at 7:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by Mr. David Skilbred.

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

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

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Anderson, Hughes and Purfeerst were excused from the Session of today. Mr. Cohen was excused from the Session of today at 9:30 p.m. Mr. Lessard was excused from the Session of today from 7:00 to 7:30 p.m. and 10:00 to 10:30 p.m. Mr. Metzen was excused from the Session of today from 7:00 to 8:00 p.m. Mr. Beckman was excused from the Session of today from 9:00 to 10:00 p.m. Mrs. Adkins was excused from the Session of today at 10:00 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 27, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointment to the Minnesota Racing Commission is hereby respectfully submitted to the Senate for confirmation as required by law:

Thomas Metzen, 111 Imperial Dr., West St. Paul, Dakota County, has been appointed by me, effective March 22, 1989, for a term expiring June 30, 1993.

(Referred to the Committee on General Legislation and Public Gaming.)

April 12, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State Board for Community Colleges are hereby respectfully submitted to the Senate for confirmation as required by law:

B. Elaine Markey, 3045 Boone Ave. N., New Hope, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

Cindy (Cynthia R.) Hanson, 25 Sidney Pl. S.E., Minneapolis, Hennepin County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1991.

Patricia Goldman, 610 E. Park Ave., Albert Lea, Freeborn County, has been appointed by me, effective February 1, 1989, for a term expiring the first Monday in January, 1993.

(Referred to the Committee on Education.)

Sincerely,
Rudy Perpich, Governor

April 14, 1989

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

The Honorable Jerome M. Hughes
President of the Senate

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

S.F No.	H.F No.	Session Laws Chapter No.	Time and Date Approved 1989	Date Filed 1989
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33RD DAY]

TUESDAY, APRIL 18, 1989

1817

106	29	1757 hours	April 13	April 13
508	30	1756 hours	April 13	April 13
481	33	1754 hours	April 13	April 13

Sincerely,
Joan Anderson Growe
Secretary of State

April 14, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 114.

Sincerely,
Rudy Perpich, Governor

April 14, 1989

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

The Honorable Jerome M. Hughes
President of the Senate

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

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1989	Date Filed 1989
	937	31	1511 hours April 14	April 14
114		32	1512 hours April 14	April 14

Sincerely,
Joan Anderson Growe
Secretary of State

April 17, 1989

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 112, 203, 382, 390, 699 and 831.

Sincerely,
Rudy Perpich, Governor

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 271, 332, 681 and 1080.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 17, 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. 478: A bill for an act relating to education; providing for donations to the permanent school fund; amending Minnesota Statutes 1988, sections 84.085 and 124.08.

Senate File No. 478 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 17, 1989

CONCURRENCE AND REPASSAGE

Mr. Pehler moved that the Senate concur in the amendments by the House to S.F. No. 478 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 478 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 38 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnson, D.J.	Morse	Samuelson
Beckman	Davis	Knaak	Novak	Schmitz
Berg	DeCramer	Kroening	Pehler	Solon
Berglin	Dicklich	Langseth	Peterson, D.C.	Spear
Bertram	Diessner	Lantry	Peterson, R.W.	Stumpf
Brandl	Frank	Luther	Piper	Vickerman
Chmielewski	Frederickson, D.J.	Moe, D.M.	Pogemiller	
Cohen	Freeman	Moe, R.D.	Ramstad	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 192: A bill for an act relating to natural resources; increasing

certain limits on security in lieu of bond for forestry development projects; amending Minnesota Statutes 1988, section 574.264, subdivision 1.

Senate File No. 192 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 17, 1989

CONCURRENCE AND REPASSAGE

Mr. Bertram moved that the Senate concur in the amendments by the House to S.F. No. 192 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 192 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 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Kroening	Morse	Schmitz
Beckman	DeCramer	Langseth	Novak	Solon
Berg	Dicklich	Lantry	Pehler	Spear
Berglin	Diessner	Lessard	Peterson, D.C.	Stumpf
Bertram	Frank	Luther	Peterson, R.W.	Vickerman
Brandl	Frederickson, D.J.	Marty	Piper	Waldorf
Chmielewski	Freeman	Merriam	Pogemiller	
Cohen	Johnson, D.J.	Moe, D.M.	Ramstad	
Dahl	Knaak	Moe, R.D.	Samuelson	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 386, 400, 655, 796, 110, 483, 678, 736, 812, 1149, 1438, 1459, 955, 1029, 1048, 1077, 1104, 1172, 1267, 1416, 1283, 1311, 1330, 1160, 1351, 1411, 65, 193, 595, 635, 1197, 731, 761, 837, 916, 1405, 1429, 1069, 1151, 1357, 412, 456 and 564.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 17, 1989

FIRST READING OF HOUSE BILLS

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

H.F. No. 386: A bill for an act relating to health; permitting various public hospitals to hold closed meetings on certain facility business; amending Minnesota Statutes 1988, section 144.581, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 400: 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.

Referred to the Committee on Local and Urban Government.

H.F. No. 655: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Anoka county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 453, now on General Orders.

H.F. No. 796: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public waters in Pine and Fillmore counties.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 712, now on General Orders.

H.F. No. 110: A bill for an act relating to metropolitan government; prescribing the term of the chair of the metropolitan council; amending Minnesota Statutes 1988, section 473.123, subdivisions 2a and 4.

Referred to the Committee on Local and Urban Government.

H.F. No. 483: A bill for an act relating to crime; including controlled substance offenses in the evidentiary provision of the disorderly house crime; amending Minnesota Statutes 1988, section 609.33, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 682, now on General Orders.

H.F. No. 678: A bill for an act relating to data privacy; classifying financial information submitted by applicants for liquor licenses to political subdivisions as private; amending Minnesota Statutes 1988, section 13.41, by adding a subdivision.

Referred to the Committee on Judiciary.

H.F. No. 736: A bill for an act relating to elections; altering a penalty for issuing certain election certificates; requiring certifications by certain committees; amending Minnesota Statutes 1988, section 211A.05, subdivision 1.

Referred to the Committee on Elections and Ethics.

H.F. No. 812: A bill for an act relating to insurance; life; allowing insurance policies to contain a rider providing for early payment of benefits to recipients of long-term care; amending Minnesota Statutes 1988, sections 60A.06, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 61A.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 870, now on General Orders.

H.F. No. 1149: A bill for an act relating to state lands; providing for exceptions to usual conveyance procedures; amending Minnesota Statutes 1988, sections 94.10, by adding a subdivision; and 282.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 94.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1438: A resolution memorializing the Board of Governors of the Federal Reserve Board to reject amendments to its rules that would govern permissible activities of state-chartered banks.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1302, now on General Orders.

H.F. No. 1459: A bill for an act relating to handicapped persons; permitting training of guide dogs in public accommodations; amending Minnesota Statutes 1988, section 256C.02.

Referred to the Committee on Health and Human Services.

H.F. No. 955: A bill for an act relating to financial institutions; providing standards for determining transaction account service charges; permitting state banks to establish subsidiaries under certain circumstances; authorizing the commissioner to adopt rules regarding activities of banks and bank subsidiaries; amending Minnesota Statutes 1988, sections 48.512, by adding a subdivision; and 48.61, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 863, now on General Orders.

H.F. No. 1029: A bill for an act relating to Blue Earth county; authorizing the county to transfer certain duties.

Referred to the Committee on Judiciary.

H.F. No. 1048: A bill for an act relating to vocational rehabilitation; requiring that 51 percent of the members of the board of directors of centers for independent living are persons with disabilities; changing the membership of the Minnesota council for the blind; amending Minnesota Statutes 1988, sections 129A.01, subdivision 9; and 248.10, subdivision 1.

Referred to the Committee on Governmental Operations.

H.F. No. 1077: A bill for an act relating to state lands; authorizing conveyance of state land to the city of St. Peter.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 921, now on General Orders.

H.F. No. 1104: A bill for an act relating to county personnel boards and other state and local government bodies; increasing the size of the Ramsey county personnel board; permitting the director to issue subpoenas; providing for court enforcement of state and local government entity subpoena powers; amending Minnesota Statutes 1988, sections 383A.287, subdivision 2; 383A.294, by adding a subdivision; 383B.36, subdivision 2; and 383C.048; proposing coding for new law as Minnesota Statutes, chapter 594.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1079, now on General Orders.

H.F. No. 1172: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land in Carlton county.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 64, now on General Orders.

H.F. No. 1267: A bill for an act relating to Anoka county; permitting the

appointment of the auditor, recorder, and treasurer; authorizing the reorganization of county offices.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1144, now on General Orders.

H.F. No. 1416: A bill for an act relating to state lands; authorizing private conveyance of certain tax-forfeited land in Benton county.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1283: A bill for an act relating to insurance; property and casualty; regulating policy provisions, forms, nonrenewals, coverages; regulating trade practices in these and other lines; regulating the Minnesota joint underwriting association; making certain technical changes; amending Minnesota Statutes 1988, sections 60A.02, by adding a subdivision; 60A.08, by adding a subdivision; 60A.17, subdivision 6c; 60A.198, subdivision 3; 62I.02, subdivision 2; 62I.16, subdivision 3; 65A.29, subdivision 8, and by adding subdivisions; 65A.33, subdivision 3; 65B.15, subdivision 1; 65B.44, subdivision 3; 65B.525, subdivision 1; 72A.20, subdivision 17, and by adding subdivisions; 72A.201, subdivision 5, and by adding subdivisions; and 79.251, by adding a subdivision; repealing Minnesota Statutes 1988, section 62I.12; and Minnesota Rules, part 2780.2700.

Referred to the Committee on Commerce.

H.F. No. 1311: A bill for an act relating to public employees; providing a policy prohibiting harassment based on race or disability; requiring discipline for employees who engage in harassment; proposing coding for new law in Minnesota Statutes, chapter 15.

Referred to the Committee on Governmental Operations.

H.F. No. 1330: A bill for an act relating to agriculture; changing the dairy industry checkoff rate; amending Minnesota Statutes 1988, section 17.59, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1223.

H.F. No. 1160: A bill for an act relating to education; authorizing school district participation in certain energy efficiency projects; proposing coding for new law in Minnesota Statutes, chapter 124.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1102, now on General Orders.

H.F. No. 1351: A bill for an act relating to local government; permitting the Dakota and Washington county housing and redevelopment authorities to waive performance bonds for single family housing construction; amending Laws 1971, chapter 333; and Laws 1974, chapter 475.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1138, now on General Orders.

H.F. No. 1411: A bill for an act relating to cooperatives; recodifying and clarifying certain provisions on cooperative businesses; amending certain provisions of cooperative business law; requiring a registered officer or agent for cooperatives; authorizing cooperatives to provide greater approval proportions than provided in statute for certain cooperative actions; providing corporate existence of cooperative begins with filing of articles; authorizing loans to and fiduciary powers with members; specifying how

vacancies in unexpired directors' terms may be filled; authorizing the board to rescind membership for member violations; eliminating certain filings with county recorders; eliminating attorney general approval of articles of merger or consolidation; prescribing a fee for filing articles of consolidation; prescribing a procedure for dissolution of cooperatives; deeming certain organized cooperatives to be organized under and subject to this act; amending Minnesota Statutes 1988, sections 47.20, subdivision 2; 117.232, subdivision 1; 216B.027, subdivision 5; 237.075, subdivision 9; 273.124, subdivisions 3 and 6; 273.132, subdivision 5; 363.01, subdivision 32; and 500.20, subdivision 2a; proposing coding for new law as Minnesota Statutes, chapter 308A; repealing Minnesota Statutes 1988, sections 308.01 to 308.92.

Referred to the Committee on Judiciary.

H.F. No. 65: A bill for an act relating to economic development; authorizing local jurisdictions involved in economic development to participate in secondary markets; proposing coding for new law in Minnesota Statutes, chapter 465.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 65, now on General Orders.

H.F. No. 193: A bill for an act relating to crimes; providing that an offender may not demand execution of sentence except under certain circumstances; requiring the board of pardons to meet at least twice each year; amending Minnesota Statutes 1988, sections 609.135, by adding a subdivision; and 638.04.

Referred to the Committee on Judiciary.

H.F. No. 595: A bill for an act relating to housing; exempting relocated residential buildings from certain provisions of the state building code; amending Minnesota Statutes 1988, sections 16B.61, subdivision 3; and 462.357, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 587, now on the Calendar.

H.F. No. 635: A bill for an act relating to credit unions; providing members with written notice regarding proposed bylaw amendments; clarifying requirements for credit unions to maintain reserve funds; allowing private insurance of member share and deposit accounts; amending Minnesota Statutes 1988, sections 52.02, subdivision 1, and by adding a subdivision; 52.17, subdivision 1; and 52.24, subdivisions 1 and 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 632, now on General Orders.

H.F. No. 1197: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 5 and 18; 10A.32, subdivision 3a; 13.46, subdivision 2; 13.75, subdivision 2; 16A.26; 16B.28, subdivision 3; 18B.25, subdivision 4; 45.028, subdivision 1; 69.32; 105.81; 115A.195; 115C.08, subdivision 3; 116.44, subdivision 1; 122.23, subdivision 18; 122.96, subdivision 3; 124.646, subdivision 1; 124A.24; 124A.27, subdivision 1; 127.35; 136C.61, subdivision 1; 136D.27, subdivision 3; 136D.71; 136D.74, subdivision 2b; 136D.741, subdivision 4;

136D.87, subdivision 3; 141.35; 144.122; 144.335, subdivision 2; 145A.07, subdivision 1; 145A.13; 157.03; 168.33, subdivision 2; 168A.24, subdivision 2; 168A.29, subdivision 3; 169.345, subdivision 2; 176.081, subdivision 1; 176.101, subdivision 3e; 176.131, subdivision 1; 176.421, subdivision 7; 205.065, subdivision 1; 205.18, subdivision 2; 211B.15, subdivision 4; 214.01, subdivision 2; 245.77; 256.01, subdivision 2; 256.991; 256B.69, subdivision 16; 256D.03, subdivision 4; 256G.02, subdivision 4; 256G.06; 257.354, subdivision 4; 268.04, subdivision 32; 268.10, subdivision 1; 272.02, subdivision 1; 273.124, subdivision 6; 290.05, subdivision 3; 290.92, subdivision 23; 297.07, subdivision 3; 297.35, subdivision 3; 298.2211, subdivision 1; 308.11; 340A.414, subdivision 6; 349.213, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 363.06, subdivision 4; 383B.229; 383B.77; 383C.331; 383C.334; 469.0721; 469.121, subdivision 1; 469.129, subdivision 1; 471.562, subdivision 4; 471.563; 473.605, subdivision 2; 473.845, subdivision 1; 474A.02, subdivision 18; 480A.02, subdivision 7; 485.018, subdivision 2; 515A.3-115; 525.94, subdivision 3; 548.09, subdivision 2; 604.02, subdivision 1; 609.506, subdivision 1; and 611A.53, subdivision 1; reenacting Minnesota Statutes 1988, section 80A.14, subdivision 18; repealing Minnesota Statutes 1988, sections 260.125, subdivision 6; 326.01, subdivision 21; and 362A.08; amending Laws 1976, chapter 134, section 79; Laws 1988, chapter 640, section 5; and chapter 719, article 12, section 29; repealing Laws 1965, chapter 267, section 1; Laws 1971, chapter 830, section 7; Laws 1976, chapter 2, section 62; chapter 134, section 2; chapter 163, section 10; and chapter 173, section 53; Laws 1977, chapter 35, section 8; Laws 1978, chapter 496, section 1; and chapter 706, section 31; Laws 1979, chapter 48, section 2; and chapter 184, section 3; Laws 1981, chapter 271, section 1; Laws 1982, chapter 514, section 15; Laws 1983, chapter 242, section 1; chapter 247, section 38; chapter 289, section 4; chapter 290, sections 2 and 3; chapter 299, section 26; and chapter 303, sections 21 and 22; Laws 1984, chapter 654, article 2, section 117; Laws 1986, chapter 312, section 1; chapter 400, section 43; and chapter 452, section 17; Laws 1986, First Special Session chapter 3, article 1, sections 74 and 79; and Laws 1987, chapter 268, article 5, section 5; chapter 384, article 2, section 25; chapter 385, section 7; chapter 403, article 5, section 1; and chapter 404, section 138.

Referred to the Committee on Judiciary.

H.F. No. 731: A bill for an act relating to data practices; providing for classification of law enforcement data on child abuse; amending Minnesota Statutes 1988, sections 13.82, by adding a subdivision; and 626.556, subdivisions 11 and 11c.

Referred to the Committee on Judiciary.

H.F. No. 761: A bill for an act relating to judgments; providing a reasonable exemption for employee benefits; amending Minnesota Statutes 1988, section 550.37, subdivision 24.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 694, now on General Orders.

H.F. No. 837: A bill for an act relating to crimes; prohibiting the concealing of criminal proceeds; prohibiting racketeering; providing civil and criminal penalties for engaging in narcotics and violent offenses as part of an enterprise; authorizing the dissolution of a corporate charter, revocation

of a license, and injunctive relief to prevent criminal activity by an enterprise; authorizing fines of three times the profit gained through racketeering; authorizing criminal forfeiture; amending Minnesota Statutes 1988, section 541.07; proposing coding for new law in Minnesota Statutes, chapters 541 and 609.

Referred to the Committee on Judiciary.

H.F. No. 916: A bill for an act relating to metropolitan government; providing a salary range and specifying responsibilities for the chair of the waste control commission; amending Minnesota Statutes 1988, sections 15A.081, subdivisions 1 and 7; and 473.141, subdivision 3.

Referred to the Committee on Local and Urban Government.

H.F. No. 1405: A bill for an act relating to liquor; requiring notice and hearing before liquor license fees are increased; amending Minnesota Statutes 1988, section 340A.408, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1407, now on General Orders.

H.F. No. 1429: A bill for an act relating to licensure of ambulance services; establishing new standards; amending Minnesota Statutes 1988, sections 144.801, subdivisions 4 and 7; 144.802, subdivisions 3, 3a, 4, and by adding a subdivision; 144.804; 144.806; 144.807, subdivision 1; 144.808; 144.809; and 144.8091; repealing Minnesota Statutes 1988, sections 144.805; 144.807, subdivision 3; and 144.8092.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1002, now on General Orders.

H.F. No. 1069: A bill for an act relating to real property; providing that purchaser's right to cancel applies to condominiums created before August 1, 1980; providing that lien on real estate added in expansion of flexible condominiums does not affect existing condominiums; amending Minnesota Statutes 1988, sections 515A.1-102; and 515A.2-111.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 210, now on General Orders.

H.F. No. 1151: A bill for an act relating to probate; changing procedure for notice to certain creditors; changing certain time limits; amending Minnesota Statutes 1988, sections 524.3-801; 524.3-802; 524.3-803; and 524.3-807.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1034, now on General Orders.

H.F. No. 1357: A bill for an act relating to taxation; liquor; changing the time limit for certain claims for refund; amending Minnesota Statutes 1988, section 297C.06, subdivisions 2 and 5.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 412: A bill for an act relating to education; changing the definitions of teachers and of supervisory and support personnel for the purpose of licensure; changing the kinds of personnel licensed by the board of teaching and the state board of education; changing the composition of the board of teaching; providing for teacher performance effectiveness plans; amending Minnesota Statutes 1988, sections 125.03, subdivisions 1 and 4; 125.05, subdivisions 1 and 2; 125.08; and 125.183, subdivisions 1 and

3; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Governmental Operations.

H.F. No. 456: A bill for an act relating to human rights; allowing results of job evaluation systems as evidence in discrimination actions; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997.

Referred to the Committee on Judiciary.

H.F. No. 564: A bill for an act relating to volunteers; providing benefits to certain volunteers injured while performing public service; amending Minnesota Statutes 1988, section 176.011, subdivision 9.

Referred to the Committee on Employment.

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 1356. The motion prevailed.

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

S.F. No. 187: A bill for an act relating to manufactured homes; providing for notice and first option to purchase a manufactured home park by the residents; proposing coding for new law in Minnesota Statutes, chapter 327C.

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 327C.095, is amended by adding a subdivision to read:

Subd. 6. [INTENT TO CONVERT USE OF PARK AT TIME OF PURCHASE.] Before the execution of an agreement to purchase a manufactured home park, the purchaser must notify the park owner, in writing, if the purchaser intends to close the manufactured home park or convert it to another use within two years of the execution of the agreement. The park owner shall provide the residents with a written notice of the purchaser's intent to close the park or convert it to another use. The residents shall have 90 days to meet the offered purchase price and to execute an agreement to purchase the park. The notice must be sent by first class mail to each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 90 days after it begins.

Sec. 2. Minnesota Statutes 1988, section 327C.095, is amended by adding a subdivision to read:

Subd. 7. [INTENT TO CONVERT USE OF PARK AFTER PURCHASE.] If the purchaser of a manufactured home park decides to convert the park to another use within two years after the purchase of the park, the purchaser must offer the park for purchase by the residents of the park. The purchaser must provide the residents with a written notice of the intent to close the park and the residents shall have 90 days to execute an agreement for the purchase of the park at a price equal to the original purchase price paid by the purchaser plus any documented expenses relating to

acquisition, improvements, and appreciation incurred by the purchaser. The notice must be sent by first class mail to each manufactured home in the park. The notice period begins on the postmark date affixed to the notice and ends 90 days after it begins.

Sec. 3. [327C.096] [NOTICE OF SALE.]

Before a park owner offers to sell a manufactured home park to the public, the owner must provide 60 days' written notice to the residents of the park that the park will be offered for sale. The notice provided by the park owner to the residents of the park does not create any property rights in the residents. Nothing in this section precludes an owner from offering to sell the park to the residents at any time."

Delete the title and insert:

"A bill for an act relating to manufactured home parks; providing for notice and right to purchase for conversion or the closing of a park under certain circumstances; amending Minnesota Statutes 1988, section 327C.095, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 327C."

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

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

S.F. No. 1031: A bill for an act relating to health; establishing notice requirements for emergency medical services personnel who are first responders; providing safeguards for first responders against exposure to infectious diseases; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 1, line 20, after "*licensed*" insert "*or certified*"

Page 2, line 4, delete "*reserve*" and insert "*rescue*"

Page 3, lines 10 and 11, delete "*were exposed to blood or grossly contaminated bodily fluids of*" and insert "*may have experienced a significant exposure from*"

Page 3, line 17, after "*occurred*" insert "*. This investigation must be completed*"

Page 3, line 26, before "*confidentiality*" insert "*data practices,*"

Page 4, line 22, after the period, insert "*The right to refuse a blood test under the circumstances described in this section does not apply to a prisoner who is in the custody or under the jurisdiction of the commissioner of corrections.*"

Page 5, line 8, delete everything after "*is*"

Page 5, delete lines 9 and 10 and insert "*, with respect to patients and employees of persons in the private sector, private and confidential information and, with respect to patients and employees of state agencies, statewide systems, or political subdivisions, private data.*"

Page 5, line 23, after "*individual*" insert "*, state agency, statewide*

system, political subdivision.”

Page 5, line 24, delete “agency” and insert “person” and after “releasing” insert “private data, or confidential or”

Page 5, line 25, before the period, insert “or employee”

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

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

S.F. No. 1237: A bill for an act relating to privacy of communications; modifying standards for disclosure of communications by electronic communications services; limiting use of contract personnel; modifying reporting requirements; modifying procedures for the use of pen registers and trap and trace devices; requiring orders for the use of mobile tracking devices; providing for a civil cause of action; removing the sunset on the privacy of communications act; imposing penalties; amending Minnesota Statutes 1988, sections 626A.02, subdivision 3; 626A.04; 626A.06, subdivision 4a; 626A.11, subdivisions 1 and 2; 626A.12, subdivision 1; 626A.17; 626A.35; 626A.36; 626A.37; 626A.38; 626A.39, by adding a subdivision; and 626A.40; proposing coding for new law in Minnesota Statutes, chapter 626A; repealing Minnesota Statutes 1988, sections 626A.12, subdivision 1a; 626A.22; 626A.23; and 626A.24; and Laws 1988, chapter 577, section 62.

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

Page 7, after line 15, insert:

“Subd. 2a. [EXCEPTION.] The prohibition of subdivision 1 does not apply to the use of a mobile tracking device where the consent of the owner of the object to which the mobile tracking device is to be attached has been obtained.”

Page 8, line 31, after “identity” insert “or nature” and after “object” insert “or objects”

Page 9, line 3, delete “authorized to install” and insert “responsible for installation” and after “use” insert “of”

Page 12, lines 7 and 16, delete “for” and insert “in the interest of”

Page 12, line 10, delete everything after the first “section”

Page 12, line 11, delete everything before the period

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

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

S.F. No. 84: A bill for an act relating to watercraft; providing for titling of watercraft; providing for perfection of security interests in watercraft; amending Minnesota Statutes 1988, section 336.9-302; proposing coding for new law as Minnesota Statutes, chapter 361A.

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

Page 15, delete lines 34 to 36

Page 16, delete lines 1 to 7

Page 16, line 8, delete "Subd. 2. [MISDEMEANOR.]"

Page 21, line 15, after the first "1" insert "to 10, and 12" and after the period, insert "Section 11 is effective January 1, 1991, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "imposing penalties;"

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

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

S.F. No. 132: A bill for an act relating to certain commercial transactions; adopting an article of the uniform commercial code that governs leases; amending Minnesota Statutes 1986, section 336.1-201; proposing coding for new law in Minnesota Statutes, chapter 336.

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

Page 1, lines 21 and 22, delete "to him or her"

Page 2, line 7, delete "such" and delete "as" and insert "that"

Page 2, line 26, delete "(i)" and insert "(1)"

Page 2, line 27, delete "(ii)" and insert "(2)"

Page 2, line 29, delete "(iii)" and insert "(3)" and after "either" insert "(i)"

Page 2, lines 31 and 33, after "goods" insert "or a disclaimer statement"

Page 2, line 32, after "or" insert "(ii)"

Page 2, line 34, after the period, insert "“Disclaimer statement” means a written statement that is part of or separate from the lease contract that discloses all warranties and other rights provided to the lessee by the lessor and supplier in connection with the lease contract and informs the lessee in a conspicuous manner that there are no warranties or other rights provided to the lessee by the lessor and supplier other than those disclosed in the statement.”"

Page 3, lines 34 and 35, delete "to him or her"

Page 6, line 19, delete "therein" and insert "in the statute"

Page 6, line 30, delete "thereafter" and insert "after that"

Page 6, line 35, after "the" insert "lessee signed the lease or in which the"

Page 7, line 1, delete "thereafter" and insert "after that"

Page 7, line 30, delete "thereof"

Page 7, line 34, delete "shall" and insert "may"

Page 7, line 36, delete "and the"

Page 8, delete lines 1 and 2

Page 8, line 3, delete "*reasonable attorney's fees*" and insert ", *the court may make an award under section 549.21*"

Page 8, line 9, delete "(1)" and delete "*his or her*" and insert "*the party's*"

Page 8, lines 11, 13, and 14, delete "*he or she*" and insert "*the party*"

Page 8, line 12, delete "*himself or herself*" and insert "*self*"

Page 8, delete lines 16 to 20

Page 9, line 35, delete "*such*" and insert "*the included*" and delete "*as are included therein*"

Page 10, line 30, delete "*such*"

Page 11, line 32, delete "*such a*" and insert "*this*"

Page 12, lines 16 and 20, delete "*therefrom*" and insert "*from the supply contract*"

Page 14, line 1, delete "*such as*" and insert "*goods that*"

Page 16, line 13, delete everything after "*limited*"

Page 16, line 14, delete "*whom the warranty extends*"

Page 18, line 14, delete "*he or she*" and insert "*the lessee*"

Page 18, lines 15 and 35, delete "*his or her*" and insert "*the lessee's*"

Page 18, line 22, delete "*his or her*" and insert "*the lessor's or supplier's*"

Page 19, line 1, delete "*that is not a consumer lease*"

Page 19, line 36, delete "*he or she*" and insert "*the transferee*"

Page 20, line 3, delete "*he or she*" and insert "*the transferee*"

Page 20, line 20, delete "*him or her*" and insert "*the assignee*"

Page 20, line 29, delete "*his or her*" and insert "*the assignor's*"

Page 21, delete lines 19 to 26 and insert:

"(2) *If a lessee has entrusted leased goods to the lessee's lessor who is a merchant dealing in goods of that kind, a subsequent lessee from that lessor under a lease entered into after the entrustment and in the ordinary course of business takes those goods free of the existing lease contract and obtains, to the extent of the leasehold interest transferred, all of the lessor's and the earlier lessee's rights to the goods.*"

Page 22, line 29, delete "*his or her*" and insert "*the person's*"

Page 25, line 15, delete "*thereafter*" and insert "*after that*"

Page 26, line 23, after "*may*" insert a colon

Page 26, lines 26 and 27, delete "*his or her*" and insert "*the lessor's or lessee's*"

Page 26, line 27, delete the comma and insert a semicolon

Page 26, line 30, delete "*he or she*" and insert "*the lessor or lessee*"

Page 27, line 21, delete "*such*" and insert "*the*"

- Page 27, line 36, after "*may*" insert a colon
- Page 28, line 4, delete "*his or her*" and insert "*the lessor's or lessee's*" and delete the comma and insert a semicolon
- Page 28, line 6, delete "*he or she*" and insert "*the lessor or lessee*"
- Page 28, line 26, delete "*he or she*" and insert "*the insecure party*"
- Page 29, line 16, before "*In*" insert paragraph coding
- Page 29, line 17, delete "*foregoing*" and after "*remedies*" insert "*in this section*"
- Page 30, lines 33 and 34, delete "*he or she*" and insert "*the lessor or supplier*"
- Page 30, line 34, delete "*his or her*" and insert "*the lessor's or supplier's*"
- Page 30, line 35, delete "*at his or her option*"
- Page 30, line 36, delete "*his or her*"
- Page 31, line 1, delete "*own*" and insert "*other*" and delete "*He or she*" and insert "*The lessor or supplier*"
- Page 31, line 7, delete "*thus*"
- Page 31, line 17, delete "*that is not a consumer lease*"
- Page 31, line 26, before "2A-407." insert "Sec."
- Page 31, lines 28 and 29, delete "*that is not a consumer lease*"
- Page 32, line 26, delete "*his or her*" and insert "*the party's*"
- Page 33, lines 29 and 30, delete "*such*" and insert "*the*"
- Page 33, line 36, delete "*his or her*" and insert "*the lessee's*"
- Page 35, lines 3 and 4, delete "*By the original lease contract*" and insert "*If the lease contract is not a consumer lease,*"
- Page 35, line 5, before the period, insert "*in the original lease contract*"
- Page 35, line 12, delete ", *whichever is later*"
- Page 36, line 8, delete "*he or she*" and insert "*the party*"
- Page 36, line 27, after "*may*" insert "*pursue any or all of the following remedies*"
- Page 38, line 21, delete "*his or her*" and insert "*the lessee's*"
- Page 38, line 30, delete "*he or she*" and insert "*the lessee*"
- Page 38, line 34, delete "*such*" and insert "*a*"
- Page 39, line 2, delete "*hereunder*"
- Page 40, line 5, delete "*he or she*" and insert "*the lessor or supplier*"
- Page 41, lines 26 and 30, delete "*he or she*" and insert "*the lessor or supplier*"
- Page 41, line 27, delete "*him or her*" and insert "*the lessor or supplier*"
- Page 42, line 10, delete "*he or she*" and insert "*the lessee*"
- Page 45, line 25, after "*may*" insert "*pursue any or all of the following*"

remedies”

Page 47, line 15, delete “*such*”

Page 47, line 33, delete “*thereof*”

Page 48, lines 5 and 6, delete “*default*” and insert “*the start of the term of the new lease agreement*”

Page 49, line 1, delete “*of default*” and insert “*the lessor obtained possession of the goods or an earlier date when the lessee made an effective tender of possession of the goods back to the lessor*”

Page 49, line 2, delete “*of default*” and insert “*determined under paragraph (a)*”

Page 49, line 3, before “*remaining*” insert “*then*”

Page 49, line 4, after “*time*” insert “*determined under paragraph (a),*”

Page 49, lines 22, 23, 31, and 32, delete “*default*” and insert “*entry of judgment in favor of the lessor*”

Page 49, lines 24 and 32, before “*remaining*” insert “*then*”

Page 51, lines 5 and 6, delete “*his or her*” and insert “*the party plaintiffs*”

Page 51, after line 17, insert:

“Section 1. Minnesota Statutes 1988, section 168A.17, is amended by adding a subdivision to read:

Subd. 1a. [LEASES THAT ARE NOT SALES OR SECURITY INTERESTS.] A motor vehicle lease does not create a security interest merely because it provides that the rental price is permitted or required to be adjusted under the agreement by reference to the amount realized upon sale or other disposition of the motor vehicle. In the case of a lease agreement with respect to a vehicle or trailer, other than a vehicle or trailer used primarily for personal, family, or household purposes, the determination whether the lease agreement constitutes a lease and does not create a conditional sale or security interest shall be governed by the stated intent of the parties set forth in the lease agreement, unless the substance of the lease agreement is inconsistent with the stated intent.”

Page 51, line 18, delete “1986” and insert “1988”

Page 52, line 8, delete “1986” and insert “1988”

Page 60, line 11, delete “1986” and insert “1988”

Renumber the sections of article 2 in sequence

Page 60, after line 28, insert:

“ARTICLE 3

Section 1. [EFFECTIVE DATE; APPLICATION.]

This act is effective January 1, 1990, and applies to lease contracts that first become effective on or after that date. This act does not apply to a lease contract that first became effective before January 1, 1990, or to an extension, amendment, modification, renewal, or supplement of or to the lease contract, unless the parties agree in writing to be governed by this act.”

Amend the title as follows:

Page 1, lines 4 and 5, delete "amending Minnesota Statutes 1986, section 336.1-201" and insert "providing the conditions for the determination of the existence of certain vehicle leases; amending Minnesota Statutes 1988, sections 168A.17, by adding a subdivision; 336.1-105; 336.1-201; and 336.9-113"

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

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

S.F. No. 1150: A bill for an act relating to creditors remedies; regulating executions and garnishments; amending Minnesota Statutes 1988, section 550.142; proposing coding for new law in Minnesota Statutes, chapters 550 and 557; proposing coding for new law as Minnesota Statutes, chapter 551; repealing Minnesota Statutes 1988, sections 550.041; 550.05; 550.14; 550.141; 571.41; 571.42; 571.43; 571.44; 571.45; 571.46; 571.471; 571.495; 571.50; 571.51; 571.52; 571.53; 571.54; 571.55; 571.56; 571.57; 571.58; 571.59; 571.60; 571.61; 571.62; 571.63; 571.64; 571.65; 571.66; 571.67; 571.68; and 571.69.

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

Page 3, lines 34 and 35, delete "\$5" and insert "\$15"

Page 3, line 35, after the period, insert "*Failure to pay the fee renders the levy void, and the third party shall take no action.*"

Page 4, line 3, delete "\$5" and insert "\$15"

Page 8, line 35, before "The" insert "*Unless the judgment is for child support,*"

Page 9, after line 15, insert:

"If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)."

Page 9, line 19, after "chapter" insert "*or section 518.611, subdivision 6*"

Page 17, line 7, delete "garnishee" and insert "*third party/employer*"

Page 19, after line 6, insert:

"Subd. 10. [EXECUTION EARNINGS DISCLOSURE FORM AND WORKSHEET FOR CHILD SUPPORT JUDGMENTS.] The judgment

creditor shall provide to the sheriff for service upon a child support judgment debtor's employer an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA

DISTRICT COURT

COUNTY OF

. JUDICIAL DISTRICT
FILE NO.

. (Judgment Creditor)
against

EARNINGS
EXECUTION
DISCLOSURE

. (Judgment Debtor)

and

. (Third Party)

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment compensation.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

"PAYDAY": For the purpose of execution, "payday(s)" means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

Yes

No

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to question 1 is "No," then you must sign the affirmation below and return this disclosure to the sheriff within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is "Yes," you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE

EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the sheriff and deliver a copy of the disclosure and worksheet to the judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of judgment debtor's payday.

(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.

(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the judgment debtor within ten days prior to your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F if there are no claims by you or others that would

G
Column E
minus
Column F

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

TOTAL OF COLUMN G \$.

**If you entered any amount in column F for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.*

.....
.....
.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....
Signature

Dated: (.....)
Title Phone Number"

Page 19, line 7, delete "10" and insert "11"

Page 19, line 12, delete "11" and insert "12"

Page 19, line 31, delete "12" and insert "13"

Page 30, lines 5 and 7, delete "financial institution" and insert "sheriff"

Page 36, lines 8 and 9, delete "\$5" and insert "\$15"

Page 36, line 9, after the period, insert "Failure to pay the fee renders the levy void, and the third party shall take no action."

Page 50, line 14, before "The" insert "Unless the judgment is for child support,"

Page 50, after line 30, insert:

"If the judgment is for child support, the levy may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over

12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received)."

Page 50, line 34, after "chapter" insert "or section 518.611, subdivision 6"

Page 61, after line 35, insert:

"Subd. 10. [NOTICE OF LEVY ON EARNINGS, DISCLOSURE, AND WORKSHEET FOR CHILD SUPPORT JUDGMENT.] The attorney for the judgment creditor shall serve upon the judgment debtor's employer a notice of levy on earnings and an execution earnings disclosure form and an earnings disclosure worksheet with the writ of execution, that must be substantially in the form set forth below.

STATE OF MINNESOTA
COUNTY OF

DISTRICT COURT
. JUDICIAL DISTRICT
FILE NO.

. (Judgment Creditor)
against

NOTICE OF LEVY ON
EARNINGS AND DISCLOSURE

. (Judgment Debtor)
and

. (Third Party)

PLEASE TAKE NOTICE that pursuant to Minnesota Statutes, sections 551.04 and 551.06, the undersigned, as attorney for the judgment creditor, hereby makes demand and levies execution upon all earnings due and owing by you (up to \$5,000) to the judgment debtor for the amount of the judgment specified below. A copy of the writ of execution issued by the court is enclosed. The unpaid judgment balance is \$

This levy attaches all unpaid nonexempt disposable earnings owing or to be owed by you and earned or to be earned by the judgment debtor before and within the pay period in which the writ of execution is served and within all subsequent pay periods whose paydays occur within the 70 days after the service of this levy.

In responding to this levy, you are to complete the attached disclosure form and worksheet and mail it to the undersigned attorney for the judgment creditor, together with your check payable to the above-named judgment creditor, for the nonexempt amount owed by you to the judgment debtor or for which you are obligated to the judgment debtor, within the time limits set forth in the aforementioned statutes.

.
Attorney for the Judgment Creditor

.
Address

.
.

..... (.....)
Phone Number

**DISCLOSURE
DEFINITIONS**

“EARNINGS”: For the purpose of execution, “earnings” means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers’ compensation, or unemployment compensation.

“DISPOSABLE EARNINGS”: Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of execution, “payday(s)” means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE THIRD PARTY/EMPLOYER MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the judgment debtor for earnings?

.....

Yes No

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to question 1 is “No,” then you must sign the affirmation below and return this disclosure to the judgment creditor’s attorney within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is “Yes,” you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the execution levy was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the judgment creditor’s attorney and deliver a copy of the disclosure and worksheet to the

judgment debtor within ten days after the last payday that falls within the 70-day period. If the judgment is wholly satisfied or if the judgment debtor's employment ends before the expiration of the 70-day period, your disclosure and remittance should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, "columns" refers to columns on the Earnings Disclosure Worksheet.

(2) COLUMN A. Enter the date of judgment debtor's payday.

(3) COLUMN B. Enter judgment debtor's gross earnings for each payday.

(4) COLUMN C. Enter judgment debtor's disposable earnings for each payday.

(5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:

(a) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(b) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the judgment debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the judgment debtor within ten days prior to your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) COLUMN G. Subtract the amount in column F from the amount in column E and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I,, (person signing Affirmation) am the third party/ employer or I am authorized by the third party/employer to complete this earnings disclosure, and have done so truthfully and to the best of my

knowledge.

Dated:

Signature

Title

Telephone Number

EARNINGS DISCLOSURE WORKSHEET

Debtor's Name

A
Payday
Date

B
Gross
Earnings

C
Disposable
Earnings

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

- \$
-
-
-
-
-
-
-
-
-

- \$
-
-
-
-
-
-
-
-
-

D
Either 50, 55,
60, or 65% of
Column C

E
Column C
minus
Column D

F
Setoff, Lien,
Adverse
Interest, or
Other Claims

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.

-
-
-
-
-
-
-
-
-
-

-
-
-
-
-
-
-
-
-
-

G
Column E
minus
Column F

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.

-
-
-
-
-
-

- 7.
- 8.
- 9.
- 10.

TOTAL OF COLUMN G \$

**If you entered any amount in column F for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.*

.....
.....
.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.
Signature

Dated: (.)
Title Phone Number

- Page 61, line 36, delete "10" and insert "11"
- Page 62, line 6, delete "11" and insert "12"
- Page 62, line 28, delete "12" and insert "13"
- Page 63, line 5, delete "13" and insert "14"
- Page 68, line 24, delete "is" and insert "may be"
- Page 81, after line 7, insert:

"EARNINGS DISCLOSURE FORM AND WORKSHEET FOR CHILD SUPPORT DEBTOR

STATE OF MINNESOTA DISTRICT COURT
 COUNTY OF JUDICIAL DISTRICT
(Creditor)
(Debtor)
(Garnishee)

GARNISHMENT
EARNINGS DISCLOSURE

DEFINITIONS

"EARNINGS": For the purpose of execution, "earnings" means compensation paid or payable to an employee for personal services or compensation paid or payable to the producer for the sale of agricultural products; milk or milk products; or fruit or other horticultural products produced when the producer is operating a family farm, a family farm corporation, or an authorized farm corporation, as defined in section 500.24, subdivision 2, whether denominated as wages, salary, commission, bonus, or otherwise, and includes periodic payments pursuant to a pension or retirement, workers' compensation, or unemployment compensation.

"DISPOSABLE EARNINGS": Means that part of the earnings of an individual remaining after the deduction from those earnings of amounts required by law to be withheld. (Amounts required by law to be withheld

do not include items such as health insurance, charitable contributions, or other voluntary wage deductions.)

“PAYDAY”: For the purpose of execution, “payday(s)” means the date(s) upon which the employer pays earnings to the debtor in the ordinary course of business. If the judgment debtor has no regular payday, payday(s) means the 15th and the last day of each month.

THE GARNISHEE MUST ANSWER THE FOLLOWING QUESTION:

(1) Do you now owe, or within 70 days from the date the execution levy was served on you, will you or may you owe money to the debtor for earnings?

.....
Yes

.....
No

INSTRUCTIONS FOR COMPLETING THE EARNINGS DISCLOSURE

A. If your answer to question 1 is “No,” then you must sign the affirmation below and return this disclosure to the creditor’s attorney (or the creditor if not represented by an attorney) within 20 days after it was served on you, and you do not need to answer the remaining questions.

B. If your answer to question 1 is “Yes,” you must complete this form and the Earnings Disclosure Worksheet as follows:

For each payday that falls within 70 days from the date the garnishment summons was served on you, YOU MUST calculate the amount of earnings to be retained by completing steps 2 through 8 on page 2, and enter the amounts on the Earnings Disclosure Worksheet. UPON REQUEST, THE EMPLOYER MUST PROVIDE THE DEBTOR WITH INFORMATION AS TO HOW THE CALCULATIONS REQUIRED BY THIS DISCLOSURE WERE MADE.

Each payday, you must retain the amount of earnings listed in column G on the Earnings Disclosure Worksheet.

You must pay the attached earnings and return this earnings disclosure form and the Earnings Disclosure Worksheet to the creditor’s attorney (or the creditor if not represented by an attorney) and deliver a copy to the debtor within ten days after the last payday that falls within the 70-day period. If the claim is wholly satisfied or if the debtor’s employment ends before the expiration of the 70-day period, your disclosure should be made within ten days after the last payday for which earnings were attached.

For steps 2 through 8, “columns” refers to columns on the Earnings Disclosure Worksheet.

- (2) COLUMN A. Enter the date of debtor’s payday.
- (3) COLUMN B. Enter debtor’s gross earnings for each payday.
- (4) COLUMN C. Enter debtor’s disposable earnings for each payday.
- (5) COLUMN D. Enter either 50, 55, 60, or 65 percent of disposable earnings, based on which of the following descriptions fits the child support judgment debtor:
 - (a) 50 percent of the judgment debtor’s disposable income, if the judgment debtor is supporting a spouse or dependent child;
 - (b) 55 percent of the judgment debtor’s disposable income, if the judgment

debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received);

(c) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(d) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the execution levy is received). (Multiply column C by .50, .55, .60, or .65, as appropriate.)

(6) COLUMN E. Subtract the amount in column D from the amount in column C, and enter here.

(7) COLUMN F. Enter here any amount claimed by you as a setoff, defense, lien, or claim, or any amount claimed by any other person as an exemption or adverse interest that would reduce the amount of earnings owing to the debtor. (Note: Any indebtedness to you, or any assignment of wages, that was incurred or made by the debtor within ten days prior to your receipt of the execution levy is void.)

You must also describe your claim(s) and the claims of others, if known, in the space provided below the worksheet and state the name(s) and address(es) of these persons.

Enter zero in column F if there are no claims by you or others that would reduce the amount of earnings owing to the judgment debtor.

(8) COLUMN G. Subtract the amount in column F from the amount in column E and enter here. This is the amount of earnings that you must remit for the payday for which the calculations were made.

AFFIRMATION

I,, (person signing Affirmation) am the garnishee or I am authorized by the garnishee to complete this earnings disclosure, and have done so truthfully and to the best of my knowledge.

Dated:

.
Signature

.
Title

.
Telephone Number

EARNINGS DISCLOSURE WORKSHEET

.
Debtor's Name

A Payday Date	B Gross Earnings	C Disposable Earnings
1.	\$	\$
2.
3.
4.
5.
6.

7.....	.....	.....
8.....	.....	.....
9.....	.....	.....
10.....	.....	.....

D
Either 50, 55,
60, or 65% of
Column C

E
Column C
minus
Column D

F
Setoff, Lien,
Adverse
Interest, or
Other Claims

1.....	.....	.....
2.....	.....	.....
3.....	.....	.....
4.....	.....	.....
5.....	.....	.....
6.....	.....	.....
7.....	.....	.....
8.....	.....	.....
9.....	.....	.....
10.....	.....	.....

G
Column E
minus
Column F

1.	.....
2.	.....
3.	.....
4.	.....
5.	.....
6.	.....
7.	.....
8.	.....
9.	.....
10.	.....

TOTAL OF COLUMN G \$

**If you entered any amount in column F for any payday(s), you must describe below either your claims, or the claims of others. For amounts claimed by others, you must both state the names and addresses of such persons, and the nature of their claim, if known.*

.....
.....
.....

AFFIRMATION

I, (person signing Affirmation) am the third party or I am authorized by the third party to complete this earnings disclosure worksheet, and have done so truthfully and to the best of my knowledge.

.....
Signature

Dated: (.....)

Title

Phone Number"

Page 83, line 24, delete "\$5" and insert "\$15"

Page 83, line 25, after the period, insert "*Failure to pay the fee renders the garnishment void, and the garnishee shall take no action.*"

Page 86, line 23, before the comma, insert "*or in section 518.611, subdivision 6*"

Page 98, line 10, before the first "The" insert "*Unless the judgment is for child support,*"

Page 98, after line 24, insert:

"If the judgment is for child support, the garnishment may not exceed:

(1) 50 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child;

(2) 55 percent of the judgment debtor's disposable income, if the judgment debtor is supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received);

(3) 60 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child; or

(4) 65 percent of the judgment debtor's disposable income, if the judgment debtor is not supporting a spouse or dependent child, and the judgment is over 12 weeks old (12 weeks to be calculated to the beginning of the work week in which the garnishment summons is received)."

Page 98, line 28, after "chapter" insert "*or section 518.611, subdivision 6*"

Page 107, line 8, delete "is" and insert "*may be*"

Page 109, line 12, delete "is" and insert "*may be*"

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

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

S.F. No. 1358: A bill for an act relating to metropolitan airport planning; requiring various actions, plans, and reports by the metropolitan council and the metropolitan airports commission; establishing a state advisory council on metropolitan airport planning; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Delete everything after the enacting clause and insert:

"Section 1. [473.155] [AVIATION PLANNING.]

Subdivision 1. [AVIATION PLANNING ASSESSMENT.] By February 15 of each year, the council shall prepare a long-range assessment of air transportation trends and factors that may affect major airport development in the metropolitan area for a prospective 30-year period. The council shall involve the airports commission in preparing the assessment and

shall take into consideration the airport development and operations plans and activities of the commission.

Subd. 2. [AVIATION PLAN.] By February 1, 1990, the council shall amend the aviation chapter of the metropolitan development guide to incorporate policies and strategies that will ensure a comprehensive, coordinated, continuing, thorough, and timely investigation and evaluation of alternatives for major airport development in the metropolitan area for a prospective 30-year period. The alternatives to be examined must include both the airport improvements and enhancements of capacity that may be necessary at the existing airport and the location and development of a new airport.

Subd. 3. [SEARCH AREA.] By January 1, 1992, the council, in consultation with the airports commission, shall designate an area within or in the area surrounding the metropolitan area as a search area for a major new airport.

Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by section 3, subdivision 3, and section 4 are completed, the council shall report to the legislature by February 15 of each year on the results of the aviation planning activities of the council under this section. The report must include a summary of expenditures and sources of funding for the activities.

(b) By February 1, 1990, the council shall report to the legislature recommending methods and legislative actions that would be necessary to protect a new airport search area from conflicting development, to protect and control development on land at and around a site for a major new airport, and to inhibit land speculation and reduce incentives for land speculation in the airport and all surrounding areas.

(c) By March 1, 1990, after consulting with the airports commission, the Federal Aviation Administration, industry representatives, and other persons, the council shall report to the legislature on assumptions and methods that will be used by the council to forecast demand related to the need for major airport facilities in the metropolitan area for a prospective 30-year period.

(d) By March 1, 1990, the council shall report to the legislature analyzing and making recommendations on long-range aviation goals for the major airport facility in the metropolitan area for a prospective 30-year period. The report must address goals for safety, environmental impact, and service, including ground access and service levels to other states and countries and to nonmetropolitan areas of the state. In preparing the report, the council shall consider regional growth patterns, economic development, economic impact, regional and statewide investment, and ground transportation.

(e) By February 1, 1991, the council shall report to the legislature on the general availability of suitable land in or in the area surrounding the metropolitan area for a new airport. If the council finds that sufficient land may not be available in the area, the council shall describe the legal and institutional changes that would be required to extend the search for a suitable site beyond the area in or around the metropolitan area.

(f) By January 1, 1993, the council shall report to the legislature on policies for the reuse of the existing major airport site should a new major airport be developed.

Sec. 2. Minnesota Statutes 1988, section 473.604, subdivision 1, is amended to read:

Subdivision 1. The commission consists of:

(1) the mayor of each of the cities, or a qualified voter appointed by the mayor, for the term of office as mayor;

(2) a number of members appointed from precincts equal or nearest to but not exceeding half the number of districts which are provided by law for the selection of members of the metropolitan council in section 473.123. Each member shall be a resident of the precinct represented. The members shall be appointed by the governor as follows: a number as near as possible to one-fourth, for a term of one year; a similar number for a term of two years; a similar number for a term of three years; and a similar number for a term of four years, all of which terms shall commence on July 1, 1981. The successors of each member shall be appointed for four-year terms commencing in July of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult with each member of the legislature from the precinct for which the member is to be appointed, to solicit the legislator's recommendation on the appointment; ~~and~~

(3) four members appointed from outside of the metropolitan area to reflect fairly the various regions and interests throughout the state that are affected by the operation of the commission's major airport and airport system. Two of these members must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as a key airport. The other two must be residents of statutory or home rule charter cities, towns, or counties containing an airport designated by the commissioner of transportation as an intermediate airport. The members must be appointed by the governor as follows: one for a term of one year, one for a term of two years, one for a term of three years, and one for a term of four years. All of the terms start on July 1, 1989. The successors of each member must be appointed to four-year terms commencing on July 1 of each fourth year after the expiration of the original term. Before making an appointment, the governor shall consult each member of the legislature representing the municipality or county from which the member is to be appointed, to solicit the legislator's recommendation on the appointment; and

(4) a chair appointed by the governor for a term of four years. The chair may be removed at the pleasure of the governor.

Sec. 3. [473.616] [COMPREHENSIVE AIRPORT PLANNING.]

Subdivision 1. [WOLD-CHAMBERLAIN PLAN.] (a) By January 1, 1991, the commission shall adopt a long-term comprehensive plan for the international airport at its existing location. The plan must describe:

(1) aviation demand and air transportation needs;

(2) airport capacity limits and potential;

(3) facilities requirements;

(4) a plan for physical development, including financial estimates and a tentative development schedule;

(5) airport operational characteristics;

- (6) compatibility with metropolitan and local physical facility systems;
- (7) environmental effects;
- (8) safety; and
- (9) the effect on the neighboring communities.

The plan must satisfy the air transportation needs for a prospective 20-year period. At the same time, the commission shall adopt a concept plan for the airport, including an estimate of facilities requirements, to satisfy the air transportation needs for an additional ten-year period. The plans must be consistent with the development guide of the council. The plans must be updated at least every five years. The plans must be amended as necessary to reflect changes in trends and conditions, facilities requirements, and development plans and schedules. The plans are subject to sections 473.165 and 473.611.

(b) Until January 1, 1996, or until the commission has completed the activities required by subdivision 3 and section 4, whichever occurs first, the commission may construct a new runway or a new, substantially expanded, or relocated terminal facility if the commission determines that construction of the runway or facility is necessary and prudent, considering the economic, financial, environmental, and other costs and benefits of the new runway or facility, the current and long-term future need for major airport facilities, capacity constraints, and the time required to construct airport facilities. The commission shall make its determination by resolution, containing findings of fact and conclusions. Before making its determination, the commission shall hold a public hearing on the question. The hearing may be held separately or in conjunction with any other hearing required on the project, as the commission deems appropriate. The commission may plan, prepare designs and specifications, and conduct an environmental review of a facility before the public hearing.

Subd. 2. [NEW AIRPORT; CONCEPTUAL DESIGN STUDY AND PLAN.] By March 1, 1990, the commission, in consultation with the council, shall complete a study of facilities requirements, airport functioning, and conceptual design for a major new airport. By January 1, 1991, the commission shall complete a conceptual design plan for a major new airport. The conceptual design study and plan must describe and satisfy air transportation needs for a prospective 30-year period and be consistent with the development guide of the council. The conceptual design plan must include an analysis of estimated costs, potential financing methods and sources of public and private funding, and cost allocation issues and options. The council shall use the design study and plan in evaluating areas for locating a new airport under section 1, subdivision 3.

Subd. 3. [NEW AIRPORT; SITE SELECTION; COMPREHENSIVE PLAN.] Within four years following the council's designation of a search area under section 1, the commission shall: (1) select a site for a major new airport in the search area designated by the council; (2) prepare a comprehensive plan and schedule, including financial plans, for the development of a major airport at that site for a prospective 20-year period following a decision to develop a new airport; (3) prepare an estimate of facilities requirements and a concept plan for development of the airport for an additional ten years; and (4) prepare and submit for administrative review the environmental documents that are required for site acquisition.

Subd. 4. [LEGISLATIVE REPORTS.] (a) Until the activities required by subdivision 3 and section 4 are completed, the commission shall report to the legislature by February 15 of each year on the results of the airport planning activities of the commission under this section. The report must include a summary of expenditures and sources of funding for the activities.

(b) By March 1, 1990, after consulting with the council, the Federal Aviation Administration, industry representatives, and other persons, the commission shall report to the legislature on the assumptions and methods that the commission will use in preparing forecasts for airport development and operations purposes and for determining capacity and facility needs.

(c) By March 1, 1990, the commission shall report to the legislature on the integration of major airport facilities in the metropolitan area with state, national, and international air transportation systems and on the commission's planning assumptions and parameters related to such airport development issues as capacity, safety, environmental impact, and air service.

(d) By March 1, 1990, the commission shall report to the legislature on the conceptual design study for a major new airport, prepared under subdivision 2. By January 1, 1991, the commission shall report to the legislature on the conceptual design plan prepared under subdivision 2.

Sec. 4. [473.618] [AIRPORT PLANNING AND DEVELOPMENT REPORT.]

Within 180 days after the completion of the actions required by section 3, subdivision 3, the metropolitan council and the airports commission shall report to the legislature on the long-range planning and development of major airport facilities in the metropolitan area. The report must include the recommendations of the agencies on major airport development in the metropolitan area for a prospective 30-year period and on acquiring a site for a major new airport. The report must include an analysis of the effect of a new airport on present and proposed facilities at the existing airport and on the local, regional, and state economies. The report must contain the recommendations of the agencies on financial planning and financing for a major new airport, including: cost; cost allocation; amortization of major improvements at the existing airport before a transfer of operations; financing methods and sources of public and private funds; lease agreements and user charges at a new airport; and a method of capturing for public uses a portion of the revenue from development around a new airport.

Sec. 5. [473.619] [PLANNING ADMINISTRATION.]

Subdivision 1. [INTERAGENCY AGREEMENT.] The metropolitan council and the airports commission shall enter into an intergovernmental agreement by July 1, 1989. The agreement must establish a process and agency responsibilities for comprehensive and coordinated planning for major airport development, consistent with the requirements of this section and sections 1 to 4. The agreement must establish a joint committee composed of board members of the two agencies to oversee implementation of the agreement.

Subd. 2. [SCOPE OF WORK REPORT.] By September 1, 1989, the metropolitan council and the airports commission shall prepare a scope of work report that describes the general scope and schedule of work and the topics to be addressed in the planning and study tasks required of the agencies under sections 1 to 4.

Subd. 3. [FEDERAL PARTICIPATION.] The metropolitan council and the airports commission shall make use of available federal funding for their activities under sections 1 to 4.

Subd. 4. [CONSULTATION.] The metropolitan council and the airports commission shall prepare the plans and reports under sections 1 to 4 in consultation with each other, the commissioner of transportation, the Federal Aviation Administration, industry representatives, and other interested persons.

Subd. 5. [COMMENCEMENT.] In order to meet the planning deadlines prescribed in sections 1 to 4, the agencies may begin preparing plans and studies immediately, without waiting for the completion of the interagency agreement or the completion and review of the scope of work report.

Sec. 6. Minnesota Statutes 1988, section 473.621, subdivision 1a, is amended to read:

Subd. 1a. [RELATIONSHIP TO LEGISLATURE.] The commission shall be held accountable to the legislature in its activities, plans, policies, and programs. It shall report each session to appropriate committees of the legislature as to its activities, plans, policies, and programs and shall make other reports and recommendations which the legislature or its committees deem appropriate. ~~The commission shall adopt a long-term comprehensive plan for the Minneapolis-St. Paul International Airport. The plan must describe, in the degree of detail that the commission deems appropriate for at least a prospective ten-year period, the following:~~

- (1) aviation demand;*
- (2) airport capacity, including environmental, runway, terminal, and other factors relevant to capacity;*
- (3) a plan and financial estimates for physical development;*
- (4) airport operational characteristics;*
- (5) compatibility with the capacity of metropolitan and local physical facility systems;*
- (6) environmental effects; and*
- (7) the effect on the neighboring communities.*

The plan must be submitted to the legislature by December 31, 1988, and be updated at least every five years thereafter. The plan is subject to sections 473.165 and 473.611.

Sec. 7. [STATE ADVISORY COUNCIL.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state of Minnesota advisory council on metropolitan airport planning is established to provide a forum at the state level for education, discussion, and advice to the legislature on the reports prepared for the legislature by the metropolitan council and metropolitan airports commission. The creation of this advisory council does not affect the existing reporting relationship of the commission and council to the legislature.

Subd. 2. [AUTHORITY; DUTIES.] (a) The advisory council shall review and comment to the legislature on the scope of work report required by section 5, subdivision 2.

(b) The advisory council shall review and comment to the legislature on the reports to the legislature required by sections 1, subdivision 4; 3, subdivision 4; and 4.

(c) The advisory council may conduct public meetings on the reports to inform the public and solicit opinion.

(d) The advisory council may request interim briefings on work in progress.

Subd. 3. [MEMBERSHIP.] The members of the advisory council are:

(1) six legislators, three members of the senate and three members of the house of representatives, appointed by the customary appointing authority of each house;

(2) the commissioners of transportation, state planning, the pollution control agency, and trade and economic development, or their designees;

(3) two metropolitan council members, appointed by the metropolitan council, at least one from a district directly affected by the international airport;

(4) two members of the metropolitan airports commission, appointed by the airports commission, at least one from a district directly affected by the international airport;

(5) two representatives of the aviation industry, appointed by the metropolitan council;

(6) four persons who are not eligible for selection under other clauses appointed as follows: two persons appointed by the customary appointing authority of each house of the legislature, one from the metropolitan area and the other from elsewhere in the state; and

(7) a representative of the Federal Aviation Administration and persons representing members of Congress from the state, serving ex officio.

Members serve at the pleasure of the appointing authority.

Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as a co-chair of the advisory council.

Subd. 5. [ADMINISTRATION.] On the request of the advisory council, legislative staff offices and the state and metropolitan agencies represented on the advisory council shall provide administrative and staff assistance.

Subd. 6. [TERMINATION.] The advisory council ceases to exist when the actions required by sections 3, subdivision 3; and 4 are completed.

Sec. 8. [AIRLAKE AIRPORT.]

The metropolitan airports commission shall conduct a study on the social and environmental effects of the expansion of a runway at the Airlake airport and report to the legislature by January 1, 1991, on the results of the study. The commission's study shall afford the airport users, general public, and local government officials in the vicinity of the Airlake airport an opportunity to provide input on the effect of a runway expansion on their community. No expansion of a runway at the Airlake airport may be commenced until the legislature has had at least 90 days to review the study and had an opportunity to place appropriate conditions or restrictions on a proposed runway expansion to ensure that any significant environmental or social concerns cited in the study are met.

Sec. 9. [COMPLIANCE WITH OTHER LAWS.]

Nothing in sections 1 to 8 relieves the commission or the council of any duties or responsibilities otherwise imposed by law."

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "providing for a study on the effects of a runway expansion at Airlake airport;"

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

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

S.F. No. 1368: A bill for an act relating to education; vocational; clarifying powers and duties of the state board and state director of vocational technical education; making technical corrections; amending Minnesota Statutes 1988, sections 136C.04, subdivisions 1, 2, 6, 9, 10, 18, and by adding subdivisions; 136C.042, subdivision 2; 136C.05, by adding subdivisions; 136C.07, subdivision 4; 136C.08, subdivision 1; 136C.42, subdivision 1; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; and 355.46, subdivision 3; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136C.21; 136C.211; 136C.212; 136.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, and 7; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29, subdivisions 3, 4, and 5; and 136C.33, subdivisions 1 and 2.

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 121.93, subdivision 2, is amended to read:

Subd. 2. "District" means a school district, an educational cooperative service unit, a cooperative center for *secondary* vocational education, a cooperative center for special education, a ~~technical institute~~, or an intermediate service area.

Sec. 2. Minnesota Statutes 1988, section 121.93, subdivision 3, is amended to read:

Subd. 3. "ESV-IS" or "elementary, secondary, and *secondary* vocational education management information system" means that component of the statewide elementary, secondary, and *secondary* vocational education management information system which provides administrative data processing and management information services to districts.

Sec. 3. Minnesota Statutes 1988, section 121.93, subdivision 4, is amended to read:

Subd. 4. "SDE-IS" or "state department of education information system" means that component of the statewide elementary, secondary, and *secondary* vocational education management information system which provides data processing and management information services to the department of education.

Sec. 4. Minnesota Statutes 1988, section 136C.04, subdivision 1, is

amended to read:

Subdivision 1. [GENERAL.] The state board shall possess all powers necessary and incident to the management, jurisdiction, and governance of post-secondary vocational education. These powers shall include, but are not limited to, those enumerated in this section. *The state board may adopt policies as necessary to perform its duties.*

Sec. 5. Minnesota Statutes 1988, section 136C.04, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT OF STATE DIRECTOR.] The state board shall appoint a state director of vocational technical education who shall serve in the unclassified service. The state director shall be qualified by training and experience in the field of education, vocational education, or administration. The state director shall possess powers and perform duties as delegated by the state board. The state board shall set the salary of the state director. ~~The state director may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The provisions of chapter 16A shall not apply to these expenditures, but the state board shall prescribe the manner, amount, and purpose of the expenditures and report to the legislature on the expenditures by December 4 of each even-numbered year.~~

Sec. 6. Minnesota Statutes 1988, section 136C.04, subdivision 6, is amended to read:

Subd. 6. [ACCOUNTING AND REPORTING STANDARDS.] The state board shall maintain the uniform financial accounting and reporting system according to the provisions of sections 121.90 to 121.917, *except that reports required by section 121.908 shall be submitted to the state board on dates determined by the state board. However, all expenditures and revenue related to summer session credit courses shall be recognized in the fiscal year in which the course begins.*

Sec. 7. Minnesota Statutes 1988, section 136C.04, subdivision 9, is amended to read:

Subd. 9. [LICENSURE.] The state board may promulgate rules, according to the provisions of chapter 14, for licensure of teaching, support, and supervisory personnel in post-secondary and adult vocational education. The state board may adopt emergency licensure rules, according to sections 14.29 to 14.36, when necessary for continuous programs approved by the board and when the board determines that appropriate licensure standards do not exist. *The time limits in section 14.29 do not apply to emergency licensure rules. The state board may establish a processing fee for the issuance, renewal, or extension of a license.*

Sec. 8. Minnesota Statutes 1988, section 136C.04, subdivision 10, is amended to read:

Subd. 10. [ALLOCATION.] The state board shall allocate state and federal money for post-secondary vocational education. Money received from federal sources, other than as provided in this chapter, and money received from other sources, not including the state, shall not be taken into account in determining appropriations or allocations. *The state board shall take into consideration the unreserved fund balances of each technical institute.*

Sec. 9. Minnesota Statutes 1988, section 136C.04, subdivision 18, is

amended to read:

Subd. 18. [COMPUTER SALES AND MAINTENANCE.] The state board of vocational technical education *or a school board* may sell computers and related products to ~~its~~ *technical institute* staff and *technical institute* students to advance their instructional and research abilities. The board shall contract with a private vendor for service, maintenance, and support for computers and related products sold by the board.

Sec. 10. Minnesota Statutes 1988, section 136C.042, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] Associate degrees offered by the ~~area vocational~~ technical institutes prior to January 1, 1981, shall not be subject to the provisions of subdivision 1.

Sec. 11. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

Subd. 5. [USE OF PROPERTY.] *A school board may not sell, lease, construct, or permit construction of facilities on property purchased and designated for technical institute purposes since January 1, 1980, without the approval of the state board. Any denial must be in writing and reasons given. The state board may deny the board action only if the state board finds that such a denial benefits the state technical institute system. A school board shall notify the state board when property or a facility designated for a technical institute is used for a purpose other than technical institute activities. Notification of incidental uses and uses for integrated secondary and post-secondary vocational instruction is not required.*

Sec. 12. Minnesota Statutes 1988, section 136C.05, is amended by adding a subdivision to read:

Subd. 6. [ACCOUNTING.] *The school board shall maintain, in accordance with section 136C.04, subdivision 6, separate revenue, expenditure, asset, and liability accounts for technical institutes within funds separate from all other district funds.*

Sec. 13. Minnesota Statutes 1988, section 136C.07, subdivision 4, is amended to read:

Subd. 4. ~~If the petition is approved, the school shall be established by the district and classified by the state board as a technical institute and conducted under the general supervision of the state board in accordance with the policy and rules of the state board. Notwithstanding the provisions of subdivision 3 and of this subdivision, after June 30, 1975, no area vocational~~ *A technical school institute shall be established unless only by specific legislation has authorized its establishment legislative act.*

Sec. 14. Minnesota Statutes 1988, section 136C.075, is amended to read:

136C.075 [COMPENSATION FOR PERFORMANCE EVALUATIONS BY STATE EMPLOYEES.]

Notwithstanding any law to the contrary, a state employee who is asked by the ~~department of education~~ *state board* to undertake a performance evaluation of a technical institute may be compensated at the rate provided for in section 15.059.

To be eligible for compensation under this section, a state employee must take an unpaid leave of absence for the period of time the employee performs

the evaluation.

Sec. 15. Minnesota Statutes 1988, section 136C.08, subdivision 1, is amended to read:

Subdivision 1. ~~Any A school board or joint school board operating an area vocational a technical school, pursuant to section 136C.07; Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended; or Laws 1969, chapter 1060, as amended,~~ institute may make, adopt and enforce rules, regulations, or ordinances for the regulation of traffic and parking in parking facilities and on private roads and roadways situated on property owned, leased, occupied, or operated by the board.

Sec. 16. Minnesota Statutes 1988, section 136C.15, is amended to read:

136C.15 [STUDENT ASSOCIATIONS.]

Every school board governing a technical institute shall give recognition as an authorized extracurricular activity to a technical institute student association affiliated with the Minnesota vocational technical student association. The student association is authorized to collect a reasonable fee from students to finance the activities of the association in an amount determined by the governing board of the technical institute which has recognized it.

Every governing body which recognizes a student association shall deposit the fees in a student association fund. The money in this fund shall be available for expenditure for student recreational, social, welfare, and educational pursuits supplemental to the regular curricular offerings, and charitable activities approved by the student association.

Sec. 17. Minnesota Statutes 1988, section 136C.31, is amended by adding a subdivision to read:

Subd. 3. [AID AND TUITION.] All technical institute money and tuition shall be used solely for the purposes of post-secondary vocational technical education.

Sec. 18. Minnesota Statutes 1988, section 136C.36, is amended to read:

136C.36 [PAYMENT OF TECHNICAL INSTITUTE INSTRUCTIONAL AID MONEY.]

Eighty-five percent of the ~~estimated money appropriated for~~ post-secondary vocational ~~instructional aid entitlement instruction~~ for each district technical institute shall be paid during the fiscal year of ~~entitlement for which it is appropriated~~ in 11 uniform monthly payments from July to May. *The final payment shall be made on the first business day of July in the following fiscal year.*

~~The amount of entitlement, adjusted for actual data, minus the payments made during the fiscal year of entitlement, shall be The final adjustment paid to each district on the first business day of July in the fiscal year following entitlement.~~

Sec. 19. Minnesota Statutes 1988, section 136C.43, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE; APPROPRIATION.] For the purpose of providing money appropriated from the vocational technical building fund for the acquisition of public land, buildings, and capital improvements needed

for the state plan for the administration of vocational education in accordance with the provisions of section 136C.42, when requested by the state board of education, the commissioner of finance shall sell and issue bonds of the state of Minnesota for the prompt and full payment of which, with interest thereon, the full faith and credit and taxing powers of the state are irrevocably pledged. Bonds shall be issued pursuant to this section only as authorized by a law specifying the purpose thereof and the maximum amount of the proceeds authorized to be expended therefor, as set forth in section 136C.42. Any such law, together with this section and the laws herein referred to, constitutes complete authority for the issue, and such bonds shall not be subject to restrictions or limitations contained in any other law.

Sec. 20. Minnesota Statutes 1988, section 169.44, subdivision 18, is amended to read:

Subd. 18. [MOTOR COACH USED FOR SCHOOL ACTIVITIES.] A school district or a technical institute shall not acquire a motor coach. Motor coaches acquired by school districts or ~~area vocational~~ technical institutes before March 26, 1986, may be used by school districts or ~~area vocational~~ technical institutes only to transport students participating in school activities, their instructors, and supporting personnel, to and from school activities. The motor coaches shall not in any way be outwardly equipped and identified as school buses. A motor coach operated under this subdivision is not a school bus for purposes of section 124.225. By August 1, 1986, the state board of education shall adopt rules governing the equipment, identification, operation, inspection, and certification of motor coaches operated under this subdivision. After January 1, 1998, a school district or technical institute shall not own or operate a motor coach for any purpose.

Sec. 21. Minnesota Statutes 1988, section 275.125, subdivision 14a, is amended to read:

Subd. 14a. [LEVY FOR LOCAL SHARE OF TECHNICAL INSTITUTE CONSTRUCTION.] (a) The definitions in section 136C.02 apply to this subdivision. "*Construction*" includes acquisition and betterment of land, buildings, and capital improvements for technical institutes.

(b) A district maintaining a technical institute may levy for its ~~local~~ share of the cost of construction of *technical institute* facilities ~~for the technical institute~~ as provided in this subdivision.

(c) The construction must be authorized by a specific legislative act pursuant to section 136C.07, subdivision 5, after January 1, 1980. The ~~specific legislative~~ act must require ~~that the state to pay part of the cost of technical institute construction for post-secondary vocational purposes shall be financed by the state and that the district to pay part of the cost of construction for post-secondary vocational purposes shall be financed by the school district operating the technical institute.~~

(d) The district may levy an amount equal to the local share of the cost of *technical institute* construction ~~for post-secondary vocational purposes~~, minus the amount of any ~~unappropriated~~ *unreserved* net balance in the district's ~~post-secondary vocational~~ *technical institute* building construction fund. A district may levy the total amount authorized by this subdivision in one year, or a proportionate amount of the total authorized amount each year for up to three successive years.

(e) By the ~~July~~ *August 1* before a district certifies the first levy pursuant to this subdivision ~~for the local share of any construction project~~, at least three weeks published notice of the proposed levy shall be given in the legal newspaper with the largest circulation in the district. The notice shall state the purpose and duration of the proposed levy; ~~the duration of the proposed levy~~ and the amount of the proposed levy in dollars and mills. Upon petition within 20 days after the notice of the greater of (a) 50 voters, or (b) 15 percent of the number of voters who voted in the district at the most recent regular school board election, the board shall call a referendum on the proposed levy. The referendum shall be held on a date set by the school board, but no later than the ~~August~~ *September 20* before the levy is certified. The question on the ballot shall state the amount of the proposed levy in mills on the district's adjusted gross tax capacity and in dollars in the first year of the proposed levy.

(f) ~~For the purposes of this subdivision, "construction" includes the acquisition and betterment of land, buildings and capital improvements for technical institutes.~~

~~(g)~~ A district may not levy for the cost of a construction project pursuant to this subdivision if it issues any bonds to finance any costs of the project.

Sec. 22. Minnesota Statutes 1988, section 354.094, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTION FOR LEAVES SINCE 1981-1982.] Notwithstanding subdivision 1, the following provisions apply to elementary, *and secondary school* and ~~area vocational~~ *technical school institute* teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year:

(a) A member whose application states the intention to pay employee contributions into the fund, requests state payment of employer contributions, and is approved by the commissioner within the limits of section 125.60, subdivision 7, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which shall not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution into the fund by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and receive allowable service credit as provided in subdivision 1 if the member and the employing school board make the required employer contribution, in any proportion which they may agree upon, by the payment date specified in subdivision 1.

Sec. 23. Minnesota Statutes 1988, section 354.094, subdivision 1b, is amended to read:

Subd. 1b. [PRE-MAY 16, 1981 LEAVE EXCEPTION.] Notwithstanding

subdivision 1, the following provisions apply only to elementary, *and secondary school* and ~~area vocational~~ technical school *institute* teachers whose extended leaves began in the 1978-1979, 1979-1980, or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 24. Minnesota Statutes 1988, section 354A.091, subdivision 1a, is amended to read:

Subd. 1a. [EXCEPTION FOR LEAVES SINCE 1981-1982.] Notwithstanding subdivision 1, the following provisions apply to elementary, *and secondary school* and ~~area vocational~~ technical school *institute* teachers whose extended leaves begin in the 1981-1982, 1982-1983, or 1983-1984 school year:

(a) A member whose application states the intention to pay employee contributions to the applicable association, requests state payment of the employer contribution, and is approved by the commissioner within the limits of section 125.60, subdivision 7, may pay employee contributions to the applicable association and receive allowable service credit in that association for each year of leave during the period of the leave, which shall not exceed five years;

(b) The state shall pay employer contributions for a member described in clause (a) for no more than the first three years of the leave, provided the member who is on extended leave pays the employee contribution to the applicable association by the payment date specified in subdivision 1;

(c) A member whose application is approved as to the member's eligibility under section 125.60, subdivisions 1 and 2 but whose application does not request state payment of employer contributions or is disapproved as to state payment of employer contributions, or who is in the fourth or fifth year of leave affected by clause (b) may pay employee contributions and school teachers whose extended leaves began in the 1978-1979, 1979-1980 or 1980-1981 school years:

(a) A member whose period of extended leave began on or before May 15, 1981, may pay employee contributions and receive allowable service credit toward annuities and other benefits under this chapter for each year of the leave during the period of the leave which does not exceed five years;

(b) The state shall pay employer contributions into the applicable fund for a member described in clause (a) of this subdivision for each year of the leave for which the member who is on extended leave pays the employee's contribution into the fund by the payment date specified in subdivision 1.

Sec. 25. Minnesota Statutes 1988, section 355.46, subdivision 3, is amended to read:

Subd. 3. [SOCIAL SECURITY CONTRIBUTIONS.] The employer taxes due with respect to employment by educational employees who have made

their selection pursuant to section 218(d)(6)(C) of the Social Security Act, shall be paid in the following manner:

(a) Contributions required to be made for current service by political subdivisions employing educational employees and payments required by section 355.49 shall be paid by the political subdivision. Payments for school district or ~~area vocational~~ technical institute employees who are paid from normal operating funds, shall be made from the appropriate fund of the district or ~~area vocational~~ technical institute. The state shall make payments for services rendered prior to July 1, 1986.

(b) Contributions required to be made with respect to educational employees of state departments and institutions and payments required by section 355.49 shall be paid by the departments and institutions in accordance with the provisions of sections 355.49 and 355.50.

Sec. 26. [REPEALER.]

Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; and 136C.43, subdivisions 1, 2, and 3, are repealed."

Delete the title and insert:

"A bill for an act relating to education; vocational; clarifying powers and duties of the state board and state director of vocational technical education; making technical corrections; amending Minnesota Statutes 1988, sections 121.93, subdivisions 2, 3, and 4; 136C.04, subdivisions 1, 2, 6, 9, 10, and 18; 136C.042, subdivision 2; 136C.05, by adding subdivisions; 136C.07, subdivision 4; 136C.075; 136C.08, subdivision 1; 136C.15; 136C.31, by adding a subdivision; 136C.36; 136C.43, subdivision 1; 169.44, subdivision 18; 275.125, subdivision 14a; 354.094, subdivisions 1a and 1b; 354A.091, subdivision 1a; and 355.46, subdivision 3; repealing Minnesota Statutes 1988, sections 121.936, subdivision 1a; 136C.07, subdivisions 1, 2, 3, and 6; 136C.21; 136C.211; 136C.212; 136C.213; 136C.22; 136C.221; 136C.222; 136C.223; 136C.25; 136C.26, subdivisions 1, 3, 4, 5, 6, 7, and 9; 136C.27, subdivision 2; 136C.28, subdivisions 1 and 2; 136C.29; 136C.33, subdivisions 1 and 2; 136C.42; and 136C.43, subdivisions 1, 2, and 3."

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

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

S.F. No. 1356: A bill for an act relating to workers' compensation; regulating compensation benefits; charging administrative costs of the workers' compensation system to the state's general fund; regulating vendors; regulating the workers' compensation court of appeals; regulating insurers; establishing a legal assistance pilot project program; appropriating money; amending Minnesota Statutes 1988, sections 15A.083, subdivision 7; 79.58, by adding a subdivision; 175A.01; 175A.02; 175A.05; 175A.07, subdivision 2; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.041, subdivision 4; 176.061, subdivision 10; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding

subdivisions; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; 176.131, subdivisions 1, 1a, 2, 8, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.135, subdivision 5; 176.136, subdivisions 1 and 5; 176.179; 176.221, subdivision 6a; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1988, sections 176.011, subdivision 26; 176.101, subdivisions 3a to 3u, and 6; and 176.111, subdivision 8a.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

SCOPE OF COVERAGE

Section 1. Minnesota Statutes 1988, section 176.041, subdivision 4, is amended to read:

Subd. 4. [OUT-OF-STATE EMPLOYMENTS.] *(a) Except as provided in paragraph (b), if an employee who regularly performs the primary duties of employment outside of this state or is hired to perform the primary duties of employment outside of this state, receives an injury within this state in the employ of the same employer, such injury shall be covered within the provisions of this chapter if the employee chooses to forego any workers' compensation claim resulting from the injury that the employee may have a right to pursue in some other state, provided that the special compensation fund is not liable for payment of benefits pursuant to section 176.183 if the employer is not insured against workers' compensation liability pursuant to this chapter and the employee is a nonresident of Minnesota on the date of the personal injury.*

(b) An employee who has been hired outside of this state, or regularly performs the primary duties of employment outside of this state, and the employee's employer, are exempt from the provisions of this chapter while the employee is temporarily within this state performing work for the employer, provided the employer has furnished workers' compensation insurance coverage under the workers' compensation law or other similar law of another state which covers the employee's employment while in this state. The benefits under the workers' compensation law or similar law of the other state, or other remedies under that state's law, are the exclusive remedy against the employer for any injury, whether resulting in death or not, received by the employee while working for that employer within this state. A certificate from the commissioner of labor and industry or other similar official of another state certifying that the employer is insured in that state and has provided extraterritorial coverage insuring its employees while working within this state is prima facie evidence that the employer carries workers' compensation insurance on those employees.

Sec. 2. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

COMPENSATION BENEFITS

Section 1. Minnesota Statutes 1988, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed ~~66 2/3~~ 80 percent of the ~~product of the daily wage times the number of days normally worked~~ employee's after-tax weekly wage, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 2. Minnesota Statutes 1988, section 176.011, is amended by adding a subdivision to read:

Subd. 18a. [AFTER-TAX WEEKLY WAGE.] "After-tax weekly wage" means the weekly wage reduced by the amounts required to be withheld by the Federal Insurance Contributions Act, United States Code, title 16, sections 3101 to 3126, but without regard to the yearly maximum, and by state and federal income tax laws using as the number of allowances the number of exemptions that the employee is entitled to under federal law for the employee and the employee's dependents and without additional allowances.

Sec. 3. Minnesota Statutes 1988, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other nonperiodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by section 176.101, *subdivision 3*. If doubt exists as to the eventual permanent partial disability,

payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to section 176.101, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of economic recovery compensation or lump sum or periodic payment of impairment permanent partial disability compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability, and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.

The right to receive economic recovery compensation or impairment permanent partial compensation vests in an injured employee or in the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained, provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.

Disability ratings for permanent partial disability shall be based on objective medical evidence. The right is not abrogated by the employee's death prior to the making of the payment.

Sec. 4. Minnesota Statutes 1988, section 176.061, subdivision 10, is amended to read:

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, ~~economic recovery compensation, impairment compensation, medical compensation, rehabilitation, death, and permanent total compensation.~~

Sec. 5. Minnesota Statutes 1988, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] (a) For an injury producing temporary total disability, the compensation is ~~66-2/3~~ 80 percent of the *after-tax* weekly wage at the time of injury.

~~(1) provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1;~~ (b) The maximum weekly compensation payable is 110 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.

~~(2) (c) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 percent of the statewide average weekly wage or the injured employee's actual after-tax weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

~~Subject to subdivisions 3a to 3u (d) This Temporary total compensation shall be paid during the period of disability; payment to be made at the intervals when the wage was payable, as nearly as may be, and shall cease whenever any one of the following occurs:~~

(1) the disability ends;

(2) the employee returns to work;

(3) the employee retires by withdrawing from the labor market;

(4) the employee refuses an offer of work that is consistent with a plan of rehabilitation filed with the commissioner, which meets the requirements of section 176.102, subdivision 1, or, if no plan has been filed, that the employee can do in the employee's physical condition; or

(5) 90 days have passed after the employee has reached maximum medical improvement, except as provided in section 176.102, subdivision 11, paragraph (b).

(e) For purposes of paragraph (d), clause (5), the 90-day period after maximum medical improvement commences on the earlier of:

(1) the date that the employee receives a written medical report indicating that the employee has reached maximum medical improvement; or

(2) the date that the employer or insurer serves the report on the employee and the employee's legal representative and files a copy with the division.

(f) Once compensation has ceased under paragraph (d), clauses (1), (2), and (3), it may be recommenced at a later date if: the employee returns to work, the employee is laid off due to economic conditions or is medically unable to continue at the job, and the layoff or inability to continue occurs

prior to 90 days after the employee reaches maximum medical improvement. Compensation recommended under this paragraph is subject to cessation under paragraph (d). Recommended compensation may not be paid beyond 90 days after the employee reaches maximum medical improvement, except as provided under section 176.102, subdivision 11, paragraph (b).

(g) Once compensation has ceased under paragraph (d), clauses (4) and (5), it may not be recommenced at a later date except as provided under section 176.102, subdivision 11, paragraph (b).

Sec. 6. Minnesota Statutes 1988, section 176.101, is amended by adding a subdivision to read:

Subd. 1a. [EXTENDED DISABILITY COMPENSATION.] (a) If an employee, who has a permanent partial disability, is not working because of the personal injury after payment of permanent partial disability benefits is complete, the employee is eligible for extended disability compensation. If an employee received any permanent partial compensation in a lump sum, payment will be considered complete after expiration of the period when the employee would have received permanent partial compensation had it been paid periodically.

(b) Extended disability compensation is paid at the rate for temporary total compensation, escalated under section 176.645, for the number of weeks equal to 246 multiplied by the employee's percentage rating of permanent partial disability, determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. The total extended compensation for any injury may not exceed this product.

(c) Extended disability compensation must cease if the employee is no longer disabled, returns to work, refuses a job offer described in subdivision 1, paragraph (d), clause (4), or retires from the labor market.

(d) An employee is not eligible for extended disability compensation if, at any time before the employee would have become eligible:

(1) the employee refuses a job offer, as described in subdivision 1, paragraph (d), clause (4); or

(2) the employee returns to work and terminates employment, unless the employee was medically unable to continue work or was terminated without just cause.

(e) An employee is eligible for extended compensation at any time after payment of permanent partial benefits is complete, provided the employee meets the qualifications of this section and has not been paid the maximum number of weeks under paragraph (b) for that injury; except that extended compensation may not be paid beyond 350 weeks after the date of injury.

Sec. 7. Minnesota Statutes 1988, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] (a) In all cases of temporary partial disability the compensation shall be ~~66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition.~~ paid as follows:

(1) for the first 26 weeks that the employee returns to work, the compensation shall be 80 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage

the employee is able to earn in the employee's partially disabled condition;

(2) for the second 26 weeks that the employee returns to work, the compensation shall be 60 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition; and

(3) for the third 26 weeks that the employee returns to work, the compensation shall be 40 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition.

(b) This compensation shall be paid during the period of disability except as provided in this section, payment to be made at the intervals when the wage was payable, as nearly as may be; and subject to a maximum compensation equal to the statewide average weekly wage.

(c) Temporary partial compensation may be paid only while the employee is working, earning less than the employee's weekly wage at the time of the injury, and the reduced wage is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 78 weeks, including weeks in which the employee has no wage loss, or after 350 weeks after the date of injury, whichever occurs first.

(d) Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is earning in the employee's partially disabled condition, plus the temporary partial disability payment otherwise payable under this subdivision, exceeds 300 percent of the statewide average weekly wage.

Sec. 8. Minnesota Statutes 1988, section 176.101, is amended by adding a subdivision to read:

Subd. 3. [PERMANENT PARTIAL DISABILITY.] (a) Compensation for permanent partial disability is as provided in this subdivision. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. The percentage determined pursuant to the rules must be multiplied by the corresponding amount in the following table:

Percent of Disability	Amount
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000

96-100

400,000

An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.

(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returns to work, provided the employment has not been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period. Permanent partial disability is not payable while temporary total compensation is being paid. Permanent partial disability is payable to permanently totally disabled employees in a lump sum at the time the disability can be ascertained.

Sec. 9. Minnesota Statutes 1988, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66-2/3~~ 80 percent of the ~~daily~~ after-tax weekly wage at the time of the injury, subject to a ~~maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation rates~~ for a temporary total disability. This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

Sec. 10. Minnesota Statutes 1988, section 176.101, subdivision 5, is amended to read:

Subd. 5. [TOTAL DISABILITY DEFINITION.] (a) For purposes of subdivision 4, permanent total disability means only:

(1) the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial members can be used, complete and permanent paralysis, total and permanent loss of mental faculties; or

(2) any other injury which totally and permanently incapacitates the

employee from working at an occupation which brings the employee an income ~~constitutes total disability~~.

(b) For purposes of paragraph (a), clause (2), totally and permanently incapacitated means that the employee's physical disability, in combination with the employee's age, education and training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial income. Local labor market conditions may not be considered in making the total and permanent incapacitation determination.

Sec. 11. Minnesota Statutes 1988, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] *(a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.*

(b) If the employee is not working during a retraining plan that has been specifically approved under this section, temporary total compensation is payable for up to 90 days after the end of the retraining plan, except that payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (4). If the employee is working during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 80 percent of the difference between the employee's after-tax weekly wage at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to the 78-week phase-out or the 350-week limitation provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.

Sec. 12. Minnesota Statutes 1988, section 176.105, subdivision 1, is amended to read:

Subdivision 1. *(a) The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. Disability ratings under the schedule for permanent partial disability must be based on objective medical evidence.*

(b) The commissioner, in consultation with the medical services review board, shall annually review the rules adopted under paragraph (a) to determine whether any injuries omitted from the schedule should be compensable and, if so, amend the rules accordingly.

Sec. 13. Minnesota Statutes 1988, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] *If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall*

be paid to the spouse weekly workers' compensation benefits at ~~50~~ 80 percent of the *after-tax* weekly wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 14. Minnesota Statutes 1988, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child ~~60~~ 80 percent of the ~~daily~~ *after-tax weekly* wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse weekly benefits at a ~~the same rate which is 16-2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent,~~ for a period of ten years, including adjustments as provided in section 176.645.

Sec. 15. Minnesota Statutes 1988, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children ~~66-2/3~~ 80 percent of the ~~daily~~ *after-tax weekly* wage at the time of the injury of the deceased until the last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid weekly benefits at a ~~the same rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent,~~ for a period of ten years, adjusted according to section 176.645.

Sec. 16. Minnesota Statutes 1988, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid ~~55~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased, for two or more orphans there shall be paid ~~66-2/3~~ 80 percent of the ~~wages~~ *after-tax weekly* wage.

Sec. 17. Minnesota Statutes 1988, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee ~~leave~~ *leaves* no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on *the* deceased, there shall be paid to such parents jointly ~~45~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive ~~35~~ 80 percent of the *after-tax* weekly wage thereafter. If the deceased employee ~~leave~~ *leaves* one parent wholly dependent on the deceased, there shall be paid to such parent ~~35~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 18. Minnesota Statutes 1988, section 176.111, subdivision 15, is amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leaves no surviving spouse or child or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on the employee for support, there shall be paid to such dependent, if but one, ~~30~~ 40 percent of the *after-tax* weekly wage at the time of injury of the deceased, or if more than one, ~~35~~ 45 percent of the *after-tax* weekly wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 19. Minnesota Statutes 1988, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual dependents are entitled to take compensation in the order named in subdivision 3 during dependency until ~~66-2/3~~ 80 percent of the *after-tax* weekly wage of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 20. Minnesota Statutes 1988, section 176.111, subdivision 21, is amended to read:

Subd. 21. [DEATH, BENEFITS; COORDINATION WITH GOVERNMENTAL SURVIVOR BENEFITS.] The following provision shall apply to any dependent entitled to receive weekly compensation benefits under this section as the result of the death of an employee, and who is also receiving or entitled to receive benefits under any government survivor program:

The combined total of weekly government survivor benefits and workers' compensation death benefits provided under this section shall not exceed 100 percent of the *after-tax* weekly wage being earned by the deceased employee at the time of the injury causing death; provided, however, that no state workers' compensation death benefit shall be paid for any week in which the survivor benefits paid under the federal program, by themselves, exceed 100 percent of such weekly wage provided, however, the workers' compensation benefits payable to a dependent surviving spouse shall not be reduced on account of any governmental survivor benefits payable to decedent's children if the support of the children is not the responsibility of the dependent surviving spouse.

For the purposes of this subdivision "dependent" means dependent surviving spouse together with all dependent children and any other dependents. For the purposes of this subdivision, mother's or father's insurance benefits received pursuant to United States Code, title 42, section 402(g), are benefits under a government survivor program.

Sec. 21. Minnesota Statutes 1988, section 176.131, subdivision 1, is amended to read:

Subdivision 1. If an employee incurs personal injury and suffers disability from that injury alone that is substantially greater, because of a preexisting physical impairment, than what would have resulted from the personal injury alone, the employer or insurer shall pay all compensation provided by this chapter, but the employer shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and ~~\$2,000~~ \$3,500 in medical expenses, subject to the exceptions in paragraphs (a), (b), and (c):

(a) If the disability caused by the subsequent injury is made substantially greater by the employee's registered preexisting physical impairment, there shall be apportionment of liability among all injuries. The special compensation fund shall only reimburse for that portion of the compensation, medical expenses, and rehabilitation expenses attributed to the subsequent injury after the applicable deductible has been met.

(b) If the subsequent personal injury alone results in permanent partial disability to a scheduled member under the schedule adopted by the commissioner pursuant to section 176.105, the special compensation fund shall not reimburse permanent partial disability, medical expenses, or rehabilitation expenses.

(c) Reimbursement for compensation is payable at the rate of 75 percent.

Sec. 22. Minnesota Statutes 1988, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on-the-job training program pursuant to an approved rehabilitation plan under section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on-the-job training program, the on-the-job training employer shall pay the medical expenses and compensation required by this chapter, and shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury; *except that reimbursement for compensation is payable at the rate of 75 percent.* The employer, at the time of the personal injury for which the employee has been approved for on-the-job training, is liable for the portion of the disability that is attributable to that injury.

Sec. 23. Minnesota Statutes 1988, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury results in disability or death, and if the injury, death, or disability would not have occurred except for the preexisting physical impairment registered with the special compensation fund, the employer shall pay all compensation provided by this chapter, and shall be ~~fully~~ reimbursed from the special compensation fund for the compensation; except that:

(1) this ~~full~~ reimbursement shall not be made for cardiac disease or a condition registered pursuant to subdivision 8, clause (t) or (u) unless the commissioner by rule provides otherwise; and

(2) reimbursement for compensation is payable at the rate of 75 percent.

Sec. 24. Minnesota Statutes 1988, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

"Physical impairment" means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment except that physical impairment is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,

- (c) Hemophilia,
- (d) Cardiac disease, provided that objective medical evidence substantiates at least the minimum permanent partial disability listed in the workers' compensation permanent partial disability schedule,
- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) Brain tumors,
- (p) Pott's disease,
- (q) Seizures,
- (r) Cancer of the bone,
- (s) Leukemia,
- (t) Any other physical impairment resulting in a disability rating of at least ~~ten~~ 25 percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and
- (u) Any other physical impairments of a permanent nature which the commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or rehabilitation.

Sec. 25. Minnesota Statutes 1988, section 176.131, is amended by adding a subdivision to read:

Subd. 13. [APPLICABLE LAW.] The right to reimbursement under this section is governed by the law in effect on the date of the subsequent injury.

Sec. 26. Minnesota Statutes 1988, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the

total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, ~~except as provided by clause (b)~~, provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after October 1, 1983, and before October 1, 1989, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

(c) An employee who has suffered personal injury after October 1, 1989, and is permanently totally disabled as defined by section 176.101, subdivisions 4 and 5, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving permanent total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

Sec. 27. Minnesota Statutes 1988, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under ~~this section~~ subdivision 1, paragraphs (a) and (b), shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or 4, and 65 percent of the statewide average weekly wage as computed annually. The supplementary benefit payable under subdivision 1, paragraph (c), shall be the difference between:

(1) the amount the employee receives on or after October 1, 1989, under section 176.101, subdivision 4; plus the amount of disability benefits being paid under any government disability benefit program, provided those benefits are occasioned by the same injury or injuries giving rise to payments under section 176.101, subdivision 4; plus the amount of any federal old age and survivors insurance benefits; and

(2) 65 percent of the statewide average weekly wage, as computed annually.

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or 65 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. Attorney's fees shall be allowed in settlements of claims for

supplementary benefits in accordance with this chapter.

(d) In the event an eligible recipient *under subdivision 1, paragraph (a) or (b)*, is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

Sec. 28. Minnesota Statutes 1988, section 176.132, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] The payment of supplementary benefits shall be the responsibility of the employer or insurer currently paying total disability benefits *under subdivision 1, paragraph (a) or (b), or currently paying permanent total disability benefits under subdivision 1, paragraph (c), or any other payer of such benefits.* When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law. The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 29. Minnesota Statutes 1988, section 176.135, subdivision 5, is amended to read:

Subd. 5. [~~OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY ASBESTOS HEALTH SCREENINGS.~~] ~~Notwithstanding section 176.66, an employee who has contracted an occupational disease is eligible to receive compensation under this section even if the employee is not disabled from earning full wages at the work at which the employee was last employed. An employee who has acquired asbestosis or other occupational disease resulting from exposure to asbestos is entitled to payment for reasonable charges for asbestos health screenings at reasonable frequencies in accordance with established medical practice but not to exceed once annually. Payment for the screening shall be made in accordance with section 176.66, subdivision 10. Payment for screenings may be ordered under section 176.191, subdivision 1.~~

Sec. 30. Minnesota Statutes 1988, section 176.179, is amended to read:

176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or

insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of ~~economic recovery or impairment~~ *permanent partial* compensation shall not exceed 20 percent of the amount that would otherwise be payable.

A credit may not be applied against medical expenses due or payable.

Sec. 31. Minnesota Statutes 1988, section 176.221, subdivision 6a, is amended to read:

Subd. 6a. [~~MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT~~ *PERMANENT PARTIAL COMPENSATION.*] The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivisions 9 and 11, ~~economic recovery compensation or impairment~~ *permanent partial* compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.

Sec. 32. Minnesota Statutes 1988, section 176.645, subdivision 1, is amended to read:

Subdivision 1. [~~AMOUNT.~~] For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, 1977 or thereafter under this section shall exceed ~~six~~ *four* percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be ~~six~~ *four* percent.

Sec. 33. Minnesota Statutes 1988, section 176.645, subdivision 2, is amended to read:

Subd. 2. [~~TIME OF FIRST ADJUSTMENT.~~] For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 ~~shall be~~ *is* deferred until the first anniversary of the date of the injury. *For injuries occurring on or after October 1, 1989, the initial*

adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.

Sec. 34. Minnesota Statutes 1988, section 176.66, subdivision 11, is amended to read:

Subd. 11. [AMOUNT OF COMPENSATION.] *For purposes of determining the compensation rate for an occupational disease is ~~66-2/3 percent of the employee's weekly wage on the date of injury subject to a maximum compensation equal to under sections 176.101 and 176.111, the weekly wage on the first date of disability shall be used. If the weekly wage on the first date of disability is less than the weekly wage on the date of last significant exposure to the hazard of the occupational disease, the weekly wage on the date of last significant exposure shall be used. If the employee is unemployed on the first date of disability, the compensation rate shall be based on the employee's weekly wage when last significantly exposed. The maximum compensation rate shall be the maximum compensation rate~~ in effect on the date of last significant exposure. The employee shall be eligible for supplementary benefits, notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure ~~to the hazard of the occupational disease~~ if that employee's weekly compensation rate is less than the current supplementary benefit rate. An employee who has voluntarily retired prior to becoming disabled is not eligible for wage loss benefits.*

Sec. 35. [176.90] [AFTER-TAX CALCULATION.]

For purposes of sections 176.011, subdivisions 18 and 18a; 176.101, subdivisions 1, 2, 3, and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; and 176.66, the commissioner shall publish by September 1 of each year tables or formulas for determining the after-tax weekly wage to take effect the following October 1. The tables or formulas must be based on the applicable federal income tax and social security laws and state income tax laws in effect on the preceding April 1. These tables or formulas are conclusive for the purposes of converting the weekly wage into after-tax weekly wage. The commissioner may contract with the department of revenue or any other person or organization in order to adopt the tables or formulas. The adoption of the tables or formulas is exempt from the administrative rulemaking provisions of chapter 14.

Sec. 36. [REPEALER.]

Minnesota Statutes 1988, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, 3u, and 6; and 176.111, subdivision 8a, are repealed.

Sec. 37. [EFFECTIVE DATE.]

This article is effective October 1, 1989.

ARTICLE 3

LEGAL, REHABILITATION, MEDICAL

Section 1. Minnesota Statutes 1988, section 176.081, subdivision 1, is amended to read:

Subdivision 1. (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or

any other party except as provided in ~~clause~~ *paragraph* (b). If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under ~~section 176.242, 176.2421, 176.243, or 176.244~~ *sections 176.106 and 176.239* shall be determined on an hourly basis, according to the criteria in subdivision 5.

(b) An attorney who is claiming legal fees ~~under this section~~ *for representing an employee in a workers' compensation matter* shall file a statement of ~~attorney's~~ *attorney* fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, *shall report the number of hours spent on the case*, and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee. If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5. If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

(c) *Employers and insurers may not pay attorney fees or wages for legal services of more than \$6,500 per case unless the additional fees or wages are approved under subdivision 2.*

Sec. 2. Minnesota Statutes 1988, section 176.081, subdivision 2, is amended to read:

Subd. 2. An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested ~~and, the number of hours spent on the case~~, the basis for the request, and whether or not a hearing is requested. The application, with affidavit of service upon the ~~employee~~ *attorney's client*, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 3. Minnesota Statutes 1988, section 176.081, subdivision 3, is amended to read:

Subd. 3. ~~An employee who~~ *A party that* is dissatisfied with its attorney fees, may file an application for review by the workers' compensation court

of appeals. ~~Such~~ *The* application shall state the basis for the need of review and whether or not a hearing is requested. A copy of ~~such the~~ application shall be served upon the *party's* attorney ~~for the employee~~ by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise the ~~question~~ of the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 4. Minnesota Statutes 1988, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] *(a) This section applies only to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.*

(b) Rehabilitation is intended to restore the injured employee, through physical and vocational rehabilitation, so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 5. Minnesota Statutes 1988, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services *and shall by rule, subject to chapter 14, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors.* The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 6. Minnesota Statutes 1988, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member, and ~~two three~~ members ~~each from representing employers, insurers, rehabilitation, and medicine,~~ one member representing chiropractors, ~~and four~~ *one member representing medical doctors, three members representing labor, two members representing rehabilitation vendors, and five members representing qualified rehabilitation consultants.* The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and

make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 7. Minnesota Statutes 1988, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

~~The commissioner may appoint alternates for one year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.~~

Sec. 8. Minnesota Statutes 1988, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) ~~An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.~~

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant; except that, if the injured employee objects to the employer's

selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within 30 days following the first in-person contact between the employee and the original qualified rehabilitation consultant. If the consultation indicates that rehabilitation services are appropriate pursuant to subdivision 1, the employer shall provide such services. If the consultation indicates that rehabilitation services are not appropriate pursuant to subdivision 1, the employer shall notify the employee of this determination within seven days after the consultation.

(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer shall notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.

(c) The qualified rehabilitation consultant appointed by the employer or insurer shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest. The consultant shall also disclose to all parties any affiliation, business referral, or other arrangement between the consultant or the firm employing the consultant and any other party to, attorney, or health care provider involved in the case; including any attorneys, doctors, or chiropractors.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.

(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose request a different qualified rehabilitation consultant as follows:

(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;

(2) once after the 60-day period referred to in clause (1); and

(3) subsequent requests which shall be determined granted or denied by the commissioner or compensation judge according to the best interests of the parties.

(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.

(b) (f) If the employer does not provide rehabilitation consultation, or the employee does not select a qualified rehabilitation consultant, as required by this section provided under paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide, or the employee fails to select, whichever is applicable,

a qualified rehabilitation consultant ~~or other persons as permitted by clause (a)~~ within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.

(e) (g) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) (h) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.

Sec. 9. Minnesota Statutes 1988, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. *A plan that is not completed within six months or that will cost more than \$3,500 must be specifically approved by the commissioner. This approval may not be waived by the parties.*

Sec. 10. Minnesota Statutes 1988, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] (a) Upon request by the commissioner, insurer, employer or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation service to the commissioner, insurer, employer, or employee.

(b) *If a rehabilitation plan has not already been filed pursuant to subdivision 4, an employer shall report to the commissioner after 90 days from the date of the injury, but before 120 days therefrom, as to what rehabilitation consultation and services, if any, have been provided to the injured employee or why rehabilitation consultation and services have not been provided.*

Sec. 11. Minnesota Statutes 1988, section 176.136, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the commissioner ~~shall~~ *must* limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital

and other health care provider treatment or services, as defined and compensable under section 176.135, ~~to the 75th percentile of usual and customary fees or charges~~ based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing.

(b) The medical fee rules for providers other than hospitals, which are promulgated on October 1, 1988, and based upon 1987 medical cost data, must remain in effect until September 30, 1990; and the medical fee rules for providers other than hospitals, which are promulgated on October 1, 1990, must be based on the 1988 medical cost data and must remain in effect until September 30, 1991.

(c) The procedures established by the commissioner for determining whether or not the charge for a health service is excessive ~~shall~~ *must* be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures ~~shall~~ *must* incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.

Sec. 12. Minnesota Statutes 1988, section 176.136, subdivision 5, is amended to read:

Subd. 5. [PERMANENT RULES.] *(a) Where permanent rules have been adopted to implement this section, the commissioner shall annually give notice in the State Register of the 75th percentile reimbursement allowance to meet the requirements of subdivision 1. The notice shall be in lieu of the requirements of chapter 14 and shall be set at the 75th percentile of the billings for each service in the data base, provided that if the 75th percentile for the service meets the following requirements of paragraphs (a) to (e) are met:*

(a) (1) the data base includes at least three different providers of the service-;

(b) (2) the data base contains at least 20 billings for the service-;

(c) (3) The standard deviation as a percentage of the mean of billings for the service is 50 percent or less- the data are taken from the data base of Blue Cross and Blue Shield of Minnesota where available; or if not available from Blue Cross and Blue Shield of Minnesota, the data will be taken directly from the health care providers, professional associations, or other available sources;

(d) (4) The means of the Blue Cross and Blue Shield data base and of the department of human services data base for the service are within 20 percent of each other- the standard deviation is less than or equal to 50 percent of the mean of the billings for each service in the data base or the value of the 75th percentile is not greater than or equal to three times the value of the 25th percentile of the billings for each service in the data base; and

(e) (5) The data is taken from the data base of Blue Cross and Blue Shield or the department of human services- the 75th percentile logically reflects the usual and customary charges for the service.

(b) If the commissioner identifies a problem with the data for a particular

service such that the 75th percentile does not logically reflect the usual and customary charges for that service, the commissioner may, upon consultation with the medical services review board, set the reimbursement fee.

Sec. 13. [EFFECTIVE DATE.]

This article is effective August 1, 1989.

ARTICLE 4

ADMINISTRATIVE COSTS

Section 1. [176.95] [ADMINISTRATIVE COSTS.]

The annual cost of administering the workers' compensation system under this chapter must be charged to the general fund. Administrative costs include the cost of administering the workers' compensation division of the department, the workers' compensation division of the office of administrative hearings, and the workers' compensation court of appeals.

Sec. 2. [APPROPRIATION.]

Notwithstanding section 1, for the biennium beginning July 1, 1989, \$5 million for fiscal year 1990 and \$5 million for fiscal year 1991 is appropriated from the general fund to the commissioner of labor and industry for the purpose of administering the workers' compensation system. The balance of the costs of administering the workers' compensation system for that biennium is appropriated from the special compensation fund to the commissioner of labor and industry.

Sec. 3. [EFFECTIVE DATE.]

This article is effective July 1, 1989.

ARTICLE 5

REGULATION OF STATE CLAIMS

Section 1. Minnesota Statutes 1988, section 176.541, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION OF CHAPTER TO STATE EMPLOYEES.] This chapter applies to the employees of ~~any department of this state~~ *the executive, legislative, and judicial branches of the state, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund, including the state historical society and the state agricultural society.*

Sec. 2. Minnesota Statutes 1988, section 176.541, subdivision 2, is amended to read:

Subd. 2. [DEFENSE OF CLAIM AGAINST STATE.] When the commissioner of employee relations believes that a claim against the state for compensation should be contested, the commissioner shall defend the state claim. *The commissioner has sole authority to settle claims on behalf of the state.*

Sec. 3. Minnesota Statutes 1988, section 176.541, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF ATTORNEY GENERAL.] At any stage in ~~such~~ *a compensation proceeding under this section*, the attorney general may assume the duty of defending the state. When the commissioner of employee

relations of a ~~department~~ of this state requests the attorney general to assume the defense, the attorney general shall do so.

Sec. 4. Minnesota Statutes 1988, section 176.541, subdivision 5, is amended to read:

Subd. 5. [EXPENSES OF CONDUCTING DEFENSE.] The expenses of conducting a defense ~~shall must~~ be charged to the ~~department~~ *which entity that employs the employee involved*. These expenses ~~shall must~~ be paid from the state compensation revolving fund.

Sec. 5. Minnesota Statutes 1988, section 176.541, subdivision 6, is amended to read:

Subd. 6. [LEGAL, PROFESSIONAL, AND CLERICAL ~~HELP SERVICES~~.] The commissioner of employee relations may employ ~~such~~ *legal, professional, and clerical help services* as authorized by the department of ~~administration~~ *finance*. The ~~salaries cost of these persons shall the services must~~ be paid from the state compensation revolving fund; ~~but shall be apportioned among the several departments of the state in relation to the amount of compensation paid to employees of any department as against the total amount of compensation paid to employees of all departments.~~

Sec. 6. Minnesota Statutes 1988, section 176.551, subdivision 1, is amended to read:

Subdivision 1. [~~HEADS OF STATE DEPARTMENTS EMPLOYING ENTITIES TO REPORT ACCIDENTS TO EMPLOYEES~~.] Except as provided in subdivision 2, the head of a ~~department~~ *of the state employing entity, including the University of Minnesota and other entities whose workers' compensation liability is paid from the state revolving fund*, shall report each accident ~~which that~~ occurs to an employee as ~~and in the manner~~ required by this chapter.

Sec. 7. Minnesota Statutes 1988, section 176.571, is amended to read:

Subdivision 1. [PRELIMINARY INVESTIGATION.] When the head of a ~~department~~ *an employing state entity* has filed a report or the commissioner of employee relations has otherwise received information of the occurrence of an injury to a state employee for which liability to pay compensation may exist, the commissioner of employee relations shall make a preliminary investigation to determine the question of probable liability.

In making this investigation, the commissioner of employee relations may require the assistance of the head of any ~~department~~ *entity* or any employee of the state. The commissioner of employee relations may require that all facts be furnished ~~which that~~ appear in the records of any state ~~department~~ *entity* bearing on the issue.

Subd. 2. [DETERMINATION BY DEPARTMENT.] When the commissioner of the department of employee relations has completed an investigation, the commissioner shall inform the claimant; ~~and~~ the head of the employing ~~department~~; ~~and the commissioner of finance~~ *entity* in writing of the action taken.

Sec. 8. Minnesota Statutes 1988, section 176.581, is amended to read:

176.581 [PAYMENT TO STATE EMPLOYEES.]

Upon a warrant ~~prepared~~ *approved* by the commissioner of the department of employee relations and ~~approved prepared~~ by the commissioner of finance, and in accordance with the terms of the order awarding compensation, the state treasurer shall pay compensation to the employee or the employee's dependent. These payments ~~shall~~ *must* be made from money appropriated for this purpose.

Sec. 9. Minnesota Statutes 1988, section 176.591, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] To facilitate the discharge by the state of its obligations under this chapter, ~~there is established a revolving fund to be known~~ as the state compensation revolving fund *is maintained in the state treasury.*

This fund ~~is comprised of~~ *comprises* the unexpended balance in the fund on July 1, 1935, and the sums ~~which the several departments employing entities~~ of the state pay to the fund.

Sec. 10. Minnesota Statutes 1988, section 176.591, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION PAYMENTS UPON WARRANTS.] The state treasurer shall make compensation payments from the fund only as authorized by this chapter upon warrants ~~of~~ *approved* by the commissioner of the department of employee relations.

Sec. 11. Minnesota Statutes 1988, section 176.603, is amended to read:

176.603 [COST OF ADMINISTERING CHAPTER, PAYMENT.]

The annual cost to the commissioner of the department of employee relations of administering this chapter in relation to state employees and the necessary expenses ~~which that~~ the department of employee relations or the attorney general incurs *in containing costs or in* investigating, administering, and defending a claim against the state for compensation ~~shall~~ *must* be paid from the state compensation revolving fund.

Sec. 12. Minnesota Statutes 1988, section 176.611, subdivision 2, is amended to read:

Subd. 2. [STATE DEPARTMENTS.] ~~Every department~~ *An employing entity* of the state, including the University of Minnesota, shall reimburse the fund for money paid for its claims, *an occupational preventative health and safety program under section 15.46,* and the costs of administering the revolving fund at ~~such whatever~~ times and in ~~such whatever~~ amounts as the commissioner of employee relations ~~shall certify~~ *certifies* has been paid out of the fund ~~on its behalf~~. The heads of the ~~departments~~ *entities* shall anticipate these payments by including them in their budgets. In addition, the commissioner of employee relations, with the approval of the commissioner of finance, may require an ~~agency~~ *entity* to make advance payments to the fund sufficient to cover the ~~agency's~~ *entity's* estimated obligation for a period of at least 60 days. Reimbursements and other money received by the commissioner of employee relations under this subdivision must be credited to the state compensation revolving fund.

Sec. 13. [REPEALER.]

Minnesota Statutes 1988, section 176.541, subdivision 7, is repealed.

Sec. 14. [EFFECTIVE DATE.]

This act is effective the day following final enactment.

ARTICLE 6

LEGAL ASSISTANCE PILOT PROJECT PROGRAM

Section 1. [176.2615] [LEGAL ASSISTANCE PILOT PROJECT PROGRAM.]

Subdivision 1. [PURPOSE.] The commissioner shall establish a workers' compensation legal assistance pilot project program within the department for the purpose of providing legal representation to injured employees who meet the eligibility requirements set forth under subdivision 2.

Subd. 2. [ELIGIBILITY.] (a) The commissioner shall determine who is eligible to receive legal representation services under this section. To be eligible, the injured employee must:

(1) have a claim not exceeding \$1,600 that appears meritorious;

(2) be unable to obtain private counsel to represent the employee in a proceeding under this chapter, as evidenced by at least one turn down by an attorney who handles workers' compensation cases as a part of the attorney's regular practice; and

(3) demonstrate that an undue hardship will result or has resulted because of the employee's inability to pursue the claim for lack of private counsel willing to take the case.

(b) The commissioner may limit participation in the legal assistance pilot project program to the extent of funds available under the appropriation authorized under section 2.

Subd. 3. [FEES; COSTS AND EXPENSES.] (a) An employer or insurer and an employee are liable for attorney fees for representation provided to employees pursuant to this section to the same extent that the employer or insurer and employee would be liable in all other cases under chapter 176. The fees shall be paid directly to the special compensation fund, and shall be in an amount equal to the usual and customary fee of a private attorney handling a similar matter; except that, notwithstanding section 176.081, subdivisions 7 and 7a, the employee is not responsible for the first \$200 of fees.

(b) The employee is liable for costs and expenses not reimbursable under section 176.511.

Sec. 2. [APPROPRIATION.]

\$100,000 is appropriated for the biennium ending June 30, 1991, from the special compensation fund to the commissioner of labor and industry to establish the workers' compensation legal assistance pilot project program under section 1.

Sec. 3. [REPORT TO LEGISLATURE.]

The commissioner of labor and industry shall report to the legislature by January 1, 1991, concerning the number of employees served under the workers' compensation legal assistance pilot project program established under section 1, the effectiveness of the program, and the need, if any, for further funding on a permanent basis of the program. The report shall include accompanying recommendations.

Sec. 4. [EFFECTIVE DATE.]

This article is effective July 1, 1989.

ARTICLE 7

REGULATION OF WORKERS' COMPENSATION COURT OF APPEALS

Section 1. Minnesota Statutes 1988, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] (a) Salaries of judges of the workers' compensation court of appeals shall be 90 percent of the salary for district court judges as provided ~~in~~ *under section 15A.082, subdivision 4 3; except that the salary of the chief judge shall be 95 percent of the salary for district court judges.*

(b) Salaries of compensation judges shall be 75 percent of the salary of district court judges as provided ~~in~~ *under section 15A.082, subdivision 4 3. The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry.*

Sec. 2. Minnesota Statutes 1988, section 175A.01, is amended to read:

175A.01 [CREATION.]

Subdivision 1. [~~ESTABLISHMENT; MEMBERSHIP; APPOINTMENT; QUALIFICATIONS.~~] The workers' compensation court of appeals as previously constituted is reconstituted as an independent agency in the executive branch.

The ~~workers' compensation court of appeals~~ shall consist of five judges, each serving in the unclassified service. ~~The five judges shall be learned in the law.~~

Subd. 2. [APPOINTMENT; TERMS; LIMITATION.] Each judge of the ~~workers' compensation court of appeals~~ shall be appointed by the governor, ~~by and with the advice and consent of the senate,~~ for a term of six years commencing at the expiration of the preceding term. Any vacancy shall be filled by the governor for the unexpired term, ~~subject to confirmation by the senate.~~ The terms of the judges shall expire on the first Monday in January of the year in which they expire. The terms of the judges shall be staggered. ~~The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified. They shall be selected on the basis of their experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota.~~

Subd. 3. [CONFIRMATION; RECONFIRMATION.] (a) *Appointments to the court are subject to confirmation by the senate.*

(b) *A judge is subject to reconfirmation by the senate after two years of the judge's term have elapsed. The governor may submit a recommendation at that time either supporting or opposing reconfirmation. If the senate reconfirms, the judge may continue to serve the remaining balance of the unexpired term. If the senate rejects reconfirmation, the judge shall not continue to serve and the vacancy shall be filled by the governor for the unexpired term.*

(c) Reappointments are subject to confirmation by the senate, but they are not subject to reconfirmation as provided under paragraph (b) unless the reappointed judge was initially appointed to fill a vacancy for an unexpired term having less than two years remaining.

Subd. 4. [QUALIFICATIONS.] To qualify for appointment to the court, a candidate shall be learned in the law, have been licensed to practice law for at least five years, and have experience with and knowledge of workers' compensation and the workers' compensation laws of Minnesota.

Subd. 5. [ADVISORY COMMITTEE.] The governor, the speaker of the house of representatives, and the majority leader of the senate shall each appoint two members to a six-member advisory committee which shall screen applicants for appointment to the court and recommend at least three qualified candidates per vacancy. The committee shall be appointed and subject to the provisions of section 15.059, subdivisions 1, 2, 3, 4, and 6. The membership shall fairly represent the diverse groups having an interest in the efficient, just, and equitable administration of the state's workers' compensation laws, and the dispute resolution process thereunder.

Subd. 6. [STANDARDS OF CONDUCT.] The judges of the workers' compensation court of appeals shall be subject to the provisions of the Minnesota Constitution, article VI, section 6, the jurisdiction of the commission on judicial standards, as provided in sections 490.15 and 490.16, and the provisions of the code of judicial conduct.

Subd. 7. [JURISDICTION.] The workers' compensation court of appeals shall have statewide jurisdiction. Except for an appeal to the supreme court or any other appeal allowed under this subdivision, the workers' compensation court of appeals shall be the sole, exclusive, and final authority for the hearing and determination of all questions of law and fact arising under the workers' compensation laws of the state in those cases that have been appealed to the workers' compensation court of appeals and in any case that has been transferred by the district court to the workers' compensation court of appeals. The workers' compensation court of appeals shall have no jurisdiction in any case that does not arise under the workers' compensation laws of the state or in any criminal case, provided that the workers' compensation court of appeals shall exercise appellate jurisdiction under the laws governing employees of the state, a county, or other governmental subdivision who contract tuberculosis and under chapter 352E.

Subd. 8. [OATH.] Each judge of the workers' compensation court of appeals before entering upon the duties of office, shall take the oath prescribed by law.

Sec. 3. Minnesota Statutes 1988, section 175A.02, is amended to read:

175A.02 [ADMINISTRATIVE OFFICERS.]

Subdivision 1. [WORKERS' COMPENSATION COURT OF APPEALS; CHIEF JUDGE.] The judges of the workers' compensation court of appeals governor shall choose designate a chief judge from among their number the judges. The chief judge shall appoint one of the judges to serve as the administrator, who shall be have overall responsibility for administration of the court, including acting as custodian of the court's files and records and shall coordinate and make coordinator of hearing assignments. The chief judge who is appointed the administrator may delegate the duties of administrator to an employee chosen to be the appoint an assistant administrator to assist the judge in the performance of administrative duties. The

chief judge shall also have responsibility for oversight of other judges and court personnel with respect to timely performance of duties in a professional manner.

*Subd. 2. [DISTRICT COURTS.] The court administrator of district court in each county shall be the court administrator of the workers' compensation court of appeals in that county. Filing fees and library fees deposited with the court administrator of district court in the capacity as clerk of the workers' compensation court of appeals and in cases originally commenced in district court and transferred to the workers' compensation court of appeals shall be retained by the court administrator of district court. The workers' compensation court of appeals court administrator in each county shall be subject to the supervision of the ~~administrator~~ *chief judge appointed under subdivision 1* in workers' compensation court of appeals matters.*

Sec. 4. Minnesota Statutes 1988, section 175A.05, is amended to read:
175A.05 [QUORUM.]

*A majority of the judges of the workers' compensation court of appeals shall constitute a quorum for the exercise of the powers conferred and the duties imposed on the workers' compensation court of appeals except that all appeals shall be heard by no more than a panel of three of the five judges unless the ~~appeal case~~ *appealed* is determined to be of exceptional importance by a ~~four-fifths~~ *three-fifths* vote of the judges *prior to assignment of the case to a panel, or by the chief judge either before the case is assigned to a panel or after the case has been considered by the panel but prior to the service and filing of the decision.* A vacancy shall not impair the ability of the remaining judges of the workers' compensation court of appeals to exercise all the powers and perform all of the duties of the workers' compensation court of appeals.*

Sec. 5. Minnesota Statutes 1988, section 175A.07, subdivision 2, is amended to read:

*Subd. 2. [PERSONNEL.] The ~~judges~~ *chief judge* of the workers' compensation court of appeals shall appoint in the manner provided by law all personnel required by the workers' compensation court of appeals; *except that each judge shall appoint the judge's own law clerk. The* law clerks are in the unclassified service. The commissioner of administration shall provide the court with necessary additional staff and administrative services, and the court shall reimburse the commissioner for the cost of these services.*

Sec. 6. [STATUS OF CURRENT JUDGES.]

Notwithstanding section 175A.01, subdivision 2, judges currently serving on the workers' compensation court of appeals who are reappointed are subject to confirmation by the senate, but not reconfirmation as provided under section 175A.01, subdivision 3.

Sec. 7. [APPROPRIATION.]

\$270,000 is appropriated from the special compensation fund for fiscal year 1990, and \$235,000 for fiscal year 1991, to the workers' compensation court of appeals to provide additional staff and operations support to the court. The approved complement of the court is increased by seven.

Sec. 8. [EFFECTIVE DATE.]

This article is effective July 1, 1989.

ARTICLE 8
REGULATION OF INSURERS

Section 1. Minnesota Statutes 1988, section 79.58, is amended by adding a subdivision to read:

Subd. 3. [FLEX RATING.] (a) Whenever an insurer files a change in its existing rate level that is greater than 25 percent in a 12-month period, the commissioner may hold a hearing to determine if the rate is excessive. The hearing must be conducted as provided under chapter 14. The commissioner shall give notice of intent to hold a hearing within 60 days of the filing of the change. The commissioner of labor and industry may appear as an interested party at the hearing. At the hearing, the insurer has the responsibility of showing the rate is not excessive. The rate is effective unless it is determined as a result of the hearing that the rate is excessive. The disapproval of a rate under this subdivision must be done in the same manner as provided under section 70A.11.

(b) This subdivision applies only to changes resulting from an insurer's utilization of either (1) the pure premium base rate level filed by any data service organization plus the insurer's loading for expenses and profit, or (2) the insurer's own filed rate levels. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, benefit level changes, or other rates or rating plans utilized by an insurer.

Sec. 2. Minnesota Statutes 1988, section 176A.03, is amended by adding a subdivision to read:

Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue such coverage.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective October 1, 1989. Section 2 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating scope of coverage; regulating compensation benefits; regulating legal, rehabilitation, and medical benefits and vendors; charging administrative costs of the workers' compensation system to the state's general fund; regulating state claims; establishing a legal assistance pilot project program; regulating the workers' compensation court of appeals; regulating insurers; appropriating money; amending Minnesota Statutes 1988, sections 15A.083, subdivision 7; 79.58, by adding a subdivision; 175A.01; 175A.02; 175A.05; 175A.07, subdivision 2; 176.011, subdivision 18, and by adding a subdivision; 176.021, subdivision 3; 176.041, subdivision 4; 176.061, subdivision 10; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, and 11; 176.105, subdivision 1; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; 176.131, subdivisions 1, 1a, 2, 8, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.135, subdivision 5; 176.136, subdivisions 1 and 5; 176.179; 176.221, subdivision 6a; 176.541, subdivisions 1, 2, 3,

5, and 6; 176.551, subdivision 1; 176.571; 176.581; 176.591, subdivisions 1 and 3; 176.603; 176.611, subdivision 2; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; and 176A.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 176; repealing Minnesota Statutes 1988, sections 176.011, subdivision 26; 176.101, subdivisions 3a to 3u, and 6; 176.111, subdivision 8a; and 176.541, subdivision 7."

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

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

S.F. No. 912: A bill for an act relating to human service; establishing requirements for disclosure of data about communicable diseases; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.4187] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in sections 1 to 6, the terms defined in this section have the meanings given them.

Subd. 2. [DISCLOSURE.] "Disclosure" means the communication of sexually transmitted disease data in writing, orally, electronically, photographically, or by other means.

Subd. 3. [HEALTH CARE PROVIDER.] "Health care provider" means a person who provides health-related testing, treatment, diagnosis, or counseling to an individual.

Subd. 4. [INDIVIDUAL.] "Individual" means a natural person.

Subd. 5. [PERSON.] "Person" does not include a state agency, statewide system, political subdivision, or advisory board or commission that is subject to chapter 13.

Subd. 6. [SEXUALLY TRANSMITTED DISEASE.] "Sexually transmitted disease" means viral hepatitis, herpes simplex, chancroid, gonococcal infections, syphilis, human immunodeficiency virus type 1 and 2, granuloma inguinale, molluscum contagiosum, trichomoniasis, genital warts, and chlamydial infections, including lymphogranuloma venereum. "Sexually transmitted disease" also includes any newly identified disease the infectious agent of which passes in the exchange of bodily fluids through sexual penetration.

Subd. 7. [SEXUALLY TRANSMITTED DISEASE DATA.] "Sexually transmitted disease data" means medical or personal data on an individual from which the individual can be identified and that are collected for the purpose of professional testing, diagnosis, treatment, or counseling of the individual for a sexually transmitted disease with which the individual is infected or suspected of being infected. Sexually transmitted disease data include, but are not limited to, data obtained orally, in writing, and by physical examination. Sexually transmitted disease data do not include data created outside of Minnesota regarding an individual who is not a

Minnesota resident.

Sec. 2. [144.4188] [DISCLOSURE OF SEXUALLY TRANSMITTED DISEASE DATA PROHIBITED; EXCEPTIONS.]

Subdivision 1. [GENERAL PROHIBITION.] Except as provided in subdivision 2, 3, or 4, a person may not disclose or be compelled to disclose sexually transmitted disease data if the person obtained access to the data:

(i) for the purpose of professional testing, diagnosis, treatment, or counseling of an individual;

(ii) for the purpose of payment of, or determining eligibility for, insurance or health care benefits or coverage; or

(iii) while directly or indirectly involved in the process of carrying out a purpose for which disclosure is made under subdivision 2 or 3.

Subd. 2. [AUTHORIZED CONSENSUAL DISCLOSURE.] (a) A person may disclose sexually transmitted disease data with the informed consent of the individual who is the subject of the data.

(b) Informed consent is presumed valid if it:

(1) is in writing, dated, and signed by the subject of the data;

(2) specifies the data to be disclosed and the purpose for the disclosure;

(3) specifies the person who is authorized to make the disclosure and the person to whom the disclosure is to be made;

(4) specifies the period of time during which disclosures may be made under the consent and the procedures for withdrawal of the consent;

(5) informs the individual who is the subject of the data that the individual has the right to refuse consent and the consequences of doing so;

(6) describes the penalties and remedies for a violation of sections 1 to 6; and

(7) informs the individual who is the subject of the data that the data may not be disclosed except as authorized by the consent, unless otherwise permitted by law.

(c) An insurance company, health service plan corporation, or health maintenance organization is presumed to have secured consent from a policyholder of a health insurance contract or plan signed before the effective date of sections 1 to 6 if the policyholder is given a written notice containing the information required under paragraph (b), clauses (2) to (7), and is notified that consent to the disclosure specified in the notice will be presumed unless within 30 days the policyholder informs the company or organization in writing that the policyholder does not consent to the disclosure.

(d) Upon request, the person who obtains the informed consent shall explain or clarify the provisions of the consent to the individual who is the subject of the data.

(e) If the individual who is the subject of the data is unable to give consent, the parent, legal guardian, next of kin, or attorney-in-fact of the individual may give consent.

Subd. 3. [AUTHORIZED NONCONSENSUAL DISCLOSURE.] A person may disclose or be compelled to disclose sexually transmitted disease

data if the disclosure is made:

- (1) to the individual who is the subject of the data;*
- (2) to a health care provider who needs the data to protect the health or life of the individual or to diagnose, inform, counsel, or treat the individual regarding the individual's sexually transmitted disease;*
- (3) to a health care provider who needs the data to protect the health or life of others, or to a specific individual whose life or health is threatened, if an epidemiologically significant risk of transmission exists;*
- (4) to public health authorities as required or permitted by statute or rule;*
- (5) to a health care provider or designee who uses or handles or is reasonably expected to use or handle organs, blood, body fluids, or tissues donated or to be donated for the benefit of a third party by an individual who is the subject of sexually transmitted disease data;*
- (6) to individuals who have a need to know and are engaged in conducting health care audits, program evaluations, medical peer reviews, or similar evaluations;*
- (7) to employees of an insurance company or third party payor who have a need to know the data for the purpose of obtaining payment of, or determining eligibility for, insurance benefits or coverage;*
- (8) to a person allowed access to the data by a court order under section 3; or*
- (9) to the parent or legal guardian of a minor under section 144.346.*

Nothing in clause (7) eliminates an obligation an insurance company may have to obtain informed consent under this chapter or other law.

Subd. 4. [MEDICAL RECORD ENTRY.] An entry of sexually transmitted disease data by a health care provider as part of a patient's medical record maintained by or in the possession of the health care provider is not a disclosure.

Subd. 5. [ACCOMPANYING STATEMENT.] If disclosure is made under subdivision 2 or subdivision 3, clause (4), (6), (7), or (8), the disclosure must be accompanied by a statement in writing that includes the following or substantially similar language: "This information has been disclosed to you from records whose confidentiality is protected by state law. State law prohibits you from making any further disclosure of the data without the specific written consent of the person to whom the data pertains, except under specific circumstances authorized by law. A general authorization for the release of health care or other data is not sufficient consent. Unauthorized disclosure may subject you to liability in a civil action under Minnesota Statutes, section 144.4192."

Subd. 6. [RIGHT OF INQUIRY.] A person described in subdivision 1 who receives or discloses sexually transmitted disease data with respect to an individual must give the individual who is the subject of the data the following data upon request:

- (1) the dates on which the sexually transmitted disease data were received or disclosed and the time period for which the disclosures are valid;*
- (2) the sexually transmitted disease data disclosed or received;*

- (3) *the purpose of the disclosures;*
- (4) *the person who may make or has made the disclosures; and*
- (5) *the person or persons to whom the disclosures were made.*

Sec. 3. [144.4189] [COURT ORDER.]

Subdivision 1. [PROCEDURE.] In addition to the applicable rules of procedure, the following special provisions apply for seeking a court order for the release of sexually transmitted disease data under section 2, subdivision 3, clause (8).

(a) The court may not issue the order unless the court finds that the person seeking the sexually transmitted disease data has demonstrated, by clear and convincing evidence, a compelling need for the sexually transmitted disease data based on epidemiological evidence, that cannot be accommodated by other means. In assessing compelling need, the court shall weigh the need for disclosure against the privacy interest of the individual who is the subject of the sexually transmitted disease data and the public interest that may be harmed by disclosure.

(b) All court papers and proceedings pertaining to disclosure of sexually transmitted disease data must use a pseudonym for the true name of the subject of the sexually transmitted disease data. The disclosure to the parties of the subject's true name must be communicated confidentially, in documents not filed with the court.

(c) Before granting an order under this section, the court shall provide the individual who is the subject of the sexually transmitted disease data with notice and a reasonable opportunity to participate in the proceedings if the individual is not already a party, unless the individual cannot be located within a reasonable time.

(d) Court proceedings for disclosure of sexually transmitted disease data must be conducted in private unless the subject of the sexually transmitted disease data agrees to a hearing in open court or unless the court determines that a public hearing is necessary for the public interest and the proper administration of justice.

(e) Upon issuing an order to disclose sexually transmitted disease data, the court shall impose appropriate safeguards against unauthorized disclosure. The safeguards must specify the persons who have access to the data, the purposes for which the data may be used, and appropriate prohibitions on future disclosure.

Subd. 2. [HEALTH DATA.] This section may not be used to require the disclosure of health data as defined in section 13.38, including health data that are sexually transmitted disease data.

Sec. 4. [144.4190] [SUBSEQUENT DISCLOSURE.]

A person to whom sexually transmitted disease data have been disclosed according to, or in violation of, sections 1 to 6 may not disclose the sexually transmitted disease data except as authorized by sections 1 to 6.

Sec. 5. [144.9191] [DEPARTMENT OF HEALTH ACTIVITIES NOT AFFECTED.]

Sections 1 to 6 do not affect, impede, interfere with, or prevent:

- (1) the disclosure by any person of sexually transmitted disease data to*

the department of health or local boards of health; or

(2) the collection, maintenance, or disclosure by the department of health of health data as defined in section 13.38, including health data that are sexually transmitted disease data.

Sec. 6. [144.4192] [CIVIL ACTIONS; DAMAGES.]

Subdivision 1. [CIVIL REMEDIES.] A person who violates any provision of sections 1 to 6 is liable to an individual who suffers damage as a result of the violation. An action may be brought by the individual damaged, or the personal representative in the case of a decedent. The court may award damages, plus costs and reasonable attorney fees. In the case of a willful violation, the court may award punitive damages of not less than \$100 nor more than \$10,000 for each violation.

Subd. 2. [REMEDIES NOT EXCLUSIVE.] Sections 1 to 6 do not limit the right of an individual who is the subject of sexually transmitted disease data to recover damages or other relief under any other applicable law.

Subd. 3. [IMMUNITY IN CERTAIN CASES.] A licensed health professional who discloses sexually transmitted disease data to a health care provider or a specific individual in accordance with section 2, subdivision 3, clause (3), who knows or has reason to believe that an epidemiologically significant risk of transmission exists, and who makes the disclosure in good faith, is immune from liability for making the disclosure.

Subd. 4. [NO DUTY TO DISCLOSE.] Provisions of sections 1 to 6 that authorize disclosure do not impose a duty on a person to disclose."

Amend the title as follows:

Page 1, line 3, delete "communicable" and insert "sexually transmitted"

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

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

S.F. No. 573: A bill for an act relating to marriage dissolution; including the primary caretaker standard as a factor to be considered in custody decisions; providing that the court may not use one factor as controlling in determining custody; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve on-going visitation disputes; providing for visitation by persons who have resided with a child; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

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 257.022, is amended by adding a subdivision to read:

Subd. 2b. [WHEN CHILD HAS RESIDED WITH OTHER PERSON.] If an unmarried minor has resided in a household with a person, other than a foster parent, for two years or more and no longer resides with the

person, the person may petition the district court for an order granting the person reasonable visitation rights to the child during the child's minority. The court shall grant the petition if it finds that:

- (1) visitation rights would be in the best interests of the child;*
- (2) the petitioner and child had established emotional ties creating a parent and child relationship; and*
- (3) visitation rights would not interfere with the relationship between the custodial parent and the child.*

The court shall consider the reasonable preference of the child, if the court considers the child to be of sufficient age to express a preference.

Sec. 2. Minnesota Statutes 1988, section 518.17, subdivision 1, is amended to read:

Subdivision 1. [THE BEST INTERESTS OF THE CHILD.] (a) "The best interests of the child" means all relevant factors to be considered and evaluated by the court including:

- ~~(a)~~ (1) the wishes of the child's parent or parents as to custody;
- ~~(b)~~ (2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;
- ~~(c)~~ (3) the interaction and interrelationship of the child with a parent or parents, siblings, and any other person who may significantly affect the child's best interests;
- ~~(d)~~ (4) the child's adjustment to home, school, and community;
- ~~(e)~~ (5) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;
- ~~(f)~~ (6) the permanence, as a family unit, of the existing or proposed custodial home;
- ~~(g)~~ (7) the mental and physical health of all individuals involved;
- ~~(h)~~ (8) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture and religion or creed, if any;
- ~~(i)~~ (9) the child's cultural background; ~~and~~
- ~~(j)~~ (10) the effect on the child of the actions of an abuser, if related to domestic abuse, as defined in section 518B.01, that has occurred between the parents; *and*
- (11) *the child's primary caretaker.*

The court may not use one factor as controlling in determining custody.

(b) The court shall not consider conduct of a proposed custodian that does not affect the custodian's relationship to the child.

Sec. 3. Minnesota Statutes 1988, section 518.17, subdivision 2, is amended to read:

Subd. 2. [FACTORS WHEN JOINT CUSTODY IS SOUGHT.] In addition to the factors listed in subdivision 1, where either joint legal or joint physical custody is contemplated or sought, the court shall consider the following relevant factors:

(a) The ability of parents to cooperate in the rearing of their children;

(b) Methods for resolving disputes regarding any major decision concerning the life of the child, and the parents' willingness to use those methods; ~~and~~

(c) Whether it would be detrimental to the child if one parent were to have sole authority over the child's upbringing; *and*

(d) *Whether domestic abuse, as defined in section 518B.01, has occurred between the parents.*

The court shall use a rebuttable presumption that upon request of either or both parties, joint legal custody is in the best interests of the child.

Sec. 4. Minnesota Statutes 1988, section 518.175, subdivision 1, is amended to read:

Subdivision 1. In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of ~~the noncustodial~~ *either parent*, grant such rights of visitation *on behalf of the child and noncustodial parent* as will enable the child and the non-custodial parent to maintain a child to parent relationship that will be in the best interests of the child. If the court finds, after a hearing, that visitation is likely to endanger the child's physical or emotional health or impair the child's emotional development, the court ~~may~~ *shall* restrict visitation by the noncustodial parent as to time, place, duration, or supervision and may deny visitation entirely, as the circumstances warrant. The court shall consider the age of the child and the child's relationship with the noncustodial parent prior to the commencement of the proceeding. A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of visitation.

Sec. 5. Minnesota Statutes 1988, section 518.175, subdivision 5, is amended to read:

Subd. 5. The court ~~may~~ *shall* modify an order granting or denying visitation rights whenever modification would serve the best interests of the child, but the court shall not restrict a ~~parent's~~ visitation rights unless it finds that:

(1) the visitation is likely to endanger the child's physical or emotional health or impair the child's emotional development; *or*

(2) *the noncustodial parent has chronically and unreasonably failed to comply with court-ordered visitation.*

If the custodial parent makes specific allegations that visitation places the custodial parent in danger of harm, the court shall hold a hearing at the earliest possible time to determine the need to modify the order granting visitation rights. The court may require a third party, including the county welfare board, to supervise the visitation or may restrict a parent's visitation rights if necessary to protect the custodial parent from harm.

Sec. 6. [518.1751] [VISITATION DISPUTE RESOLUTION.]

Subdivision 1. [VISITATION EXPEDITOR.] (a) Upon agreement of all parties, the court may appoint a visitation expeditor to resolve visitation disputes that occur under a visitation order while a matter is pending under this chapter, chapter 257 or 518A, or after a decree is entered.

(b) For purposes of this section, "visitation dispute" means a disagreement among parties about visitation with a child. "Visitation dispute" includes a claim by a custodial parent that a noncustodial parent is not visiting a child as well as a claim by a noncustodial parent that a custodial parent is denying or interfering with visitation.

Subd. 2. [APPOINTMENT; COSTS.] The court shall appoint the visitation expeditor. If the parties cannot agree on a visitation expeditor, the court shall present a list of candidates with one more candidate than there are parties to the dispute. Each party shall strike one name and the court shall appoint the remaining individual as the visitation expeditor. In its order appointing the visitation expeditor, the court shall apportion the costs of the visitation expeditor among the parties, with each party bearing the portion of costs that the court determines is just and equitable under the circumstances.

Subd. 3. [AGREEMENT OR DECISION.] (a) The visitation expeditor shall meet with the parties within five days after appointment and make a diligent effort to facilitate an agreement to resolve the visitation dispute.

(b) If the parties do not reach an agreement, the expeditor shall make a decision resolving the dispute as soon as possible. If a party does not comply with an agreement of the parties or a decision of the expeditor, any party may bring a motion with the court to resolve the dispute. The court may consider the agreement of the parties or the decision of the expeditor, but neither is binding on the court.

Subd. 4. [OTHER AGREEMENTS.] This section does not preclude the parties from voluntarily agreeing to submit their visitation dispute to a neutral third party.

Sec. 7. Minnesota Statutes 1988, section 518.552, is amended by adding a subdivision to read:

Subd. 5. [PRIVATE AGREEMENTS.] Subject to the court's approval, the parties may expressly preclude or limit modification of maintenance through a stipulation. The stipulation must be supported by consideration, following full disclosure of each party's financial circumstances, and must be made a part of a judgment and decree.

Sec. 8. Minnesota Statutes 1988, section 518.58, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Upon a dissolution of a marriage, an annulment, or in a proceeding for disposition of property following a dissolution of marriage by a court which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to dispose of the property and which has since acquired jurisdiction, the court shall make a just and equitable division of the marital property of the parties without regard to marital misconduct, after making findings regarding the division of the property. The court shall base its findings on all relevant factors including the length of the marriage, any prior marriage of a party, the age, health, station, occupation, amount and sources of income, vocational skills, employability, estate, liabilities, needs, opportunity for future acquisition of capital assets, and income of each party. The court shall also consider the contribution of each in the acquisition, preservation, depreciation or appreciation in the amount or value of the marital property, as well as the contribution of a spouse as a homemaker. It shall be conclusively presumed that each spouse made a substantial contribution to the acquisition of income and property while

they were living together as husband and wife. The court may also award to either spouse the household goods and furniture of the parties, whether or not acquired during the marriage. The court shall value marital assets for purposes of division between the parties as of the day of the ~~proceeding for dissolution or annulment is commenced~~ *initially scheduled prehearing settlement conference*, unless a different date is agreed upon by the parties, or unless the court ~~finds~~ *determines* that the parties ~~subsequently made a good faith reconciliation~~; in which case the court may establish the valuation date as of the date the reconciliation ended. Within 60 days after a proceeding for dissolution or annulment is commenced, unless the time is extended either by agreement of the parties or by order of the court for good cause shown, each party shall serve and file a verified statement identifying all assets, marital and nonmarital, the values of the assets and the basis for the values, and disclosing all liabilities of the parties *another date of valuation is fair and equitable*. If there is a substantial change in value of an asset between the date of valuation and the final distribution, the court may adjust the valuation of that asset as necessary to effect an equitable distribution. During the pendency of a marriage dissolution or annulment proceeding, each party owes a fiduciary duty to the other for any profit or loss derived by the party, without consent of the other, from a transaction or from any use by the party of the marital assets.

Sec. 9. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to marriage dissolution; including the primary caretaker standard as a factor to be considered in custody decisions; providing that the court may not use one factor as controlling in determining custody; requiring courts to consider the existence of domestic abuse in determining whether to award joint custody; providing for the appointment of visitation expeditors to resolve on-going visitation disputes; providing for visitation by persons who have resided with a child; providing that either parent may request visitation rights on behalf of the child; requiring the court to restrict or modify visitation under certain circumstances; permitting agreements about modification of maintenance; modifying provisions dealing with the evaluation of marital property; amending Minnesota Statutes 1988, sections 257.022, by adding a subdivision; 518.17, subdivisions 1 and 2; 518.175, subdivisions 1 and 5; 518.552, by adding a subdivision; and 518.58, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 518."

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

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

S.F. No. 590: A bill for an act relating to veterans; requiring a presentence investigation report on a convicted veteran to include information on whether the veteran is suffering from a posttraumatic stress disorder; requiring the chief executive officers of correctional facilities to provide veteran inmates suffering from posttraumatic stress disorders with appropriate medical care; amending Minnesota Statutes 1988, sections 241.06; and 609.115, 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. [243.251] [POSTTRAUMATIC STRESS DISORDER.]

(a) "Veteran" means a person who served in the United States armed forces in a combat zone. "Civilian medical staff" means a nurse or other person with medical training who provided medical care and assistance in a combat zone to members of the United States armed forces.

(b) When an inmate who is a veteran or served as a civilian medical staff person is confined in an adult correctional institution under the control of the commissioner of corrections, the chief executive officer shall require the director of inmate classification to determine if the inmate's military duty or civilian medical service was unusually stressful. If the director determines that the inmate's military duty or civilian medical service was unusually stressful, the director shall consider that fact in developing a corrections plan for the inmate."

Delete the title and insert:

"A bill for an act relating to veterans; requiring corrections officials to consider the fact that a veteran inmate suffers from posttraumatic stress disorder in the preparation of the inmate's corrections plan; proposing coding for new law in Minnesota Statutes, chapter 243."

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

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

S.F. No. 993: A bill for an act relating to human services; endorsing the store-to-door grocery delivery program for elderly and disabled citizens; appropriating money for a grant to expand the program.

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon.

S.F. No. 272: A bill for an act relating to veterans; requiring the department of administration to consider sites in other areas of northwestern Minnesota in addition to Fergus Falls for establishment of a veterans home; amending Laws 1988, chapter 689, article 1, section 2, subdivision 5.

Reports the same back with the recommendation that the report from the Committee on Veterans and Military Affairs, shown in the Journal for April 12, 1989, be amended to read:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on Health and Human Services". Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon.

S.F. No. 1373: 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.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for April 10, 1989, be amended to read:

“the bill do pass”. Report adopted.

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

S.F. No. 262: A bill for an act relating to protection of groundwater; protecting sensitive areas; promoting and requiring certain best management practices; providing financial assistance for certain groundwater protection activities; authorizing local government groundwater and resource protection programs; establishing a legislative commission on water; providing for determination of water research needs; developing a water education curriculum; regulating wells, borings, and underground drillings and uses; regulating water conservation, water appropriations, and setting fees; establishing regulations, enforcing violations, and establishing civil and criminal penalties for violations relating to pesticide, fertilizer, soil amendment, and plant amendment manufacture, storage, sale, use, and misuse; providing a mechanism to aid cleanup and response to incidents relating to agricultural chemicals; providing a task force relating to sustainable agriculture; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18B.01, subdivisions 5, 12, 15, 19, 21, 26, 30, and by adding subdivisions; 18B.04; 18B.07, subdivisions 2, 3, 4, and 6; 18B.08, subdivisions 1, 3, and 4; 18B.26, subdivisions 1, 3, 5, and by adding a subdivision; 18B.31, subdivisions 3 and 5; 18B.32, subdivision 2; 18B.33, subdivisions 1, 3 and 7; 18B.34, subdivisions 1, 2 and 5; 18B.36, subdivisions 1 and 2; 18B.37, subdivisions 1, 2, 3, and 4; 40.42, by adding a subdivision; 40.43, subdivisions 2 and 6; 105.41, subdivisions 1, 1a, 1b, 5, and by adding a subdivision; 105.418; 110B.04, subdivision 6; 115B.20; 116C.41, subdivision 1; 144.381; 144.382, subdivision 1, and by adding a subdivision; and 473.877, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 17; 18B; and 144; proposing coding for new law as Minnesota Statutes, chapters 18C; 18D; 18E; 103A; 103B; 103H; and 103I; repealing Minnesota Statutes 1988, sections 17.711 to 17.73; 18A.49; 18B.15; 18B.16; 18B.18; 18B.19; 18B.20; 18B.21; 18B.22; 18B.23; 18B.25; 84.57 to 84.621; 105.51, subdivision 3; and 156A.01 to 156A.11.

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

Page 12, line 15, delete the comma

Page 12, delete line 16

Page 12, line 20, after “data” insert “*subject to the approval of the legislative coordinating commission under section 3.305*”

Page 124, line 23, after “action” insert a comma

Amend the title as follows:

Page 1, line 30, after "6;" insert "43A.08, subdivision 1;"

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

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

S.F. No. 1044: A bill for an act relating to insurance; requiring obligors to issue an insurance identification card; requiring a driver or owner to produce an insurance identification card, policy, or written statement; providing for administrative review; exempting certain vehicles; providing for the impoundment of registration plates; providing for a limited license in certain circumstances; defining terms; providing penalties; amending Minnesota Statutes 1988, sections 65B.67, subdivisions 2 and 4; 168.041, subdivisions 4, 4a, and by adding a subdivision; 169.09, subdivision 14; 171.29, subdivision 1; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.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. [65B.482] [DRIVER OR OWNER TO HAVE AN INSURANCE IDENTIFICATION CARD; DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 2 to 14, the terms defined in this section have the meanings given them.

Subd. 2. [INSURANCE IDENTIFICATION CARD.] "Insurance identification card" means a card issued by an obligor to an insured stating that security as required by section 65B.48 has been provided for the insured's vehicle. The card must also state:

- (1) the insured's name;*
- (2) the policy number;*
- (3) the policy dates of coverage;*
- (4) the make, model, and year of the vehicle being covered;*
- (5) the vehicle identification number or at least the last three digits of that number; and*
- (6) the name of the obligor providing coverage.*

Subd. 3. [WRITTEN STATEMENT.] "Written statement" means a notarized written statement by a licensed insurance agent in a form acceptable to the commissioner of public safety stating that security has been provided for the insured's vehicle and the dates of such coverage.

Subd. 4. [POLICY.] "Policy" means the formal written contract between the insured and the obligor detailing the coverage that has been provided for the insured's vehicle.

Sec. 2. [65B.483] [OBLIGOR TO ISSUE AN INSURANCE IDENTIFICATION CARD.]

Every obligor transacting business in this state shall provide at the time

of initiating each motor vehicle liability insurance policy and at the time of renewal, an insurance identification card stating:

- (1) the insured's name;*
- (2) the policy number;*
- (3) the policy dates of coverage;*
- (4) the make, model, and year of the vehicle being covered;*
- (5) the vehicle identification number or at least the last three digits of that number; and*
- (6) the name of the obligor providing coverage.*

When an insured has five or more vehicles registered in this state, the obligor may use the designation "all owned vehicles" on each identification card in lieu of a specified description.

Sec. 3. Minnesota Statutes 1988, section 65B.67, subdivision 2, is amended to read:

Subd. 2. [VIOLATION BY OWNER.] Any owner of a motor vehicle or motorcycle with respect to which security is required under sections 65B.41 to 65B.71 who operates the motor vehicle or motorcycle or permits it to be operated upon a public highway, street or road in this state and who knows or has reason to know that the motor vehicle or motorcycle does not have security complying with the terms of section 65B.48, is guilty of a misdemeanor and shall be sentenced as provided in subdivision 4. *A person who violates this subdivision within five years of a prior conviction under this section, or a statute or ordinance from another state in conformity therewith, is guilty of a gross misdemeanor.*

Sec. 4. Minnesota Statutes 1988, section 65B.67, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] Any operator of a motor vehicle or motorcycle who is convicted under the terms of this section, is guilty of a misdemeanor, and shall be sentenced as provided in section 609.03, clause (3). *A person who violates this section within five years of a prior conviction under this section, or a statute or ordinance from another state in conformity therewith, is guilty of a gross misdemeanor. The operator of a motor vehicle or motorcycle who violates subdivision 3 and who causes or contributes to causing a motor vehicle or motorcycle accident which results in the death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor.* Also, the operator's driver's license shall be revoked for not more than 12 months. If the operator is also an owner of the motor vehicle or motorcycle, the registration of the motor vehicle or motorcycle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48. The commissioner shall include a notice of the penalties contained in this section on all forms for registration of motor vehicles or motorcycles required to maintain a plan of reparation security.

Sec. 5. Minnesota Statutes 1988, section 168.041, is amended by adding a subdivision to read:

Subd. 1a. When an owner is convicted under section 169.791, the court shall require the registration plates of the motor vehicle or motorcycle involved in the violation owned by the person to be surrendered to the court for the longer of the following:

(1) the remainder of the period of revocation to be served under section 169.792, or

(2) until the owner obtains proof of insurance referred to in section 169.792, subdivision 10, satisfactory to the commissioner of public safety, indicating that insurance was in effect at the time of the officer's demand.

Sec. 6. Minnesota Statutes 1988, section 168.041, subdivision 4, is amended to read:

Subd. 4. If the court issues an impoundment order, the registration plates and certificates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court shall forward surrendered registration certificates to the registrar of motor vehicles within seven days after their surrender. The court may destroy the surrendered registration plates. Except as provided in subdivision 1a, 4a, 5, 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Sec. 7. Minnesota Statutes 1988, section 168.041, subdivision 4a, is amended to read:

Subd. 4a. [ADMINISTRATIVE REVIEW.] At any time during the effective period of an impoundment order, a person may request in writing a review of the impoundment order by the commissioner of public safety. Upon receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. The commissioner shall report in writing the results of the review within 15 days of receiving the request. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70. As a result of this review, the commissioner may authorize the issuance at no cost of new registration plates and a registration certificate to the owner of the vehicle if the owner's driver's license or driving privileges were not revoked under section 169.121 or 169.123 and the owner was not a passenger in the vehicle at the time of the violation.

Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's license revocation under section 169.123, subdivision 5b, or section 169.792, subdivision 8.

Sec. 8. Minnesota Statutes 1988, section 169.09, subdivision 14, is amended to read:

Subd. 14. [PENALTIES.] (a) The driver of any vehicle who violates subdivision 1 or 6 and who caused the accident is punishable as follows:

(1) if the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than ten years, or to payment of a fine of not more than \$20,000, or both;

(2) if the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$10,000, or both; or

(3) if the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$5,000, or both.

(b) The driver of any vehicle who violates subdivision 1 or 6 and who did not cause the accident is punishable as follows:

(1) if the accident results in the death of any person, the driver is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$5,000, or both;

(2) if the accident results in great bodily harm to any person, as defined in section 609.02, subdivision 8, the driver is guilty of a felony and may be sentenced to imprisonment for not more than one year and one day, or to payment of a fine of not more than \$3,000, or both; or

(3) if the accident results in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, the driver may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$3,000, or both.

(c) The driver of any vehicle involved in an accident not resulting in substantial bodily harm or death who violates subdivision 1 or 6 may be sentenced to imprisonment for not more than one year, or to payment of a fine of not more than \$3,000, or both.

(d) ~~Any person who violates subdivision 3, clause (b) is guilty of a petty misdemeanor.~~

(e) Any person who violates subdivision 2, 3, ~~clause (a),~~ 4, 5, 7, 8, 10, 11, or 12 is guilty of a misdemeanor.

The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

Sec. 9. [169.791] [CRIMINAL PENALTY FOR FAILURE TO PRODUCE AN INSURANCE IDENTIFICATION CARD.]

Subdivision 1. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver shall have in immediate possession at all times when operating a motor vehicle or motorcycle an insurance identification card indicating that insurance covering the vehicle is in effect and shall produce it, upon demand of a peace officer. If the driver is unable to produce the required proof of insurance upon the demand of a peace officer, the driver shall, within ten days after the demand, produce an insurance identification card, as defined under section 65B.482, subdivision 2, or policy, as defined under section 65B.482, subdivision 4, previously issued to the owner for the vehicle that was being operated, or a written statement, as defined under section 65B.482, subdivision 3, stating that security had been provided for the vehicle that was being operated at the time of the demand, to the place stated in the notice provided by the officer. Any driver who fails to produce proof of insurance as required by

this section within ten days of the demand is guilty of a misdemeanor. The peace officer may mail the citation to the address given by the driver or to the address stated on the driver's license, and such service by mail is valid notwithstanding section 629.34. It is not a defense to service that a person failed to file a change of address with the post office or failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent any time after the ten-day period. A driver who is not the owner of the motor vehicle or motorcycle does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section.

Subd. 2. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.] *If the driver is not the owner of the vehicle and cannot obtain the required proof of insurance, then the driver shall, within ten days of the officer's demand, inform the officer of the name and address of the owner. Any driver under this subdivision who fails to inform the officer of the name and address of the owner within ten days of the officer's demand is guilty of a misdemeanor.*

Subd. 3. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] *The officer may send or provide a notice to the owner of the motor vehicle or motorcycle requiring the owner to produce the insurance identification card or policy for the vehicle that was being operated or a written statement stating that security had been provided for the vehicle that was being operated at the time of the demand. Within ten days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. Notice by mail is presumed to be received within three days after mailing. Any owner who fails to produce an insurance identification card, policy, or written statement as required by this section is guilty of a misdemeanor. The peace officer may mail the citation to the owner's address given by the driver or stated on the registration certificate of the vehicle. It is not a defense that a person failed to file a change of address with the post office or failed to notify the department of public safety of a change of name or address as required under section 171.11. The citation may be sent any time after the ten-day period.*

Subd. 4. [IMPOUNDMENT OF OWNER'S PLATES.] *Upon conviction of any owner, whether or not the driver, for failure to produce proof of insurance, the court shall require the registration plates of the motor vehicle involved in the violation owned by the person to be surrendered to the court as provided in this section.*

Subd. 5. [EXEMPTIONS.] *Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.*

Subd. 6. [PENALTY.] *Any violation of this section is a misdemeanor.*

Sec. 10. [169.792] [REVOCAION OF LICENSE FOR FAILURE TO PRODUCE AN INSURANCE IDENTIFICATION CARD.]

Subdivision 1. [IMPLIED CONSENT.] *Any driver of a motor vehicle or motorcycle and any owner of a motor vehicle or motorcycle consents, subject to the provisions of this section and section 169.791, to the requirement of having possession of proof of insurance, and to the revocation of*

the person's license if the driver or owner is unable to produce the required proof of insurance within ten days of an officer's demand. Any driver of a motor vehicle or motorcycle who is not the owner of the motor vehicle or motorcycle consents, subject to the provisions of this section and section 169.791, to providing the name and address of the owner to an officer.

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver of a motor vehicle or motorcycle shall, either immediately or within ten days after the demand of a peace officer, produce an insurance identification card, as defined under section 65B.482, subdivision 2, or policy, as defined under section 65B.482, subdivision 4, previously issued to the owner for the vehicle that was being operated, or a written statement, as defined under section 65B.482, subdivision 3, stating that security had been provided for the vehicle that was being operated at the time of the demand, to the place stated in the notice provided by the officer. A driver who is not the owner does not violate this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section.

Subd. 3. [REQUIREMENT FOR DRIVER WHO IS NOT THE OWNER.] If the driver is not the owner of the vehicle and cannot obtain the proof of insurance, then the driver shall within ten days of the officer's demand inform the officer of the name and address of the owner.

Subd. 4. [REQUIREMENT FOR OWNER WHO IS NOT THE DRIVER.] The officer may send or provide a notice to the owner requiring the owner to produce the insurance identification card or policy for the vehicle that was being operated or a written statement stating that security had been provided for the vehicle that was being operated at the time of the demand. Within ten days after receipt of the notice, the owner shall produce the required proof of insurance to the place stated in the notice received by the owner. Notice by mail is presumed to be received within three days after mailing. It is not a defense that a person failed to file a change of address with the post office or failed to notify the department of public safety of a change of name or address as required under section 171.11.

Subd. 5. [NOTICE OF REVOCATION.] When an insurance identification card is demanded and none is in possession, the officer shall give the driver written notice as provided herein. If the driver is not the owner and does not produce the required proof of insurance within ten days of the demand, the officer may send written notice to the owner of the vehicle. The department of public safety shall prescribe a form setting forth the written notice to be provided to the driver or owner. The notice shall specify the place to which the driver or owner must produce the insurance identification card, policy, or written statement. The notice shall also state:

(1) that Minnesota law requires every driver and owner to produce an insurance identification card, policy, or written statement indicating that the vehicle had insurance at the time of an officer's demand, within ten days of the demand;

(2) that if the driver fails to produce the information within ten days from the date of demand or if the owner fails to produce the information within ten days of receipt of the notice from the peace officer, the commissioner of public safety shall revoke the person's driver's license or permit to drive, or nonresident operating privileges. The revocation will be effective beginning ten days after the date of notification by the officer to the department of public safety. The person's driver's license or permit to drive,

or nonresident operating privileges, shall be revoked for the longer of: (i) not less than 30 days, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety;

(3) that any person who displays or causes another to display an insurance identification card, policy, or written statement, knowing that the insurance is not in force, is guilty of a misdemeanor; and

(4) that any person who alters or makes a fictitious identification card, policy, or written statement, or knowingly displays an altered or fictitious identification card, policy, or written statement, is guilty of a misdemeanor.

Subd. 6. [REPORT TO THE COMMISSIONER OF PUBLIC SAFETY.] If a driver fails to produce a valid insurance identification card, policy, or written statement within ten days of the demand, the officer shall report the failure to the commissioner of public safety and may send a written notice to the owner. If the owner fails to produce a valid insurance identification card, policy, or written statement within ten days of receipt of the notice, the officer shall report the failure to the commissioner of public safety.

Subd. 7. [LICENSE REVOCATION.] Upon receiving the notification under subdivision 6, the commissioner of public safety shall revoke the person's driver's license or permit to drive, or nonresident operating privileges. The revocation shall be effective beginning ten days after the date of notification by the officer to the department of public safety. The person's driver's license or permit to drive, or nonresident operating privileges, shall be revoked for the longer of: (i) not less than 30 days, or (ii) until the driver or owner files proof of insurance with the department of public safety satisfactory to the commissioner of public safety indicating that insurance was in effect at the time of the officer's demand.

Subd. 8. [ADMINISTRATIVE AND JUDICIAL REVIEW.] At any time during a period of revocation imposed under this section, a driver or owner may request in writing a review of the order of revocation by the commissioner of public safety. Upon receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request, the commissioner shall send the results of the review in writing to the person requesting the review. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.69.

The availability of administrative review for an order of revocation shall have no effect upon the availability of judicial review under section 171.19.

Subd. 9. [NOTICE OF ACTION TO OTHER STATES.] When it has been finally determined that a nonresident's operating privilege in this state has been revoked or denied, the commissioner of public safety shall give information in writing of the action taken to the official in charge of traffic control or public safety of the state of the person's residence and of any state in which the person has a license.

Subd. 10. [TERMINATION OF REVOCATION PERIOD.] Before reinstatement of a driver's license or permit to drive, or nonresident operating privileges, the driver or owner shall produce an insurance identification

card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance carrier to be noncancelable for a period not to exceed 12 months. The commissioner of public safety may also require an insurance identification card to be filed with respect to any and all vehicles required to be insured under section 65B.48 and owned by any person whose driving privileges have been revoked as provided in this section before reinstating the person's driver's license.

Subd. 11. [EXEMPTIONS.] Buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance pursuant to chapter 221, and school buses as defined in section 171.01, subdivision 21, are exempt from this section.

Sec. 11. [169.793] [UNLAWFUL ACTS.]

Subdivision 1. [ACTS.] It shall be unlawful for any person:

(1) to issue, to display, or to cause or permit to be displayed, or have in possession, an insurance identification card, policy, or written statement knowing or having reason to know that the insurance is not in force or is not in force as to the motor vehicle or motorcycle in question;

(2) to alter or make a fictitious insurance identification card, policy, or written statement; and

(3) to display an altered or fictitious insurance identification card, insurance policy, or written statement knowing or having reason to know that the proof has been altered or is fictitious.

Subd. 2. [PENALTY.] Any person who violates any of the provisions of subdivision 1 is guilty of a misdemeanor.

Sec. 12. [169.794] [APPLICATION OF OTHER LAW.]

The provisions of section 45.027 do not apply to license revocations under section 169.792.

Sec. 13. [169.795] [RULES.]

The commissioner of public safety shall adopt rules necessary to implement sections 1 to 15.

Sec. 14. [169.796] [VERIFICATION OF INSURANCE COVERAGE.]

An insurance company shall release information to the department of public safety or the law enforcement authorities necessary to the verification of insurance coverage. An insurance company or its agent acting on its behalf, or an authorized person who releases the above information, whether oral or written, acting in good faith, is immune from any liability, civil or criminal.

Sec. 15. Minnesota Statutes 1988, section 171.30, subdivision 1, is amended to read:

Subdivision 1. [ISSUANCE.] In any case where a person's license has been suspended under section 171.18 or revoked under section 169.121, 169.123, 169.792, or 171.17, the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency

treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a post-secondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

If the person's driver's license or permit to drive, or nonresident operating privileges, have been revoked under section 169.792, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

Sec. 16. [REPEALER.]

Minnesota Statutes 1988, section 65B.481, is repealed."

Amend the title as follows:

Page 1, line 13, delete everything before "and"

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

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

H.F. No. 611 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.
611	1014				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 611 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 611 and insert the language after the enacting clause of S.F. No. 1014, the first engrossment; further, delete the title of H.F. No. 611 and insert the title of S.F. No. 1014, the first engrossment.

And when so amended H.F. No. 611 will be identical to S.F. No. 1014, and further recommends that H.F. No. 611 be given its second reading and substituted for S.F. No. 1014, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 719 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.
719	1041				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 719 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 719 and insert the language after the enacting clause of S.F. No. 1041, the first engrossment; further, delete the title of H.F. No. 719 and insert the title of S.F. No. 1041, the first engrossment.

And when so amended H.F. No. 719 will be identical to S.F. No. 1041, and further recommends that H.F. No. 719 be given its second reading and substituted for S.F. No. 1041, 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. 187, 1031, 1237, 132, 1150, 912, 573, 590 and 1373 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 611 and 719 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Freeman moved that his name be stricken as chief author, shown as a co-author, and the name of Mr. Marty be added as chief author to S.F.

No. 548. The motion prevailed.

Mr. Cohen moved that his name be stricken as a co-author to S.F. No. 1123. The motion prevailed.

Mr. Novak moved that the names of Messrs. Marty and Vickerman be added as co-authors to S.F. No. 1248. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Beckman be added as a co-author to S.F. No. 1416. The motion prevailed.

Mr. Luther moved that the name of Mr. Pogemiller be added as a co-author to S.F. No. 1484. The motion prevailed.

Mr. Dahl moved that the name of Mr. Metzen be added as a co-author to S.F. No. 1499. The motion prevailed.

Mr. Morse moved that the name of Mr. Marty be added as a co-author to S.F. No. 1551. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Johnson, D.E. be added as a co-author to S.F. No. 1558. The motion prevailed.

Mr. Metzen moved that his name be stricken as a co-author to S.F. No. 1560. The motion prevailed.

Mr. Solon moved that the name of Mr. Benson be added as a co-author to S.F. No. 1560. The motion prevailed.

Mr. Novak moved that the name of Mr. Marty be added as a co-author to S.F. No. 1567. The motion prevailed.

Mr. Luther moved that the names of Messrs. Moe, R.D.; Solon; Chmielewski and Dahl be added as co-authors to S.F. No. 1573. The motion prevailed.

Mr. Diessner introduced—

Senate Resolution No. 104: A Senate resolution congratulating Aaron Nelson for his participation in the Dallas Cup X Soccer Tournament.

Referred to the Committee on Rules and Administration.

Mr. Diessner introduced—

Senate Resolution No. 105: A Senate resolution congratulating Don Gramenz for his participation in the Dallas Cup X Soccer Tournament.

Referred to the Committee on Rules and Administration.

Messrs. Laidig and Diessner introduced—

Senate Resolution No. 106: A Senate resolution congratulating the Stillwater High School Boys Basketball Team for their Third-place finish in the 1989 Class AA State High School Boys Basketball Tournament.

Referred to the Committee on Rules and Administration.

Messrs. Laidig and Diessner introduced—

Senate Resolution No. 107: A Senate resolution congratulating Daren Danielson of the Stillwater High School Boys Basketball Team for being named Most Valuable Player.

Referred to the Committee on Rules and Administration.

Messrs. Bertram and Pehler introduced—

Senate Resolution No. 108: A Senate resolution congratulating the Diocese of Saint Cloud on its centennial anniversary.

Referred to the Committee on Rules and Administration.

Mr. Frank moved that S.F. No. 163 be taken from the table. The motion prevailed.

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.

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Chmielewski in the chair.

After some time spent therein, the committee arose, and Mr. Chmielewski reported that the committee had considered the following:

S.F. Nos. 738, 827, 184, 787, 829, 986, 624, 321, 535, 1106, 1270, 119, 695, 1082 and H.F. No. 553, which the committee recommends to pass.

S.F. No. 235, which the committee reports progress, subject to the following motions:

Mr. Marty moved to amend S.F. No. 235 as follows:

Page 9, line 6, delete "50" and insert "40"

The motion prevailed. So the amendment was adopted.

Mr. Novak moved to amend S.F. No. 235 as follows:

Page 10, after line 17, insert:

"Sec. 3. [APPLICABILITY.]

Sections 1, 2, and 4 shall not apply to any state-licensed residential facility licensed before January 1, 1989, or to any nonlicensed supportive independent living facility in operation on or before January 1, 1989."

Page 10, line 18, delete "3" and insert "4"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	McGowan	Renneke
Belanger	Diessner	Knaak	McQuaid	Samuelson
Berg	Frank	Knutson	Mehrkens	Stumpf
Bertram	Frederick	Laidig	Metzen	Taylor
Brataas	Frederickson, D.J.	Langseth	Novak	
Cohen	Frederickson, D.R.	Larson	Olson	
Dahl	Gustafson	Lessard	Pariseau	
Decker	Johnson, D.E.	Luther	Ramstad	

Those who voted in the negative were:

Beckman	Davis	Merriam	Piper	Storm
Benson	Dicklich	Moe, D.M.	Pogemiller	Vickerman
Berglin	Freeman	Moe, R.D.	Reichgott	Waldorf
Bernhagen	Kroening	Morse	Schmitz	
Brandl	Lantry	Pehler	Solon	
Chmielewski	Marty	Peterson, D.C.	Spear	

The motion prevailed. So the amendment was adopted.

S.F. No. 235 was then progressed.

S.F. No. 665, which the committee recommends to pass with the following amendments offered by Messrs. Diessner and Knaak:

Mr. Diessner moved to amend S.F. No. 665 as follows:

Page 1, line 15, before "When" insert "(a)"

Page 1, lines 21 to 28, delete the new language

Page 2, after line 5, insert:

"(b) The owner of a motor vehicle may apply for and secure a set of special plates for a motor vehicle if:

(1) the owner employs a permanently physically handicapped person who would qualify for special plates under this section; and

(2) the owner furnishes the motor vehicle to the physically handicapped person for the exclusive use of that person in the course of employment."

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 665 as follows:

Page 2, line 26, delete everything after "may" and insert "waive the requirement of providing a"

Page 2, line 27, delete everything before "statement"

Page 2, lines 28 and 29, delete ":

(1)"

Page 2, line 31, delete the semicolon and insert a period

Page 2, delete lines 32 to 34

Amend the title as follows:

Page 1, line 6, delete "accept photograph instead" and insert "waive requirement"

The motion prevailed. So the amendment was adopted.

S.F. No. 851, which the committee recommends to pass with the following amendment offered by Mr. McGowan:

Page 3, line 17, before "169.129" insert "84.91, subdivision 1, paragraph (a), section" and after "169.129" insert ", section 361.12, subdivision 1."

Page 3, line 33, strike "previous" and insert "prior impaired driving" and strike "under this section"

The motion prevailed. So the amendment was adopted.

S.F. No. 1016, which the committee recommends to pass with the following amendment offered by Mr. Decker:

Page 1, line 24, delete "destruction" and insert "euthanasia or adoption as a pet"

Page 2, after line 9, insert:

"(f) Section 35.71 does not apply to an ordinance adopted under this section."

The motion prevailed. So the amendment was adopted.

S.F. No. 263, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.J.:

Page 1, after line 5, insert:

"Section 1. [116.38] [LOCAL APPROVAL FOR BURNING OF PCBs.]

Subdivision 1. [LOCAL APPROVAL REQUIRED.] Except as provided in subdivision 2, a person may not dispose of PCBs by burning unless the town or home rule charter or statutory city where the burning facility is located approves the burning by referendum.

Subd. 2. [EXEMPTION.] Notwithstanding subdivision 1, a person may burn small quantities of PCBs as determined by the agency by rule."

Page 1, line 7, delete "sections 116.36 and" and insert "section" and delete "are" and insert "is"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "proposing coding for new law in Minnesota Statutes, chapter 116;" and delete "sections" and insert "section 116.37."

Page 1, delete line 4

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 15, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Knutson	Peterson, D.C.	Solon
Belanger	Dicklich	Kroening	Peterson, R.W.	Spear
Benson	Frederick	Langseth	Piper	Storm
Berglin	Frederickson, D.J.	Larson	Pogemiller	Stumpf
Bernhagen	Freeman	Luther	Ramstad	Vickerman
Bertram	Gustafson	McGowan	Reichgott	
Chmielewski	Johnson, D.E.	Metzen	Renneke	
Davis	Johnson, D.J.	Moe, R.D.	Samuelson	
Decker	Knaak	Morse	Schmitz	

Those who voted in the negative were:

Brandl	Diessner	Laidig	McQuaid	Olson
Brataas	Frank	Lantry	Mehrkens	Pariseau
Dahl	Frederickson, D.R.	Marty	Merriam	Taylor

The motion prevailed. So the amendment was adopted.

S.F. No. 280, which the committee recommends to pass with the following amendment offered by Mr. Benson:

Page 1, line 10, delete "*a person may*" and insert "*a county board may authorize persons hunting fox to*"

The motion prevailed. So the amendment was adopted.

S.F. No. 109, which the committee reports progress, subject to the following motions:

Mr. Knaak moved to amend S.F. No. 109 as follows:

Pages 1 and 2, delete section 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "sections 177.32, subdivision 1; and" and insert "section"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend S.F. No. 109 as follows:

Page 2, delete section 3

Amend the title as follows:

Page 1, line 4, delete "sections" and insert "section" and delete "and 177.33;"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend S.F. No. 109 as follows:

Page 1, line 8, delete "*must*" and insert "*may*"

Page 1, line 9, delete "*six*" and insert "*eight*"

Mr. Peterson, R.W. requested division of the amendment as follows:

First portion:

Page 1, line 8, delete "*must*" and insert "*may*"

Second portion:

Page 1, line 9, delete "*six*" and insert "*eight*"

The question was taken on the adoption of the first portion of the amendment. The motion did not prevail. So the first portion of the amendment was not adopted.

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

S.F. No. 109 was then progressed.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. 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. Davis from the Committee on Agriculture and Rural Development, to which was referred

S.F No. 1223: A bill for an act relating to agriculture; changing the dairy industry checkoff rate; amending Minnesota Statutes 1988, section 17.59, 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 17.59, is amended by adding a subdivision to read:

Subdivision 1a. [DAIRY INDUSTRY CHECKOFF RATE.] (a) Notwithstanding subdivision 1, the Minnesota dairy research and promotion order, or any provision to the contrary in this chapter or rules adopted under this chapter, the checkoff rate applicable to the dairy research and promotion council must be equal to the maximum credit allowed under the Dairy Promotion and Research Order, adopted under the Dairy Production Stabilization Act of 1983, United States Code, title 7, sections 4501 to 4538, for producers participating in a qualified state or regional dairy product promotion or nutrition education program. The checkoff rate provided in this subdivision is effective and must be automatically adjusted without amendment to the Minnesota dairy research and promotion order.

(b) Subdivision 1 applies for the establishment of the checkoff rate applicable to the dairy research and promotion council if:

(1) the Dairy Production Stabilization Act of 1983 is repealed;

(2) the Dairy Promotion and Research Order is suspended or terminated, in which case subdivision 1 applies only during the period of suspension or termination; or

(3) the federal credit for participation in a qualified state or regional dairy product or nutrition education program is eliminated.

Sec. 2. Laws 1988, chapter 688, article 3, section 1, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The Minnesota dairy task force shall by June 1, 1989 1990:

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

(2) establish a mechanism to disseminate gathered information to dairy

farmers in a practical form;

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

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

(5) study alternatives for component pricing of milk;

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

(7) examine available data on patterns and relationships between changes in the purchase price of raw milk from dairy farmers and changes in the retail price of dairy products purchased by the consumer.

Sec. 3. Laws 1988, chapter 688, article 3, section 2, is amended to read:

Sec. 2. [REPORT.]

The Minnesota dairy task force shall prepare and submit an interim report on its activities, accomplishments, and recommendations to the committees on agriculture of the senate and house of representatives by February 1, ~~1989~~ 1990.

Sec. 4. Laws 1988, chapter 688, article 3, section 3, is amended to read:

Sec. 3. [REPEALER.]

Section 1 is repealed effective June 30, ~~1990~~ 1991.

Sec. 5. [APPROPRIATION.]

\$30,000 is appropriated from the dairy unfair trade practices account to the commissioner of agriculture to be available until June 30, 1991, to be matched on a one-to-one basis by money from private sources to pay for the expenses of the Minnesota dairy task force and pilot projects under Laws 1988, chapter 688, article 3, section 1."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "extending the Minnesota dairy task force; appropriating money;"

Page 1, line 4, before the period, insert "; and Laws 1988, chapter 688, article 3, sections 1, subdivision 3; 2; and 3"

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

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

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.

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

Delete everything after the enacting clause and insert:

“Section 1. [17.231] [NATIVE GRASSES AND WILDFLOWER SEED PRODUCTION INCENTIVE LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall establish a seed production incentive loan program to provide loans that enable farmers to begin or expand efforts to develop and produce new, local-origin, native grass and wildflower seed varieties.

(b) The commissioner shall designate southwest, southeast, east central, northwest, and northeast regions covering the entire state. The commissioner shall design the loan program to produce ten local variety grass species and 40 local variety wildflower species for each region. The commissioner shall develop the program to produce 100 acres of grass seed production and ten acres of wildflower seed production in each region.

Subd. 2. [LOAN CRITERIA.] (a) The loan program must provide loans for operating and capital costs related to the development and production of native grass and wildflower seeds during the research and development phase.

(b) Loans may not exceed \$225 per acre per year of native grass and wildflower seed for each person or entity applying for a loan over an expected average development period of five years. Subject to subdivision 1, the loan repayment period may not exceed eight years. Repayment of the loan is to be made at six percent per annum above the original loan amount.

(c) Loans may only be made to residents of this state.

Subd. 3. [AWARDING OF LOANS.] (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The panel shall be chaired by the commissioner or the commissioner's designee. The loan review panel must consist of two lenders with agricultural experience, a representative from the department of transportation and a representative from the department of natural resources who possess expert knowledge in native plants and grasses, and a farm management specialist.

(c) The loan review panel shall rank applications according to the following criteria:

(1) evidence of a viable business plan;

(2) demonstrated knowledge of the ecology of native grasses and wildflowers and the development, production, and management of them;

(3) evidence that the land intended for seed production is capable of the production; and

(4) the appropriateness to the locality of the seeds to be produced and their appropriateness to regional and state production needs.

(d) The commissioner shall consider the recommendations of the loan review panel and may make loans for eligible projects. Priority must be given based on local origin appropriateness and appropriateness to regional and state production needs.

Subd. 4. [ADMINISTRATION; INFORMATION DISSEMINATION.] (a)

A seed loan account is established in the state treasury. The amount in the seed loan account is appropriated to the commissioner to make loans under this section and administer the loan program. Loans are to be made on forms prescribed by the commissioner. The interest on the money in the seed loan account may be used by the commissioner for administrative expenses.

(b) The seed produced is intended to be used to fulfill state agency needs for seeds and the purchase shall be arranged on a contract basis with state agencies in each biennium that program seed is available. The commissioner shall collect and disseminate information relating to projects for which loans are given under this section and report to the standing legislative committees on agriculture by February 1 of each year.

Sec. 2. [REACTIVATION OF THE AGRICULTURAL DATA COLLECTION TASK FORCE.]

The agricultural data collection task force created by Laws 1985, chapter 19, as reactivated and amended by Laws 1986, chapter 398, article 11, and Laws 1987, chapter 396, article 5, is reactivated.

Sec. 3. Laws 1985, chapter 19, section 2, subdivision 2, as amended by Laws 1986, chapter 398, article 11, section 2, and Laws 1987, chapter 396, article 5, section 2, is amended to read:

Subd. 2. [DUTIES.] The duties of the *agricultural data collection task force* are to:

(1) continue the uniform procedure for collecting data on the financial status of agriculture in Minnesota;

(2) report the results of the program to the legislature no later than December 31 of each fiscal year the *agricultural data collection task force* is funded.

Sec. 4. Laws 1985, chapter 19, section 6, subdivision 6, as amended by Laws 1986, chapter 398, article 11, section 4, and Laws 1987, chapter 396, article 5, section 3, is amended to read:

Subd. 6. [EXPIRATION.] The *agricultural data collection task force* expires April 15, ~~1989~~ 1991, or 15 days after reporting to the legislature whichever date comes later, but in no circumstance later than June 1, ~~1989~~ 1991.

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. [MARKET OPPORTUNITY RESEARCH.] \$100,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, to expand the amount of information on the availability of foreign and domestic markets to producers and processors in the state including feasibility of markets for existing products, research for markets for new potential crops in the state, and analysis of existing market structure for state products.

The complement of the department of agriculture is increased by one position.

Subd. 2. [MARKETING INFORMATION AND DIRECT MARKETING ASSISTANCE FOR AGRICULTURAL PRODUCTS.] *\$200,000 is appropriated from the general fund to the commissioner of agriculture to be*

available until June 30, 1991. The commissioner must use the appropriation to assist producers in overcoming obstacles to direct marketing to both domestic and foreign markets, and to assist producers in organizing and marketing through producer organizations, such as producer and marketing cooperatives.

The complement of the department of agriculture is increased by two positions.

Subd. 3. [NATIVE GRASSES AND WILDFLOWER SEED PRODUCTION INCENTIVE LOAN PROGRAM.] \$100,000 is appropriated from the general fund to the seed loan account to be available until June 30, 1991, to be administered by the commissioner of agriculture for the seed production incentive loan program.

Subd. 4. [TECHNICAL INFORMATION ON NATIVE SEED PRODUCTION.] \$ is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, for development of technical information on native seed development.

Subd. 5. [BLUEGRASS RESEARCH AND EVALUATION.] \$70,000 is appropriated from the general fund to the University of Minnesota to be available until June 30, 1991, for bluegrass seed production research and seed and turf evaluation.

Subd. 6. [AGRICULTURAL CONTRACT TASK FORCE.] \$50,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1990, to provide support services for the agricultural contract task force under Laws 1988, chapter 688, article 13, section 1, to compile and analyze the laws of other states relating to agricultural contracting issues, coordinate production of a brochure for producers with information about agricultural contracting, and to prepare and submit a final report and recommendations to the legislature by January 1, 1991.

Subd. 7. [AGRICULTURAL DATA COLLECTION TASK FORCE.] \$30,000 is appropriated from the general fund to the legislative advisory commission to be available until June 30, 1991, to fund the activities of the agricultural data collection task force.

Subd. 8. [ORGANIC CERTIFICATION.] \$200,000 is appropriated from the general fund to the commissioner of agriculture to be available until June 30, 1991, for a grant to an organic certification organization to continue the certification program for organically grown seeds, products, and food as authorized in Minnesota Statutes, section 31.95."

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

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

S.F. No. 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.

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

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

S.F. No. 1251: A bill for an act relating to insurance; the Minnesota comprehensive health insurance plan; requiring reasonable cost controls that do not impair the quality or amount of services provided; requiring that the association develop new methods to enlist the participation of the enrollee in the control of health care costs; requiring the writing carrier to be liable for the direct and indirect expenses of administration; making technical changes; amending Minnesota Statutes 1988, sections 62D.181, subdivisions 4 and 8; 62E.02, subdivision 18; 62E.08, by adding a subdivision; 62E.09; 62E.10, subdivisions 1, 2, 3, 7, and 9; 62E.11, subdivisions 3, 4, 9, and 10; 62E.12; 62E.13, subdivisions 2, 3, and 5; and 62E.16; repealing Minnesota Statutes 1988, sections 62E.02, subdivisions 21, 22, and 23; 62E.035; 62E.08, subdivisions 1 and 2; 62E.11, subdivisions 5, 6, and 7; and 62E.13, subdivision 7.

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 62E.08, subdivision 1, is amended to read:

Subdivision 1. The association shall establish the following ~~maximum~~ premiums to be charged for membership in the comprehensive health insurance plan:

(a) The premium for the number one qualified plan ~~shall be up to a maximum of~~ is 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number one individual qualified plan of insurance in force in Minnesota;

(b) The premium for the number two qualified plan ~~shall be up to a maximum of~~ is 125 percent of the average of rates charged by the five insurers with the largest number of individuals in a number two individual qualified plan of insurance in force in Minnesota;

(c) The premium for a qualified medicare supplement plan ~~shall be up to a maximum of~~ is 125 percent of the average of rates charged by the five insurers with the largest number of individuals enrolled in a qualified medicare supplement plan; and

(d) The charge for health maintenance organization coverage shall be based on generally accepted actuarial principles.

The five insurers whose rates are used to establish the premium for each type of coverage offered by the association shall be determined by the commissioner on the basis of information provided by all insurers annually at the commissioner's request, concerning the number of individual qualified plans and qualified medicare supplement plans or actuarially equivalent plans offered by the insurer and rates charged by the insurer for each type of plan offered by the insurer. In determining the insurers whose rates shall be used in establishing the premium, the commissioner shall utilize generally accepted actuarial principles and structurally compatible rates. Subject to this subdivision, the commissioner shall include any insurer operating pursuant to chapter 62C in establishing the premium. In establishing premiums pursuant to this section, the association shall utilize generally accepted actuarial principles, provided that the association shall not discriminate in charging premiums based upon sex.

Sec. 2. Minnesota Statutes 1988, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; DUTIES; TAX EXEMPTION.] (a) There is established a comprehensive health association.

(b) *The comprehensive health association shall:*

(1) *oversee the operation and management of the state plan;*

(2) *ensure that costs associated with the delivery of health care services to persons covered under the state plan, including both the costs of claims and the direct and indirect expenses of administration, and the costs arising out of the association's performance of its functions and obligations, are effectively and responsibly controlled;*

(3) *establish, through innovative cost and quality control programs including programs providing for the use of health care outcomes and other data in the choice and regulation of health care services, mechanisms to ensure that cost controls do not have a significant negative impact on the access to services or the quality or effectiveness of health care services actually provided to enrollees; and*

(4) ~~to~~ *promote the public health and welfare of the state of Minnesota with.*

(c) *The membership consisting of all the comprehensive health association consists of insurers, self-insurers, fraternal, and health maintenance organizations licensed or authorized to do business in this state.*

(d) *The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.*

Sec. 3. Minnesota Statutes 1988, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] (a) *The board of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner. Public members may include licensed insurance agents. Each of the five insurer directors shall have experience in one or more of the following:*

(1) *the management of costs associated with the delivery of health care services, including both the costs of claims and the direct and indirect expenses of administering a health care delivery system;*

(2) *the management of health care information systems, specifically including systems designed for the collection, synthesis, and use of health outcomes data in decisions affecting the delivery of health care services and the control of costs associated with such services; or*

(3) *the management of health care quality assurance systems and programs.*

(b) *The term of members of the board of directors is three years, and shall be staggered so that the terms of no more than three directors expire in any one year. No director shall serve more than two terms, in succession or otherwise.*

(c) *In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted*

vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner.

(d) In approving directors of the board, the commissioner shall consider, among other things, *whether the requirements in paragraph (a) have been satisfied, and whether all types of members are fairly represented.* Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 4. Minnesota Statutes 1988, section 62E.10, subdivision 2a, is amended to read:

Subd. 2a. [APPEALS.] A person may appeal to the commissioner within 30 days after notice of an action, ruling, or decision by the board. *If the dispute relates to the rights and benefits of coverage available under the plan, the person must first exhaust the writing carrier's internal grievance process before appealing to the commissioner, unless exhaustion of the internal grievance process may delay the provision of medical care necessary to sustain life or to avoid substantial injury to the insured. If the internal grievance process is not concluded within 45 days after it is commenced, the person may appeal to the commissioner before the internal process has been exhausted.* A final action or order of the commissioner under this subdivision is subject to judicial review in the manner provided by chapter 14. In lieu of the appeal to the commissioner, a person may seek judicial review of the board's action.

Sec. 5. Minnesota Statutes 1988, section 62E.10, subdivision 7, is amended to read:

Subd. 7. [GENERAL POWERS.] The association may:

(a) Exercise the powers granted to insurers under the laws of this state;

(b) Sue or be sued;

(c) Enter into contracts with insurers, similar associations in other states or with other persons for the performance of administrative functions including the functions provided for in clauses (e) and (f);

(d) Establish administrative and accounting procedures for the operation of the association;

(e) Provide for the reinsuring of risks incurred as a result of issuing the coverages required by sections 62E.04 and 62E.16 by members of the association. Each member which elects to reinsure its required risks shall determine the categories of coverage it elects to reinsure in the association. The categories of coverage are:

(1) Individual qualified plans, excluding group conversions;

(2) Group conversions;

(3) Group qualified plans with fewer than 50 employees or members;
and

(4) Major medical coverage.

A separate election may be made for each category of coverage. If a member elects to reinsure the risks of a category of coverage, it must reinsure the risk of the coverage of every life covered under every policy issued in that category. A member electing to reinsure risks of a category of coverage shall enter into a contract with the association establishing a reinsurance plan for the risks. This contract may include provision for the pooling of members' risks reinsured through the association and it may provide for assessment of each member reinsuring risks for losses and operating and administrative expenses incurred, or estimated to be incurred in the operation of the reinsurance plan. This reinsurance plan shall be approved by the commissioner before it is effective. Members electing to administer the risks which are reinsured in the association shall comply with the benefit determination guidelines and accounting procedures established by the association. The fee charged by the association for the reinsurance of risks shall not be less than 110 percent of the total anticipated expenses incurred by the association for the reinsurance; ~~and~~

(f) Provide for the administration by the association of policies which are reinsured pursuant to clause (e). Each member electing to reinsure one or more categories of coverage in the association may elect to have the association administer the categories of coverage on the member's behalf. If a member elects to have the association administer the categories of coverage, it must do so for every life covered under every policy issued in that category. The fee for the administration shall not be less than 110 percent of the total anticipated expenses incurred by the association for the administration;

(g) Establish a fee schedule for payments for services covered by the comprehensive health insurance plan. The fee schedule must be designed to reduce the amount paid for services rendered under the plan without substantially reducing the access to services or quality of services. As a condition of receiving a payment for services covered by the plan, a provider must agree not to charge to or collect from the enrollee any amount in excess of the fee schedule payment for a service. A provider who accepts a payment from the writing carrier is deemed to have agreed to this condition;

(h) Provide for the assignment of benefits on the terms and subject to the conditions the association determines are appropriate; and

(i) Provide for the development of new methods to allow the enrollee to participate in the choice and regulation of the enrollee's own health care in accordance with the principle that participation by the health care consumer in decisions affecting care is the most effective means of ensuring that the health care services actually rendered are necessary, low in cost, and reasonably effective.

Sec. 6. Minnesota Statutes 1988, section 62E.10, subdivision 9, is amended to read:

Subd. 9. ~~[STUDIES, DEMONSTRATION PROJECTS, AND EXPERIMENTAL DELIVERY METHOD SYSTEMS.]~~ The association may petition the commissioner of commerce for a waiver to allow the experimental use of alternative means of health care delivery. The commissioner may approve the use of the alternative means the commissioner considers appropriate. The commissioner may waive any of the requirements of this chapter and chapters 60A, 62A, and 62D in granting the waiver. The commissioner may also grant to the association any additional powers as are necessary

to facilitate the specific waiver, including the power to implement a provider payment schedule.

This subdivision is effective until August 1, 1990.

The commissioner of commerce in consultation with the governor's commission on health plan regulatory reform shall study and report to the legislature by January 15, 1989, on the current means utilized to finance the annual operating deficits incurred under the association. In conducting the study, the commissioner shall analyze any negative financial impacts which the current deficits are having on the contributing members of the association and recommend alternative sources of funding or other approaches which could be utilized to finance the operating deficit. The study shall also address the current association funding inequities between employers which self-insure for employee health benefit coverage and those employers which have health coverage subject to state regulation. *The association shall conduct studies, demonstration projects, and experimental delivery systems the association considers appropriate to give effect to the principles in section 62E.10, subdivisions 1, paragraph (b), and 7, paragraph (h). The studies, demonstration projects, and experimental delivery systems may be administered by the writing carrier or by third parties the association in its discretion considers most likely to achieve its purposes. The writing carrier, as a condition of its acceptance of a contract to provide comprehensive health insurance, shall agree to provide data and information for studies and demonstration projects and other experimental delivery systems the association considers appropriate in discharging its obligations under this section.*

Sec. 7. Minnesota Statutes 1988, section 62E.12, is amended to read:

62E.12 [MINIMUM BENEFITS OF COMPREHENSIVE HEALTH INSURANCE PLAN.]

The association through its comprehensive health insurance plan shall offer policies which provide the benefits of a number one qualified plan, a number two qualified plan and a qualified medicare supplement plan. They shall offer health maintenance organization contracts in those areas of the state where a health maintenance organization has agreed to make the coverage available and has been selected as a writing carrier. Notwithstanding the provisions of section 62E.06 the state plan shall exclude coverage of:

- (1) services of a private duty nurse other than on an inpatient basis ~~and~~;
- (2) any charges for treatment in a hospital located outside of the state of Minnesota in which the covered person is receiving treatment for a mental or nervous disorder, unless similar treatment for the mental or nervous disorder is medically necessary, unavailable in Minnesota and provided upon referral by a licensed Minnesota medical practitioner; *and*
- (3) *services that are not medically necessary.*

Sec. 8. [RESEARCH AND DATA COLLECTION; REPORT.]

Subdivision 1. [SPECIAL PROJECTS.] To the extent possible under the terms of existing contracts with the writing carrier, the board shall conduct studies, demonstration projects, and experimental delivery systems under section 6.

Subd. 2. [DATA COLLECTION.] The board of directors of the comprehensive health association shall collect and analyze information and data concerning:

- (1) the characteristics of the persons enrolled in the comprehensive health insurance plan;*
- (2) the types and locations of providers who serve enrollees;*
- (3) the amounts of payments made to providers for covered services; and*
- (4) other related information.*

Subd. 3. [REPORT.] The board shall review the data collected under subdivision 2 and other relevant data and research relating to the delivery of health care, and report to the legislature by November 1, 1990, with recommendations for administrative and legislative changes to improve the efficiency and effectiveness of the comprehensive health insurance plan. The board shall propose specific language for legislation to accompany any recommendation for legislative change. The report must include at least the following:

- (1) a discussion of the feasibility of an assumption of risk by the writing carrier;*
- (2) an analysis of the risk factors in the population served by the plan;*
- (3) a discussion of the feasibility of developing and implementing outcome measurements;*
- (4) a description of the types and locations of medical providers who serve enrollees and a comparison of provider payments to payments made by other payers;*
- (5) a description and analysis of the demographics of the enrollee population;*
- (6) a description and evaluation of studies, demonstration projects, and experimental delivery systems conducted under section 6;*
- (7) an analysis of potential cost-containment activities and alternative health care delivery methods; and*
- (8) other information and recommendations the board considers appropriate.*

Sec. 9. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1989, and applies to policies issued or renewed on or after that date."

Delete the title and insert:

"A bill for an act relating to health insurance; changing premiums, coverage, and administrative procedures relating to the comprehensive health insurance plan; requiring a report; amending Minnesota Statutes 1988, sections 62E.08, subdivision 1; 62E.10, subdivisions 1, 2, 2a, 7, and 9; and 62E.12."

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

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

S.F. No. 1573: A bill for an act relating to commerce; regulating divesting transactions involving a principal domestic subsidiary; authorizing the metropolitan airports commission to approve a change in control of a major tenant at the Minneapolis-St. Paul International Airport; modifying standards that may be considered by certain investment fiduciaries; providing for worker and consumer protections after a leveraged buyout; imposing a tax on golden parachute compensation agreements; amending Minnesota Statutes 1988, sections 80B.01, subdivisions 1, 10, and by adding subdivisions; 268.07, subdivision 2; and 302A.011, subdivision 41, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 80B; 290; 300; 302A; and 325E; proposing coding for new law as Minnesota Statutes, chapters 268A; and 360A.

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

Pages 1 to 7, delete article 1

Page 7, line 12, delete "2" and insert "1"

Page 10, line 36, delete the first comma and insert "and" and delete everything after the first "revenues"

Page 11, line 1, delete "operating income"

Page 20, line 16, delete "31" and insert "15"

Page 21, line 6, delete "May 1" and insert "April 17"

Page 21, after line 30, insert:

"ARTICLE 2

METROPOLITAN AIRPORTS COMMISSION PROPRIETARY APPROVAL OF ACQUISITION OF MAJOR AIRPORT TENANT

Section 1. [PUBLIC INTEREST AND PURPOSE.]

The state of Minnesota, acting in a proprietary capacity through the metropolitan airports commission, has made a substantial public investment in the construction and maintenance of the Minneapolis-St. Paul International Airport. It continues to invest large sums of money to consider expansion of existing airport facilities and the possibility of a new airport facility. The airport has been a significant element in the development of the state and the communities served by the airport. A readily accessible and available transportation system has been developed around the airport that is relied upon by the public, consumers, and businesses. The public, consumers, and businesses have located residences and operations in this state in reliance upon the success of the airport and the transportation system it has created.

Tenants of the airport, particularly major tenants, have substantially benefited from the airport facilities. The airport facilities have enabled the tenants, particularly major tenants, to schedule flights to the Minneapolis-St. Paul metropolitan area and to derive economic profit with respect to passengers traveling to and from this area.

The continued success of the Minneapolis-St. Paul International Airport and the critically important transportation system it has fostered is highly

dependent upon the reliability of tenants of the airport and, in particular, any major tenant. In order to ensure the continued success of the airport and protect the state's proprietary interest, including the financial stability of the airport and environmental concerns relating to the airport, it is deemed necessary and prudent by the legislature to require that any acquisition of a major tenant of the airport be approved by the metropolitan airports commission and to allow the commission to deny an acquisition of a major tenant of the airport if the acquisition is clearly against the proprietary interests of the state and the metropolitan airports commission. This act is promulgated to enforce and protect the proprietary interests of the state and the metropolitan airports commission in accordance with their proprietary powers and rights as a public owner and operator of the Minneapolis-St. Paul International Airport.

Sec. 2. [360A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter.

Subd. 2. [AFFILIATE.] "Affiliate" of another person means any person directly or indirectly controlling, controlled by, or under common control with the other person.

Subd. 3. [AIRCRAFT HOLD ROOM.] "Aircraft hold room" means a room located on one of the concourses at the airport from which passengers gain immediate access to and from airplanes.

Subd. 4. [AIRPORT.] "Airport" means the Minneapolis-St. Paul International Airport.

Subd. 5. [MAJOR TENANT.] "Major tenant" means a person whose principal executive office is located in Minnesota and who, by itself or together with any affiliates:

(1) leases through any written, oral, express, or implied agreement, at least 40 percent of the aircraft hold rooms at the airport; or

(2) pays in excess of 30 percent of the annual revenues generated by the metropolitan airports commission.

Subd. 6. [PERSON.] "Person" means a natural person, corporation, partnership, limited partnership, joint venture, association, business trust, estate, trust, enterprise, or any other legal or commercial entity.

Subd. 7. [PRINCIPAL EXECUTIVE OFFICE.] "Principal executive office" means the main or head office facility of a person.

Sec. 3. [360A.02] [ACQUISITION OF MAJOR TENANT.]

Subdivision 1. [METROPOLITAN AIRPORTS COMMISSION APPROVAL.] No person shall directly or indirectly acquire greater than a 20 percent ownership interest in a major tenant, acquire all or substantially all of the property and assets of a major tenant, or acquire greater than a 20 percent ownership interest in a person that owns or controls a major tenant without first obtaining approval from the metropolitan airports commission to consummate the acquisition. For purposes of this section, a person owns a major tenant if the person holds greater than a 50 percent ownership interest in the major tenant.

Subd. 2. [FILING INFORMATION.] A person proposing an acquisition

under subdivision 1 shall file an information statement with the metropolitan airports commission containing the following information:

- (1) a description of the proposed acquisition;*
- (2) plans or proposals of the person regarding use of the airport facilities;*
- (3) plans or proposals of the person to protect environmental concerns relating to the airport, including noise and air pollution;*
- (4) the source and amount of funds to be used to effect the proposed acquisition, including the material terms of any financing agreement or arrangement;*
- (5) the identity and background of all persons on whose behalf the acquisition is to be effected, including the identity and background of each member of a partnership, limited partnership, syndicate, or other group constituting the person and the identity and background of each affiliate and associate of the person, including the identity and background of each affiliate and associate of each member of the partnership, syndicate, or other group; provided that with respect to a limited partnership, the information need only be given with respect to a partner who is denominated or functions as a general partner and each affiliate and associate of the general partner;*
- (6) complete financial information as to the earnings and financial condition of the person, which must be audited if available, and, if requested by the metropolitan airports commission, its affiliates, for the preceding five fiscal years, or for a lesser period as the person and any predecessors have been in existence, and similar unaudited information as of a date not earlier than 90 days prior to the filing of the statement; and*

(7) any plans or proposals of the person to liquidate the major tenant, to sell its assets, or merge or consolidate it with any person, or to make any other material change in the business or corporate structure or management.

Subd. 3. [HEARING.] (a) The metropolitan airports commission shall hold a hearing with respect to any request for approval under this section. The hearing must be conducted before an administrative law judge in accordance with the contested case rules of the office of administrative hearings. The metropolitan airports commission shall make its decision to approve or disapprove the acquisition no later than 60 days after the information statement is filed under subdivision 2. The time frame for the hearing, issuance of the administrative law judge's report, and filing any exceptions to the report shall be established by the metropolitan airports commission. The decision may be appealed under chapter 14. Persons or groups of persons potentially affected by the acquisition may intervene in the hearing.

(b) Notwithstanding paragraph (a), the metropolitan airports commission may decline to hold a hearing under this section if, after providing notice and an opportunity to comment to the person requesting approval, it determines that the person requesting approval clearly (1) does not intend to effect the proposed acquisition or (2) is financially unable to effect the transaction. An appeal may be taken under chapter 14 from a determination of the metropolitan airports commission that declines to hold a hearing.

Subd. 4. [APPROVAL CRITERIA.] The metropolitan airports commission shall approve a request under this section unless it determines, based on clear and convincing evidence, that the proposed acquisition will result in a substantial adverse impact on the proprietary interests of the state or the metropolitan airports commission in regard to the airport facilities. In determining whether to grant approval, the metropolitan airports commission shall consider:

(1) the ability and intention of the major tenant, if the proposed acquisition is effected, to honor its obligations under any leases or other legal commitments entered into between the metropolitan airports commission and the major tenant;

(2) the effect that the proposed acquisition would have on airport environmental concerns, including noise and air pollution;

(3) the effect that the proposed acquisition would have on the metropolitan airports commission's ability to protect its investment in the airport facilities, including but not limited to, the ability to repay any funds that have financed the construction or maintenance of the airport facilities;

(4) the effect that the proposed acquisition would have on the credit-worthiness of the metropolitan airports commission or its ability to raise funds in the future;

(5) the effect that the proposed acquisition would have on the metropolitan airports commission's ability to continue to facilitate accessible and available air transportation; and

(6) the effect that the proposed acquisition would have on any other proprietary interest of the state or the metropolitan airports commission in regard to the airport facilities.

Subd. 5. [APPLICABILITY.] This section applies to the acquisition of any person who was a major tenant on the effective date of this section or becomes a major tenant after the effective date. This section applies if a person was a major tenant on or after the effective date of this section but thereafter ceases to be a major tenant, if the person ceased to be a major tenant for the purpose, but not necessarily the sole purpose, of allowing an acquisition of ownership in the major tenant without first being approved by the metropolitan airports commission.

Subd. 6. [ENFORCEMENT.] Whenever it appears to the metropolitan airports commission that any person has engaged or is about to engage in any act constituting a violation of this section or any rule, order, regulation, or ordinance adopted or issued under this section, the commission may bring an action in Ramsey county district court in the name of the state to enjoin the act or acts and to enforce compliance with this section, or any rule, order, regulation, or ordinance adopted or issued under this section. The remedy under this section is not exclusive and the metropolitan airports commission may pursue any remedies available under other law.

Subd. 7. [EXEMPTIONS.] The provisions of this section do not apply to the acquisition of any ownership interest in a major tenant:

(1) by will or by the laws of descent and distribution;

(2) in the regular course of securing or collecting a debt previously contracted in good faith, but any voting security so acquired must be disposed of within a period of two years from the date on which it was

acquired and the disposition must be subject to the provisions of this chapter if it would result in a change in the direct or indirect control of a major tenant; or

(3) by any person engaged in an underwriting of the securities, if the securities are held only for a period of time as will permit the sale of the securities on a reasonable basis and the securities are sold in a manner that does not result in a change in the direct or indirect control of a major tenant.

Sec. 4. [EFFECTIVE DATE; APPLICABILITY.]

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

Page 22, line 23, delete "*Notwithstanding any law to the contrary.*"

Page 29, line 17, after the period, insert "*For an affected employee whose health insurance benefits have been reduced within one year before a mass layoff, the employer shall pay an amount equal to six times the average monthly premium paid by the employer or predecessor employer on behalf of its employee for health insurance during the year prior to the reduction in benefits.*"

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

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

S.F. No. 243: A bill for an act relating to insurance; regulating access to certain insurance and medical data; amending Minnesota Statutes 1988, section 176.138.

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 176.138, is amended to read:

176.138 [MEDICAL DATA; ACCESS.]

Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release *in writing, by telephone discussion or otherwise* of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. This section does not preclude the release of medical data under section 175.10 or 176.231, subdivision 9. Requests for pertinent data shall be made, *and the date of discussions with medical providers about medical data shall be confirmed*, in writing to the person or organization that collected or currently possesses the data. ~~The~~ *Written medical data that exists at the time the request is made* shall be provided by the collector or possessor within seven working days of receiving the request. *All other medical data described above may be provided, but is not required to be provided, by the collector or possessor.* In all cases of a request for *the data or discussion with a medical provider about the data*, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made *or a written*

confirmation of the discussion. This data shall be treated as private data by the party who requests or receives the data and the party receiving the data shall provide the employee or the employee's attorney with a copy of all data requested by the requester.

Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not *timely* release the data ~~in a timely manner as required in this section.~~ A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. ~~This section applies only to written medical data which exists at the time the request is made.~~

Workers' compensation insurers and self-insured employers may, for the sole purpose of identifying duplicate billings submitted to more than one insurer, disclose to health insurers, including all insurers writing insurance described in section 60A.06, subdivision 1, clause (5)(a), nonprofit health service plan corporations subject to chapter 62C, health maintenance organizations subject to chapter 62D, and joint self-insurance employee health plans subject to chapter 62H, computerized information about dates, coded items, and charges for medical treatment of employees and other medical billing information submitted to them by an employee, employer, health care provider, or other insurer in connection with a current claim for compensation under this chapter, without prior approval of any party to the claim and notwithstanding anything to the contrary in this section or in any other state law related to privacy of medical data or any private agreements to the contrary. The data may not be used by the health insurer for any other purpose whatsoever.

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

S.F. No. 3: A bill for an act relating to crime; controlled substances; creating controlled substance crimes in the first, second, third, fourth, fifth, sixth, and seventh degrees; increasing penalties for controlled substance offenses; providing mandatory minimum sentences for repeat controlled substance offenses; providing a mandatory minimum sentence for a controlled substance offense committed with a dangerous weapon; creating a presumption that occupants in automobile or room knowingly possess controlled substances found there; amending Minnesota Statutes 1988, sections 152.01, by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.15, subdivision 4a; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; and 609.11, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 152; repealing Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, and 5.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1
CRIMINAL PROVISIONS

Section 1. Minnesota Statutes 1988, section 126.036, is amended to read:

126.036 [LAW ENFORCEMENT RECORDS.]

Subdivision 1. [NOTICE REQUIRED.] A law enforcement agency shall provide notice of any drug incident occurring within the agency's jurisdiction, in which the agency has probable cause to believe a student violated section 152.09, subdivision 1, or 340A.503, subdivision 1, 2, or 3. *Except as provided in subdivision 2*, the notice shall be in writing and shall be provided, within two weeks after an incident occurs, to the chemical abuse preassessment team in the school where the student is enrolled.

Subd. 2. [EXCEPTION.] *If providing the notice within two weeks after the incident occurs would jeopardize an ongoing criminal investigation, the law enforcement agency is not required to provide notice until the investigation is completed or a petition or complaint is filed against the student.*

Sec. 2. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 5. [HALLUCINOGEN.] "*Hallucinogen*" means any hallucinogen listed in section 152.02, subdivision 2, clause (3), or Minnesota Rules, part 6800.4210, item C, except marijuana and Tetrahydrocannabinols.

Sec. 3. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 9a. [MIXTURE.] "*Mixture*" means a preparation, compound, mixture, or substance containing a controlled substance, regardless of purity.

Sec. 4. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 12a. [PARK ZONE.] "*Park zone*" means an area designated by the state or a local governmental unit as a public park.

Sec. 5. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 14a. [SCHOOL ZONE.] "*School zone*" means:

(1) any property owned, leased, or controlled by a school district or an organization operating a nonpublic school, as defined in section 123.932, subdivision 3, where an elementary, middle, secondary school, secondary vocational center or other school providing educational services in grade one through grade 12 is located, or used for educational purposes, or where extracurricular or cocurricular activities are regularly provided; and

(2) the area surrounding a school property to a distance of 1,000 feet beyond the school property.

Sec. 6. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 15a. [SELL.] "*Sell*" means to sell, give away, barter, deliver,

exchange, distribute or dispose of to another; or to offer or agree to do the same; or to manufacture.

Sec. 7. Minnesota Statutes 1988, section 152.01, is amended by adding a subdivision to read:

Subd. 16a. [SUBSEQUENT CONTROLLED SUBSTANCE CONVICTION.] "Subsequent controlled substance conviction" means that before commission of the offense for which the person is convicted under this chapter, the person was convicted in Minnesota of a felony violation of this chapter or a felony-level attempt or conspiracy to violate this chapter, or convicted elsewhere for conduct that would have been a felony under this chapter if committed in Minnesota. An earlier conviction is not relevant if ten years have elapsed since: (1) the person was restored to civil rights; or (2) the sentence has expired, whichever occurs first.

Sec. 8. [152.021] [CONTROLLED SUBSTANCE CRIME IN THE FIRST DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing ten grams or more of cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 100 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a Schedule I or II narcotic drug, and:

(i) the person unlawfully sells the substance to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(ii) the sale occurred in a school zone or a park zone.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of a controlled substance crime in the first degree if:

(1) the person unlawfully possesses one or more mixtures containing 25 grams or more of cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures of a total weight of 500 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 500 or more dosage units; or

(4) *the person unlawfully possesses one or more mixtures of a total weight of 100 kilograms or more containing marijuana or Tetrahydrocannabinols.*

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 30 years or to payment of a fine of not more than \$1,000,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than four years nor more than 40 years or to payment of a fine of not more than \$1,000,000, or both.

Sec. 9. [152.022] [CONTROLLED SUBSTANCE CRIME IN THE SECOND DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures containing three grams or more of cocaine base;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units; or

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) the person unlawfully possesses one or more mixtures containing six grams or more of cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 100 or more dosage units; or

(4) the person unlawfully possesses one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 25 years or to payment of a fine of not more than \$500,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than three years nor more than 40 years or to a fine

of not more than \$500,000, or both.

Sec. 10. [152.023] [CONTROLLED SUBSTANCE CRIME IN THE THIRD DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully sells one or more mixtures containing a narcotic drug;

(2) the person unlawfully sells one or more mixtures containing phenylclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units;

(3) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except a Schedule I or II narcotic drug, marijuana or Tetrahydrocannabinols, to a person under the age of 18; or

(4) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing a controlled substance listed in Schedule I, II, or III, except a Schedule I or II narcotic drug, marijuana or Tetrahydrocannabinols.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

(1) the person unlawfully possesses one or more mixtures containing three grams or more of cocaine base;

(2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug;

(3) the person unlawfully possesses one or more mixtures containing a narcotic drug with the intent to sell it;

(4) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units; or

(5) the person unlawfully possesses any amount of a Schedule I or II narcotic drug in a school zone or a park zone.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 20 years or to a payment of a fine of not more than \$250,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than two years nor more than 30 years or to a fine of not more than \$250,000, or both.

Sec. 11. [152.024] [CONTROLLED SUBSTANCE CRIME IN THE FOURTH DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except marijuana or Tetrahydrocannabinols;

(2) the person unlawfully sells one or more mixtures containing marijuana or Tetrahydrocannabinols to a person under the age of 18;

(3) the person conspires with or employs a person under the age of 18 to unlawfully sell one or more mixtures containing marijuana or Tetrahydrocannabinols;

(4) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV or V to a person under the age of 18; or

(5) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in Schedule IV or V.

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

(1) the person unlawfully possesses one or more mixtures containing phencyclidine or hallucinogen, it is packaged in dosage units, and equals ten or more dosage units; or

(2) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, or III, except marijuana or Tetrahydrocannabinols, with the intent to sell it.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$100,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than one year nor more than 30 years or to a fine of not more than \$100,000, or both.

Sec. 12. [152.025] [CONTROLLED SUBSTANCE CRIME IN THE FIFTH DEGREE.]

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully sells one or more mixtures containing marijuana or Tetrahydrocannabinols, except a small amount of marijuana for no remuneration; or

(2) the person unlawfully sells one or more mixtures containing a controlled substance classified in Schedule IV.

Subd. 2. [POSSESSION AND OTHER CRIMES.] A person is guilty of controlled substance crime in the fifth degree if:

(1) the person unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule I, II, III, or IV, except a small amount of marijuana; or

(2) the person procures, attempts to procure, possesses, or has control over a controlled substance by any of the following means:

(i) fraud, deceit, misrepresentation, or subterfuge;

(ii) using a false name or giving false credit; or

(iii) falsely assuming the title of, or falsely representing any person to be, a manufacturer, wholesaler, pharmacist, physician, doctor of osteopathy licensed to practice medicine, dentist, podiatrist, veterinarian, or other

authorized person for the purpose of obtaining a controlled substance.

Subd. 3. [PENALTY.] (a) A person convicted under subdivision 1 or 2 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) If the conviction is a subsequent controlled substance conviction, a person convicted under subdivision 1 or 2 shall be sentenced to imprisonment for not less than six months nor more than ten years or to payment of a fine of not more than \$20,000, or both.

Sec. 13. [152.026] [MANDATORY MINIMUM SENTENCES.]

A defendant convicted and sentenced to a mandatory minimum sentence under sections 8 to 12 is not eligible for probation, parole, discharge, or supervised release until that person has served the full mandatory minimum term of imprisonment as provided by law, notwithstanding sections 242.19, 243.05, 609.12, and 609.135.

Sec. 14. [152.027] [OTHER CONTROLLED SUBSTANCE OFFENSES.]

Subdivision 1. [SALE OF SCHEDULE V CONTROLLED SUBSTANCE.] A person who unlawfully sells one or more mixtures containing a controlled substance classified in Schedule V may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Subd. 2. [POSSESSION OF SCHEDULE V CONTROLLED SUBSTANCE.] A person who unlawfully possesses one or more mixtures containing a controlled substance classified in Schedule V may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. The court may order that a person who is convicted under this subdivision and placed on probation be required to take part in a drug education program as specified by the court.

Subd. 3. [POSSESSION OF MARIJUANA IN A MOTOR VEHICLE.] A person is guilty of a misdemeanor if the person is the owner of a private motor vehicle, or is the driver of the motor vehicle if the owner is not present, and possesses on the person, or knowingly keeps or allows to be kept within the area of the vehicle normally occupied by the driver or passengers, more than 1.4 grams of marijuana. This area of the vehicle does not include the trunk of the motor vehicle if the vehicle is equipped with a trunk, or another area of the vehicle not normally occupied by the driver or passengers if the vehicle is not equipped with a trunk. A utility or glove compartment is deemed to be within the area occupied by the driver and passengers.

Subd. 4. [POSSESSION OR SALE OF SMALL AMOUNTS OF MARIJUANA.] (a) A person who unlawfully sells a small amount of marijuana for no remuneration, or who unlawfully possesses a small amount of marijuana is guilty of a petty misdemeanor punishable by a fine of up to \$200 and participation in a drug education program unless the court enters a written finding that a drug education program is inappropriate. The program must be approved by an area mental health board with a curriculum approved by the state alcohol and drug abuse authority.

(b) A person convicted of an unlawful sale under paragraph (a) who is subsequently convicted of an unlawful sale under paragraph (a) within two years is guilty of a misdemeanor and shall be required to participate in a chemical dependency evaluation and treatment if so indicated by the

evaluation.

(c) A person who is convicted of a petty misdemeanor under paragraph (a) who willfully and intentionally fails to comply with the sentence imposed, is guilty of a misdemeanor. Compliance with the terms of the sentence imposed before conviction under this paragraph is an absolute defense.

Sec. 15. [152.028] [PERMISSIVE INFERENCE OF KNOWING POSSESSION.]

Subdivision 1. [RESIDENCES.] The presence of a controlled substance in open view in a room, other than a public place, under circumstances evincing an intent by one or more of the persons present to unlawfully mix, compound, package, or otherwise prepare for sale the controlled substance permits the factfinder to infer knowing possession of the controlled substance by each person in close proximity to the controlled substance when the controlled substance was found. The permissive inference does not apply to any person if:

- (1) one of them legally possesses the controlled substance; or*
- (2) the controlled substance is on the person of one of the occupants.*

Subd. 2. [PASSENGER AUTOMOBILES.] The presence of a controlled substance in a passenger automobile permits the factfinder to infer knowing possession of the controlled substance by the driver or person in control of the automobile when the controlled substance was in the automobile. The inference does not apply:

- (1) to a duly licensed operator of an automobile who is at the time operating it for hire in the lawful and proper pursuit of the operator's trade;*
- (2) to any person in the automobile if one of them legally possesses a controlled substance; or*
- (3) when the controlled substance is concealed on the person of one of the occupants.*

Sec. 16. Minnesota Statutes 1988, section 152.096, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS; PENALTIES.] Any person who conspires to commit any act prohibited by ~~section 152.09~~ this chapter, except possession or distribution for no remuneration of a small amount of marijuana as defined in section 152.01, subdivision 16, is guilty of a felony and upon conviction may be imprisoned, fined, or both, up to the maximum amount authorized by law for the act the person conspired to commit.

Sec. 17. Minnesota Statutes 1988, section 152.097, is amended by adding a subdivision to read:

Subd. 4. [PENALTY.] A person who violates this section may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$20,000, or both. Sentencing for a conviction for attempting to sell, transfer, or deliver a noncontrolled substance in violation of this section is governed by section 609.17, subdivision 4.

Sec. 18. Minnesota Statutes 1988, section 152.151, is amended to read:
152.151 [REPORT TO LEGISLATURE.]

The state alcohol and drug authority shall ~~build into~~ *evaluate* the drug education program required by section ~~152.15, subdivision 2, proper evaluation 14~~ and report directly each legislative session to the legislative standing committees having jurisdiction over the subject matter.

Sec. 19. [152.152] [STAYED SENTENCE LIMITED.]

If a person is convicted under section 8, 9, or 10 and the sentencing guidelines grid calls for a presumptive prison sentence for the offense, the court may stay imposition or execution of the sentence only as provided in this section. The sentence may be stayed based on amenability to probation only if the offender presents adequate evidence to the court that the offender has been accepted by, and can respond to, a treatment program that has been approved by the commissioner of human services. The court may impose a sentence that is a mitigated dispositional departure on any other ground only if the court includes as a condition of probation incarceration in a local jail or workhouse.

Sec. 20. Minnesota Statutes 1988, section 152.18, subdivision 1, is amended to read:

Subdivision 1. If any person is found guilty of a violation of section ~~152.09, subdivision 1, clause (2) 11, 12, or 14~~ for possession of a controlled substance, after trial or upon a plea of guilty, the court may, without entering a judgment of guilty and with the consent of such person, defer further proceedings and place the person on probation upon such reasonable conditions as it may require and for a period, not to exceed the maximum term of imprisonment provided for such violation. The court may give the person the opportunity to attend and participate in an appropriate program of education regarding the nature and effects of alcohol and drug abuse as a stipulation of probation. Upon violation of a condition of the probation, the court may enter an adjudication of guilt and proceed as otherwise provided. The court may, in its discretion, dismiss the proceedings against such person and discharge the person from probation before the expiration of the maximum period prescribed for such person's probation. If during the period of probation such person does not violate any of the conditions of the probation, then upon expiration of such period the court shall discharge such person and dismiss the proceedings against that person. Discharge and dismissal hereunder shall be without court adjudication of guilt, but a nonpublic record thereof shall be retained by the department of public safety solely for the purpose of use by the courts in determining the merits of subsequent proceedings against such person. The court shall forward a record of any discharge and dismissal hereunder to the department of public safety who shall make and maintain the nonpublic record thereof as hereinbefore provided. Such discharge or dismissal shall not be deemed a conviction for purposes of disqualifications or disabilities imposed by law upon conviction of a crime or for any other purpose.

Sec. 21. Minnesota Statutes 1988, section 152.20, is amended to read:

152.20 [PENALTIES UNDER OTHER LAWS.]

Any penalty imposed for violation of ~~Laws 1971, chapter 937~~ *this chapter* is in addition to, and not in lieu of, any civil or administrative penalty or sanction otherwise authorized by law.

Sec. 22. Minnesota Statutes 1988, section 152.21, subdivision 6, is amended to read:

Subd. 6. [EXEMPTION FROM CRIMINAL SANCTIONS.] For the purposes of this section, the following are not violations ~~listed in section 152.09 or 152.15~~ *under this chapter*:

(1) use or possession of THC, or both, by a patient in the research program;

(2) possession, prescribing use of, administering, or dispensing THC, or any combination of these actions, by the principal investigator or by any clinical investigator; and

(3) possession or distribution of THC, or both, by a pharmacy registered to handle schedule I substances which stores THC on behalf of the principal investigator or a clinical investigator.

THC obtained and distributed pursuant to this section is not subject to forfeiture under sections 609.531 to 609.5316.

For the purposes of this section, THC is removed from schedule I contained in section 152.02, subdivision 2, and inserted in schedule II contained in section 152.02, subdivision 3.

Sec. 23. Minnesota Statutes 1988, section 243.55, subdivision 1, is amended to read:

Subdivision 1. Any person who brings, sends, or in any manner causes to be introduced into any state correctional facility or state hospital, or within or upon the grounds belonging to or land or controlled by any such facility or hospital, any controlled substance as defined in section 152.01, subdivision 4, or any firearms, weapons or explosives of any kind, without the consent of the chief executive officer thereof, shall be guilty of a felony and, upon conviction thereof, punished by imprisonment for a term of not ~~less than three, nor more than five,~~ *ten* years. Any person who brings, sends, or in any manner causes to be introduced into any state correctional facility or within or upon the grounds belonging to or land controlled by the facility, any intoxicating or alcoholic liquor or malt beverage of any kind without the consent of the chief executive officer thereof, shall be guilty of a gross misdemeanor. The provisions of this section shall not apply to physicians carrying drugs or introducing any of the above described liquors into such facilities for use in the practice of their profession; nor to sheriffs or other peace officers carrying revolvers or firearms as such officers in the discharge of duties.

Sec. 24. Minnesota Statutes 1988, section 244.09, subdivision 5, is amended to read:

Subd. 5. The commission shall, on or before January 1, 1980, promulgate sentencing guidelines for the district court. The guidelines shall be based on reasonable offense and offender characteristics. The guidelines promulgated by the commission shall be advisory to the district court and shall establish:

(1) The circumstances under which imprisonment of an offender is proper; and

(2) A presumptive, fixed sentence for offenders for whom imprisonment is proper, based on each appropriate combination of reasonable offense and offender characteristics. The guidelines may provide for an increase or decrease of up to 15 percent in the presumptive, fixed sentence.

The sentencing guidelines promulgated by the commission may also

establish appropriate sanctions for offenders for whom imprisonment is not proper. Any guidelines promulgated by the commission establishing sanctions for offenders for whom imprisonment is not proper shall make specific reference to noninstitutional sanctions, including but not limited to the following: payment of fines, day fines, restitution, community work orders, work release programs in local facilities, community based residential and nonresidential programs, incarceration in a local correctional facility, and probation and the conditions thereof.

In establishing *and modifying* the sentencing guidelines, the commission shall take into ~~substantial~~ consideration *public safety*, current sentencing and release practices, and correctional resources, including but not limited to the capacities of local and state correctional facilities.

The provisions of sections 14.01 to 14.69 do not apply to the promulgation of the sentencing guidelines, and the sentencing guidelines, including severity levels and criminal history scores, are not subject to review by the legislative commission to review administrative rules. However, on or before January 1, 1986, the commission shall adopt rules pursuant to sections 14.01 to 14.69 which establish procedures for the promulgation of the sentencing guidelines, including procedures for the promulgation of severity levels and criminal history scores, and these rules shall be subject to review by the legislative commission to review administrative rules.

Sec. 25. Minnesota Statutes 1988, section 260.185, subdivision 1, is amended to read:

Subdivision 1. If the court finds that the child is delinquent, it shall enter an order making any of the following dispositions of the case which are deemed necessary to the rehabilitation of the child:

(a) Counsel the child or the parents, guardian, or custodian;

(b) Place the child under the supervision of a probation officer or other suitable person in the child's own home under conditions prescribed by the court including reasonable rules for conduct and the conduct of the child's parents, guardian, or custodian, designed for the physical, mental, and moral well-being and behavior of the child, or with the consent of the commissioner of corrections, in a group foster care facility which is under the management and supervision of said commissioner;

(c) Subject to the supervision of the court, transfer legal custody of the child to one of the following:

(1) A child placing agency; or

(2) The county welfare board; or

(3) A reputable individual of good moral character. No person may receive custody of two or more unrelated children unless licensed as a residential facility pursuant to sections 245.781 to 245.812; or

(4) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), a county home school, if the county maintains a home school or enters into an agreement with a county home school; or

(5) A county probation officer for placement in a group foster home established under the direction of the juvenile court and licensed pursuant to section 241.021;

(d) Except for children found to be delinquent as defined in section 260.015, subdivision 5, clauses (c) and (d), transfer legal custody by commitment to the commissioner of corrections;

(e) If the child is found to have violated a state or local law or ordinance which has resulted in damage to the property of another, the court may order the child to make reasonable restitution for such damage;

(f) Require the child to pay a fine of up to \$700; the court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(g) If the child is in need of special treatment and care for reasons of physical or mental health, the court may order the child's parent, guardian, or custodian to provide it. If the parent, guardian, or custodian fails to provide this treatment or care, the court may order it provided;

(h) If the court believes that it is in the best interests of the child and of public safety that the driver's license of the child be canceled until the child's 18th birthday, *or the court has found the child delinquent for having committed a felony-level violation of chapter 152*, the court may recommend to the commissioner of public safety the cancellation of the child's license for any period up to the child's 18th birthday, and the commissioner is hereby authorized to cancel such license without a hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety that the child be authorized to apply for a new license, and the commissioner may so authorize.

Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition ordered, and shall also set forth in writing the following information:

(a) Why the best interests of the child are served by the disposition ordered; and

(b) What alternative dispositions were considered by the court and why such dispositions were not appropriate in the instant case.

This subdivision applies to dispositions of juveniles found to be delinquent as defined in section 260.015, subdivision 5, clause (c) or (d) made prior to, on, or after January 1, 1978.

Sec. 26. Minnesota Statutes 1988, section 609.11, is amended by adding a subdivision to read:

Subd. 5a. [ILLEGAL WEAPON.] (a) A defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, had in possession an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than two years nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, had in possession an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than six years nor more than the maximum sentence provided by law.

(b) A defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, an

illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than six years nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used an illegal weapon, shall be committed to the commissioner of corrections for a mandatory minimum term of imprisonment of not less than ten years nor more than the maximum sentence provided by law.

(c) For purposes of this subdivision, "illegal weapon" means a machine gun or short-barreled shotgun as defined in section 609.67; a firearm, as defined in section 97A.015, subdivision 19, that is equipped with a silencer or equipped to have a silencer attached; or a Saturday night special, as defined in section 624.712, subdivision 4.

Sec. 27. Minnesota Statutes 1988, section 609.11, subdivision 9, is amended to read:

Subd. 9. [APPLICABLE OFFENSES.] The crimes for which mandatory minimum sentences shall be served before eligibility for probation, parole, or supervised release as provided in this section are: murder in the first, second, or third degree; assault in the first, second, or third degree; burglary; kidnapping; false imprisonment; manslaughter in the first or second degree; aggravated robbery; simple robbery; criminal sexual conduct under the circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j); escape from custody; arson in the first, second, or third degree; a *felony violation of chapter 152*; or any attempt to commit any of these offenses.

Sec. 28. Minnesota Statutes 1988, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5316, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a weapon used in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, or a city or airport police department.

(f) "Designated offense" includes:

(1) For weapons used: any violation of this chapter;

(2) For all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 609.185; 609.19; 609.195; 609.21; 609.221;

609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; ~~subdivision 1 or 2~~; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.671, subdivisions 3, 4, and 5; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; or 617.246.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 29. Minnesota Statutes 1988, section 609.5311, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON FORFEITURE OF CERTAIN PROPERTY ASSOCIATED WITH CONTROLLED SUBSTANCES.] (a) A conveyance device is subject to forfeiture under this section only if the retail value of the controlled substance is ~~\$500~~ \$25 or more *and the conveyance device is associated with a felony-level controlled substance crime.*

(b) Real property is subject to forfeiture under this section only if the retail value of the controlled substance is \$5,000 or more.

(c) Property used by any person as a common carrier in the transaction of business as a common carrier is subject to forfeiture under this section only if the owner of the property is a consenting party to, or is privy to, the use or intended use of the property as described in subdivision 2.

(d) Property is subject to forfeiture under this section only if its owner was privy to the use or intended use described in subdivision 2, or the unlawful use or intended use of the property otherwise occurred with the owner's knowledge or consent.

(e) Forfeiture under this section of a conveyance device or real property encumbered by a bona fide security interest is subject to the interest of the secured party unless the secured party had knowledge of or consented to the act or omission upon which the forfeiture is based. A person claiming a security interest bears the burden of establishing that interest by clear and convincing evidence.

(f) Notwithstanding paragraphs (d) and (e), property is not subject to forfeiture based solely on the owner's or secured party's knowledge of the unlawful use or intended use of the property if the owner or secured party took reasonable steps to terminate use of the property by the offender.

Sec. 30. Minnesota Statutes 1988, section 609.5314, subdivision 1, is amended to read:

Subdivision 1. [PROPERTY SUBJECT TO ADMINISTRATIVE FORFEITURE; PRESUMPTION.] (a) The following are presumed to be subject to administrative forfeiture under this section:

(1) all money, precious metals, and precious stones found in proximity to:

(i) controlled substances;

(ii) forfeitable drug manufacturing or distributing equipment or devices;

or

(iii) forfeitable records of manufacture or distribution of controlled substances; and

(2) all conveyance devices containing controlled substances with a retail value of ~~\$500~~ \$100 or more *if possession or sale of the controlled substance would be a felony under chapter 152.*

(b) A claimant of the property bears the burden to rebut this presumption.

Sec. 31. Minnesota Statutes 1988, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313 or 609.5314 that the property is subject to forfeiture, it ~~may~~ shall order the appropriate agency to:

(1) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

(2) take custody of the property and remove it for disposition in accordance with law;

(3) forward the property to the federal drug enforcement administration;

(4) disburse money as provided under subdivision 5; or

(5) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 32. Minnesota Statutes 1988, section 609.685, is amended by adding a subdivision to read:

Subd. 1a. [GROSS MISDEMEANOR.] (a) Whoever sells tobacco to a person under the age of 18 years is guilty of a gross misdemeanor. If the sale is made from a cigarette vending machine, the culpable person is the person who owns or is in control of the premises on which the vending machine is installed.

(b) It is an affirmative defense to a charge under this subdivision if the defendant proves by a preponderance of the evidence that the defendant reasonably and in good faith relied on proof of age as described in section 340A.503, subdivision 6.

Sec. 33. Minnesota Statutes 1988, section 609.685, subdivision 2, is amended to read:

Subd. 2. [~~CRIME~~ MISDEMEANOR.] Whoever furnishes tobacco or tobacco related devices to a person under the age of 18 years is guilty of a misdemeanor.

Sec. 34. [CONVICTIONS STUDY.]

The sentencing guidelines commission shall compile information on charges and convictions under sections 8 to 12 and report the results to the chairs of the judiciary committees in the senate and the house of representatives by January 1, 1990, with a second report by January 1, 1991. The reports must include:

(1) the number of controlled substance charges and convictions in each jurisdiction;

(2) a comparison of the original charge and the conviction offense; and

(3) information concerning the amount of controlled substance actually

involved in each incident, when available.

Sec. 35. [REPEALER.]

Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, 4a, and 5, are repealed.

Sec. 36. [EFFECTIVE DATE.]

Sections 2 to 33 and 35 are effective August 1, 1989, and apply to crimes and violations occurring on or after that date.

ARTICLE 2

MOTHERS AND CHILDREN AT RISK DUE TO USE OF CONTROLLED SUBSTANCES

Section 1. Minnesota Statutes 1988, section 253B.02, subdivision 2, is amended to read:

Subd. 2. [CHEMICALLY DEPENDENT PERSON.] “Chemically dependent person” means any person (a) determined as being incapable of self-management or management of personal affairs by reason of the habitual and excessive use of alcohol or drugs; and (b) whose recent conduct as a result of habitual and excessive use of alcohol or drugs poses a substantial likelihood of physical harm to self or others as demonstrated by (i) a recent attempt or threat to physically harm self or others, (ii) evidence of recent serious physical problems, ~~or~~ (iii) a failure to obtain necessary food, clothing, shelter, or medical care *including prenatal care*.

Sec. 2. Minnesota Statutes 1988, section 253B.02, subdivision 10, is amended to read:

Subd. 10. [INTERESTED PERSON.] “Interested person” means an adult, including but not limited to, a public official, *including a local welfare agency acting under section 3*, and the legal guardian, spouse, parent, legal counsel, adult child, next of kin, or other person designated by a proposed patient.

Sec. 3. [626.556] [REPORTING OF PRENATAL EXPOSURE TO CONTROLLED SUBSTANCES.]

Subdivision 1. [REPORTS REQUIRED.] A person mandated to report under section 626.556, subdivision 3, shall immediately report to the local welfare agency if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance, as defined in section 152.01, subdivision 4, for a nonmedical purpose during the pregnancy. Any person may make a voluntary report if the person knows or has reason to believe that a woman is pregnant and has used a controlled substance for a nonmedical purpose during the pregnancy.

Subd. 2. [LOCAL WELFARE AGENCY.] If the report alleges a pregnant woman's use of a controlled substance for a nonmedical purpose, the local welfare agency shall immediately conduct an appropriate assessment and offer services indicated under the circumstances. Services offered may include, but are not limited to, a referral for chemical dependency assessment, a referral for chemical dependency treatment if recommended, and a referral for prenatal care. The local welfare agency may also take any appropriate action under chapter 253B; including seeking an emergency admission under section 253B.05.

Subd. 3. [RELATED PROVISIONS.] Reports under this section are governed by section 626.556, subdivisions 4, 4a, 5, 6, 7, 8, and 11.

Sec. 4. [626.5562] [TOXICOLOGY TESTS REQUIRED.]

Subdivision 1. [TEST; REPORT.] A physician shall administer a toxicology test to a pregnant woman under the physician's care to determine whether there is evidence that she has ingested a controlled substance, if the woman has obstetrical complications that are a medical indication of possible use of a controlled substance for a nonmedical purpose. If the test results are positive, the physician shall report the results under section 626.556, subdivision 3, paragraph (a). A negative test result does not eliminate the obligation to report under section 626.556, if other evidence gives the physician reason to believe the patient has used a controlled substance for a nonmedical purpose.

Subd. 2. [NEWBORNS.] A physician shall administer to each newborn infant born under the physician's care a toxicology test to determine whether there is evidence of prenatal exposure to a controlled substance, if the physician has reason to believe based on a medical assessment of the mother or the infant that the mother used a controlled substance for a nonmedical purpose prior to the birth. If the test results are positive, the physician shall report the results as neglect under section 626.556. A negative test result does not eliminate the obligation to report under section 626.556 if other medical evidence of prenatal exposure to a controlled substance is present.

Subd. 3. [REPORT TO DEPARTMENT OF HEALTH.] Physicians shall report to the department of health the results of tests performed under subdivisions 1 and 2. A report shall be made on February 1 and August 1 of each year, beginning February 1, 1990. The reports are medical data under section 13.42.

Subd. 4. [IMMUNITY FROM LIABILITY.] Any physician or other medical personnel administering a toxicology test to determine the presence of a controlled substance in a pregnant woman or in a child at birth or during the first month of life is immune from civil or criminal liability arising from administration of the test, if the physician ordering the test believes in good faith that the test is required under this section and the test is administered in accordance with an established protocol and reasonable medical practice.

Sec. 5. [APPROPRIATION.]

Subdivision 1. [CHEMICAL DEPENDENCY TREATMENT FOR PREGNANT WOMEN.] § is appropriated from the general fund to the commissioner of human services to make grants to agencies providing chemical dependency treatment to pregnant women and mothers, to be available until June 30, 1991.

Subd. 2. [MULTIDISCIPLINARY TEAMS.] § is appropriated from the general fund to the commissioner of human services for multidisciplinary teams to assist in the treatment of chemically dependent pregnant women and mothers and follow-up of the treatment. The appropriation is available until June 30, 1991.

ARTICLE 3

PREVENTION, TREATMENT, EDUCATION, AND
REHABILITATION PROGRAMSSection 1. [241.81] [PILOT PROBATION PROGRAMS FOR DRUG
OFFENDERS.]

The commissioner of corrections, in consultation with the director of drug policy, shall establish and assist in funding county pilot programs to conduct urine testing to detect the presence of controlled substances, during probation and supervised release of persons convicted of felonies under chapter 152. The commissioner shall establish guidelines for testing, information collection and evaluation, and total program costs. The commissioner shall develop guidelines regarding the appropriate sanctions for violating the conditions of probation and supervised release with respect to the use of controlled substances. The guidelines shall provide for revocation of supervised release upon detection of the presence of a Schedule I or II narcotic drug as defined in section 152.01, subdivision 10.

OFFICE OF DRUG POLICY

Sec. 2. [299A.29] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 2 to 8, the following terms have the meanings given them in this section.

Subd. 2. [DEMAND REDUCTION.] "Demand reduction" means an activity carried on by a drug program agency that is designed to reduce demands for drugs, including education, prevention, treatment, and rehabilitation programs.

Subd. 3. [DRUG.] "Drug" means a controlled substance as defined in section 152.01, subdivision 4.

Subd. 4. [DRUG PROGRAM AGENCY.] "Drug program agency" means an agency of the state, a political subdivision of the state, or the United States government that is involved in demand reduction or supply reduction.

Subd. 5. [SUPPLY REDUCTION.] "Supply reduction" means an activity carried on by a drug program agency that is designed to reduce the supply or use of drugs, including law enforcement, eradication, and prosecutorial activities.

Sec. 3. [299A.30] [OFFICE OF DRUG POLICY.]

Subdivision 1. [OFFICE; DIRECTOR.] The office of drug policy is an office in the department of public safety headed by a director appointed by the commissioner to serve in the unclassified service. The director may appoint other employees in the unclassified service. The director shall coordinate the activities of drug program agencies, gather and make available information on demand reduction and supply reduction throughout the state, foster cooperation among drug program agencies, and assist agencies and public officials in training and other programs designed to improve the effectiveness of demand reduction and supply reduction.

Subd. 2. [DUTIES.] The director shall:

(1) after consultation with all drug program agencies operating in the state, develop a state drug strategy encompassing the efforts of those agencies and taking into account all money available for demand reduction and supply reduction, from any source;

(2) submit the strategy to the governor and the legislature by January 15 of each year, along with a summary of demand reduction and supply reduction during the preceding calendar year;

(3) assist appropriate professional and occupational organizations, including organizations of law enforcement officers, prosecutors, and educators, in developing and operating informational and training programs to improve the effectiveness of demand reduction and supply reduction; and

(4) provide information and assistance to prosecutors, both directly and by functioning as a clearinghouse for information from other prosecutors.

Sec. 4. [299A.31] [DRUG ABUSE RESISTANCE EDUCATION PROGRAM.]

Subdivision 1. [PROGRAM.] The drug abuse resistance education program shall assist law enforcement agencies or school districts in training law enforcement officers to conduct drug education programs in schools and in conducting the programs. The director shall promote the drug abuse resistance education program throughout the state and is authorized to receive funds from public and private sources for use in the drug abuse resistance education program. For purposes of this section, "law enforcement agency" means a police department, sheriff's office, and the bureau of criminal apprehension.

Subd. 2. [MATCHING GRANTS.] A law enforcement agency or a school district may apply to the director for a grant to help pay for the training and programs described in subdivision 1. The director may award a matching grant, up to a dollar-for-dollar basis, to help meet those costs.

Subd. 3. [TRAINING PROGRAM.] The bureau of criminal apprehension shall develop a program to train peace officers in the drug abuse resistance education program curriculum. The purpose of the program is to train peace officers to teach a curriculum in drug abuse resistance in schools. The training program must be approved by the commissioner of public safety.

Subd. 4. [AVAILABILITY OF PEACE OFFICER TRAINING.] The training described in subdivision 3 is available on a voluntary basis to local law enforcement agencies and school districts.

Subd. 5. [COORDINATION OF ACTIVITIES.] If the director receives grant requests from more than one applicant for programs to be conducted in a single school district, the director shall require the applicants to submit a plan for coordination of their training and programs.

Subd. 6. [REPORTS.] The director may require grant recipients to account to the director at reasonable time intervals regarding the use of the grants and the training and programs provided.

Sec. 5. [299A.32] [LAW ENFORCEMENT AND COMMUNITY GRANTS.]

Subdivision 1. [GRANT PROGRAM.] (a) The director shall develop grant programs to:

(1) assist law enforcement agencies in purchasing equipment, provide undercover buy money, and pay other nonpersonnel costs; and

(2) assist community and neighborhood organizations in efforts to prevent or reduce criminal activities in their areas, particularly activities involving youth and the use and sale of drugs.

(b) The commissioner shall by rule prescribe criteria for eligibility and the award of grants and reporting requirements for recipients.

Subd. 2. [ADVISORY TASK FORCE.] The director shall appoint an advisory task force to assist in the selection and monitoring of grant recipients. The task force must include representatives of local governmental units, community or neighborhood organizations, and law enforcement agencies. The task force is governed by section 15.014, subdivision 2.

Sec. 6. [299A.33] [DRUG ABUSE PREVENTION COUNCIL.]

The drug abuse prevention council consists of:

(1) the director, and the designees of the commissioners of education, health, and human services, each of whom must be a state employee assigned to the agency headed by the commissioner making the designation;

(2) three members of the house of representatives appointed by the speaker;

(3) three members of the senate appointed by the subcommittee on committees of the committee on rules and administration; and

(4) eight members appointed by the governor, who must be knowledgeable in demand reduction or supply reduction and must reflect the geographic and demographic diversity of the state.

The council shall be chaired by the director of drug policy. It shall review existing drug abuse prevention programs and develop and recommend to the director a statewide drug abuse prevention policy that emphasizes local efforts and a coordinated approach. The policy must seek to make most efficient use of available money and other resources and to use existing agencies or organizations whenever possible. The council shall submit its recommendations before January 1, 1991.

Sec. 7. [299A.34] [OTHER DUTIES.]

The director shall:

(1) provide information and assistance upon request to school pre-assessment teams established under section 126.034 and school and community advisory teams established under section 126.035;

(2) provide information and assistance upon request to the state board of pharmacy with respect to the board's enforcement of chapter 152; and

(3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human services.

Sec. 8. [299A.35] [COOPERATION OF OTHER AGENCIES.]

State agencies and agencies and governing bodies of political subdivisions shall cooperate with the director and shall provide any information or services requested by the director.

Sec. 9. [299A.36] [CRIME VICTIMIZATION SURVEYS.]

Subdivision 1. [PURPOSE OF SURVEYS.] The commissioner shall conduct a statewide crime victimization survey every three years. Each survey

shall compile information concerning:

- (1) the extent to which Minnesota citizens, households, and commercial establishments were victimized by crimes, whether completed or attempted;*
- (2) the characteristics of victims;*
- (3) the circumstances surrounding the criminal acts, such as the relationship between victim and offender;*
- (4) the characteristics of offenders;*
- (5) the extent of victim injuries;*
- (6) the economic consequences to victims;*
- (7) whether the use of drugs or alcohol was involved in the incident;*
- (8) the time and place of criminal acts;*
- (9) the use of weapons; and*
- (10) whether the incident was reported to police, and if not, the reasons for not doing so.*

Subd. 2. [CRIMES.] For purposes of the survey required by subdivision 1, "crime" means a felony crime of violence or crime against property. The commissioner shall develop a list of crimes to be included in the surveys, and may add any non-felony offense if the commissioner determines that including the offense will substantially increase the value of the surveys.

Subd. 3. [CONSULTANT.] The commissioner shall contract for each three-year survey with a qualified consultant who has demonstrated expertise in conducting crime victimization surveys.

Subd. 4. [REPORTS.] The commissioner shall report the survey results to the legislature every third year by January 1, beginning January 1, 1993.

Sec. 10. Minnesota Statutes 1988, section 609.115, is amended by adding a subdivision to read:

Subd. 8. [CHEMICAL USE ASSESSMENT REQUIRED.] (a) If a person is convicted of a felony that involved the sale or possession of a controlled substance, or in which the use of a controlled substance was a major contributing factor, the probation officer shall include in the report prepared under subdivision 1 a chemical use assessment of the defendant. The probation officer shall make an appointment for the defendant to undergo the chemical use assessment as soon as possible.

(b) The chemical use assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3. The assessment must be conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the probation officer may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision

3.

(c) *The commissioner of corrections shall reimburse the county for the costs associated with a chemical use assessment and report at a rate established by the department of human services up to a maximum of \$100 in each case.*

Sec. 11. [INCARCERATION TASK FORCE.]

The incarceration task force consists of the commissioner of corrections or the commissioner's designee, the commissioner of public safety or the commissioner's designee, the attorney general or the attorney general's designee, one member appointed by the senate under the rules of the senate, one member appointed by the house of representatives under the rules of the house of representatives, and no more than 12 other members appointed by the governor, who must represent local governmental units and local law enforcement and corrections agencies. The governor shall serve as the chair. The task force shall study the availability of space in state and local correctional facilities and shall develop a plan to make more space available for long-term inmates, convicted of drug offenses or violent crimes, in state facilities by housing other offenders in local facilities or by use of other sentencing options. The task force shall also study, evaluate, and recommend improvements to existing literacy, educational, and vocational training programs, as well as work opportunities, private employment opportunities, and job placement programs. The task force report must be submitted to the legislature by January 15, 1990. The task force ceases to exist upon the submission of its report. The task force is governed by section 15.014, subdivision 2.

Sec. 12. [APPROPRIATION.]

Subdivision 1. [PUBLIC SAFETY.] \$ is appropriated to the commissioner of public safety from the general fund for use by the director of the office of drug policy in administering sections 2 to 8, to be available until June 30, 1991. Of that amount, \$ is to be used for administering the grant programs under section 4, and \$ is to be used for administering the community grant program under section 5.

\$ is appropriated to the commissioner of public safety to conduct the crime victimization survey required by section 9.

\$ is appropriated to the commissioner of public safety to develop and operate the training program in drug abuse resistance education under section 4.

The complement of the department of public safety is increased by . . . positions.

Subd. 2. [CORRECTIONS.] \$ is appropriated to the commissioner of corrections from the general fund for chemical use assessment, for expansion of existing substance abuse treatment programs, and for county pilot programs for probationary urine testing under section 1, to be available until June 30, 1991.

Subd. 3. [ATTORNEY GENERAL.] \$ is appropriated to the attorney general from the general fund for the alliance for a drug-free Minnesota, to be available until June 30, 1991. The attorney general shall take all necessary steps to assure that women and men are fairly represented among the participants in the alliance for a drug-free Minnesota.

Sec. 13. [REPEALER.]

Section 6 is repealed effective January 1, 1991.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 8 and 11 are effective the day following final enactment. Section 10 is effective August 1, 1989, and applies to proceedings commenced on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; controlled substances; creating controlled substance crimes in the first, second, third, fourth, and fifth degrees; increasing penalties for controlled substance offenses; increasing penalties for selling and possessing narcotics in a park or school zone; providing mandatory minimum sentences for repeat controlled substance offenses; providing a mandatory minimum sentence for a controlled substance offense committed with a dangerous weapon; providing a mandatory minimum sentence for use of an illegal weapon during a dangerous felony; creating a permissible inference that occupants in a room or automobile knowingly possess controlled substances found there; providing that law enforcement is not required to notify the school chemical abuse preassessment team within two weeks under certain circumstances; increasing penalty for introducing controlled substance in correctional facility; limiting stays of sentences for controlled substance convictions; authorizing cancellation of driver's license of juvenile for a controlled substance violation; lowering threshold for forfeiture of vehicles in connection with a controlled substance offense; requiring courts to order forfeiture of property subject to forfeiture; imposing a felony penalty for selling tobacco to a minor; requiring reporting of prenatal use of controlled substances; prescribing duties of local welfare agency on receiving a report of prenatal controlled substance use; requiring controlled substance tests of certain newborns and pregnant women; requiring the development of guidelines for county pilot programs in urine testing of drug offenders during probation; establishing an office of drug policy in the department of public safety; providing for a director and other employees; requiring the director to develop a state drug strategy; providing for the coordination of drug enforcement, prevention, education, treatment, and rehabilitation programs; establishing an assistance program for school drug abuse resistance education programs; requiring a chemical use assessment of persons convicted of controlled substance felonies; establishing an inter-jurisdictional task force on incarceration; establishing a drug abuse prevention council; appropriating money; amending Minnesota Statutes 1988, sections 126.036; 152.01, by adding subdivisions; 152.096, subdivision 1; 152.097, by adding a subdivision; 152.151; 152.18, subdivision 1; 152.20; 152.21, subdivision 6; 243.55, subdivision 1; 244.09, subdivision 5; 253B.02, subdivisions 2 and 10; 260.185, subdivision 1; 609.11, subdivision 9, and by adding a subdivision; 609.115, by adding a subdivision; 609.531, subdivision 1; 609.5311, subdivision 3; 609.5314, subdivision 1; 609.5315, subdivision 1; 609.685, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 152; 241; 299A; and 626; repealing Minnesota Statutes 1988, sections 152.09; and 152.15, subdivisions 1, 2, 2a, 2b, 3, 4a, and 5."

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 60, upon the request of three members, a roll call was taken on the Ramstad amendment to S.F. No. 3.

There were yeas 5 and nays 10, as follows:

Those who voted in the affirmative were:

Messrs. Belanger, Knaak, Laidig, McGowan and Ramstad.

Those who voted in the negative were:

Messrs. Cohen, Luther, Marty, Merriam, Ms. Peterson, D.C.; Messrs. Peterson, R.W.; Pogemiller; Ms. Reichgott, Messrs. Spear and Stumpf.

The amendment was not adopted.

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

H.F. No. 100: A bill for an act relating to state government; regulating part-time employees and employment policies; amending Minnesota Statutes 1988, sections 16A.11, subdivision 3; and 43A.24, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1988, section 43A.25.

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

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

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.

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

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

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.

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

Page 1, lines 11, 12, and 23, delete "*or trailer*"

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

SECOND READING OF SENATE BILLS

S.F. No. 243 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 100, 1287 and 1447 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Frederickson, D.J. introduced—

S.F. No. 1574: A bill for an act relating to rural development; providing for a procurement center pilot project; appropriating money.

Referred to the Committee on Agriculture and Rural Development.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1575: A bill for an act relating to education; authorizing grants to school districts to reduce class sizes under certain conditions; appropriating money.

Referred to the Committee on Education.

Mr. Peterson, R.W. introduced—

S.F. No. 1576: A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

Referred to the Committee on Environment and Natural Resources.

Mr. Pogemiller introduced—

S.F. No. 1577: A bill for an act relating to retirement; public employees local government correctional service retirement plan; expanding plan coverage to include certain Hennepin county medical center ambulance service personnel; amending Minnesota Statutes 1988, section 353C.02.

Referred to the Committee on Governmental Operations.

Mr. Pogemiller introduced—

S.F. No. 1578: A bill for an act relating to human services; authorizing start-up grants to persons who seek to provide foster care; requiring a five-year commitment to foster care; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

Referred to the Committee on Health and Human Services.

Mr. Pogemiller introduced—

S.F. No. 1579: A bill for an act relating to public finance; transferring program responsibilities for the allocation of bonding authority to the department of finance; expanding the definition of manufacturing project for purposes of the Minnesota bond allocation act; amending Minnesota Statutes 1988, section 474A.02, subdivisions 5a and 14.

Referred to the Committee on Economic Development and Housing.

Mr. Pogemiller introduced—

S.F. No. 1580: A bill for an act relating to retirement; public employees retirement association; adding employees of the association of metropolitan municipalities and the Minnesota association of townships as members;

amending Minnesota Statutes 1988, section 353.01, subdivision 2a.

Referred to the Committee on Governmental Operations.

Mr. Frank introduced—

S.F. No. 1581: A bill for an act relating to cities; limiting the service of charter commission members; amending Minnesota Statutes 1988, section 410.05, subdivision 2.

Referred to the Committee on Local and Urban Government.

Mr. Pogemiller and Ms. Reichgott introduced—

S.F. No. 1582: A bill for an act relating to public finance; providing conditions and requirements for the issuance and use of public debt; amending Minnesota Statutes 1988, sections 298.2211, subdivision 4; 400.101; 430.06, by adding a subdivision; 469.015, subdivision 4; 469.152; 469.153, subdivision 2; 469.154, subdivisions 3 and 5; 469.155, subdivisions 2, 3, and 5; 471.56, subdivision 5; 473.541, subdivision 3, and by adding a subdivision; 473.811, subdivision 2; 475.51, by adding subdivisions; 475.54, subdivision 4, and by adding a subdivision; 475.55, subdivision 6, and by adding a subdivision; 475.60, subdivisions 1, 2, and 3; 475.66, subdivision 1; and 475.79; proposing coding for new law in Minnesota Statutes, chapters 469 and 473.

Referred to the Committee on Taxes and Tax Laws.

Mr. Metzen and Ms. Reichgott introduced—

S.F. No. 1583: A bill for an act relating to education; requiring tax increment authorities to pay to a school district all tax increment attributable to the school district's referendum levy; amending Minnesota Statutes 1988, section 469.177, subdivision 10.

Referred to the Committee on Economic Development and Housing.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 10:00 a.m., Thursday, April 20, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate