

## FORTIETH DAY

St. Paul, Minnesota, Thursday, April 27, 1989

The Senate met at 8:00 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

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

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

The President declared a quorum present.

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

### 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. 264 and 1270.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 26, 1989

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1016, 1027, 1107, 1139, 930, 1323, 1354, 1389, 1454, 1540, 1113 and 1339.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 26, 1989

### FIRST READING OF HOUSE BILLS

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

H.F. No. 1016: A bill for an act relating to juvenile justice; authorizing the juvenile court to place juvenile alcohol or controlled substance offenders on probation; authorizing the juvenile court to require the commissioner of public safety to revoke the driver's license or permit of habitual petty offenders or to deny driving privileges to them if they do not have a license or permit; removing certain limitations on parental liability for thefts by minors; removing a repealer; amending Minnesota Statutes 1988, sections 171.04; 260.195, subdivision 3, and by adding subdivisions; and 332.51, subdivision 3; repealing Laws 1985, chapter 278, section 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1266.

H.F. No. 1027: A bill for an act relating to state employees; authorizing the donation of accrued vacation time by state employees in 1989 to pay unreimbursed medical costs incurred by other state employees.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 855, now on General Orders.

H.F. No. 1107: A bill for an act relating to landlord and tenant; authorizing emergency proceeding for loss of essential services; proposing coding for new law in Minnesota Statutes, chapter 566.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 804, now on General Orders.

H.F. No. 1139: A bill for an act relating to corrections; requiring county boards to provide medical aid for prisoners in jail; amending Minnesota Statutes 1988, section 641.15.

Referred to the Committee on Health and Human Services.

H.F. No. 930: A bill for an act relating to wild animals; removing authority to offer a bounty on rattlesnakes; amending Minnesota Statutes 1988, sections 348.12 and 348.13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 970, now on General Orders.

H.F. No. 1323: A bill for an act relating to financial institutions; amending Minnesota Statutes 1988, sections 46.041, subdivision 2; 47.015, subdivision 1; 47.101, subdivision 2; 47.16, subdivision 1; 47.54, subdivision 1; 48.475, subdivision 3; 48.48, subdivision 1; 49.24, subdivision 9; 49.33; 49.34, subdivision 1; 49.35; 49.36, subdivision 1; 49.37; 49.38; 49.39; 49.40; 49.41; 53.015; 53.02; 53.03, subdivisions 1 and 5; 53.05; 53.06; 53.08; 53.09, subdivision 3; 54.294, subdivision 1; 56.131, subdivision 1; and 56.155, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1133, now on General Orders.

H.F. No. 1354: A bill for an act relating to insurance; regulating cancellations and terminations of agents; amending Minnesota Statutes 1988, sections 60A.172; and 72A.20, by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1169, now on General Orders.

H.F. No. 1389: A bill for an act relating to Goodhue county; permitting the county to establish certain payment procedures.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1341, now on General Orders.

H.F. No. 1454: A bill for an act relating to Itasca county; authorizing a petition to annex unorganized territory to the town of Spang to be signed by residents of the town.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1331, now on General Orders.

H.F. No. 1540: A bill for an act relating to local government; regulating storm sewer improvements in Plymouth and Golden Valley; amending Laws 1979, chapter 303, article 10, section 15.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1396, now on General Orders.

H.F. No. 1113: A bill for an act relating to motor fuels; abolishing requirement that labeling of gasoline-alcohol blends be placed on dispenser; amending Minnesota Statutes 1988, section 239.79, subdivision 2; and by adding a subdivision.

Referred to the Committee on Commerce.

H.F. No. 1339: A bill for an act relating to agricultural societies; permitting certain officials to serve on societies; limiting the tort liability of certain board members; amending Minnesota Statutes 1988, sections 38.013; and 38.04.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1235, now on General Orders.

### REPORTS OF COMMITTEES

Mr. Merriam moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 1558 and 1022. The motion prevailed.

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

S.F. No. 1390: A bill for an act relating to agriculture; authorizing the commissioner to investigate cheese marketing arrangements; amending Minnesota Statutes 1988, section 17.03, by adding a subdivision.

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

Page 1, delete lines 7 to 10 and insert:

"Section 1. [INVESTIGATION OF CHEESE MARKETING; REPORT.]

(a) *The commissioner of agriculture shall conduct an*"

Page 1, line 20, delete "*farmer producers*" and insert "*producer organizations*"

Page 1, line 23, delete "*March 1 of each year*" and insert "*January 1, 1991*"

Page 2, after line 4, insert:

"Sec. 2. [APPROPRIATION.]

*\$ . . . . . is appropriated from the general fund to the commissioner of agriculture to investigate and report as provided in section 1."*

Amend the title as follows:

Page 1, line 3, delete "amending"

Page 1, delete lines 4 and 5 and insert "appropriating money."

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. 1528: A bill for an act relating to agriculture; providing assistance for establishing a barley research and promotion council; appropriating money.

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

Page 1, delete lines 9 to 11 and insert "*1991, to conduct a referendum for barley under Minnesota Statutes, section 17.54.*"

Amend the title as follows:

Page 1, line 2, delete "assistance"

Page 1, delete line 3 and insert "a referendum for barley;"

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 re-referred

S.F. No. 487: A bill for an act relating to human services; clarifying eligibility requirements for AFDC; revising the Minnesota supplemental aid program; appropriating money; amending Minnesota Statutes 1988, sections 13.46, subdivision 2; 237.70, subdivision 7; 237.701, subdivision 1; 256.014, subdivision 1; 256D.01, subdivision 1b; 256D.35, subdivisions 1, 7, and by adding subdivisions; 256D.36, subdivision 1, and by adding a subdivision; and 256D.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 256D; proposing coding for new law as Minnesota Statutes, chapter 256I; repealing Minnesota Statutes 1988, sections 256D.01, subdivision 1c; 256D.06, subdivisions 3, 4, and 6; 256D.35, subdivisions 2, 3, 4, and 8; 256D.36, subdivision 2; 256D.37, subdivisions 2, 4, 6, 7, 8, 9, 10, 11, 12, 13, and 14; 256D.38; 256D.39; 256D.41; 256D.42; and 256D.43.

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

Page 2, line 21, after "for" insert "*determining eligibility for*"

Page 3, line 15, delete "*will not be processed*"

Page 3, line 16, before the period, insert "*will be denied*"

Page 8, line 4, after "*field*" insert "*so*"

Page 24, line 16, after "*person*" insert "*included*"

Page 25, line 30, before "*section*" insert "*title 42.*"

Amend the title as follows:

Page 1, line 14, after "*sections*" insert "*245.775;*"

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

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

S.F. No. 954: A bill for an act relating to human services; establishing policy; changing the role of regional treatment centers; providing for community-based services for certain persons; amending Minnesota Statutes 1988, sections 245.463, by adding a subdivision; 245.476, by adding a subdivision; 245.94, subdivision 1; 246.18, subdivision 4; 246.36; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.291, subdivision 2; 252.31; 252.41, subdivision 9; 252.50; 253.015; 253B.17, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245; 246; 251; 252; 253; and 256E.

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

Delete everything after the enacting clause and insert:

"Section 1. [FINDING.]

*The legislature finds that it is beneficial to encourage the placement of persons requiring residential, health care, and treatment services in community-based facilities and in the regional treatment centers. It is the policy of the state to:*

*(1) carry out measures that encourage the delivery of these services in a manner that ensures fair and equitable arrangements to protect the interests of the affected residents, family members, employees, providers, and communities; and*

*(2) provide adequate staff and funding at regional treatment centers to ensure that existing programs and new programs that may be developed meet all licensing and certification standards and contemporary standards of care.*

Sec. 2. [245.073] [TECHNICAL TRAINING ASSISTANCE TO COMMUNITY-BASED PROGRAMS.]

*In conjunction with the discharge of persons from regional treatment centers and their admission to state-operated and privately operated community-based programs, the commissioner may provide technical training assistance to the community-based programs. The commissioner may apply for and accept money from any source including reimbursement charges from the community-based programs for reasonable costs of training. Money*

*received must be deposited in the general fund and is appropriated annually to the commissioner of human services for training under this section.*

Sec. 3. Minnesota Statutes 1988, section 245.463, is amended by adding a subdivision to read:

*Subd. 3. [REVIEW OF FUNDING.] The commissioner shall complete a review of funding for mental health services and make recommendations for any changes needed. The commissioner shall submit a report on the review and recommendations to the legislature by January 31, 1991.*

Sec. 4. Minnesota Statutes 1988, section 245.476, is amended by adding a subdivision to read:

*Subd. 4. [REPORT ON PREADMISSION SCREENING.] The commissioner shall review the statutory preadmission screening requirements for psychiatric hospitalization, both in the regional treatment centers and other hospitals, to determine if changes in preadmission screening are needed. The commissioner shall deliver a report of the review to the legislature by January 31, 1990.*

Sec. 5. [245.65] [CHEMICAL DEPENDENCY SERVICES FOR REGIONAL TREATMENT CENTERS.]

*Subdivision 1. [PURPOSE.] The regional treatment centers shall provide services designed to end a person's reliance on chemical use or a person's chemical abuse and increase effective and chemical-free functioning. Clinically effective programs must be provided in accordance with section 246.64.*

*Subd. 2. [SERVICES OFFERED.] Services provided must include, but are not limited to, the following:*

*(1) primary and extended residential care, including residential treatment programs of varied duration intended to deal with a person's chemical dependency or chemical abuse problems;*

*(2) follow-up care to persons discharged from regional treatment center programs;*

*(3) outpatient treatment programs; and*

*(4) other treatment services, as appropriate and as provided under contract or shared service agreements.*

*Subd. 3. [PERSONS SERVED.] The regional treatment centers shall provide services primarily to adolescent and adult residents of the state.*

*Subd. 4. [SYSTEM LOCATIONS.] Programs shall be located in Anoka, Brainerd, Fergus Falls, Moose Lake, St. Peter, and Willmar.*

Sec. 6. Minnesota Statutes 1988, section 245.94, subdivision 1, is amended to read:

*Subdivision 1. [POWERS.] (a) The ombudsman may prescribe the methods by which complaints to the office are to be made, reviewed, and acted upon. The ombudsman may not levy a complaint fee.*

*(b) The ombudsman may mediate or advocate on behalf of a client.*

*(c) The ombudsman may investigate the quality of services provided to clients and determine the extent to which quality assurance mechanisms within state and county government work to promote the health, safety, and*

welfare of clients, other than clients in acute care facilities who are receiving services not paid for by public funds.

*(d) The ombudsman may review and evaluate the operation and licensing of state facilities operated under the authority of the commissioner of human services.*

*(e) At the request of a client, or upon receiving a complaint or other information affording reasonable grounds to believe that the rights of a client who is not capable of requesting assistance have been adversely affected, the ombudsman may gather information about and analyze, on behalf of the client, the actions of an agency, facility, or program.*

*(f) The ombudsman may examine, on behalf of a client, records of an agency, facility, or program if the records relate to a matter that is within the scope of the ombudsman's authority. If the records are private and the client is capable of providing consent, the ombudsman shall first obtain the client's consent. The ombudsman is not required to obtain consent for access to private data on clients with mental retardation or a related condition.*

*(g) The ombudsman may, at reasonable times in the course of conducting a review, enter and view premises within the control of an agency, facility, or program.*

*(h) The ombudsman may attend department of human services review board and special review board proceedings; proceedings regarding the transfer of patients or residents, as defined in section 246.50, subdivisions 4 and 4a, between institutions operated by the department of human services; and, subject to the consent of the affected client, other proceedings affecting the rights of clients. The ombudsman is not required to obtain consent to attend meetings or proceedings and have access to private data on clients with mental retardation or a related condition.*

*(i) The ombudsman shall have access to data of agencies, facilities, or programs classified as private or confidential as defined in section 13.02, subdivisions 12 and 13, regarding services provided to clients with mental retardation or a related condition.*

*(j) To avoid duplication and preserve evidence, the ombudsman shall inform relevant licensing or regulatory officials before undertaking a review of an action of the facility or program.*

*(k) Sections 245.91 to 245.97 are in addition to other provisions of law under which any other remedy or right is provided.*

Sec. 7. Minnesota Statutes 1988, section 245A.03, is amended by adding a subdivision to read:

*Subd. 1a. [LICENSURE RESTRICTIONS.] After June 30, 2000, the commissioner may not issue an initial license or renew a license for a community-based intermediate care facility for persons with mental retardation or related conditions with a licensed capacity of more than 16 beds. The commissioner shall annually report to the legislature with recommendations for funding and regulatory changes that will be needed to make the transition to full compliance with this subdivision.*

Sec. 8. Minnesota Statutes 1988, section 246.18, is amended by adding a subdivision to read:

*Subd. 3a. [CONTINGENCY FUND.] A separate interest-bearing account*

*must be established in accordance with subdivision 3 for use by the commissioner of human services in contingency situations related to chemical dependency programs operated by the regional treatment centers or state nursing homes. Within the limits of appropriations made available for this purpose, money must be provided to each regional treatment center to enable each center to continue to provide at least the current level of chemical dependency services.*

Sec. 9. Minnesota Statutes 1988, section 246.18, subdivision 4, is amended to read:

Subd. 4. [COLLECTIONS DEPOSITED IN MEDICAL ASSISTANCE ACCOUNT.] Except as provided in subdivision 2, all receipts from collection efforts for the regional treatment centers ~~and~~, state nursing homes, ~~and other state facilities as defined in section 246.50, subdivision 3,~~ must be deposited in the medical assistance account and are appropriated for that purpose. The commissioner shall ensure that the departmental financial reporting systems and internal accounting procedures comply with federal standards for reimbursement for program and administrative expenditures and fulfill the purpose of this paragraph.

Sec. 10. Minnesota Statutes 1988, section 246.36, is amended to read:

246.36 [ACCEPTANCE OF VOLUNTARY, UNCOMPENSATED SERVICES.]

For the purpose of carrying out a duty, the commissioner of human services shall have authority to accept uncompensated and voluntary services and to enter into contracts or agreements with private or public agencies, or persons, for uncompensated and voluntary services, as the commissioner may deem practicable. *Uncompensated and voluntary services do not include services mandated by licensure and certification requirements for health care facilities.* The volunteer agencies, organizations, or persons who provide services to residents of state ~~hospitals~~ *shall* ~~facilities operated under the authority of the commissioner are not be~~ subject to the procurement requirements of chapters 16A and 16B. The agencies, organizations, or persons may purchase supplies, services, and equipment to be used in providing services to residents of state ~~hospitals~~ *facilities* through the department of administration.

Sec. 11. Minnesota Statutes 1988, section 246.57, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED.] The commissioner of human services may authorize any ~~regional center or state operated nursing home~~ *state facility operated under the authority of the commissioner* to enter into agreement with other governmental entities and both nonprofit and ~~profit~~ *health service* ~~for-profit~~ organizations for participation in shared service agreements that would be of mutual benefit to the state, other governmental entities and ~~health service~~ organizations involved, and the public. Notwithstanding section 16B.06, subdivision 2, the commissioner of human services may delegate the execution of shared services contracts to the chief executive officers of the regional centers or state operated nursing homes. No additional employees shall be added to the legislatively approved complement for any regional center or state nursing home as a result of entering into any shared service agreement. However, positions funded by a shared service agreement may be authorized by the commissioner of finance for the duration of the shared service agreement. The charges for the services



shall be on an actual cost basis and. All receipts shall be deposited in the general fund. The receipts are appropriated to the commissioner of human services for the duration of the shared service agreement to make expenditures under the agreement that are not covered by other appropriations for shared services may be retained by the regional treatment center or state-operated nursing home that provided the services, in addition to other funding the regional treatment center or state-operated nursing home receives.

Sec. 12. [246.70] [SERVICES TO FAMILIES.]

(a) *The commissioner shall publicize the planned changes to the facilities operated by the commissioner. A parent, other involved family member, or private guardian of a resident of a facility must be notified of the changes planned for each facility. When new services developed for a person require the person to move, the commissioner shall provide each parent, family member, and guardian of that person with the following:*

- (1) names and telephone numbers of the state and county contacts;*
- (2) information on types of services to be developed;*
- (3) information on how the individual planning process works, including how alternative placements will be determined, and how family members can be involved;*
- (4) information on the process to be followed when a parent, other family member, or guardian disagrees with the proposed services; and*
- (5) a list of additional resources such as advocates, local volunteer coordinators, and family groups.*

(b) *At least one staff person in each facility must be available to provide information about:*

- (1) community placements;*
- (2) the opportunity for interested family members and guardians to participate in program planning; and*
- (3) family support groups.*

Sec. 13. Minnesota Statutes 1988, section 251.011, subdivision 4, is amended to read:

Subd. 4. [OAK TERRACE NURSING HOME.] Any portion or unit of Glen Lake Sanitarium not used for the treatment of tuberculosis patients may be used by the commissioner of human services for the care of geriatric patients, under the name of Oak Terrace Nursing Home.

The commissioner of administration may lease any portion or unit of Oak Terrace Nursing Home for the purpose of providing food and shelter for the homeless.

*The facility at Oak Terrace must be closed as soon as a reasonable plan for relocation of its residents can be safely implemented and employee mitigation measures completed, but no later than July 1, 1992. Relocation of persons must be carefully planned and take into account any remaining ties the person has to family or community, available capacity in private and state-operated nursing homes, and personal choices and needs of the resident. Relocation must be implemented according to Minnesota Rules, parts 4655.6810 to 4655.6830 and 9546.0010 to 9546.0060.*

Sec. 14. Minnesota Statutes 1988, section 251.011, is amended by adding a subdivision to read:

*Subd. 4a. [NURSING HOME BEDS AT REGIONAL TREATMENT CENTERS.] The commissioner shall operate nursing home beds at Brainerd, Faribault, and Fergus Falls regional treatment centers and may operate nursing home beds at other regional treatment centers as necessary to provide an appropriate level of care for persons served at those centers.*

Sec. 15. [251.012] [PROVISION OF NURSING HOME SERVICES.]

*Subdivision 1. [NURSING HOME CARE.] (a) The commissioner shall provide nursing home care to a person requiring that level of care when the person:*

- (1) is medically fragile or clinically challenging;*
- (2) exhibits severe or challenging behaviors; or*
- (3) requires treatment for an underlying mental illness.*

*(b) A person may be accepted for admission only after nursing home preadmission screening by the county.*

*Subd. 2. [TECHNICAL ASSISTANCE.] Within the limits of appropriations, the commissioner may expand the provision of technical assistance to community providers in handling the behavior problems of their residents, and with community placements for younger persons who have heavy nursing needs and behavior problems. Technical assistance may include site visits, consultation with providers, or provider training.*

*Subd. 3. [RESPITE CARE.] Respite care may be offered when space is available if payment for the cost of care is guaranteed by the person, the person's family or legal representative, or a source other than a direct state appropriation to the nursing home, and if the individual meets the facility's admission criteria.*

Sec. 16. [252.032] [ADMINISTRATIVE STRUCTURE.]

*Subdivision 1. [REGIONAL STRUCTURE.] The administrative structure of the state-operated system must be regional in character.*

*Subd. 2. [STAFF; LOCATION OF FACILITIES.] The administrative and professional staffs of the regional treatment centers must be based on campus. Community-based facilities and services must be located and operated so they facilitate the delivery of professional and administrative staff services from the regional treatment center campus. The regional treatment center professional staff and all other staff may deliver services that they deliver on campus throughout the catchment area.*

Sec. 17. [252.035] [REGIONAL TREATMENT CENTER CATCHMENT AREAS.]

*The commissioner may administratively designate catchment areas for regional treatment centers and state nursing homes. Catchment areas may vary by client group served. Catchment areas in effect on January 1, 1989, may not be modified until the commissioner has consulted with the regional planning committees of the affected regional treatment centers and obtained the approval of the chairs of the senate health and human services finance division and the house of representatives health and human services appropriation division.*

## Sec. 18. [252.038] [PROVISION OF RESIDENTIAL SERVICES.]

*Subdivision 1. [RESIDENTIAL CARE.] The commissioner of human services may continue to provide residential care in regional treatment centers.*

*Subd. 2. [TECHNICAL ASSISTANCE.] To the extent of available money, the commissioner of human services may expand the capacity to provide technical assistance to community providers in handling the behavior problems of their patients. Technical assistance may include site visits, consultation with providers, or provider training.*

*Subd. 3. [RESPITE CARE.] Respite care may be provided in a regional treatment center when space is available if (1) payment for 20 percent of the prevailing facility per diem is guaranteed by the person, the person's family or legal representative, or a source other than a direct state appropriation to the regional treatment center and (2) provision of respite care to the individual meets the facility's admission criteria and licensing standards. The parent or guardian must consent to admission and sign a waiver of liability. Respite care is limited to 30 days within a calendar year. No preadmission screening process is required for a respite care stay under this subdivision.*

Sec. 19. Minnesota Statutes 1988, section 252.291, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) The commissioner of human services in coordination with the commissioner of health may approve a newly constructed or newly established publicly or privately operated community intermediate care facility for six or fewer persons with mental retardation or related conditions only when ~~the following circumstances exist:~~

~~(a) when~~ (1) the facility is developed in accordance with a request for proposal approved by the commissioner of human services;

~~(b) when~~ (2) the facility is necessary to serve the needs of identified persons with mental retardation or related conditions who are seriously behaviorally disordered or who are seriously physically or sensorily impaired. ~~At least 50~~ Forty percent of the capacity of the facility specified in the proposal submitted to the commissioner must be used for persons ~~coming~~ being discharged from regional treatment centers; and

~~(c) when~~ (3) the commissioner determines that the need for increased service capacity cannot be met by the use of alternative resources or the modification of existing facilities.

*(b) The percentage limitation in paragraph (a), clause (2), does not apply to state-operated, community-based facilities.*

Sec. 20. Minnesota Statutes 1988, section 252.41, subdivision 9, is amended to read:

Subd. 9. [VENDOR.] "Vendor" means a nonprofit legal entity that:

(1) is licensed under sections ~~245.781~~ 245A.01 to ~~245.812~~ 245A.16 and 252.28, subdivision 2, to provide day training and habilitation services to adults with mental retardation ~~and~~ or related conditions; and

(2) does not have a financial interest in the legal entity that provides residential services to the same person or persons to whom it provides day training and habilitation services. This clause does not apply to regional

*treatment centers; state-operated, community-based programs operating according to section 252.50, until July 1, 2000; or vendors licensed prior to April 15, 1983.*

Sec. 21. Minnesota Statutes 1988, section 252.50, is amended to read:

252.50 [STATE-OPERATED, COMMUNITY-BASED RESIDENTIAL PROGRAMS.]

Subdivision 1. [~~RESIDENTIAL COMMUNITY-BASED PROGRAMS ESTABLISHED.~~] The commissioner ~~may~~ *shall* establish a system of ~~non-institutional~~, state-operated, community-based ~~residential services programs~~ for persons with mental retardation or related conditions. For purposes of this section, "state-operated, community-based ~~residential facility program~~" means a ~~residential~~ program administered by the state to provide treatment and habilitation in noninstitutional community settings to persons with mental retardation or related conditions. Employees of the ~~facilities programs~~ must be state employees under chapters 43A and 179A. The establishment of state-operated, community-based ~~residential facilities programs~~ must be within the context of a comprehensive definition of the role of state-operated services in the state. The role of state-operated services must be defined within the context of a comprehensive system of services for persons with mental retardation or related conditions. ~~Services~~ *State-operated, community-based programs* may include, but are not limited to, community group homes, foster care, supportive living ~~arrangements services, day training and habilitation programs, and respite care arrangements.~~ The commissioner may operate the pilot projects established under Laws 1985, First Special Session chapter 9, article 1, section 2, subdivision 6, and ~~may~~ *shall*, within the limits of available appropriations, establish additional state-operated, community-based ~~services programs~~ for ~~regional treatment center residents~~ *persons* with mental retardation or related conditions. ~~Day program services for clients living in state-operated, community-based residential facilities must not be provided by a regional treatment center or state-operated, community-based program.~~ *State-operated, community-based programs may accept admissions from regional treatment centers, from the person's own home, or from community programs. State-operated, community-based programs offering day program services may be provided for persons with mental retardation or related conditions who are living in state-operated, community-based residential programs until July 1, 2000. No later than 1994, the commissioner, together with family members, counties, advocates, employee representatives, and other interested parties, shall begin planning so that by July 1, 2000, state-operated, community-based residential facilities will be in compliance with section 252.41, subdivision 9.*

Subd. 2. [AUTHORIZATION TO BUILD OR PURCHASE.] Within the limits of available appropriations, the commissioner may build, purchase, or lease suitable buildings for state-operated, community-based ~~residential facilities programs.~~ *Facilities Programs* must be ~~homelike and~~ adaptable to the needs of persons with mental retardation or related conditions ~~and residential programs must be homelike.~~

Subd. 3. [ALTERNATIVE FUNDING MECHANISMS.] To the extent possible, the commissioner may amend the medical assistance home and community-based waiver and, as appropriate, develop special waiver procedures for targeting services to persons currently in state regional ~~treatment centers.~~

Subd. 4. [COUNTIES.] State-operated, community-based ~~residential facilities~~ programs may be developed in conjunction with existing county responsibilities and authorities for persons with mental retardation or related conditions. Assessment, placement, screening, case management responsibilities, and determination of need procedures must be consistent with county responsibilities established under law and rule. Counties may enter into shared service agreements with state-operated programs.

Subd. 5. [LOCATION OF PROGRAMS.] (a) *In determining the location of state-operated, community-based programs, the needs of the individual are paramount. The commissioner shall also take into account:*

(1) *the personal preferences of the persons being served and their families as determined by Minnesota Rules, parts 9525.0015 to 9525.0165;*

(2) *the need for state-operated, community-based programs in the geographical region of the state;*

(3) *location of the support services established by the individual service plans of the persons being served;*

(4) *the appropriate grouping of the persons served;*

(5) *the availability of qualified staff; and*

(6) *a reasonable commuting distance from a regional treatment center or the residences of the program staff.*

(b) *State-operated, community-based programs must be located according to section 252.28.*

Subd. 6. [RATES FOR STATE-OPERATED, COMMUNITY-BASED PROGRAMS FOR PERSONS WITH MENTAL RETARDATION.] *State-operated, community-based programs that meet the definition of a facility in Minnesota Rules, part 9553.0020, subpart 19, must be reimbursed consistent with Minnesota Rules, parts 9553.0010 to 9553.0080. State-operated, community-based programs that meet the definition of vendor in section 252.41, subdivision 9, must be reimbursed consistent with the rate setting procedures in sections 252.41 to 252.47 and Minnesota Rules, parts 9525.1200 to 9525.1330. This subdivision does not operate to abridge the statutorily created pension rights of state employees or collective bargaining agreements reached pursuant to chapter 179A.*

Subd. 7. [CRISIS SERVICES.] *Within the limits of appropriations, state-operated regional technical assistance must be available in each region to assist counties, residential and day programming staff, and families to prevent or resolve crises that could lead to a change in placement. Crisis capacity must be provided on all regional treatment center campuses serving persons with developmental disabilities. In addition, crisis capacity may be developed as needed to meet unmet demand in the Twin Cities metropolitan area. Technical assistance and consultation must also be available in each region to providers and counties. Staff must be available to provide:*

(1) *individual assessments;*

(2) *program plan development and implementation assistance;*

(3) *analysis of service delivery problems; and*

(4) *assistance with transition planning, including technical assistance to counties and providers to develop new services, site the new services,*

*and assist with community acceptance.*

*Subd. 8. [SPIRITUAL CARE SERVICES.] An organized means for providing spiritual care services and follow-up may be established as part of the comprehensive health care, congruent with the operational philosophy of the department of human services, to residents of state-operated residential facilities and former residents discharged to private facilities, by persons certified for ministry in specialized settings.*

*Subd. 9. [RULES AND LICENSURE.] Each state-operated residential and day habilitation service site must be separately licensed and movement of residents between them is governed by applicable rules adopted by the commissioner.*

*Subd. 10. [AGREEMENT AUTHORIZED.] The agreement between the commissioner of human services, the state negotiator, and the bargaining representatives of state employees, dated March 10, 1989, concerning the department of human services plan to restructure the regional treatment centers, is ratified, subject to approval by the legislative commission on employee relations.*

**Sec. 22. [252.51] [COMMUNITY PLANNING.]**

*(a) Each community that includes a regional treatment center shall establish a group to work with and advise the commissioner and the counties to:*

*(1) ensure community input in the development of community services for persons with developmental disabilities;*

*(2) assure consideration of family concerns about choice of service settings;*

*(3) assist counties in recruiting new providers and capitalizing and siting new day services and residential programs;*

*(4) assist the surrounding counties in coordinating development of services for persons with developmental disabilities;*

*(5) facilitate community education concerning services to persons with developmental disabilities;*

*(6) assist in recruiting potential supported employment opportunities;*

*(7) assist in developing shared services agreements among providers of service;*

*(8) coordinate with the development of state-operated services; and*

*(9) seek to resolve local transportation issues for persons with developmental disabilities.*

*(b) Money appropriated to the commissioner of human services for this purpose must be transferred to the city in which the regional treatment center is located upon receipt of evidence from the city that a group has been constituted and designated under paragraph (a). The money must be used to defray the expenses of the group.*

*(c) The membership of each community group must reflect a broad range of community interests, including, at a minimum, families of persons with developmental disabilities, state employee unions, providers, advocates, and counties.*

Sec. 23. Minnesota Statutes 1988, section 252A.03, is amended by adding a subdivision to read:

*Subd. 4. [ALTERNATIVES.] Public guardianship or conservatorship may be imposed only when no acceptable, less restrictive form of guardianship or conservatorship is available. The commissioner shall seek parents, near relatives, and other interested persons to assume private guardianship for persons with developmental disabilities who are currently under public guardianship. If a person seeks to become a private guardian or conservator, costs to the person may be reimbursed under section 525.703, subdivision 3, paragraph (b). The commissioner must provide technical assistance to parents, near relatives, and interested persons seeking to become private guardians or conservators.*

Sec. 24. Minnesota Statutes 1988, section 253.015, is amended to read:

**253.015 [LOCATION; MANAGEMENT; COMMITMENT; CHIEF EXECUTIVE OFFICER.]**

*Subdivision 1. [STATE HOSPITALS FOR PERSONS WITH MENTAL ILLNESS.] The state hospitals located at Anoka, Brainerd, Fergus Falls, ~~Hastings~~, Moose Lake, ~~Rochester~~, St. Peter, and Willmar shall constitute the state hospitals for ~~mentally ill~~ persons with mental illness, and shall be maintained under the general management of the commissioner of human services. The commissioner of human services shall determine to what state hospital persons with mental illness shall be committed from each county and notify the probate judge thereof, and of changes made from time to time. The chief executive officer of each hospital for persons with mental illness shall be known as the chief executive officer.*

*Subd. 2. [REPORT ON NEEDED REGIONAL TREATMENT CENTER SERVICES.] By January 31, 1991, the commissioner shall determine the need for providing services for persons in southeastern Minnesota who are mentally ill at the regional center in Faribault and submit a report to the legislature. The report must also address the need to provide services to persons with closed-head injuries at the Faribault regional center.*

**Sec. 25. [253.016] [PURPOSE OF REGIONAL TREATMENT CENTERS.]**

*The primary mission of the regional treatment centers for persons with major mental illness is to provide inpatient psychiatric hospital services. The regional treatment centers are part of a comprehensive mental health system. Regional treatment center services must be integrated into an array of services based on assessment of individual needs.*

**Sec. 26. [253.017] [TREATMENT PROVIDED BY REGIONAL TREATMENT CENTERS.]**

*Subdivision 1. [ACTIVE PSYCHIATRIC TREATMENT.] The regional treatment centers shall provide active psychiatric treatment according to contemporary professional standards. Treatment must be designed to:*

*(1) stabilize the individual and the symptoms that required hospital admission;*

*(2) restore individual functioning to a level permitting return to the community;*

*(3) strengthen family and community support; and*

(4) facilitate discharge, aftercare, and follow-up as patients return to the community.

**Subd. 2. [NEED FOR SERVICES.]** *The commissioner shall determine the need for the psychiatric services provided by the department based upon individual needs assessments of persons in the regional treatment centers as required by section 245.474, subdivision 2, and an evaluation of: (1) regional treatment center programs, (2) programs needed in the region for persons who require hospitalization, and (3) available epidemiologic data. Throughout its planning and implementation, the assessment process must be discussed with the state advisory council on mental health in accordance with its duties under section 245.697. Continuing assessment of this information must be considered in planning for and implementing changes in state-operated programs and facilities for persons with mental illness. By January 31, 1990, the commissioner shall submit a proposal for renovation or new construction of the facilities at Anoka, Brainerd, Moose Lake, and Fergus Falls. Expansion may be considered only after a thorough analysis of need and in conjunction with a comprehensive mental health plan.*

**Subd. 3. [DISSEMINATION OF ADMISSION AND STAY CRITERIA.]** *The commissioner shall periodically disseminate criteria for admission and continued stay in a regional treatment center and security hospital. The commissioner shall disseminate the criteria to the courts of the state and counties.*

**Sec. 27. [253.018] [PERSONS SERVED.]**

*The regional treatment centers shall primarily serve adults. Programs treating children and adolescents who require the clinical support available in a psychiatric hospital may be maintained on present campuses until adequate state-operated alternatives are developed off campus in accordance with the criteria of section 28, subdivision 2. The department may, consistent with a comprehensive mental health plan for children, develop state-operated, community-based services. Consistent with need, the services may be developed in geographic proximity to regional treatment centers.*

**Sec. 28. [253.28] [STATE-OPERATED, COMMUNITY-BASED PROGRAMS FOR PERSONS WITH MENTAL ILLNESS.]**

**Subdivision 1. [PROGRAMS FOR PERSONS WITH MENTAL ILLNESS.]** *Beginning July 1, 1991, the commissioner may establish a system of state-operated, community-based programs for persons with mental illness. For purposes of this section, "state-operated, community-based program" means a program administered by the state to provide treatment and habilitation in community settings to persons with mental illness. Employees of the programs must be state employees under chapters 43A and 179A. The role of state-operated services must be defined within the context of a comprehensive system of services for persons with mental illness. Services may include, but are not limited to, community residential treatment facilities for children and adults.*

**Subd. 2. [LOCATION OF PROGRAMS FOR PERSONS WITH MENTAL ILLNESS.]** *In determining the location of state-operated, community-based programs, the needs of the individual clients are paramount. The commissioner shall also take into account:*

*(1) the personal preferences of the persons being served and their families;*



*(2) the need for state-operated, community-based programs in the geographical region of the state;*

*(3) location of the support services needed by the persons being served as established by an individual service plan;*

*(4) the appropriate grouping of the persons served;*

*(5) the availability of qualified staff; and*

*(6) a reasonable commuting distance from a regional treatment center or the residences of the program staff.*

**Subd. 3. [EVALUATION OF COMMUNITY-BASED SERVICES DEVELOPMENT.]** *The commissioner shall develop an integrated approach to assessing and improving the quality of community-based services including state-operated programs to persons with mental illness. The commissioner shall evaluate the progress of the development and quality of the community-based services to determine if further development can proceed. The commissioner shall report results of the evaluation to the legislature by January 31, 1993.*

Sec. 29. Minnesota Statutes 1988, section 256B.092, subdivision 7, is amended to read:

**Subd. 7. [SCREENING TEAMS ESTABLISHED.]** *(a) Each county agency shall establish a screening team which, under the direction of the county case manager, shall make an evaluation of need for home and community-based services of persons who are entitled to the level of care provided by an intermediate care facility for persons with mental retardation or related conditions or for whom there is a reasonable indication that they might require the level of care provided by an intermediate care facility. The screening team shall make an evaluation of need within 15 working days of the date that the assessment is completed or within 60 working days of a request for service by a person with mental retardation or related conditions, whichever is the earlier, and within five working days of an emergency admission of an individual to an intermediate care facility for persons with mental retardation or related conditions. The screening team shall consist of the case manager, the client, a parent or guardian, a qualified mental retardation professional, as defined in the Code of Federal Regulations, title 42, section 442.401, as amended through December 31, 1987. For individuals determined to have overriding health care needs, a registered nurse must be designated as either the case manager or the qualified mental retardation professional. The case manager shall consult with the client's physician, other health professionals or other persons as necessary to make this evaluation. The case manager, with the concurrence of the client or the client's legal representative, may invite other persons to attend meetings of the screening team. No member of the screening team shall have any direct or indirect service provider interest in the case.*

*(b) In addition to the requirements of paragraph (a), the following conditions apply to the discharge of persons with mental retardation or a related condition from a regional treatment center:*

*(1) For a person under public guardianship, at least two weeks prior to each screening team meeting the case manager must notify in writing parents, near relatives, and the ombudsman established under section 245.92 or a designee, and invite them to attend. The notice to parents and near relatives must include: (i) notice of the provisions of section 23 regarding*

assistance to persons interested in assuming private guardianship; (ii) notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7); and (iii) information about advocacy services available to assist parents and near relatives of persons with mental retardation or related conditions. In the case of an emergency screening meeting, the notice must be provided as far in advance as practicable.

(2) Prior to the discharge, a screening must be conducted under subdivision 8 and a plan developed under subdivision 1a. For a person under public guardianship, the county shall encourage parents and near relatives to participate in the screening team meeting. The screening team shall consider the opinions of parents and near relatives in making its recommendations. The screening team shall determine that the services outlined in the plan are available in the community before recommending a discharge. The case manager shall provide a copy of the plan to the person, legal representative, parents, near relatives, the ombudsman established under section 245.92, and the protection and advocacy system established under United States Code, title 42, section 6042, at least 30 days prior to the date the proposed discharge is to occur. The information provided to parents and near relatives must include notice of the rights of parents and near relatives to object to a proposed discharge by requesting a review as provided in clause (7). If a discharge occurs, the case manager and a staff person from the regional treatment center from which the person was discharged must conduct a monitoring visit as required in Minnesota Rules, part 9525.0115, within 90 days of discharge and provide an evaluation within 15 days of the visit to the person, legal representative, parents, near relatives, ombudsman, and the protection and advocacy system established under United States Code, title 42, section 6042.

(3) In order for a discharge or transfer from a regional treatment center to be approved, the concurrence of a majority of the screening team members is required. The screening team shall determine that the services outlined in the discharge plan are available and accessible in the community before the person is discharged. The recommendation of the screening team cannot be changed except by subsequent action of the team and is binding on the county and on the commissioner. If the commissioner or the county determines that the decision of the screening team is not in the best interests of the person, the commissioner or the county may seek judicial review of the screening team recommendation. A person or legal representative may appeal under section 256.045, subdivision 3 or 4a.

(4) For persons who have overriding health care needs or behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, the following additional conditions must be met:

(i) For a person with overriding health care needs, either a registered nurse or a licensed physician shall review the proposed community services to assure that the medical needs of the person have been planned for adequately. For purposes of this paragraph, "overriding health care needs" means a medical condition that requires daily clinical monitoring by a licensed registered nurse.

(ii) For a person with behaviors that cause injury to self or others, or cause damage to property that is an immediate threat to the physical safety of the person or others, a qualified mental retardation professional, as

*defined in paragraph (a), shall review the proposed community services to assure that the behavioral needs of the person have been planned for adequately. The qualified mental retardation professional must have at least one year of experience in the areas of assessment, planning, implementation, and monitoring of individual habilitation plans that have used behavior intervention techniques.*

*(5) No person with mental retardation or a related condition may be discharged from a regional treatment center before an appropriate community placement is available to receive the person.*

*(6) A resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than 15 beds. Effective July 1, 1993, a resident of a regional treatment center may not be discharged to a community intermediate care facility with a licensed capacity of more than ten beds.*

*(7) If the person, legal representative, parent, or near relative of the person proposed to be discharged from a regional treatment center objects to the proposed discharge, the individual who objects to the discharge may request a review under section 256.045, subdivision 4a, and may request reimbursement as allowed under section 256.045. The person must not be transferred from a regional treatment center while a review or appeal is pending. Within 30 days of the request for a review, the local agency shall conduct a conciliation conference and inform the individual who requested the review in writing of the action the local agency plans to take. The conciliation conference must be conducted in a manner consistent with section 256.045, subdivision 4a. A person, legal representative, parent, or near relative of the person proposed to be discharged who is not satisfied with the results of the conciliation conference may submit to the commissioner a written request for a hearing before a state human services referee under section 256.045, subdivision 4a. The person, legal representative, parent, or near relative of the person proposed to be discharged may appeal the order to the district court of the county responsible for furnishing assistance by serving a written copy of a notice of appeal on the commissioner and any adverse party of record within 30 days after the day the commissioner issued the order and by filing the original notice and proof of service with the court administrator of the district court. Judicial review must proceed under section 256.045, subdivisions 7 to 10. For a person under public guardianship, the ombudsman established under section 245.92 may object to a proposed discharge by requesting a review or hearing or by appealing to district court as provided in this clause. The person must not be transferred from a regional treatment center while a review or appeal is pending.*

Sec. 30. Minnesota Statutes 1988, section 256B.092, subdivision 8, is amended to read:

Subd. 8. [SCREENING TEAM DUTIES.] The screening team shall:

(a) review diagnostic data;

(b) review health, social, and developmental assessment data using a uniform screening tool specified by the commissioner;

(c) identify the level of services ~~needed~~ *appropriate* to maintain the person in the most normal and least restrictive setting that is consistent with *the person's* treatment needs;

(d) identify other noninstitutional public assistance or social service that may prevent or delay long-term residential placement;

(e) assess whether a client is in ~~serious~~ need of long-term residential care;

(f) make recommendations regarding placement and payment for: (1) social service or public assistance support to maintain a client in the client's own home or other place of residence; (2) training and habilitation service, vocational rehabilitation, and employment training activities; (3) community residential placement; (4) ~~state hospital~~ regional treatment center placement; or (5) a home and community-based alternative to community residential placement or state hospital placement;

*(g) evaluate the availability, location, and quality of the services listed in paragraph (f), including the impact of placement alternatives on the client's ability to maintain or improve existing patterns of contact and involvement with parents and other family members;*

(h) identify the cost implications of recommendations in paragraph (f); ~~above;~~

~~(h)~~ (i) make recommendations to a court as may be needed to assist the court in making commitments of mentally retarded persons; and

~~(i)~~ (j) inform clients that appeal may be made to the commissioner pursuant to section 256.045.

**Sec. 31. [256E.14] [GRANTS FOR CASE MANAGEMENT FOR PERSONS WITH MENTAL RETARDATION OR RELATED CONDITIONS.]**

*For the biennium ending June 30, 1991, the commissioner shall distribute to counties the appropriation made available under this section for case management services for persons with mental retardation or related conditions as follows:*

*(1) one-half of the appropriation must be distributed to the counties according to the formula in section 256E.06, subdivision 1; and*

*(2) one-half of the appropriation must be distributed to the counties on the basis of the number of persons with mental retardation or a related condition that were receiving case management services from the county on the January 1 preceding the start of the fiscal year in which the funds are distributed.*

**Sec. 32. [STUDY OF PARENTAL INVOLVEMENT.]**

*The commissioner of human services shall determine the number of persons transferred from public to private guardianship, and the increased involvement of parents and near relatives in the activities of screening teams established under Minnesota Statutes, section 256B.092, subdivision 7, as a result of the adoption of sections 23, 29, and 30, and report the results of the study to the legislature by December 15, 1990.*

**Sec. 33. [REGIONAL TREATMENT CENTER CONTRACTING AUTHORITY.]**

*(a) The commissioner shall develop a plan to:*

*(1) expand the authority of regional treatment center chief executive officers to contract directly for necessary supplies and equipment; and*

*(2) simplify the existing contracting process to eliminate unnecessary*

*paperwork and delays.*

*(b) The plan shall be presented to the legislature by January 15, 1990.*

Sec. 34. [STUDIES.]

*The commissioner shall contract for a study of the progress of selected citizens who have been discharged from regional treatment centers since 1985 and shall report to the legislature on or before July 1, 1990. The study must be supervised and directed by the commissioner of human services. The commissioner shall also contract for an evaluation of the progress of the development and quality of state-operated community-based services to determine if further development can proceed. The commissioner shall report the results of the evaluation to the legislature by January 31, 1991."*

Delete the title and insert:

"A bill for an act relating to human services; establishing policy; changing the role of regional treatment centers; providing for community-based services for certain persons; amending Minnesota Statutes 1988, sections 245.463, by adding a subdivision; 245.476, by adding a subdivision; 245.94, subdivision 1; 245A.03, by adding a subdivision; 246.18, subdivision 4, and by adding a subdivision; 246.36; 246.57, subdivision 1; 251.011, subdivision 4, and by adding a subdivision; 252.291, subdivision 2; 252.41, subdivision 9; 252.50; 252A.03, by adding a subdivision; 253.015; and 256B.092, subdivisions 7 and 8; proposing coding for new law in Minnesota Statutes, chapters 245; 246; 251; 252; 253; and 256E."

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

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

S.F. No. 1067: A bill for an act relating to metropolitan government; regulating budgets; amending Minnesota Statutes 1988, section 473.1623, subdivision 4, and by adding subdivisions.

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 473.145, is amended to read:

473.145 [DEVELOPMENT GUIDE.]

The metropolitan council shall prepare and adopt, after appropriate study and such public hearings as may be necessary, a comprehensive development guide for the metropolitan area. It shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for ~~an~~ the orderly and ~~economic~~ *economical* development, public and private, of the metropolitan area. The comprehensive development guide shall recognize and encompass physical, social, or economic needs of the metropolitan area and those future developments which will have an impact on the entire area including but not limited to such matters as land use, parks and open space land needs, the necessity for and location of airports, highways, transit facilities, public hospitals, libraries, schools, and other

public buildings.

Sec. 2. Minnesota Statutes 1988, section 473.1623, subdivision 4, is amended to read:

Subd. 4. [FINANCIAL REPORTING; BUDGETING.] (a) The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop uniform or consistent standards, formats, and procedures for the budgets and financial reports of the council and all metropolitan agencies. The council shall report to the legislature from time to time on progress made by the committee in improving the uniformity and quality of budgets and financial reports and on legislation that may be needed for this purpose.

(b) The council and each metropolitan agency shall prepare a summary budget for agency fiscal year 1988 and each year thereafter. The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop guidelines and models for the summary budgets. The purpose of the summary budget is to increase public knowledge and agency accountability by providing citizens outside of the agency with a condensed, accessible, and graphic description of the financial affairs of the agency. The document should contain a coherent, effectively communicated, understandable statement of: financial trends and forecasts; budget policies and policy changes; agency financial assumptions, objectives and plans; revenue sources and expenditures by program category; personnel policies, decisions, and allocation; budgetary performance measures; and similar matters serving the purpose of the document.

(c) The council and each metropolitan agency shall include in the annual budget:

(1) a statement of the reserve or fund balance carried forward at the end of the budget year, for at least the two preceding fiscal years;

(2) a comparison of budgeted and actual expenditures, reported by department and, if the agency has a program budget, by program, for at least the two preceding fiscal years; and

(3) a listing of proposed or anticipated consulting contracts or projects and the amount of each contract or project.

Sec. 3. Minnesota Statutes 1988, section 473.1623, is amended by adding a subdivision to read:

Subd. 4a. [SUMMARY BUDGET.] *The council and each metropolitan agency shall prepare a summary budget for agency fiscal year 1988 and each year thereafter. The advisory committee, with the assistance of the state auditor and the legislative auditor, shall develop guidelines and models for the summary budgets. The purpose of the summary budget is to increase public knowledge and agency accountability by providing citizens outside of the agency with a condensed, accessible, and graphic description of the financial affairs of the agency. The document should contain a coherent, effectively communicated, understandable statement of: financial trends and forecasts; budget policies and policy changes; agency financial assumptions, objectives, and plans; revenue sources and expenditures by program category; personnel policies, decisions, and allocation; budgetary performance measures; and similar matters serving the purpose of the document.*

Sec. 4. Minnesota Statutes 1988, section 473.1623, is amended by adding a subdivision to read:

*Subd. 4b. [ANNUAL BUDGET.] The council and each metropolitan agency shall include in the annual budget:*

*(1) a statement of the reserve or fund balance carried forward at the end of the budget year, for at least the two preceding fiscal years;*

*(2) a comparison of budgeted and actual expenditures, reported by department and, if the agency has a program budget, by program, for at least the two preceding fiscal years;*

*(3) a comparison of budgeted and actual revenues, reported by revenue source, for at least the two preceding fiscal years; and*

*(4) a listing, by contract or project, of proposed or anticipated expenditures for consultants and professional, technical, and other similar services.*

Sec. 5. Minnesota Statutes 1988, section 473.167, subdivision 2, is amended to read:

*Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; or (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. *The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund.* Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. *If a recipient is not permitted to include in the conveyance price the cost of**

*preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program the council may expend from the fund each year an amount no greater than three percent of the amount of the authorized levy for that year.*

Sec. 6. Minnesota Statutes 1988, section 473.167, subdivision 3, is amended to read:

Subd. 3. [TAX.] The council may levy a tax on all taxable property in the metropolitan area, as defined in section 473.121, to provide funds for loans made pursuant to subdivisions 2 and 2a. This tax for the right-of-way acquisition loan fund shall be certified by the council, levied, and collected in the manner provided by section 473.13. The tax shall be in addition to that authorized by section 473.249 and any other law and shall not affect the amount or rate of taxes which may be levied by the council or any metropolitan agency or local governmental unit. The amount of the levy shall be as determined and certified by the council, except as otherwise provided in this subdivision.

The property tax levied by the metropolitan council for the right-of-way acquisition loan fund shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of 5/100 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, except as provided in section 473.249, subdivision 3, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area; ~~and~~

(c) for taxes payable in 1990, an amount not to exceed \$3,000,000; and

(d) for taxes payable in ~~1990~~ 1991 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the ~~previous year taxes payable in 1988 determined pursuant to this subdivision~~ under clause (a) multiplied by (2) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan area for the ~~previous~~ 1987 assessment year.

For the purpose of determining the metropolitan council's property tax levy limitation for the right-of-way acquisition loan fund for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to



469.179), and high voltage transmission lines (section 273.425).

The property tax levied under this subdivision for taxes payable in 1988 and subsequent years shall not be levied at a rate higher than that determined by the metropolitan council to be sufficient, considering the other anticipated revenues of and disbursements from the right-of-way acquisition loan fund, to produce a balance in the loan fund at the end of the next calendar year equal to twice the amount of the property tax levy limitation for taxes payable in the next calendar year determined under this section.

Sec. 7. Minnesota Statutes 1988, section 473.167, subdivision 5, is amended to read:

Subd. 5. [LEVY INCREASE.] For the purpose of determining the levy limitation for taxes payable in 1989 under subdivision 3, the levy limitation for taxes payable in 1988 shall be multiplied by two. ~~The levy limitation so determined for taxes payable in 1989 shall be the basis for determining levy limitations for taxes payable in 1990 and subsequent years under subdivision 3.~~

Sec. 8. Minnesota Statutes 1988, section 473.173, subdivision 3, is amended to read:

Subd. 3. In developing the rules the council and the advisory metropolitan land use committee, as defined in section 473.852, shall give consideration to all factors deemed relevant including but not limited to the following:

(1) The impact a proposed matter will have on the orderly, ~~economic~~ *economical* development, public and private, of the metropolitan area and its consistency with the metropolitan development guide;

(2) The relationship a proposed matter will have to the policy statement goals, standards, programs and other applicable provisions of the development guide;

(3) The impact a proposed matter will have on policy plans adopted by the council and on the implementation plans and functions performed and to be performed by a metropolitan agency that is subject to section 473.161;

(4) Functions of municipal governments in respect to control of land use as provided for under the municipal planning act.

Sec. 9. Minnesota Statutes 1988, section 473.173, subdivision 4, is amended to read:

Subd. 4. The rules shall include, without limitation, provisions to effectuate and comply with the following powers and requirements:

(1) No applicant shall be required to submit a proposed matter for review more than once unless it is materially altered.

(1a) A public hearing shall be held prior to the final determination with regard to a proposed matter.

(2) The council shall be empowered to suspend action on a proposed matter during the period of review and for a period not to exceed 12 months following the issuance of its final determination. In its final determination, the council may prescribe appropriate conditions with regard to a proposed matter which, if incorporated or complied with, would cause the council to remove the suspension.

(3) The council's recommendation or determination concerning a proposed matter, including the determination as to its metropolitan significance, shall be issued within 90 days following its receipt of a proposal accompanied by adequate supporting information, *unless all parties consent in writing to an extension. The council shall extend the time to complete the proceeding by an additional 30 days if the council determines that a fair hearing cannot be completed in the time allowed.* To avoid duplication, the review may be suspended for not more than 90 days to await completion of review of a matter by another public agency.

(4) The council shall be required to review a proposed matter upon request of an affected local governmental unit or metropolitan agency that is subject to section 473.161. The rules shall include a procedure for review of a proposed matter upon petition by a specified number of residents of the metropolitan area 18 years of age or older.

(5) The council shall be empowered to review all proposed matters of metropolitan significance regardless of whether the council has received a request from an affected body to conduct that review.

(6) The council shall review all proposed matters determined to be of metropolitan significance as to their consistency with and effect upon metropolitan system plans as defined in section 473.852 and their adverse effects on other local governmental units.

(7) Previously approved policy plans and implementation plans and areas of operational authority of metropolitan agencies that are subject to section 473.161 shall not be subject to review under this section, except as specifically provided in section 473.171.

(8) *When announcing the scope of a significance review in the notice commencing the review, the council shall state with particularity, with respect to each issue identified in the scoping document, the policies, provisions, statements, or other elements in metropolitan development guide chapters or policy plans and any other criteria or standards that will be considered or relied on in assessing and determining the metropolitan significance of the proposed project. The statement may be amended by notice to all parties given at least seven days before the public hearing. The statement does not preclude council comment on the consistency of the proposed project with any plans or policies of the council.*

(9) *Hearings must be conducted in accordance with the following procedures, unless waived in writing by the parties:*

(a) *The parties have the right to counsel.*

(b) *All testimony must be under oath.*

(c) *A complete and accurate record of all proceedings must be maintained.*

(d) *Any party or witness may be questioned by the hearing committee or judge, or by other parties.*

(e) *The burden of proof that a matter is of metropolitan significance is on the council.*

(f) *Decisions of the council on the metropolitan significance of a project must be based on a fair preponderance of the relevant evidence contained in the record and on written findings.*

Sec. 10. Minnesota Statutes 1988, section 473.249, subdivision 1, is

amended to read:

Subdivision 1. The metropolitan council may levy a tax on all taxable property in the metropolitan area defined in section 473.121 to provide funds for the purposes of sections 473.121 to 473.249 and for the purpose of carrying out other responsibilities of the council as provided by law. This tax for general purposes shall be levied and collected in the manner provided by section 473.13.

The property tax levied by the metropolitan council for general purposes shall not exceed the following amount for the years specified:

(a) for taxes payable in 1988, the product of 8/30 of one mill multiplied by the total assessed valuation of all taxable property located within the metropolitan area as adjusted by the provisions of Minnesota Statutes 1986, sections 272.64; 273.13, subdivision 7a; and 275.49;

(b) for taxes payable in 1989, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the taxes payable year 1988 determined under clause (a) multiplied by (2) an index for market valuation changes equal to the assessment year 1988 total market valuation of all taxable property located within the metropolitan area divided by the assessment year 1987 total market valuation of all taxable property located within the metropolitan area; and

(c) for taxes payable in 1990 and subsequent years, the product of (1) the metropolitan council's property tax levy limitation for general purposes for the previous year determined under this subdivision multiplied by (2) *the lesser of*

(i) an index for market valuation changes equal to the total market valuation of all taxable property located within the metropolitan area for the current assessment year divided by the total market valuation of all taxable property located within the metropolitan area for the previous assessment year, *or*

(ii) *an index equal to the implicit price deflator for state and local government purchases of goods and services for the most recent month for which data are available divided by the implicit price deflator for state and local government purchases of goods and services for the same month of the previous year.*

For the purpose of determining the metropolitan council's property tax levy limitation for general purposes for the taxes payable year 1988 and subsequent years under this subdivision, "total market valuation" means the total market valuation of all taxable property within the metropolitan area without valuation adjustments for fiscal disparities (chapter 473F), tax increment financing (sections 469.174 to 469.179), and high voltage transmission lines (section 273.425).

Sec. 11. [APPLICATION.]

*This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

Sec. 12. [REPEALER.]

*Minnesota Statutes 1988, section 473.249, subdivision 3, is repealed.*

Sec. 13. [EFFECTIVE DATE.]

*Sections 6, 7, 10, and 12 are effective for property taxes payable in*

*1990 and subsequent years."*

Delete the title and insert:

"A bill for an act relating to metropolitan government; providing standards for the development guide; regulating budget reporting; providing tax levy formulas; regulating standards and procedural requirements for determining metropolitan significance; providing for payment of environmental documents from right-of-way loans; amending Minnesota Statutes 1988, sections 473.145; 473.1623, subdivision 4, and by adding subdivisions; 473.167, subdivisions 2, 3, and 5; 473.173, subdivisions 3 and 4; and 473.249, subdivision 1; repealing Minnesota Statutes 1988, section 473.249, subdivision 3."

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

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

S.F. No. 116: A bill for an act relating to taxation; motor vehicle excise; exempting purchase or use of a motor vehicle by a political subdivision or a veteran's organization for certain purposes; amending Minnesota Statutes 1988, section 297B.03.

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

Page 2, line 25, delete "*retroactively*" and after "*effective*" insert "*August 1, 1989,*"

Page 2, line 26, delete "*May 31, 1987*" and insert "*that date*"

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

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

S.F. No. 1105: A bill for an act relating to motor vehicles; providing for suspension of apportioned license plates and fuel tax compact licenses for certain interstate vehicle fleet owners who are delinquent in required filings or payments; providing for installment payments by interstate fleet owners; amending Minnesota Statutes 1988, sections 168.187, by adding a subdivision; and 168.31, subdivision 4, and by adding a subdivision.

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

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

S.F. No. 892: A bill for an act relating to transportation; clarifying source of funds to be deposited in the rail service improvement account; requiring the commissioner of transportation to identify areas where insufficient rail service is detrimental to efficient transportation; providing for apportionment of costs for new grade crossings; providing for improvement of existing rail crossings; providing for reimbursement of expenses for maintaining signals and other safety devices; appropriating money; amending Minnesota Statutes 1988, sections 219.071, subdivision 1; 219.072; 222.49; 222.50, subdivisions 4, 5, 6, 7, and by adding a subdivision; 222.63, subdivision 8; and 398A.02; proposing coding for new law in Minnesota Statutes,

chapter 219; repealing Minnesota Statutes 1988, section 222.50, subdivision 8.

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

Page 2, line 29, after "*for*" insert "*up to*"

Page 3, delete section 5

Page 5, delete section 8

Page 5, line 26, after the semicolon, insert "*or*"

Page 5, lines 29 to 32, reinstate the stricken language and delete the new language

Page 7, line 8, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, delete line 5

Page 1, line 6, delete everything before "providing"

Page 1, line 13, delete everything after the third comma and insert "and 7;"

Page 1, line 14, delete "subdivision;"

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

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

S.F. No. 1195: A bill for an act relating to counties; providing conditions for the disposition of county property; amending Minnesota Statutes 1988, section 373.01, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 373.01, subdivision 1, is amended to read:

Subdivision 1. Each county is a body politic and corporate and may:

(1) Sue and be sued.

(2) Acquire and hold real and personal property for the use of the county, and lands sold for taxes as provided by law.

(3) Purchase and hold for the benefit of the county real estate sold by virtue of judicial proceedings, to which the county is a party.

(4) Sell, lease, and convey real or personal estate owned by the county, and give contracts or options to sell, lease or convey it, and make orders respecting it as deemed conducive to the interests of the county's inhabitants.

No sale, lease or conveyance of real estate owned by the county, nor any

contract or option for it, shall be valid, without first advertising for bids or proposals in the official newspaper of the county for three consecutive weeks and once in a newspaper of general circulation in the area where the property is located. The notice shall state the time and place of considering the proposals, contain a legal description of any real estate, and a brief description of any personal property. *Leases that do not exceed \$15,000 for any one year may be negotiated and are not subject to the competitive bid procedures of this section.* All proposals estimated to exceed \$15,000 in any one year shall be considered at ~~that~~ the time set for the bid opening, and the one most favorable to the county accepted, but the county board may, in the interest of the county, reject any or all proposals. Sales of personal property the value of which is estimated to be \$15,000 or more shall be made only after advertising for bids or proposals as provided for real estate. Sales of personal property the value of which is estimated to be less than \$15,000 may be made either on competitive bids or in the open market, in the discretion of the county board. *Notwithstanding anything to the contrary herein, the county may, when acquiring real property for county highway right-of-way, exchange parcels of real property of substantially similar or equal value without advertising for bids. The estimated values for these parcels shall be determined by the county assessor.*

If real estate or personal property remains unsold after advertising for and consideration of bids or proposals the county may employ a broker to sell the property. The broker may sell the property for not less than 90 percent of its appraised market value as determined by the county. The broker's fee shall be set by agreement with the county but may not exceed ten percent of the sale price and must be paid from the proceeds of the sale.

In no case shall lands be disposed of without there being reserved to the county all iron ore and other valuable minerals in and upon the lands, with right to explore for, mine and remove the iron ore and other valuable minerals, nor shall the minerals and mineral rights be disposed of, either before or after disposition of the surface rights, otherwise than by mining lease, in similar general form to that provided by section 93.20 for mining leases affecting state lands. The lease shall be for a term not exceeding 50 years, and be issued on a royalty basis, the royalty to be not less than 25 cents per ton of 2,240 pounds, and fix a minimum amount of royalty payable during each year, whether mineral is removed or not. Prospecting options for mining leases may be granted for periods not exceeding one year. The options shall require, among other things, periodical showings to the county board of the results of exploration work done.

(5) Make all contracts and do all other acts in relation to the property and concerns of the county necessary to the exercise of its corporate powers."

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. 946: A bill for an act relating to human services; authorizing creation of the Minnesota family investment plan; establishing grant projects for refugees; fraud prevention; appropriating money; amending Minnesota Statutes 1988, sections 256.045, subdivision 3; 256.12, subdivision

14; 256.736, subdivision 10, 16, and by adding subdivisions; 256.74, subdivisions 1 and 1a; and 256D.051, subdivision 6, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1988, section 256D.051, subdivision 6a.

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 245.771, subdivision 3, is amended to read:

Subd. 3. [EMPLOYMENT AND TRAINING PROGRAMS.] *The commissioner of human services, in consultation with the commissioner of jobs and training, is authorized to implement and allocate money to food stamp employment and training programs in as many counties as is necessary to meet federal participation requirements and comply with federal laws and regulations. The commissioner of human services may contract with the commissioner of jobs and training to implement and supervise employment and training programs for food stamp recipients that are required by federal regulations.*

Sec. 2. [256.031] [MINNESOTA FAMILY INVESTMENT PLAN.]

*Subdivision 1. [CITATION.] Sections 256.031 to 256.036 may be cited as the Minnesota family investment plan.*

*Subd. 2. [LEGISLATIVE FINDINGS.] The legislature recognizes the need to fundamentally change the way government supports families. The legislature finds that many features of the current system of public assistance do not help families carry out their two basic functions: the economic support of the family unit and the care and nurturing of children. The legislature recognizes that the Minnesota family investment plan is an investment strategy that will support and strengthen the family's social and financial functions. This investment in families will provide long-term benefits through stronger and more independent families.*

*Subd. 3. [AUTHORIZATION FOR THE DEMONSTRATION.] The commissioner of human services, in consultation with the commissioners of education, finance, jobs and training, health, and state planning, and the directors of the higher education coordinating board and the office of jobs policy, is authorized to proceed with the planning and designing of the Minnesota family investment plan and test policies, methods, and cost impact on an experimental basis by using field trials. Sections 256.031 to 256.033 describe the basic principles of the program. Sections 256.034 to 256.036 provide a basis for congressional action. Using sections 256.031 to 256.036, the commissioner shall seek congressional authority to implement the program in field trials. After obtaining congressional authority to implement the Minnesota family investment plan in field trials, the commissioner shall request specific appropriations from the legislature to implement field trials. The field trials must be conducted for as many years as necessary, and in different geographical settings, to provide reliable instruction about the desirability of expanding the program statewide.*

*Subd. 4. [GOALS OF THE MINNESOTA FAMILY INVESTMENT PLAN.] The commissioner shall design the program to meet the following goals:*

(1) to support families' transition to financial independence by emphasizing options, removing barriers to work and education, providing necessary support services, and building a supportive network of education, employment and training, health, social, counseling, and family-based services;

(2) to allow resources to be more effectively and efficiently focused on investing in families by removing the complexity of current rules and procedures and consolidating public assistance programs;

(3) to prevent long-term dependence on public assistance through paternity establishment, child support enforcement, emphasis on education and training, and early intervention with minor parents; and

(4) to provide families with an opportunity to increase their living standard by rewarding efforts aimed at transition to employment and by allowing families to keep a greater portion of earnings when they become employed.

**Subd. 5. [FEDERAL WAIVERS.]** *The commissioner of human services shall seek authority from Congress to implement the Minnesota family investment plan on a demonstration basis. If necessary, the commissioner shall seek waivers of compliance with requirements for: aid to families with dependent children under United States Code, title 42, sections 601 to 679a, as amended; medical assistance under United States Code, title 42, sections 1396 to 1396s, as amended; food stamps under United States Code, title 7, sections 2011 to 2030, as amended; and other federal requirements that would inhibit implementation of the Minnesota family investment plan. The commissioner shall seek terms from the federal government that are consistent with the goals of the Minnesota family investment plan. The commissioner shall also seek terms from the federal government that will maximize federal financial participation so that the extra costs to the state of implementing the program are minimized, to the extent that those terms are consistent with the goals of the Minnesota family investment plan. An agreement with the federal government under this section shall provide that the agreements may be canceled by the state or federal government upon six months' notice or immediately upon mutual agreement. If the agreements are canceled, families receiving assistance under the Minnesota family investment plan who are eligible for the aid to families with dependent children, general assistance, medical assistance, general assistance medical care, and the food stamp programs must be placed on those programs.*

### **Sec. 3. [256.032] [DEFINITIONS.]**

**Subdivision 1. [SCOPE OF DEFINITIONS.]** *The terms used in sections 256.031 to 256.036 have the meanings given them unless otherwise provided or indicated by the context.*

**Subd. 2. [CAREGIVER.]** *"Caregiver" means a minor child's natural or adoptive parent or parents who live in the home with the minor child. For purposes of determining eligibility for this program, "caregiver" also means any of the following individuals who live with and provide care and support to a minor child when the minor child's natural or adoptive parent or parents do not reside in the same home: grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, niece, persons of preceding generations as denoted by prefixes of "great" or "great-great," or a spouse of any person named in the above groups even after the marriage ends by death or divorce.*

**Subd. 3. [CASE MANAGEMENT.]** *"Case management" means the*



*assessment of family needs and coordination of services necessary to support the family in its social and economic roles, in addition to the services described in section 256.736, subdivision 11.*

**Subd. 4. [COMMISSIONER.]** *"Commissioner" means the commissioner of human services or a designee.*

**Subd. 5. [CONTRACT.]** *"Contract" means a family self-sufficiency plan, described in section 256.035, subdivision 7, based on the case manager's assessment of the family's needs and abilities and developed, together with a parental caregiver, by a county agency or its designee.*

**Subd. 6. [DEPARTMENT.]** *"Department" means the department of human services.*

**Subd. 7. [FAMILY.]** *For purposes of determining eligibility for this program, "family" includes the following individuals who live together: a minor child or a group of minor children related to each other as siblings, half siblings, stepsiblings, or adopted siblings, together with their natural or adoptive parents, or their caregiver as defined in subdivision 2. "Family" also includes a pregnant woman in the third trimester of pregnancy with no children.*

**Subd. 8. [FAMILY WAGE LEVEL.]** *"Family wage level" means 120 percent of the transitional standard, as defined in subdivision 13.*

**Subd. 9. [ORIENTATION.]** *"Orientation" means a presentation that meets the requirements of section 256.736, subdivision 10a, provides information to caregivers about the Minnesota family investment plan, and encourages parental caregivers to engage in activities that will stabilize the family and lead to self-sufficiency.*

**Subd. 10. [PROGRAM.]** *"Program" means the Minnesota family investment plan.*

**Subd. 11. [SIGNIFICANT CHANGE.]** *"Significant change" means a change of ten percent or \$50, whichever is less, in monthly gross family earned income, or a change in family composition.*

**Subd. 12. [TRANSITIONAL STATUS.]** *"Transitional status" means the status of caregivers who are independently pursuing self-sufficiency or caregivers who are complying with the terms of a contract with a county agency or its designee.*

**Subd. 13. [TRANSITIONAL STANDARD.]** *"Transitional standard" means the sum of the AFDC standard of assistance and the full cash value of food stamps for a family of the same size and composition in effect when implementation of the Minnesota family investment plan begins and adjusted annually thereafter for changes in the cost of living. This standard applies to families in which the parental caregiver is in transitional status and to families in which the caregiver is exempt from having a contract or is exempt from complying with the terms of the contract. Full cash value of food stamps is the amount of the cash value of food stamps to which a family of a given size would be entitled for a month, determined by assuming unearned income equal to the AFDC standard for a family of that size and composition and subtracting the standard deduction and maximum shelter deduction from gross family income, as allowed under the Food Stamp Act of 1977, as amended, and Public Law Number 100-435.*

**Sec. 4. [256.033] [ELIGIBILITY FOR THE MINNESOTA FAMILY**

**INVESTMENT PLAN.]**

*Subdivision 1. [ELIGIBILITY CONDITIONS.] A family is eligible for and entitled to assistance under the Minnesota family investment plan if:*

*(1) the family's net income, after deducting an amount to cover taxes and actual dependent care costs up to the maximum disregarded under United States Code, title 42, section 602(a)(8)(A)(iii), does not exceed the applicable standard of assistance for that family as defined under section 256.032, subdivision 13; and*

*(2) the family's nonexcluded resources do not exceed \$2,000.*

*Subd. 2. [DETERMINATION OF FAMILY INCOME.] The aid to families with dependent children income exclusions listed in Code of Federal Regulations, title 45, sections 233.20(a)(3) and 233.20(a)(4), must be used when determining a family's available income, except that:*

*(1) the disregard of the first \$75 of gross earned income is replaced with a single disregard described in section 256.035, subdivision 4, paragraph (a);*

*(2) all earned income of a minor child receiving assistance through the Minnesota family investment plan is excluded when the child is attending school at least half-time;*

*(3) all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments are excluded in accordance with United States Code, title 42, section 602(a)(8)(A)(viii);*

*(4) educational grants and loans as provided in section 256.74, subdivision 1, clause (2), are excluded; and*

*(5) all other income listed in Minnesota Rules, part 9500.2380, subpart 2, is excluded.*

*Subd. 3. [DETERMINATION OF FAMILY RESOURCES.] When determining a family's resources, the following are excluded:*

*(1) the family's home, together with the surrounding property not separated from the home by intervening property owned by others;*

*(2) one burial plot for each family member;*

*(3) one prepaid burial contract with an equity value of no more than \$1,500 for each member of the family;*

*(4) licensed automobiles, trucks, or vans up to a total equity value of \$4,500;*

*(5) the value of personal property needed to produce earned income, including tools, implements, farm animals, and inventory;*

*(6) the entire equity value of a motor vehicle determined to be necessary for the operation of a self-employment business; and*

*(7) clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living.*

*Subd. 4. [TREATMENT OF SSI AND MSA.] The monthly benefits and any other income received through the supplemental security income or Minnesota supplemental aid programs and any real or personal property of a person receiving supplemental security income or Minnesota supplemental aid must be excluded in determining the family's eligibility for the*

*Minnesota family investment plan and the amount of assistance. In determining the amount of assistance to be paid to the family, the needs of the person receiving supplemental security income or Minnesota supplemental aid must not be taken into account.*

**Subd. 5. [ABILITY TO APPLY FOR FOOD STAMPS.]** *A family that is ineligible for assistance through the Minnesota family investment plan due to income or resources may apply for, and if eligible receive, benefits under the food stamp program.*

**Sec. 5. [256.034] [PROGRAM SIMPLIFICATION.]**

**Subdivision 1. [CONSOLIDATION OF TYPES OF ASSISTANCE.]** *Under the Minnesota family investment plan, assistance previously provided to families through the AFDC, food stamp, and general assistance programs must be combined into a single cash assistance program. If authorized by Congress, families receiving assistance through the Minnesota family investment plan are automatically eligible for and entitled to medical assistance under chapter 256B. Federal, state, and local funds that would otherwise be allocated for assistance to families under the AFDC, food stamp, and general assistance programs must be transferred to the Minnesota family investment plan. The provisions of the Minnesota family investment plan prevail over any provisions of sections 256.72 to 256.87 or 256D.01 to 256D.21 with which they are irreconcilable. The food stamp, general assistance, and work readiness programs for single persons and couples who are not responsible for the care of children are not replaced by the Minnesota family investment plan.*

**Subd. 2. [COUPON OPTION.]** *Families have the option to receive a portion of their assistance, designated by the commissioner, in the form of food coupons or vendor payments.*

**Subd. 3. [MODIFICATION OF ELIGIBILITY TESTS.]** *(a) A needy family is eligible and entitled to receive assistance under the program even if its children are not found to be deprived of parental support or care by reason of death, continued absence from the home, physical or mental incapacity of a parent, or unemployment of a parent, provided the family's income and resources do not exceed the eligibility requirements in section 256.033. In addition, a family member who is physically and mentally fit, who is between the ages of 18 and 60 years, who is enrolled at least half-time in an institution of higher education, and whose family income and resources do not exceed the eligibility requirements in section 256.033, is eligible for assistance under the Minnesota family investment plan even if the conditions for eligibility as prescribed under the federal Food Stamp Act of 1977, as amended, are not met.*

*(b) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is considered to have assigned to the public agency responsible for child support enforcement at the time of application all rights to child support and maintenance from any other person the applicant may have in the applicant's own behalf or on behalf of any other family member for whom application is made under the Minnesota family investment plan. The provisions of section 256.74, subdivision 5, govern the assignment. An applicant for, or a person receiving, assistance under the Minnesota family investment plan shall cooperate with the efforts of the county agency to collect child and spousal support. The county agency is entitled to any child support and maintenance received by or on behalf of the person receiving assistance or another member of the family for*

*which the person receiving assistance is responsible. Failure by an applicant or a person receiving assistance to cooperate with the efforts of the county agency to collect child and spousal support without good cause must be sanctioned according to section 256.035, subdivision 3.*

*(c) An applicant for, or a person receiving, assistance under the Minnesota family investment plan is not required to comply with the employment and training requirements prescribed under sections 256.736, subdivisions 3, 3a, and 14; and 256D.05, subdivision 1; section 402(a)(19) of the Social Security Act; the federal Food Stamp Act of 1977, as amended; Public Law Number 100-485; or any other state or federal employment and training program, unless compliance is specifically required in a contract with the county agency.*

**Subd. 4. [SIMPLIFICATION OF BUDGETING PROCEDURES.]** *The monthly amount of assistance provided by the Minnesota family investment plan must be calculated on a prospective basis taking into account actual income or circumstances that existed in a previous month and other relevant information to predict income and circumstances for the next month or months. When a family has a significant change in circumstances, the budgeting cycle must be interrupted and the amount of assistance for the payment month must be based on the county agency's best estimate of the family's income and circumstances for that month. Families may be required to report their income monthly, but income may be averaged over a period of more than one month.*

**Subd. 5. [SIMPLIFICATION OF VERIFICATION PROCEDURES.]** *Verification procedures must be reduced to the minimum that is workable and consistent with the goals and requirements of the Minnesota family investment plan.*

**Sec. 6. [256.035] [INCOME SUPPORT AND TRANSITION.]**

**Subdivision 1. [EXPECTATIONS.]** *All families eligible for assistance under the Minnesota family investment plan are expected to be in transitional status as defined in section 256.032, subdivision 12. To be considered in transitional status, families must meet the following expectations:*

*(a) For a family headed by a single adult parent, the expectation is that the parent will independently pursue self-sufficiency until the family has received assistance for 24 months within the preceding 36 months. Beginning with the 25th month of assistance, the parent must be developing or have a contract and comply with the terms of the contract with the county agency or its designee.*

*(b) For a family with a minor parent, the expectation is that, concurrent with the receipt of assistance, the minor parent must be developing or have a contract with the county agency. The terms of the contract must include compliance with section 256.736, subdivision 3b.*

*(c) For a family with two adult parents, the expectation is that one or both parents will independently pursue self-sufficiency until the family has received assistance for six months within the preceding 12 months. Beginning with the seventh month of assistance, one parent must be developing or have a contract and comply with the terms of the contract with the county agency or its designee.*

**Subd. 2. [EXEMPTIONS.]** *A caregiver is exempt from the requirement of developing a contract and complying with the terms of the contract*

*developed with the county agency, or engaging in transitional activities, if:*

*(1) the caregiver is not the natural or adoptive parent of a minor child; or*

*(2) in the case of a parental caregiver, the county agency determines that:*

*(i) individual circumstances prevent compliance;*

*(ii) support services necessary to enable compliance are not available;*

*(iii) activities identified in the contract are not available; or*

*(iv) a parental caregiver is willing to accept suitable employment but employment is not available.*

*Subd. 3. [SANCTIONS.] A family whose parental caregiver is not exempt from the expectations in subdivision 1 and who is not complying with those expectations must have assistance reduced by a value equal to ten percent of the transitional standard as defined in section 256.032, subdivision 13. The reduced assistance must be paid in the form of protective, vendor, or two-party payments. This reduction and form of payment continues until the failure to comply ceases. The county agency must notify the parental caregiver of its intent to implement these sanctions and the opportunity to have a conciliation conference, upon request, before the sanctions are implemented.*

*Subd. 4. [TREATMENT OF INCOME.] To help families during their transition from the Minnesota family investment plan to self-sufficiency, the following income supports are available:*

*(a) The \$30 and one-third and \$75 disregards allowed under section 256.74, subdivision 1, and the 20 percent earned income deduction allowed under the federal Food Stamp Act of 1977, as amended, are replaced with a single disregard of not less than 35 percent of gross earned income to cover taxes and other work-related expenses and to reward the earning of income. This single disregard is available for the entire time a family receives assistance through the Minnesota family investment plan.*

*(b) The dependent care deduction, as prescribed under section 256.74, subdivision 1, and United States Code, title 7, section 2014(e), is replaced for families with earned income who need assistance with dependent care with an entitlement to a dependent care subsidy from money earmarked for the Minnesota family investment plan.*

*(c) The family wage level, as defined in section 256.032, subdivision 8, allows families to supplement earned income with assistance received through the Minnesota family investment plan. If, after earnings are adjusted according to the disregard described in paragraph (a), earnings have raised family income to a level equal to or greater than the family wage level, the amount of assistance received through the Minnesota family investment plan must be reduced.*

*(d) The first \$50 of any timely support payment for a month received by the public agency responsible for child support enforcement shall be paid to the family and disregarded in determining eligibility and the amount of assistance in accordance with United States Code, title 42, sections 602(a)(8)(A)(vi) and 657(b)(1). This paragraph applies regardless of whether the caregiver is in transitional status, is exempt from having or complying*

with the terms of a contract, or has had a sanction imposed under subdivision 3.

*Subd. 5. [COST-OF-LIVING ADJUSTMENT.] The transitional standard and the family wage level must be adjusted annually to account for changes in the cost of living.*

*Subd. 6. [ORIENTATION.] All caregivers receiving assistance through the Minnesota family investment plan must attend orientation.*

*Subd. 7. [CONTRACT.] (a) To receive the transitional standard of assistance, a single adult parent who is a member of a family that has received assistance through the Minnesota family investment plan for 24 months within the preceding 36 months, a minor parent receiving assistance through the Minnesota family investment plan, and one parent in a two-parent family that has received assistance through the Minnesota family investment plan for six months within the preceding 12 months, must comply with the terms of a contract with the county agency or its designee unless exempt under subdivision 2. Case management must be provided to a caregiver who is a parent to assist the caregiver in meeting established goals and to monitor the caregiver's progress toward achieving those goals. The parental caregiver and the county agency must finalize the contract as soon as possible, but in any event within a reasonable period of time after the deadline specified in subdivision 1, paragraph (a), (b), or (c), whichever applies.*

*(b) A contract must identify the parental caregiver's employment goal and explain what steps the family must take to pursue self-sufficiency. Activities may include:*

*(1) orientation;*

*(2) employment;*

*(3) employment and training services as defined under section 256.736, subdivision 1a, paragraph (d);*

*(4) preemployment activities;*

*(5) participation in an educational program leading to a high school or general equivalency diploma and post-secondary education programs, excluding post-baccalaureate degrees as provided in section 256.736, subdivision 1a, paragraph (d);*

*(6) case management;*

*(7) social services; or*

*(8) other programs or services leading to self-sufficiency. The contract must also identify the services that the county agency will provide to the family that the family needs to enable the parental caregiver to comply with the contract, including support services such as transportation and child care.*

*Subd. 8. [EMPLOYMENT BONUS.] A family leaving the program as a result of increased earnings through employment is entitled to an employment bonus. This bonus is a onetime cash incentive, not more than the family's monthly payment standard, to cover initial expenses incurred by the family leaving the Minnesota family investment plan.*

*Subd. 9. [CHILD CARE.] The commissioner shall ensure that each Minnesota family investment plan caregiver who is a parent in transitional status and who needs assistance with child care costs to independently*

*pursue self-sufficiency or comply with the terms of a contract with the county agency receives a child care subsidy through child care money earmarked for the Minnesota family investment plan. The subsidy must cover all actual child care costs for eligible hours up to the maximum rate allowed under sections 256H.15 and 256H.16. A caregiver who is a parent who leaves the program as a result of increased earnings from employment and who needs child care assistance to remain employed is entitled to extended child care assistance as provided under United States Code, title 42, section 602(g)(1)(A)(ii).*

*Subd. 10. [HEALTH CARE.] A family leaving the program as a result of increased earnings from employment is eligible for extended medical assistance as provided under Public Law Number 100-485, section 303, as amended.*

**Sec. 7. [256.036] [PROTECTIONS.]**

*Subdivision 1. [SUPPORT SERVICES.] If assistance with child care or transportation is necessary to enable a caregiver who is a parent to work, obtain training or education, attend orientation, or comply with the terms of a contract with the county agency, and the county determines that child care or transportation is not available, the family's applicable standard of assistance continues to be the transitional standard.*

*Subd. 2. [VOLUNTEERS.] Case management and support services are guaranteed upon request to volunteers from the following groups: caregivers between ages 18 and 21 and caregivers who have not received high school or general equivalency diplomas. For other caregivers receiving assistance under the Minnesota family investment plan who are independently pursuing self-sufficiency, case management and support services other than child care are available to the extent that resources permit.*

*Subd. 3. [NOTIFICATION REQUIREMENT.] The county agency shall contact a family headed by a single adult parent when the family has received assistance through the Minnesota family investment plan for 18 months within the preceding 36 months. The county agency shall remind the family that beginning with the 24th month of assistance, receipt of the transitional standard is contingent upon transitional status. The county agency shall encourage the family to begin preparing for the change in expectations.*

*Subd. 4. [TIMELY ASSISTANCE.] Applications must be processed in a timely manner according to the processing standards of the federal Food Stamp Act of 1977, as amended, and no later than 30 days following the date of application, unless the county agency has requested information that the applicant has not yet supplied. Financial assistance must be provided on no less than a monthly basis to eligible families.*

*Subd. 5. [DUE PROCESS.] Any family that applies for or receives assistance under the Minnesota family investment plan whose application for assistance is denied or not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, is entitled, upon request, to a hearing under section 256.045. A parental caregiver may request a conciliation conference, under section 256.736, subdivisions 4a and 11, when the caregiver disputes the contents of a contract developed under the Minnesota family investment plan or disputes a decision regarding failure or refusal to cooperate with the terms of a contract. The disputes are not subject to administrative*

*review under section 256.045, unless they result in a denial, suspension, reduction, or termination, and the parental caregiver complies with section 256.045. A caregiver need not request a conciliation conference to request a hearing according to section 256.045.*

**Subd. 6. [TREATMENT OF FOOD ASSISTANCE.]** *The portion of cash assistance provided under the Minnesota family investment plan that the commissioner designates as representing food assistance must be disregarded for other local, state, or federal programs.*

**Subd. 7. [ADJUSTMENT OF FOOD ASSISTANCE AMOUNT.]** *The commissioner shall assure that increases in the federal food stamp allotments and deductions are reflected in the food assistance portion of the assistance provided under the Minnesota family investment plan.*

**Subd. 8. [EXPEDITED BENEFITS.]** *Provisions for expedited benefits under the Minnesota family investment plan may not be less restrictive than provisions for expedited benefits under the Food Stamp Act of 1977, as amended, and state food stamp policy and include either expediting issuance of a predesignated portion of assistance provided through the Minnesota family investment plan or through the existing food stamp program.*

**Subd. 9. [SPECIAL RIGHTS OF MIGRANT AND SEASONAL FARMWORKERS AND HOMELESS PEOPLE.]** *Federally prescribed procedures, means of applying for and obtaining assistance, reporting and verification requirements, and other similar provisions specifically for migrant and seasonal farmworkers or homeless people under the Food Stamp Act of 1977, as amended, continue to be available to eligible migrant, seasonal farmworker, or homeless families. The commissioner shall comply with the bilingual requirements of United States Code, title 7, section 2020(e)(1)(B).*

#### **Sec. 8. [IMPLEMENTATION.]**

*The commissioner is authorized to proceed with the planning and designing of the Minnesota family investment plan, according to the requirements of Minnesota Statutes, sections 256.031 to 256.036. Sections 256.031 to 256.036 may not be implemented or enforced until the legislature authorizes a specific date for implementation either statewide or on a field trial basis.*

**Sec. 9. Minnesota Statutes 1988, section 256.045, subdivision 3, is amended to read:**

**Subd. 3. [STATE AGENCY HEARINGS.]** (a) Any person applying for, receiving or having received public assistance or a program of social services granted by a local agency under sections 256.031 to 256.036 and 256.72 to 256.879, chapters 256B, 256D, 256E, 261, or the federal Food Stamp Act whose application for assistance is denied, not acted upon with reasonable promptness, or whose assistance is suspended, reduced, terminated, or claimed to have been incorrectly paid, or any patient or relative aggrieved by an order of the commissioner under section 252.27, or a party aggrieved by a ruling of a prepaid health plan, may contest that action or decision before the state agency by submitting a written request for a hearing to the state agency within 30 days after receiving written notice of the action or decision, or within 90 days of such written notice if the applicant, recipient, patient, or relative shows good cause why the request was not submitted within the 30-day time limit.

(b) All prepaid health plans under contract to the commissioner pursuant



to chapter 256B or 256D must provide for a complaint system according to section 62D.11. The prepaid health plan must notify the ombudsman within three working days of any formal complaint made under section 62D.11 by persons enrolled in a prepaid health plan under chapter 256B or 256D. At the time a complaint is made, the prepaid health plan must notify the recipient of the name and telephone number of the ombudsman. Recipients may request the assistance of the ombudsman in the complaint system process. The prepaid health plan shall issue a written resolution within 30 days of filing with the prepaid health plan. The ombudsman may waive the requirement that the complaint system procedures be exhausted prior to an appeal if the ombudsman determines that the complaint must be resolved expeditiously in order to provide care in an urgent situation.

(c) A state human services referee shall conduct a hearing on the matter and shall recommend an order to the commissioner of human services. The commissioner need not grant a hearing if the sole issue raised by an appellant is the commissioner's authority to require mandatory enrollment in a prepaid health plan in a county where prepaid health plans are under contract with the commissioner.

(d) In a notice of appeal from a ruling of a prepaid health plan, a recipient may request an expedited hearing. The ombudsman, after discussing with the recipient his or her condition and in consultation with a health practitioner who practices in the specialty area of the recipient's primary diagnosis, shall investigate and determine whether an expedited appeal is warranted. In making the determination, the ombudsman shall evaluate whether the medical condition of the recipient, if not expeditiously diagnosed and treated, could cause physical or mental disability, substantial deterioration of physical or mental health, continuation of severe pain, or death. The ombudsman may order a second medical opinion from the prepaid health plan or order a second medical opinion from a nonprepaid health plan provider at prepaid health plan expense. If the ombudsman determines that an expedited appeal is warranted, the state welfare referee shall hear the appeal and render a decision within a time commensurate with the level of urgency involved, based on the individual circumstances of the case. In urgent or emergency situations in which a prepaid health plan provider has prescribed treatment, and the prepaid health plan has denied authorization for that treatment, the referee may order the health plan to authorize treatment pending the outcome of the appeal.

Sec. 10. Minnesota Statutes 1988, section 256.12, subdivision 14, is amended to read:

Subd. 14. [DEPENDENT CHILD.] (a) "Dependent child," as used in sections 256.72 to 256.87, means a child under the age of 18 years, or a child under the age of 19 years who is regularly attending as a full-time student, and is expected to complete before reaching age 19, a high school or a secondary level course of vocational or technical training designed to fit students for gainful employment, who is found to be deprived of parental support or care by reason of the death, continued absence from the home, physical or mental incapacity of a parent, or who is a child of an unemployed parent as that term is defined by the commissioner of human services, such definition to be consistent with and not to exceed minimum standards established by the Congress of the United States and the Secretary of Health and Human Services, ~~and whose relatives~~. *When defining "unemployed parent," the commissioner shall count up to four calendar quarters of full-time attendance in any of the following toward the requirement that a*

*principal earner have six or more quarters of work in any 13-calendar-quarter period ending within one year before application for aid to families with dependent children:*

- (1) an elementary or secondary school;*
- (2) a federally approved vocational or technical training course designed to prepare the parent for gainful employment; or*
- (3) full-time participation in an education or training program established under the job training partnership act.*

*(b) Dependent child also means a child:*

*(1) whose relatives are liable under the law for the child's support and are not able to provide adequate care and support of the child; and*

*(2) who is living with father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece in a place of residence maintained by one or more of these relatives as a home.*

The term “(c) Dependent child” also means a child who has been removed from the home of a relative after a judicial determination that continuance in the home would be contrary to the welfare and best interests of the child and whose care and placement in a foster home or a private licensed child care institution is, in accordance with the rules of the commissioner, the responsibility of the state or county agency under sections 256.72 to 256.87. This child is eligible for benefits only through the foster care and adoption assistance program contained in Title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676, and is not entitled to benefits under sections 256.72 to 256.87.

**Sec. 11. [256.484] [SOCIAL ADJUSTMENT SERVICES TO REFUGEES.]**

*Subdivision 1. [SPECIAL PROJECTS.] The commissioner of human services shall establish a grant program to provide social adjustment services to refugees residing in Minnesota who experience depression, emotional stress, and personal crises resulting from past trauma and refugee camp experiences.*

*Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given them:*

*(a) “Refugee” means a refugee or asylee status granted by the United States Immigration and Naturalization Service.*

*(b) “Social adjustment services” means treatment or services, including psychiatric assessment, chemical therapy, individual or family counseling, support group participation, after care or follow-up, information and referral, and crisis intervention.*

*Subd. 3. [PROJECT SELECTION.] The commissioner shall select projects for funding under this section. Projects selected must be administered by service providers who have experience in providing bilingual social adjustment services to refugees. Project administrators must present evidence that the service provider's social adjustment services for targeted refugees has historically resolved major problems identified at the time of intake.*

*Subd. 4. [PROJECT DESIGN.] Project proposals selected under this*

*section must:*

- (1) use existing resources when possible;*
- (2) clearly specify program goals and timetables for project operation;*
- (3) identify available support services, social services, and referral procedures to be used in serving the targeted refugees;*
- (4) provide bilingual services; and*
- (5) identify the training and experience that enable project staff to provide services to targeted refugees, and identify the number of staff with bilingual service expertise.*

*Subd. 5. [ANNUAL REPORT.] Selected service providers must report to the commissioner by June 30 of each year on the number of refugees served, the average cost per refugee served, the number and percentage of refugees who are successfully assisted through social adjustment services, and recommendations for modifications in service delivery for the upcoming year.*

*Subd. 6. [FUNDING.] Unspent money appropriated for the first year of a biennium for social adjustment services to refugees does not cancel but is available to the commissioner to operate the grant program during the second year.*

**Sec. 12. [256.485] [CHILD WELFARE SERVICES TO MINOR REFUGEES.]**

*Subdivision 1. [SPECIAL PROJECTS.] The commissioner of human services shall establish a grant program to provide specialized child welfare services to Asian and Amerasian refugees under the age of 18 who reside in Minnesota.*

*Subd. 2. [DEFINITIONS.] For the purpose of this section, the following terms have the meanings given them:*

- (a) "Refugee" means refugee or asylee status granted by the United States Immigration and Naturalization Service.*
- (b) "Child welfare services" means treatment or services, including workshops or training regarding independent living skills, coping skills, and responsible parenting, and family or individual counseling regarding career planning, intergenerational relationships and communications, and emotional or psychological stress.*

*Subd. 3. [PROJECT SELECTION.] The commissioner shall select projects for funding under this section. Projects selected must be administered by service providers who have experience in providing child welfare services to minor Asian and Amerasian refugees.*

*Subd. 4. [PROJECT DESIGN.] Project proposals selected under this section must:*

- (1) use existing resources when possible;*
- (2) provide bilingual services;*
- (3) clearly specify program goals and timetables for project operation;*
- (4) identify support services, social services, and referral procedures to be used; and*

*(5) identify the training and experience that enable project staff to provide services to targeted refugees, as well as the number of staff with bilingual service expertise.*

*Subd. 5. [ANNUAL REPORT.] Selected service providers must report to the commissioner by June 30 of each year on the number of refugees served, the average cost per refugee served, the number and percentage of refugees who are successfully assisted through child welfare services, and recommendations for modifications in service delivery for the upcoming year.*

*Subd. 6. [FUNDING.] Unspent money appropriated for the first year of a biennium for child welfare services to refugees does not cancel but is available to the commissioner for operation of the grant program during the second year.*

Sec. 13. Minnesota Statutes 1988, section 256.73, subdivision 3a, is amended to read:

Subd. 3a. [PERSONS INELIGIBLE.] No assistance shall be given under sections 256.72 to 256.87:

(1) on behalf of any person who is receiving supplemental security income under title XVI of the Social Security Act unless permitted by federal regulations;

(2) for any month in which the assistance unit's gross income, without application of deductions or disregards, exceeds 185 percent of the standard of need for a family of the same size and composition; except that the earnings of a dependent child who is a full-time student may be disregarded for six calendar months per year and the earnings of a dependent child who is a full-time student that are derived from the jobs training and partnership act may be disregarded for six calendar months per year. If a stepparent's income is taken into account in determining need, the disregards specified in section 256.74, subdivision 1a shall be applied to determine income available to the assistance unit before calculating the unit's gross income for purposes of this paragraph;

(3) to any assistance unit for any month in which any caretaker relative with whom the child is living is, on the last day of that month, participating in a strike;

(4) on behalf of any other individual in the assistance unit, nor shall the individual's needs be taken into account for any month in which, on the last day of the month, the individual is participating in a strike;

~~(5) to an assistance unit if its eligibility is based on a parent's unemployment and the parent on behalf of any individual who is the principal earner in an assistance unit whose eligibility is based on the unemployment of a parent when the principal earner, without good cause, fails or refuses to seek work, to participate in the work incentive program under section 256.736, job search program under section 256.736 or a community work experience program under section 256.737 if this program is available and participation is mandatory in the county, to accept employment, or to register with a public employment office, unless the principal earner is exempt from these work requirements.~~

Sec. 14. Minnesota Statutes 1988, section 256.736, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION.] (a) To the extent permissible under federal law, every caretaker or child is required to register for employment and training services, as a condition of receiving AFDC, unless the caretaker or child is:

(1) a child who is under age 16, a child age 16 or 17 who is attending elementary or secondary school or a secondary level vocational or technical school full time, ~~or a full-time student age 18 who is attending a secondary school or a secondary level vocational or technical program and who is expected to complete the school or program before reaching age 19;~~

(2) ~~a caretaker who~~ is ill, incapacitated or age 55 or older;

(3) ~~a caretaker~~ person for whom participation in an employment and training service would require a round trip commuting time by available transportation of more than two hours;

(4) ~~a caretaker~~ person whose presence in the home is required because of illness or incapacity of another member of the household;

(5) a caretaker or other caretaker relative of a child under the age of ~~six~~ three who personally provides full-time care for the child;

(6) *a caretaker or other caretaker relative personally providing care for a child under six years of age, except that when child care is arranged for or provided, the caretaker or caretaker relative may be required to register and participate in employment and training services up to a maximum of 20 hours per week;*

(7) a caretaker if another adult relative in the assistance unit is registered and has not, without good cause, failed or refused to participate or accept employment;

~~(7) a pregnant woman in the last trimester of pregnancy (8) a pregnant woman, if it has been medically verified that the child is expected to be born in the current month or within the next six months;~~

(9) *employed at least 30 hours per week; or*

~~(8) (10) a parent who is not the principal earner if the parent who is the principal earner is not exempt under clauses (1) to (7).~~

*Any individual in clauses (3) and (5) to (8) must be advised of any available employment and training services and must be informed of any available child care and other support services required to register.*

(b) To the extent permissible by federal law, applicants for benefits under the AFDC program are registered for employment and training services by signing the application form. Applicants must be informed that they are registering for employment and training services by signing the form. Persons receiving benefits on or after July 1, 1987, shall register for employment and training services to the extent permissible by federal law. The caretaker has a right to a fair hearing under section 256.045 with respect to the appropriateness of the registration.

Sec. 15. Minnesota Statutes 1988, section 256.736, subdivision 3b, is amended to read:

Subd. 3b. [MANDATORY ASSESSMENT AND SCHOOL ATTENDANCE FOR ~~MINOR CERTAIN CUSTODIAL PARENTS.~~] *This subdivision applies to the extent permitted under federal law and regulation.*

(a) [DEFINITIONS.] The definitions in this paragraph apply to this subdivision.

(1) "~~Minor~~ Custodial parent" means a recipient of AFDC who is ~~under age 18, and who is~~ the natural or adoptive parent of a child living with the ~~minor~~ custodial parent.

(2) "School" means:

(i) an educational program which leads to a high school diploma. The program or coursework may be, but is not limited to, a program under the post-secondary enrollment options of section 123.3514, a regular or alternative program of an elementary or secondary school, a technical institute, or a college;

(ii) coursework for a general educational development (GED) diploma of not less than six hours of classroom instruction per week; or

(iii) any other post-secondary educational program that is approved by the public school or the local agency under subdivision 11.

(b) [ASSESSMENT AND PLAN; REQUIREMENT; CONTENT.] *The county agency must examine the educational level of each custodial parent under the age of 20 to determine if the recipient has completed a high school education or its equivalent. If the custodial parent has not completed a high school education or its equivalent and is not exempt from the requirement to attend school under paragraph (f), the county agency must complete an individual assessment for the custodial parent. The assessment must be performed as soon as possible but within 60 days of determining AFDC eligibility for the custodial parent. The assessment must provide an initial examination of the custodial parent's educational progress and needs, literacy level, child care and supportive service needs, family circumstances, skills, and work experience. In the case of a custodial parent under the age of 18, the assessment must also consider the effect of a child's development and educational needs on the parent's ability to participate in the program. The county agency must advise the parent that the parent's first goal must be to complete an appropriate educational option if one is identified for the parent through the assessment and, in consultation with educational agencies, must review the various school completion options with the parent and assist the parent in selecting the most appropriate option.*

(c) [RESPONSIBILITY FOR ASSESSMENT AND PLAN.] *For custodial parents who are under age 18, the assessment and the employability plan must be completed by the county social services agency, as specified in section 257.33. For custodial parents who are age 18 or 19, the assessment and employability plan must be completed by the case manager. The social services agency or the case manager shall consult with representatives of educational agencies required to assist in developing educational plans under section 126.235.*

(d) [EDUCATION DETERMINED TO BE APPROPRIATE.] *If the case manager or county social services agency identifies an appropriate educational option, it must develop an employability plan in consultation with the custodial parent which reflects the assessment. The plan must specify that participation in an educational activity is required, what school or educational program is most appropriate, the services that will be provided, the activities the parent will take part in including child care and supportive services, the consequences to the custodial parent for failing to participate*

*or comply with the specified requirements, and the right to appeal any adverse action. The employability plan must, to the extent possible, reflect the preferences of the participant.*

*(e) [EDUCATION DETERMINED TO BE NOT APPROPRIATE.] If the case manager determines that there is no appropriate educational option for a custodial parent who is age 18 or 19, the case manager shall indicate the reasons for the determination. The case manager shall then notify the county agency which must refer the custodial parent to case management services under subdivision 11 for completion of an employability plan and services. If the custodial parent fails to participate or cooperate with case management services and does not have good cause for the failure, the county agency shall apply the sanctions listed in subdivision 4, beginning with the first payment month after issuance of notice. If the county social services agency determines that school attendance is not appropriate for a custodial parent under age 18, the county agency shall refer the custodial parent to social services for services as provided in section 257.33.*

*(f) [SCHOOL ATTENDANCE REQUIRED.] Notwithstanding subdivision 3, a ~~minor~~ custodial parent must attend school if all of the following apply:*

*(1) ~~the minor parent has no child living with the parent who is younger than six weeks of age~~ the custodial parent is less than 20 years of age;*

*(2) transportation services needed to enable the ~~minor~~ custodial parent to attend school are available;*

*(3) licensed or legal nonlicensed child care services needed to enable the ~~minor~~ custodial parent to attend school are available;*

*(4) the ~~minor~~ custodial parent has not already graduated from high school and has not received a general educational development (GED) diploma received a high school diploma or its equivalent; and*

*(5) the ~~minor~~ custodial parent does not have good cause for failing to attend school, as provided in paragraph (d) is not exempt because the custodial parent:*

*(i) is ill or incapacitated seriously enough to prevent him or her from attending school;*

*(ii) is needed in the home because of the illness or incapacity of another member of the household; this includes a custodial parent of a child who is younger than six weeks of age;*

*(iii) works 30 or more hours per week; or*

*(iv) is pregnant if it has been medically verified that the child's birth is expected in the current month or within the next six months.*

*(e) (g) [ENROLLMENT AND ATTENDANCE.] The ~~minor~~ custodial parent must be enrolled in school and meeting the school's attendance requirements. The ~~minor~~ custodial parent is considered to be attending when the ~~minor~~ parent he or she is enrolled but the school is not in regular session, including during holiday and summer breaks.*

*(d) (h) [GOOD CAUSE FOR NOT ATTENDING SCHOOL.] The local agency shall not impose the sanctions in subdivision 4 if it determines that a custodial parent has good cause for not being enrolled or for not meeting the school's attendance requirements. The local agency shall determine*

whether good cause for not attending or not enrolling in school exists, according to this paragraph:

(1) Good cause exists when the minor parent is ill or injured seriously enough to prevent the minor parent from attending school.

(2) Good cause exists when the minor parent's child is ill or injured and the minor parent's presence in the home is required to care for the child.

(3) Good cause exists when the local agency has verified that the only available school program requires round trip commuting time from the minor custodial parent's residence of more than two hours by available means of transportation, excluding the time necessary to transport children to and from child care.

(4) Good cause exists when there is an interruption in availability of child care services.

(5) (2) Good cause exists when the minor custodial parent has indicated a desire to attend school, but the public school system is not providing for the minor parent's his or her education and alternative programs are not available.

(6) Good cause exists when the school does not cooperate with the local agency in providing verification of the minor parent's education or attendance.

(7) Good cause exists when the minor parent or the minor parent's child has a medical appointment or an appointment with the local welfare agency, is required to appear in court during the minor parent's normal school hours, or has any other obligation consistent with the case management contract.

(8) For the minor parent of a child between six and 12 weeks of age, good cause exists when child care is not available on the premises of the school, or a medical doctor certifies that it would be better for the health of either the parent or the child for the parent to remain at home with the child for a longer period of time.

(e) (i) [FAILURE TO COMPLY.] *The case manager and social services agency shall establish ongoing contact with appropriate school staff to monitor problems that custodial parents may have in pursuing their educational plan, and shall jointly seek solutions to prevent parents from failing to complete education. If the school notifies the local agency that the minor custodial parent is not enrolled or is not meeting the school's attendance requirements, and the local agency or appears to be facing barriers to completing education, the information must be conveyed to the case manager for a custodial parent age 18 or 19, or to the social services agency for a custodial parent under age 18. The case manager or social services agency shall reassess the appropriateness of school attendance as specified in paragraph (f). If after consultation, school attendance is still appropriate and the case manager or social services agency determines that the minor custodial parent has failed to enroll or is not meeting the school's attendance requirements and the custodial parent does not have good cause, the local agency case manager or social services agency shall inform the custodial parent's financial worker who shall apply the sanctions listed in subdivision 4 beginning with the first payment month after issuance of notice.*

(f) (j) [NOTICE AND HEARING.] A right to notice and fair hearing shall be provided in accordance with section 256.045 and the Code of



Federal Regulations, title 45, section 205.10.

(g) (k) [SOCIAL SERVICES.] When a ~~minor~~ custodial parent under the age of 18 has failed to attend school, is not exempt, and does not have good cause, the local agency shall refer the ~~minor~~ custodial parent to the social services agency for services, as provided in section 257.33.

(h) (l) [VERIFICATION.] No less often than quarterly, the ~~local agency~~ financial worker must verify that the ~~minor~~ custodial parent is meeting the requirements of this subdivision. Notwithstanding section 13.32, subdivision 3, when the local agency notifies the school that a ~~minor~~ custodial parent is subject to this subdivision, the school must furnish verification of school enrollment and, attendance, and progress to the local agency. The county agency must not impose the sanctions in paragraph (i) if the school fails to cooperate in providing verification of the minor parent's education, attendance, or progress.

Sec. 16. Minnesota Statutes 1988, section 256.736, is amended by adding a subdivision to read:

Subd. 3d. [COORDINATION OF SERVICES FOR AT-RISK ADOLESCENTS.] (a) [PURPOSE.] The commissioners of education, human services, and jobs and training shall coordinate services between their departments for at-risk adolescents and teenage parents in order to improve access to educational programs, to evaluate current at-risk or teen parent programs, and to promote self-sufficiency. The coordination must include, but is not limited to, educating staff about the educational options and programs available through each department that are appropriate for adolescents and teenage parents; methods of informing adolescents and teenage parents of services and programs; methods of encouraging and motivating adolescents and teenage parents to use services and programs; and the advantages of doing so.

(b) [PILOT PROJECTS.] Money appropriated or received for purposes of this section may be used for one or more pilot projects designed to improve access to education for at-risk adolescents and teenage parents, especially those receiving AFDC. Pilot projects may focus on one or more of the following: improving access to services dealing with the needs of adolescent parents or adolescents at risk of pregnancy that address issues such as male responsibility and alternative placements for adolescent and teenage mothers with infants; or development of service models for adolescent parents already in the social services system. The commissioners of education, human services, and jobs and training shall request proposals for the projects and shall jointly review and select proposals.

(c) [PRIVATE FUNDING FOR LOCAL PROJECTS.] The commissioners of education, human services, and jobs and training may jointly seek private sources of funding to facilitate pilot projects at the local level. The commissioners shall determine how the private funding is to be allocated to local projects.

Sec. 17. Minnesota Statutes 1988, section 256.736, subdivision 4, is amended to read:

Subd. 4. [CONDITIONS OF CERTIFICATION.] The commissioner of human services shall:

(1) Arrange for or provide any caretaker or child required to participate

in employment and training services pursuant to this section with child-care services, transportation, and other necessary family services;

(2) ~~Pay ten percent of the cost of the work incentive program and any other costs that are required of that agency by federal regulation for employment and training services for recipients of aid to families with dependent children;~~

(3) Provide that in determining a recipient's needs any monthly incentive training payment made to the recipient by the department of jobs and training is disregarded and the additional expenses attributable to participation in a program are taken into account in grant determination to the extent permitted by federal regulation; ~~and~~

(4) ~~(3)~~ Provide that the county board shall impose the sanctions in clause ~~(5) or (6)~~ (4) when the county board:

(a) ~~is notified that a caretaker or child required to participate in employment and training services has been found by the employment and training service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept a bona fide offer of public or other employment;~~

(b) determines that a ~~minor~~ custodial parent under the age of 16 who is required to attend school under subdivision 3b has, without good cause, failed to attend school;

~~(c)~~ (b) determines that subdivision 3c applies to a minor parent and the minor parent has, without good cause, failed to cooperate with development of a social service plan or to participate in execution of the plan, to live in a group or foster home, or to participate in a program that teaches skills in parenting and independent living; or

~~(d)~~ (c) determines that a caretaker has, without good cause, failed to attend orientation-;

(5) (4) To the extent permissible by federal law, ~~impose~~ the following sanctions ~~must be imposed~~ for a recipient's failure to participate in required ~~employment and training services~~, education, orientation, or the requirements of subdivision 3c:

(a) For the first failure, 50 percent of the grant provided to the family for the month following the failure shall be made in the form of protective or vendor payments;

(b) For the second and subsequent failures, the entire grant provided to the family must be made in the form of protective or vendor payments. Assistance provided to the family must be in the form of protective or vendor payments until the recipient complies with the requirement; and

(c) When protective payments are required, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found-;

(6) ~~When the sanctions provided by clause (5) are not permissible under federal law, the following sanctions shall be imposed for a recipient's failure to participate in required employment and training services, education, orientation, or the requirements of subdivision 3c (5) Provide that the county board shall impose the sanctions in clause (6) when the county board:~~

(a) determines that a caretaker or child required to participate in employment and training services has been found by the employment and training service provider to have failed without good cause to participate in appropriate employment and training services or to have failed without good cause to accept, through the job search program described in subdivision 14, or the community work experience program described in section 256.737, a bona fide offer of public or other employment; or

(b) determines that a custodial parent aged 16 to 19 who is required to attend school under subdivision 3b has, without good cause, failed to enroll or attend school;

(6) To the extent required by federal law, the following sanctions must be imposed for a recipient's failure to participate in required employment and training services, to accept a bona fide offer of public or other employment, or to enroll or attend school under subdivision 3b:

(a) ~~If the caretaker fails to participate, the caretaker's~~ For the first failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination, and aid for any dependent child in the family will be made in the form of protective or vendor payments, except that when protective payments are made, the local agency may continue payments to the caretaker if a protective payee cannot reasonably be found. The standard of assistance for the remaining eligible members of the assistance unit is the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement until the individual complies with the requirements.

(b) For the second failure, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for three consecutive months, whichever is longer.

(c) For subsequent failures, the needs of the noncompliant individual shall not be taken into account in making the grant determination until the individual complies with the requirement or for six consecutive months, whichever is longer.

(d) Aid with respect to a dependent child will be denied if a child who fails to participate is the only child receiving aid in the family.

(e) ~~If there is more than one child receiving aid in the family, aid for the child who fails to participate will be denied and the child's needs will not be taken into account in making the grant determination.~~

(d) If the assistance unit's eligibility is based on the nonexempt principal earner's unemployment and this principal earner fails without good cause to participate or to accept employment, the entire assistance unit is ineligible for benefits under sections 256.72 to 256.87.

(e) If the noncompliant individual is a parent or other relative caretaker, payments of aid for any dependent child in the family must be made in the form of protective or vendor payments. When protective payments are required, the county agency may continue payments to the caretaker if a protective payee cannot reasonably be found. When protective payments are imposed on assistance units whose basis of eligibility is the unemployment or incapacity of a parent, cash payments may continue to the nonsanctioned caretaker in the assistance unit, subject to paragraph (f).

*After removing a caretaker's needs from the grant, the standard of assistance applicable to the remaining eligible members of the assistance unit is the standard that is used in other instances in which the caretaker is excluded from the assistance unit for noncompliance with a program requirement.*

*(f) If the noncompliant individual is a parent or other caretaker of a family whose basis of eligibility is the unemployment of a parent and the noncompliant individual's spouse is not participating in an approved employment and training service, the needs of the spouse must not be taken into account in making the grant determination;*

*(7) Request approval from the Secretary of Health and Human Services to use vendor payment sanctions for persons listed in clause (5), paragraph (b). If approval is granted, the commissioner must begin using vendor payment sanctions as soon as changes to the state plan are approved.*

Sec. 18. Minnesota Statutes 1988, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all priority caretakers required to register under subdivision 3 to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider caretakers who fall into the priority groups;

(3) provide all caretakers with an orientation which ~~(a) gives information on available employment and training services and support services, and (b) encourages clients to view AFDC as a temporary program providing grants and services to clients who set goals and develop strategies for supporting their families without AFDC assistance meets the requirements in subdivisions 10a and 10b;~~

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the priority groups;

(5) work with the employment and training service provider to collect data as required by the commissioner;

(6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;

(7) encourage nonpriority caretakers to develop a plan to obtain self-sufficiency;

(8) notify the commissioner of the caretakers required to participate in employment and training services;

(9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;

(10) provide transportation assistance using the employment special needs fund or other available funds to caretakers who participate in employment and training programs, with priority for services to caretakers in priority groups;

(11) ensure that orientation, employment search, and case management

services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13; and

(12) explain in its local service unit plan under section 268.88 how it will ensure that priority caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;

(13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14 and at least one of the following employment and training services: community work experience program (CWEP) as defined in section 256.737, grant diversion as defined in section 268.86, on-the-job training as defined in section 256.738, or another work and training program approved by the commissioner and the Secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. Each county is urged to adopt grant diversion as the second program required under this clause;

(14) provide an assessment of each AFDC recipient who is required or volunteers to participate in one of the employment and training services specified in clause (13), including job search, and to recipients who volunteer for participation in case management under subdivision 11. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;

(15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause 14; (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) specifies the recipient's employment goal; and

(16) assure that no work assignment under this section or sections 256.737 and 256.738 results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under the above sections; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) a participant filling an established unfilled position vacancy.

*(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.*

*(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.*

*(d) Notwithstanding section 256G.07, when a priority caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency or its case manager, the county that approved the plan is responsible for the costs of case management, child care, and other services required to carry out the plan. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nonpriority caretaker relocates to another county or when a priority caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.*

Sec. 19. Minnesota Statutes 1988, section 256.736, is amended by adding a subdivision to read:

*Subd. 10a. [ORIENTATION.] (a) Each county agency must provide an orientation to all caretakers within its jurisdiction who are determined eligible for AFDC on or after July 1, 1989, and who are required to attend an orientation. The county agency shall require attendance at orientation of all caretakers except those who are (1) physically disabled, mentally ill, or developmentally disabled and whose condition has or is expected to continue for at least 90 days and will prevent participation in educational programs or employment and training services; (2) aged 55 or older; or (3) currently employed in unsubsidized employment that is expected to continue at least 30 days and that provides an average of at least 30 hours of employment per week.*

*(b) The orientation must consist of a presentation that informs caretakers of:*

*(1) the identity, location, and phone numbers of employment and training and support services available in the county;*

*(2) the types and locations of child care services available through the county agency that are accessible to enable a caretaker to participate in educational programs or employment and training services;*

*(3) the availability of assistance for participants to help select appropriate child care services and that, on request, assistance will be provided to select appropriate child care services;*

*(4) the obligations of the county agency and service providers under contract to the county agency;*

*(5) the rights, responsibilities, and obligations of participants;*

*(6) the grounds for exemption from mandatory employment and training services or educational requirements;*

*(7) the consequences for failure to participate in mandatory services or requirements;*

(8) *the method of entering educational programs or employment and training services available through the county; and*

(9) *the availability and the benefits of the early and periodic screening, diagnosis and treatment (EPSDT) program.*

(c) *Orientation must encourage recipients to view AFDC as a temporary program providing grants and services to individuals who set goals and develop strategies for supporting their families without AFDC assistance. The content of the orientation must not imply that a recipient's eligibility for AFDC is time limited. Orientation may be provided through audio-visual methods, but the caretaker must be given an opportunity for face-to-face interaction with staff of the county agency or the entity providing the orientation, and an opportunity to express the desire to participate in educational programs and employment and training services offered through the county agency.*

(d) *County agencies shall not require caretakers to attend orientation for more than three hours during any period of 12 continuous months. The local agency shall also arrange for or provide needed transportation and child care to enable caretakers to attend.*

Sec. 20. Minnesota Statutes 1988, section 256.736, is amended by adding a subdivision to read:

*Subd. 10b. [INFORMING.] Each county agency must provide written information concerning the topics identified in subdivision 10a, paragraph (b), to all AFDC caretakers within the county agency's jurisdiction who are exempt from the requirement to attend orientation, except those under age 16, and to recipients who have good cause for failing to attend orientation as specified in rules adopted by the commissioner. The written materials must tell the individual how the individual may indicate the desire to participate in educational programs and employment and training services offered through the county. The written materials must be mailed or hand delivered to the recipient at the time the recipient is determined to be exempt or have good cause for failing to attend an orientation.*

Sec. 21. Minnesota Statutes 1988, section 256.736, subdivision 11, is amended to read:

Subd. 11. [CASE MANAGEMENT SERVICES.] (a) For clients described in subdivision 2a, the case manager shall:

(1) ~~Assess the education, skills, and ability of the caretaker to secure and retain a job which, when added to child support, will support the caretaker's family.~~ *Provide an assessment as described in subdivision 10, paragraph (a), clause (14). As part of the assessment, the case manager shall inform caretakers of the screenings available through the early and periodic screening, diagnosis and treatment (EPSDT) program under chapter 256B and preschool screening under chapter 123, and encourage caretakers to have their children screened. The case manager must work with the caretaker in completing this task;*

(2) ~~Set goals and develop a timetable for completing education and employment goals.~~ *Develop an employability development plan as described in subdivision 10, paragraph (a), clause (15). The case manager must work with the caretaker in completing this task. For caretakers who are not literate or who have not completed high school, the first goal for the caretaker must should be to complete literacy training or a general education*

*equivalency* diploma. Caretakers who are literate and have completed high school shall be counseled to set realistic attainable goals, taking into account the long-term needs of both the caretaker and the caretaker's family;

(3) Coordinate services such as child care, transportation, and education assistance necessary to enable the caretaker to work toward the goals developed in clause (2). When a client needs child care services in order to attend a Minnesota public or nonprofit college, university or technical institute, the case manager shall contact the appropriate agency to reserve child care funds for the client. A caretaker who needs child care services in order to complete high school or a general ~~education~~ *equivalency* diploma is eligible for child care under section 268.91;

(4) Develop, execute, and monitor a contract between the local agency and the caretaker. The contract must *be based upon the employability development plan described in subdivision 10, paragraph (a), clause (15), and must include:* (a) specific goals of the caretaker including stated measurements of progress toward each goal; (b) specific services provided by the county agency; and (c) conditions under which the county will withdraw the services provided;

The contract may include other terms as desired or needed by either party. In all cases, however, the case manager must ensure that the caretaker has set forth in the contract realistic goals consistent with the ultimate goal of self-sufficiency for the caretaker's family; and

(5) Develop and refer caretakers to counseling or peer group networks for emotional support while participating in work, education, or training.

(b) In addition to the duties in paragraph (a), for minor parents and pregnant minors, the case manager shall:

(1) Ensure that the contract developed under paragraph (a)(4) considers all factors set forth in section 257.33, subdivision 2;

(2) Assess the housing and support systems needed by the caretaker in order to provide the dependent children with adequate parenting. The case manager shall encourage minor parents and pregnant minors who are not living with friends or relatives to live in a group home or foster care setting. If minor parents and pregnant minors are unwilling to live in a group home or foster care setting or if no group home or foster care setting is available, the case manager shall assess their need for training in parenting and independent living skills and when appropriate shall refer them to available counseling programs designed to teach needed skills; and

(3) Inform minor parents or pregnant minors of, and assist them in evaluating the appropriateness of, the high school graduation incentives program under section 126.22, including post-secondary enrollment options, and the employment-related and community-based instruction programs.

(c) A caretaker may request a conciliation conference to attempt to resolve disputes regarding the contents of a contract developed under this section or a housing and support systems assessment conducted under this section. The caretaker may request a hearing pursuant to section 256.045 to dispute the contents of a contract or assessment developed under this section. The caretaker need not request a conciliation conference in order to request a hearing pursuant to section 256.045.

Sec. 22. Minnesota Statutes 1988, section 256.736, subdivision 14, is amended to read:



Subd. 14. [~~EMPLOYMENT~~ *JOB SEARCH.*] (a) The commissioner of human services shall establish ~~an employment~~ *a job search* program under ~~United States Code, title 42, section 602(a)(35)~~ *Public Law 100-485*. The principal wage earner in an AFDC-UP assistance unit must ~~participate~~ *be referred to and must begin participation in the employment job search* program within four months of being determined eligible for AFDC-UP unless:

(1) the caretaker is already participating in another approved employment and training service;

(2) the caretaker's employability plan specifies other activities; ~~or~~

(3) *the caretaker is exempt from registration under subdivision 3; or*

(4) *the caretaker is unable to secure employment due to inability to communicate in the English language, is participating in an English as a second language course, and is making satisfactory progress towards completion of the course. If an English as a second language course is not available to the caretaker, the caretaker is exempt from participation until a course becomes available.*

~~The employment and training service provider shall refer caretakers unable to communicate in the English language to English as a second language courses.~~

(b) The ~~employment~~ *job search* program must provide the following services:

(1) an initial period of up to four weeks of job search activities for not more than 32 hours per week. The employment and training service provider shall specify for each participating caretaker the number of weeks and hours of job search to be conducted and shall report to the county board if the caretaker fails to cooperate with the employment search requirement; and

(2) an additional period of job search following the first period at the discretion of the employment and training service provider. The total of these two periods of job search may not exceed eight weeks *for any consecutive 12-month period beginning with the month of application.*

(c) The employment search program may provide services to non-AFDC-UP caretakers.

Sec. 23. Minnesota Statutes 1988, section 256.736, subdivision 16, is amended to read:

Subd. 16. [~~ALLOCATION AND USE OF MONEY.~~] (a) State money appropriated for employment and training services under this section must be allocated to counties as follows:

(1) Forty percent of the state money must be allocated based on the average monthly number of caretakers receiving AFDC in the county who are under age 21 and the average monthly number of AFDC cases open in the county for 24 or more consecutive months and residing in the county for the 12-month period ending ~~March~~ *December* 31 of the previous fiscal year.

(2) Twenty percent of the state money must be allocated based on the average monthly number of nonpriority caretakers receiving AFDC in the county for the period ending ~~March~~ *December* 31 of the previous fiscal

year. Funds may be used to develop employability plans for nonpriority caretakers if resources allow.

(3) Twenty-five percent of the state money must be allocated based on the average monthly number of assistance units in the county receiving AFDC-UP for the period ending ~~March~~ December 31 of the previous fiscal year.

(4) Fifteen percent of the state money must be allocated at the discretion of the commissioner based on participation levels for priority group members in each county.

(b) No more than 15 percent of the money allocated under paragraph (a) may be used for administrative activities.

(c) Except as provided in paragraph (d), at least 70 percent of the money allocated to counties must be used for case management services and employment and training services for caretakers in the priority groups. Up to 30 percent of the money may be used for employment search activities and employment and training services for nonpriority caretakers.

(d) A county ~~whose proportion of the statewide average monthly AFDC-UP caseload exceeds its proportion of the statewide AFDC caseload having a high proportion of nonpriority caretakers that interferes with the county's ability to meet the 70 percent spending requirement of paragraph (c) above~~ may, with the approval of the commissioner of human services, use up to 40 percent of the money allocated under this section for ~~employment search activities~~ orientation and employment and training services for nonpriority caretakers.

(e) *Money appropriated to cover the nonfederal share of costs for bilingual case management services to refugees for the employment and training programs under this section are allocated to counties based on each county's proportion of the total statewide number of AFDC refugee cases. However, counties with less than one percent of the statewide number of AFDC refugee cases do not receive an allocation.*

(f) Counties and the department of jobs and training shall bill the commissioner of human services for any expenditures incurred by the county, the county's employment and training service provider, or the department of jobs and training that may be reimbursed by federal money. The commissioner of human services shall bill the United States Department of Health and Human Services and the United States Department of Agriculture for the reimbursement and appropriate the reimbursed money to the county or employment and training service provider that submitted the original bill. The reimbursed money must be used to expand employment and training services.

(g) *The commissioner of human services shall review county expenditures of case management and employment and training block grant money at the end of the fourth quarter of the biennium and each quarter after that, and may reallocate unencumbered or unexpended money allocated under this section to those counties that can demonstrate a need for additional money. Reallocation of funds must be based on the formula set forth in paragraph (a), excluding the counties that have not demonstrated a need for additional funds.*

Sec. 24. Minnesota Statutes 1988, section 256.736, is amended by adding a subdivision to read:

*Subd. 18. [PROGRAM OPERATION BY INDIAN TRIBES.] (a) The commissioner may enter into agreements with any federally recognized Indian tribe with a reservation in the state to provide employment and training programs under this section to members of the Indian tribe receiving AFDC. For purposes of this section, "Indian tribe" means a tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians; and for which a reservation exists as is consistent with Public Law Number 100-485, as amended.*

*(b) Agreements entered into under this subdivision must require the governing body of the Indian tribe to fulfill all county responsibilities required under this section in operation of the employment and training services covered by the contract, excluding the county share of costs in subdivision 13 and any county function related to AFDC eligibility determination or grant payment. The commissioner may enter into an agreement with a consortium of Indian tribes providing the governing body of each Indian tribe in the consortium agrees to these conditions.*

*(c) Agreements entered into under this subdivision must require the Indian tribe to operate the employment and training services within a geographic service area not to exceed the counties within which a border of the reservation falls. Indian tribes may also operate services in Hennepin and Ramsey counties or other geographic areas as approved by the commissioner of human services in consultation with the commissioner of jobs and training.*

*(d) Agreements entered into under this subdivision must require the Indian tribe to operate a federal jobs program under Public Law Number 100-485, section 482(i).*

*(e) Agreements entered into under this subdivision must require conformity with section 13.46 and any applicable federal regulations in the use of data about AFDC recipients.*

*(f) Agreements entered into under this subdivision must require financial and program participant activity recordkeeping and reporting in the manner and using the forms and procedures specified by the commissioner and that federal reimbursement received must be used to expand operation of the employment and training services.*

*(g) Agreements entered into under this subdivision must require that the Indian tribe coordinate operation of the programs with county employment and training programs, Indian Job Training Partnership Act programs, and educational programs in the counties in which the tribal unit's program operates.*

*(h) Agreements entered into under this subdivision must require the Indian tribe to allow inspection of program operations and records by representatives of the department.*

*(i) Agreements entered into under this subdivision must require the Indian tribe to contract with an employment and training service provider certified by the commissioner of jobs and training for operation of the programs, or become certified itself.*

*(j) Agreements entered into under this subdivision must require the Indian tribe to specify a starting date for each program with a procedure to enable*

tribal members participating in county-operated employment and training services to make the transition to the program operated by the tribal unit. Programs must begin on the first day of a month specified by the agreement.

(k) If the commissioner and Indian tribe enter into an agreement, the commissioner may immediately reallocate county case management and employment and training block grant money from the counties in the Indian tribe's service area to the Indian tribe, prorating each county's annual allocations according to that percentage of the number of tribal unit members receiving AFDC residing in the county compared to the total number of AFDC recipients residing in the county and also prorating the annual allocation according to the month in which the Indian tribe program starts. If the Indian tribe cancels the agreement or fails, in the commissioner's judgment, to fulfill any requirement of the agreement, the commissioner shall reallocate money back to the counties in the Indian tribe's service area.

(l) Indian tribe members receiving AFDC and residing in the service area of an Indian tribe operating employment and training services under an agreement with the commissioner must be referred by county agencies in the service area to the Indian tribe for employment and training services.

(m) The Indian tribe shall bill the commissioner of human services for services performed under the contract. The commissioner shall bill the United States Department of Health and Human Services for reimbursement. Federal receipts are appropriated to the commissioner to be provided to the Indian tribe that submitted the original bill.

Sec. 25. Minnesota Statutes 1988, section 256.737, is amended to read:  
256.737 [COMMUNITY WORK EXPERIENCE PROGRAM.]

Subdivision 1. [~~PILOT PROGRAMS ESTABLISHMENT AND PURPOSE.~~] In order that persons receiving aid under this chapter may be assisted in achieving self-sufficiency by enhancing their employability through meaningful work experience and training and the development of job search skills, the commissioner of human services may ~~continue the pilot community work experience demonstration programs that were approved by January 1, 1984. No new pilot community work experience demonstration programs may be established under this subdivision~~ establish additional community work experience programs in as many counties as necessary to comply with the participation requirements of the family support act of 1988, Public Law 100-485. Programs established on or after July 1, 1989, must be operated on a volunteer basis.

Subd. 1a. [COMMISSIONER'S DUTIES.] The commissioner shall: (a) assist counties in the design; and implementation; ~~and evaluation of these demonstration programs;~~ (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until ~~the termination of the demonstration programs June 30, 1990, unless superseded by permanent rules; and~~ (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law; ~~The commissioner shall;~~ and (d) prohibit the use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, ~~1985~~ 1989. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the

community work experience program. Concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program.

~~As the commissioner phases in case management and other employment and training services under section 256.736, and no later than June 30, 1989, the commissioner may phase out projects under this section.~~

Subd. 2. [ADDITIONAL PROGRAMS PROGRAM REQUIREMENTS.] ~~In addition to the pilot programs established in subdivision 1, the commissioner may approve the application of up to eight additional counties to enter into a community work experience program. The programs under this subdivision are governed by subdivision 1 except as in paragraphs (a) and (b).~~ (a) *Programs under this section are limited to projects that serve a useful public service such as: health, social service, environmental protection, education, urban and rural development and redevelopment, welfare, recreation, public facilities, public safety and child care. To the extent possible, the prior training, skills, and experience of a recipient must be used in making appropriate work experience assignments.*

~~(a)~~ (b) *As a condition to placing a person receiving aid to families with dependent children in a program under this subdivision, the county agency shall first provide the recipient the opportunity to participate in the following services:*

(1) *placement in suitable subsidized or unsubsidized employment through participation in job search under section 256.736, subdivision 14; or*

(2) *basic educational or vocational or occupational training for an identifiable job opportunity.*

~~(b)~~ (c) *If the recipient refuses suitable employment and a training program, the county agency may, subject to subdivision 1, require the recipient to participate in a community work experience program as a condition of eligibility.*

(d) *The county agency shall limit the maximum number of hours any participant under this section may be required to work in any month to a number equal to the amount of the aid to families with dependent children payable to the family divided by the greater of the federal minimum wage or the applicable state minimum wage.*

(e) *After a participant has been assigned to a position under this section for nine months, the participant may not be required to continue in that assignment unless the maximum number of hours a participant is required to work is no greater than the amount of the aid to families with dependent children payable with respect to the family divided by the higher of (1) the federal minimum wage or the applicable state minimum wage, whichever is greater, or (2) the rate of pay for individuals employed in the same or similar occupations by the same employer at the same site.*

(f) *After each six months of a recipient's participation in an assignment, and at the conclusion of each assignment under this section, the county agency shall reassess and revise, as appropriate, each participant's employability development plan.*

(g) *The county agency shall apply the grant reduction sanctions specified in section 256.736, subdivision 4, clause (6), when it is determined that*

*a mandatory participant has failed, without good cause, to participate in the program.*

Sec. 26. [256.738] [ON-THE-JOB TRAINING.]

*(a) County agencies may, in accordance with section 256.736, subdivision 10, develop on-the-job training programs that permit voluntary participation by AFDC recipients. A county agency that chooses to provide on-the-job training as one of its optional employment and training services may make payments to employers for on-the-job training costs that, during the period of the training, average less than 50 percent of the wages paid by the employer to the participant. The payments are deemed to be in compensation for the extraordinary costs associated with training participants under this section and in compensation for the costs associated with the lower productivity of the participants during training.*

*(b) County agencies shall limit the length of training based on the complexity of the job and the recipient's previous experience and training. Placement in an on-the-job training position with an employer is for the purpose of training and employment with the same employer, who has agreed to retain the person upon satisfactory completion of training.*

*(c) Placement of any recipient in an on-the-job training position must be compatible with the assessment and employability development plan established for the recipient under section 256.736, subdivision 10, paragraph (a), clauses (14) and (15).*

*(d) Provision of an on-the-job training program under the job training partnership act, in and of itself, does not qualify as an on-the-job training program under section 256.736, subdivision 10, paragraph (a), clause (13).*

Sec. 27. Minnesota Statutes 1988, section 256.74, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] The amount of assistance which shall be granted to or on behalf of any dependent child and mother or other needy eligible relative caring for the dependent child shall be determined by the county agency in accordance with rules promulgated by the commissioner and shall be sufficient, when added to all other income and support available to the child, to provide the child with a reasonable subsistence compatible with decency and health. The amount shall be based on the method of budgeting required in Public Law Number 97-35, section 2315, United States Code, title 42, section 602, as amended and federal regulations at Code of Federal Regulations, title 45, section 233. Nonrecurring lump sum income received by an assistance unit must be budgeted in the normal retrospective cycle. The number of months of ineligibility is determined by dividing the amount of the lump sum income and all other income, after application of the applicable disregards, by the standard of need for the assistance unit. An amount remaining after this calculation is income in the first month of eligibility. If the total monthly income including the lump sum income is larger than the standard of need for a single month the first month of ineligibility is the payment month that corresponds with the budget month in which the lump sum income was received. In making its determination the county agency shall disregard the following from family income:

(1) all of the earned income of each dependent child receiving aid to families with dependent children who is a full-time student or part-time

student, and not a full-time employee, attending a school, college, or university, or a course of vocational or technical training designed to fit students for gainful employment as well as all the earned income derived from the job training and partnership act (JTPA) for a dependent child for six calendar months per year, together with unearned income derived from the job training and partnership act;

(2) all educational grants and loans;

(3) the first ~~\$75~~ \$90 of each individual's earned income. For self-employed persons, the expenses directly related to producing goods and services and without which the goods and services could not be produced shall be disregarded pursuant to rules promulgated by the commissioner;

(4) ~~an amount equal to the actual expenditures but not to exceed \$160 for the care of each dependent child or incapacitated individual living in the same home and receiving aid. In the case of a person not engaged in full-time employment or not employed throughout the month, the commissioner shall prescribe by rule a lesser amount to be disregarded;~~

~~(5)~~ thirty dollars plus one-third of the remainder of each individual's earned income ~~not already disregarded~~ for individuals found otherwise eligible to receive aid or who have received aid in one of the four months before the month of application. With respect to any month, the county welfare agency shall not disregard under this clause any earned income of any person who has: (a) reduced earned income without good cause within 30 days preceding any month in which an assistance payment is made; ~~or~~ (b) refused without good cause to accept an offer of suitable employment; ~~or~~ (c) left employment or reduced earnings without good cause and applied for assistance so as to be able later to return to employment with the advantage of the income disregard; or (d) failed without good cause to make a timely report of earned income in accordance with rules promulgated by the commissioner of human services. Persons who are already employed and who apply for assistance shall have their needs computed with full account taken of their earned and other income. If earned and other income of the family is less than need, as determined on the basis of public assistance standards, the county agency shall determine the amount of the grant by applying the disregard of income provisions. The county agency shall not disregard earned income for persons in a family if the total monthly earned and other income exceeds their needs, unless for any one of the four preceding months their needs were met in whole or in part by a grant payment. The disregard of \$30 and one-third of the remainder of earned income ~~described in clause (5)~~ shall ~~must~~ be applied to the individual's income for a period not to exceed four consecutive months. Any month in which the individual loses this disregard because of the provisions of clauses ~~(5)(a)~~ to ~~(5)(d)~~ shall ~~must~~ be considered as one of the four months. An additional \$30 work incentive must be available for an eight-month period beginning in the month following the last month of the combined \$30 and one-third work incentive. This period must be in effect whether or not the person has earned income or is eligible for AFDC. To again qualify for the earned income disregards ~~under clause (d)~~, the individual must not be a recipient of aid for a period of 12 consecutive months. When an assistance unit becomes ineligible for aid due to the fact that these disregards are no longer applied to income, the assistance unit shall be eligible for medical assistance benefits for a 12-month period beginning with the first month of AFDC ineligibility;

(5) *an amount equal to the actual expenditures for the care of each dependent child or incapacitated individual living in the same home and receiving aid, not to exceed: (a) \$175 for each individual age two and older, and \$200 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is employed for 30 or more hours per week; or (b) \$174 for each individual age two or older, and \$199 for each individual under the age of two, when the family member whose needs are included in the eligibility determination is not employed throughout the month or when employment is less than 30 hours per week. The dependent care disregard must be applied after all other disregards have been applied;*

(6) *the first \$50 per assistance unit of the monthly support obligation collected by the support and recovery (IV-D) unit; and. The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit must be paid to the assistance unit within 15 days after the end of the month in which the collection of the periodic support payments occurred and must be disregarded when determining the amount of assistance;*

(7) *that portion of an insurance settlement earmarked and used to pay medical expenses, funeral and burial costs, or to repair or replace insured property; and*

(8) *all earned income tax credit payments received by the family as a refund of federal income taxes or made as advance payments by an employer.*

~~The first \$50 of periodic support payments collected by the public authority responsible for child support enforcement from a person with a legal obligation to pay support for a member of the assistance unit shall be paid to the assistance unit within 15 days after the end of the month in which the collection of such periodic support payments occurred and shall be disregarded in determining the amount of assistance.~~

Sec. 28. Minnesota Statutes 1988, section 256.74, subdivision 1a, is amended to read:

Subd. 1a. [STEPPARENT'S INCOME.] In determining income available, the county agency shall take into account the remaining income of the dependent child's stepparent who lives in the same household after disregarding:

(1) *the first \$75 of the stepparent's gross earned income. The commissioner shall prescribe by rule lesser amounts to be disregarded for stepparents who are not engaged in full-time employment or not employed throughout the month;*

(2) *an amount for support of the stepparent and any other individuals whom the stepparent claims as dependents for determining federal personal income tax purposes liability and who live in the same household but whose needs are not considered in determining eligibility for assistance under sections 256.72 to 256.87. The amount equals the standard of need for a family of the same composition as the stepparent and these other individuals;*

(3) *amounts the stepparent actually paid to individuals not living in the same household but whom the stepparent claims as dependents for determining federal personal income tax purposes liability; and*



(4) alimony or child support, or both, paid by the stepparent for individuals not living in the same household.

Sec. 29. Minnesota Statutes 1988, section 256.74, is amended by adding a subdivision to read:

*Subd. 1b. [REVIEW OF STANDARD OF NEED.] The commissioner of human services shall develop a household budget sufficient to maintain a family in Minnesota. The budget must be based on a market survey of the cost of items needed by families raising children to the extent these factors are consistent with the requirements of federal regulations. The commissioner shall develop recommendations for an AFDC standard of need and level of payment that are based on the budget. The commissioner shall submit to the legislature by January 1, 1990, a report identifying the methods proposed for the conduct of the market survey, the funds required for the survey, and a timetable for completion of the survey, establishment of a family budget, and recommendation of an AFDC standard of need.*

Sec. 30. Minnesota Statutes 1988, section 256.85, is amended to read:

**256.85 [LIBERAL CONSTRUCTION.]**

Sections 256.031 to 256.036 and 256.72 to 256.87 shall be liberally construed with a view to accomplishing their purpose, which is to enable the state and its several counties to cooperate with responsible primary caretakers of children in rearing future citizens, when the cooperation is necessary on account of relatively permanent conditions, in order to keep the family together in the same household, reasonably safeguard the health of the children's primary caretaker and secure personal care and training to the children during their tender years.

**Sec. 31. [256.983] [FRAUD PREVENTION INVESTIGATIONS.]**

*(a) Within the limits of available appropriations, and to the extent either required or authorized by applicable federal regulations, the commissioner of human services shall select and fund not less than four pilot projects for a two-year period to test the effectiveness of fraud prevention investigations conducted at the point of application for assistance. County agencies must be selected to be involved in the pilot projects based on their response to requests for proposals issued by the commissioner. One of the county agencies selected must be located in either Hennepin or Ramsey county, one must be from a county in the seven-county metropolitan area other than Hennepin and Ramsey counties, and two must be located outside the metropolitan area.*

*(b) If proposals are not submitted, the commissioner may select the county agencies to be involved. The county agencies must be selected from the locations described in paragraph (a).*

Sec. 32. Minnesota Statutes 1988, section 256D.051, subdivision 6, is amended to read:

**Subd. 6. [LOCAL AGENCY OPTIONS USE OF WORK READINESS FUNDS.]** The local agency may, at its option, provide up to \$200 for each registrant who has completed an employment development plan for direct expenses incurred by the registrant for transportation, clothes, and tools necessary for employment. After paying direct expenses as needed by individual registrants, the local agency may use any remaining money to provide additional services as needed by any registrant including education, orientation, placement, other work experience, on-the-job training, and

~~other appropriate activities.~~ The county agency shall pay the costs of clothing and tools needed for training or employment, and transportation and child care costs that are incurred by recipients and that are needed for participation in the work readiness program. After paying these direct participant expenses, the local agency may use available funding to pay the costs of services such as education, training, orientation, placement, work experience, on-the-job training, and other appropriate activities, including operation of the work readiness program.

Sec. 33. Minnesota Statutes 1988, section 256D.051, is amended by adding a subdivision to read:

*Subd. 10a. [REIMBURSEMENT OF PROGRAM EXPENDITURES.] To the extent of available resources, the county agency shall be reimbursed for 75 percent of the nonfederal share of actual costs paid to provide a work readiness program under subdivisions 2 and 6. Reimbursement must not exceed on average \$200 for each registrant for whom an employment development plan has been completed.*

Sec. 34. Minnesota Statutes 1988, section 256D.051, is amended by adding a subdivision to read:

*Subd. 10b. [FEDERAL REIMBURSEMENT.] Federal financial participation from the United States Department of Agriculture for work readiness expenditures that are eligible for reimbursement through the food stamp employment and training program are dedicated funds and are annually appropriated to the commissioner of human services for the operation of the work readiness program. In addition to the reimbursement specified in subdivision 10a, federal financial participation for the nonstate portion of work readiness costs must be paid to the county agency that incurred the costs.*

Sec. 35. Minnesota Statutes 1988, section 268.0111, subdivision 4, is amended to read:

*Subd. 4. [EMPLOYMENT AND TRAINING SERVICES.] "Employment and training services" means programs, activities, and services related to job training, job placement, and job creation including job service programs, job training partnership act programs, wage subsidies, ~~work incentive programs~~, work readiness programs, ~~employment~~ job search, counseling, case management, community work experience programs, displaced homemaker programs, disadvantaged job training programs, grant diversion, employment experience programs, youth employment programs, conservation corps, apprenticeship programs, community investment programs, supported work programs, community development corporations, economic development programs, and opportunities industrialization centers.*

Sec. 36. Minnesota Statutes 1988, section 268.0111, is amended by adding a subdivision to read:

*Subd. 5a. [INDIAN TRIBE.] For purposes of employment and training services, "Indian tribe" means a tribe, band, nation, or other organized group or community of Indians that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, and for which a reservation exists as is consistent with Public Law Number 100-485, as amended.*

Sec. 37. Minnesota Statutes 1988, section 268.0122, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC POWERS.] The commissioner of jobs and training shall:

(1) administer and supervise all forms of unemployment insurance provided for under federal and state laws that are vested in the commissioner;

(2) administer and supervise all employment and training services assigned to the department of jobs and training under federal or state law;

(3) review and comment on local service unit plans and community investment program plans and approve or disapprove the plans;

(4) establish and maintain administrative units necessary to perform administrative functions common to all divisions of the department;

(5) supervise the county boards of commissioners, local service units, and any other units of government designated in federal or state law as responsible for employment and training programs;

(6) establish administrative standards and payment conditions for providers of employment and training services;

(7) act as the agent of, and cooperate with, the federal government in matters of mutual concern, including the administration of any federal funds granted to the state to aid in the performance of functions of the commissioner; ~~and~~

(8) obtain reports from local service units and service providers for the purpose of evaluating the performance of employment and training services; *and*

*(9) review and comment on plans for Indian tribe employment and training services and approve or disapprove the plans.*

Sec. 38. Minnesota Statutes 1988, section 268.0122, subdivision 3, is amended to read:

Subd. 3. [DUTIES AS A STATE AGENCY.] The commissioner shall:

(1) administer the unemployment insurance laws and related programs;

(2) administer the aspects of aid to families with dependent children, general assistance, work readiness, and food stamps that relate to employment and training services, subject to the contract under section 268.86, subdivision 2;

(3) administer wage subsidies and the discretionary employment and training fund;

(4) administer a national system of public employment offices as prescribed by United States Code, title 29, chapter 4B, the Wagner-Peyser Act, and other federal employment and training programs;

(5) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;

(6) enter into agreements with other departments of the state and local units of government as necessary;

(7) certify employment and training service providers and decertify service providers that fail to comply with performance criteria according to standards established by the commissioner;

(8) provide consistent, integrated employment and training services across the state;

(9) establish the standards for all employment and training services administered under this chapter;

(10) develop standards for the contents and structure of the local service unit plans *and plans for Indian tribe employment and training services*;

(11) provide current state and substate labor market information and forecasts, in cooperation with other agencies;

(12) identify underserved populations, unmet service needs, and funding requirements;

(13) consult with the council for the blind on matters pertaining to programs and services for the blind and visually impaired; ~~and~~

(14) submit to the governor, the commissioners of human services and finance, and the chairs of the senate finance and house appropriations committees a semiannual report that:

(a) reports, by client classification, an unduplicated count of the kinds and number of services furnished through each program administered or supervised by the department or coordinated with it;

(b) reports on the number of job openings listed, developed, available, and obtained by clients;

(c) identifies the number of cooperative agreements in place, the number of individuals being served, and the kinds of service provided them;

(d) evaluates the performance of services, such as wage subsidies, community investments, work readiness, and grant diversions; and

(e) explains the effects of current employment levels, unemployment rates, and program performance on the unemployment insurance fund and general assistance, work readiness, and aid to families with dependent children caseloads and program expenditures; *and*

*(15) enter into agreements with Indian tribes as necessary to provide employment and training services as funds become available.*

Sec. 39. Minnesota Statutes 1988, section 268.86, subdivision 2, is amended to read:

Subd. 2. [INTERAGENCY AGREEMENTS.] By October 1, 1987, the commissioner and the commissioner of human services shall enter into a written contract for the design, delivery, and administration of employment and training services for applicants for or recipients of food stamps or aid to families with dependent children and work readiness, including AFDC employment and training programs, grant diversion, and supported work. The contract must be approved by the coordinator and must address:

(1) specific roles and responsibilities of each department;

(2) assignment and supervision of staff for interagency activities including any necessary interagency employee mobility agreements under the administrative procedures of the department of employee relations;

(3) mechanisms for determining the conditions under which individuals participate in services, their rights and responsibilities while participating, and the standards by which the services must be administered;

(4) procedures for providing technical assistance to local service units, *Indian tribes*, and employment and training service providers;

(5) access to appropriate staff for ongoing development and interpretation of policy, rules, and program standards;

(6) procedures for reimbursing appropriate agencies for administrative expenses; and

(7) procedures for accessing available federal funds.

Sec. 40. Minnesota Statutes 1988, section 268.871, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] Each employment and training service provider under contract with a local service unit *or an Indian tribe* to deliver employment and training services must submit an annual report by March 1 to the local service unit *or the Indian tribe*. The report must specify:

(1) the types of services provided;

(2) the number of priority and nonpriority AFDC recipients served, the number of work readiness assistance recipients served, and the number of other clients served;

(3) how resources will be prioritized to serve priority and nonpriority public assistance recipients and other clients; and

(4) the manner in which state employment and training funds and programs are being coordinated with federal and local employment and training funds and programs.

Sec. 41. Minnesota Statutes 1988, section 268.88, is amended to read:  
268.88 [LOCAL SERVICE UNIT PLANS.]

(a) Local service units shall prepare and submit to the commissioner by April 15 of each year an annual plan for the subsequent ~~calendar~~ *fiscal* year. The commissioner shall notify each local service unit ~~by May 1 of each year~~ *if within 60 days of receipt of its plan that the plan has been approved or disapproved*. The plan must include:

(1) a statement of objectives for the employment and training services the local service unit administers;

(2) the establishment of public assistance caseload reduction goals and the strategies and programs that will be used to achieve these goals;

(3) a statement of whether the goals from the preceding year were met and an explanation if the local service unit failed to meet the goals;

(4) the amount proposed to be allocated to each employment and training service;

(5) the proposed types of employment and training services the local service unit plans to utilize;

(6) a description of how the local service unit will use funds provided under section 256.736 to meet the requirements of that section. The description must include *the two work programs required by section 256.736, subdivision 10, paragraph (a), clause (13)*, what services will be provided, number of clients served, per service expenditures, *type of clients served*, and projected outcomes;

(7) a report on the use of wage subsidies, grant diversions, community investment programs, ~~sliding fee day care~~, and other services administered under this chapter;

(8) an annual update of the community investment program plan according to standards established by the commissioner;

(9) a performance review of the employment and training service providers delivering employment and training services for the local service unit; ~~and~~

(10) a copy of any contract between the local service unit and an employment and training service provider including expected outcomes and service levels for public assistance clients; *and*

*(11) a copy of any other agreements between educational institutions, family support services, and child care providers.*

(b) In counties with a city of the first class, the county and the city shall develop and submit a joint plan. The plan may not be submitted until agreed to by both the city and the county. The plan must provide for the direct allocation of employment and training money to the city and the county unless waived by either. If the county and the city cannot concur on a plan, the commissioner shall resolve their dispute. *In counties in which a federally recognized Indian tribe is operating an employment and training program under an agreement with the commissioner of human services, the plan must provide that the county will coordinate its employment and training programs and provide supporting services, including access to child care funds, to the program operated by the Indian tribe. The plan may not be submitted until the tribal unit has approved provisions in the plan. If the county and Indian tribe cannot concur on these provisions, the commissioners of jobs and training and human services shall resolve the dispute.*

(c) The commissioner may withhold the distribution of employment and training money from a local service unit that does not submit a plan to the commissioner by the date set by this section, and shall withhold the distribution of employment and training money from a local service unit whose plan has been disapproved by the commissioner until an acceptable amended plan has been submitted.

~~(d) For 1987, local service unit plans must be submitted by October 1, 1987. The plan must include the implementation plan for aid to families with dependent children employment and training services as required under Laws 1987, chapter 403, article 3, section 91. Notwithstanding Minnesota Statutes 1988, section 268.88, local service units shall prepare and submit to the commissioner by June 1, 1989, an annual plan for fiscal year 1990. The commissioner shall notify each local service unit within 30 days of receipt of its plan if its plan has been approved or disapproved.~~

#### Sec. 42. [268.881] [INDIAN TRIBE PLANS.]

*The commissioner, in consultation with the commissioner of human services, shall review and comment on Indian tribe plans submitted to the commissioner for provision of employment and training services. The plan must be submitted at least 30 days before the program commences for the state fiscal year ending June 30, 1990. For subsequent years, the plan must be submitted at least 60 days before the program commences. The commissioner shall approve or disapprove the plan for the state fiscal year*

*ending June 30, 1990, within 30 days of receipt. The commissioner shall notify the Indian tribe of approval or disapproval of plans for subsequent years within 60 days of submission of the plans. The grant proposal must contain information that has been established by the commissioner and the commissioner of human services for the employment and training services grant program for Indian tribes.*

**Sec. 43. [APPROPRIATION; PLAN AND FUNDING REQUEST.]**

*\$190,000 in fiscal year 1990 and \$167,000 in fiscal year 1991 are appropriated from the general fund to the commissioner for activities relating to the Minnesota family investment program. The complement of the department of human services is increased by four positions to continue the development and design of the Minnesota family investment plan. After securing federal approval to implement the Minnesota family investment plan on a field trial basis, the commissioner shall submit a plan and funding request to the legislature for specific appropriations for the implementation of field trials.*

**Sec. 44. [REPEALER.]**

*Minnesota Statutes 1988, sections 256D.051, subdivision 6a, and 268.86, subdivision 7, are repealed.*

**Sec. 45. [EFFECTIVE DATE.]**

*Sections 1 to 9, 11 to 26, and 28 to 44 are effective July 1, 1989. Section 10 is effective October 1, 1990. Section 27 is effective October 1, 1989."*

Delete the title and insert:

*"A bill for an act relating to human services; creating the Minnesota family investment program; revising requirements relating to eligibility for and administration of the AFDC program; appropriating money; amending Minnesota Statutes 1988, sections 245.771, subdivision 3; 256.045, subdivision 3; 256.12, subdivision 14; 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 11, 14, 16, and by adding subdivisions; 256.737; 256.74, subdivisions 1, 1a, and by adding a subdivision; 256.85; 256D.051, subdivision 6, and by adding subdivisions; 268.0111, subdivision 4, and by adding a subdivision; 268.0122, subdivisions 2 and 3; 268.86, subdivision 2; 268.871, subdivision 5; and 268.88; proposing coding for new law in Minnesota Statutes, chapters 256 and 268; repealing Minnesota Statutes 1988, sections 256D.051, subdivision 6a; and 268.86, subdivision 7."*

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

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

S.F. No. 1584: A bill for an act relating to housing; authorizing nonprofit neighborhood corporations to buy, rehabilitate, and sell housing to members of the community; establishing pilot programs for nonprofit neighborhood corporations; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Delete everything after the enacting clause and insert:

**"Section 1. [462A.057] [MINNESOTA RURAL AND URBAN HOMESTEADING PROGRAM.]**

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

(1) "Contract for deed" is the agreement between the home buyer and eligible applicant that meets the requirements of subdivision 7.

(2) "Eligible organization" or "organization" means a political subdivision, nonprofit or cooperative organization, housing and redevelopment authority, or other organization designated by the agency, which demonstrates the capacity to perform the duties outlined in subdivision 4.

(3) "Eligible property" or "property" means a single family residential dwelling and surrounding property that is vacant, condemned, abandoned, or otherwise defined as eligible by the agency, which, if rehabilitated, may prevent or arrest the spread of blight.

(4) "Home buyer" means an individual or family who has not owned a residential dwelling in the past three years and who is homeless, receiving public assistance, or cannot afford or obtain a conventional loan for home ownership.

(5) "Designated home ownership area" or "designated area" means a specific area where the acquisition, rehabilitation, and sale of eligible properties may take place under this section. In the metropolitan area, as defined in section 473.121, subdivision 2, a designated area must be a specific four square block area.

(6) "Neighborhood advisory board" or "advisory board" means the board established by an organization under subdivision 5.

(7) "Program" means the Minnesota rural and urban homesteading program established in subdivision 2.

*Subd. 2. [AUTHORIZATION.] The agency may make grants of up to \$300,000 to eligible organizations to acquire, rehabilitate, and sell eligible property for the purposes of preventing the spread of blight, conserving the existing housing supply, strengthening neighborhoods, and providing safe and affordable housing. Up to ten percent of the grant award may be used for the administrative costs of the organization and for other costs associated with the acquisition and sale of properties under this program, including the payment of property taxes during the period between the purchase and sale of the property.*

*Subd. 3. [AGENCY POWERS; DUTIES.] (a) The agency must:*

(1) establish criteria for selecting eligible organizations;

(2) establish the terms and provisions of the contract for deed under subdivision 7;

(3) establish the standards for being a good neighbor in consultation with other state agencies, local governmental agencies, and other organizations. The good neighbor standards must include: (i) attendance at home maintenance classes organized by the organization, (ii) continued maintenance of the property to ensure that the property retains its value, (iii) continued payment of heat, electricity, sewer, water and other utilities, (iv) attendance at job training, chemical dependency services, educational



programs including progress toward a general equivalency diploma, and other social services that assist the home buyer with obtaining self-sufficiency, and (v) participation in neighborhood functions, including assisting others with home maintenance;

(4) establish construction and safety standards for properties that have been rehabilitated that must be met before the organization may sell the property to a home buyer. These standards should be designed to reduce the likelihood that major repairs will be necessary for at least five years;

(5) work with organizations in seeking waivers from building code requirements which may be barriers to providing affordable housing but do not jeopardize the structural integrity or safety of the property; and

(6) monitor the financial and other program activities of grant recipients, including auditing the financial records of the organizations.

(b) The agency may require that all contracts related to properties under the program, including the contracts for deed under subdivision 7, be approved by the agency before the execution of the contract. The agency may also require appraisals of property under the program.

**Subd. 4. [ELIGIBLE ORGANIZATION; CAPACITY.]** The eligible organization must demonstrate to the agency that it has the capacity to:

(1) organize and continue an ongoing relationship with the neighborhood advisory boards required under subdivision 5;

(2) provide the necessary staff to administer the program on the local level for an extended period of time;

(3) assist home buyers with obtaining social services that may be required to move the home buyer toward self-sufficiency and maintaining the good neighbor provisions of the contract for deed under subdivision 7;

(4) select and acquire property that meets program requirements and contract with businesses or organizations for the rehabilitation of the property;

(5) raise funds or in-kind contributions from persons, foundations, government units, and businesses to assist in the funding for this program. In-kind contributions may include tools and equipment for the tool library and property at no or minimal cost to the organization;

(6) organize and maintain or arrange for a tool library for lending tools to home buyers and other residents of the neighborhood area for the maintenance or improvement of their property;

(7) provide or arrange for classes on home maintenance and other relevant topics to home buyers and other neighborhood residents; and

(8) monitor the progress of home buyers who have acquired property under this section to determine if they maintain the good neighbor policies required under subdivision 7.

**Subd. 5. [NEIGHBORHOOD ADVISORY BOARD.]** Each organization must establish a neighborhood advisory board for each designated area. The advisory board must consist of residents of the designated area that reflect the racial composition of the area and who have demonstrated a commitment to strengthening their neighborhood and assisting home buyers. In the metropolitan area, as defined in section 473.121, subdivision 2, at least 20 percent of the advisory board must be minority residents.

*The advisory board must:*

*(1) recommend to the organization properties that may be acquired for the program in the designated area;*

*(2) consent to the purchase of properties by the organization for the program;*

*(3) recommend to the organization the selection of home buyers;*

*(4) make recommendations for any termination of a contract for deed made under subdivision 10;*

*(5) assist the home buyer by ensuring that they receive training in home maintenance and the necessary social services to move the home buyer toward self-sufficiency; and*

*(6) assist the organization in monitoring the home buyer's progress of maintaining the good neighbor provisions of the contract for deed.*

*Subd. 6. [PURCHASE AND REHABILITATION.] An eligible organization may acquire up to five properties in a designated area with the advisory board's approval. The organization must rehabilitate these properties to the standards established by the agency. All rehabilitation of the properties except menial labor must be contracted out to businesses or organizations experienced in rehabilitation of residential property. The total maximum cost of the acquisition, rehabilitation, closing costs, and back taxes must be no greater than \$50,000 per individual property. The \$50,000 maximum may be exceeded if the excess costs over \$50,000 are attributed to rehabilitation or improvements to make the property handicapped accessible.*

*Subd. 7. [SALE OF PROPERTY TO HOME BUYER.] The eligible organization may sell rehabilitated property to home buyers. The organization's selection of the home buyer must have the recommendation of the advisory board in the designated area in which the property is located. The organization may not discriminate against the home buyer in the sale of the property based on race or sex. A contract for deed agreement between the home buyer and the organization must be entered into for each sale of property under this subdivision. The terms and other provisions of the contract for deed must be established by the agency. The following requirements must be included in the contract:*

*(1) the organization must retain title to the property until the entire purchase price is paid to the eligible organization;*

*(2) the purchase price paid by the home buyer must be equal to the total costs of acquiring and rehabilitating the property;*

*(3) no down payment or interest payment is required of the home buyer;*

*(4) the monthly payment must equal 25 percent of the home buyer's gross monthly income and must be applied according to subdivision 8;*

*(5) the organization may require verification of a home buyer's income;*

*(6) the organization may require the escrow of property tax and hazard insurance payments or verification that payments of property taxes and hazard insurance have been made by the homeowner;*

*(7) the home buyer may prepay the entire purchase price at any time during the term of the contract for deed and the title to the property must*

*be transferred to the homeowner at the time of prepayment;*

*(8) the organization may repurchase the property according to the terms established under subdivision 9;*

*(9) the home buyer agrees to meet the good neighbor standards set by the agency; and*

*(10) any other requirements established by the agency that meet the requirements and purposes of this section.*

*The contract for deed must be reviewed every five years to determine if the home buyer may be eligible to receive mortgage financing from another financing source including a mortgage company or other private financial institution. If other financing is made available to the home buyer, the contract for deed must be prepaid.*

*Subd. 8. [APPLICATION OF PAYMENTS.] The monthly payments required under subdivision 7 must be applied or distributed in the following order:*

*(1) hazard insurance for the property;*

*(2) property taxes due on the property; and*

*(3) the contract for deed principal amount.*

*The amount applied to the contract for deed principal amount may be used by the organization for (i) reasonable administrative costs of the organization directly related to the property, (ii) an escrow account for the maintenance and improvement of the property, and (iii) further acquisition and rehabilitation of eligible properties under the program.*

*The agency may audit the financial records of the organization to determine if the organization is collecting reasonable administrative costs from the monthly payment.*

*If the monthly payment is not sufficient to pay the hazard insurance and property taxes, the organization may use money from the amount collected under clause (3), money received from the grant award under subdivision 2, or other money of the organization to pay the difference. An amount equal to the amount to offset the difference between the monthly payment and payments for hazard insurance and property taxes must be added to the contract purchase price.*

*If the monthly payment is not sufficient to pay the hazard insurance and property taxes, the home buyer must agree to work toward increasing their income so that monthly payments are sufficient to pay the hazard insurance and property taxes. If the organization determines that the home buyer is not making sufficient effort to increase the home buyer's income after six months, the organization may find that the home buyer has failed to meet good neighbor standards and the contract for deed may be terminated.*

*Subd. 9. [RIGHT TO REPURCHASE.] The organization may repurchase the property if the home buyer rents, assigns, vacates, transfers, or offers to sell the property within 20 years of the purchase of the property from the organization. This option to repurchase does not apply to a transfer of the property to a surviving joint tenant or heir of the home buyer. If the organization chooses not to exercise its option to repurchase the property, the agency may repurchase the property.*

*The repurchase price paid by the organization or the agency may not exceed the lesser of the (1) appraised value of the property at the time of*

repurchase, or (2) the sum of:

(i) the total amount paid by the homeowner to the organization for debt payment on the contract for deed;

(ii) the value of any major improvements to the property that are paid directly by the home buyer and were not part of the monthly payment required under subdivision 7; and

(iii) the product of the sum of (i) and (ii), and the increase in inflation based on the housing component of the federal Consumer Price Index.

*Subd. 10. [TERMINATION OF CONTRACT FOR DEED.] The contract for deed under subdivision 7 may be terminated by the organization if any of the following occurs:*

(1) the home buyer fails to make timely payments required by the contract for deed;

(2) the home buyer refuses to provide verification of income at the request of the organization;

(3) the home buyer fails to adequately maintain the property in compliance with all state, county, or municipal building, fire, health, or other codes and standards applicable to the eligible housing;

(4) the home buyer is found to be guilty of a criminal action relating to controlled substances, firearms, assault, or other serious offenses as determined by the agency; and

(5) the home buyer fails to meet the good neighbor standards established by the agency.

*The organization must consult with the advisory board before terminating the contract for deed, except in the case where required payments are not made in a timely manner.*

*If the organization terminates the contract for deed, the home buyer may be evicted from the property. The home buyer is not entitled to any compensation for the payments made for the property when a contract for deed is terminated.*

*Subd. 11. [SUCCESSOR TO NEIGHBORHOOD ORGANIZATION.] If an organization is dissolved for any purpose or if the agency determines that the organization is unable to administer the program, the organization shall assign and transfer its entire interest in all the contracts for deed referred to in subdivision 7 to the agency.*

*Subd. 12. [REPORTS.] (a) Each organization that receives a grant under this section must submit an annual report to the agency by December 1 of each year that describes the use of grant funds. The report must include a description of the number of eligible properties acquired, the number of properties purchased by home buyers, the amount of nonpublic money used for the program, the effort by the organization and the advisory boards in ensuring that the home buyers maintain a good neighbor status, and any other information required by the agency.*

*(b) Beginning in 1991, the agency must submit an annual report to the legislature and the governor by January 15 that summarizes the reports of the organizations. The report may also include recommendations to improve the program.*

Sec. 2. Minnesota Statutes 1988, section 462A.21, is amended by adding a subdivision to read:

*Subd. 15. It may make grants to eligible organizations for the Minnesota rural and urban homesteading program under section 1 and may pay the costs and expenses necessary and incidental to the grant program.*

Sec. 3. [APPROPRIATION.]

*\$ . . . . . is appropriated from the general fund to the commissioner of the Minnesota housing finance agency for the Minnesota rural and urban homesteading program established under section 1. The agency may award five pilot project grants. The agency may not award more than two pilot project grants in a county. The agency shall, to the extent possible, award five pilot project grants with one award in each of the following areas: (1) city of Minneapolis; (2) city of St. Paul; (3) a city in the seven-county metropolitan area other than the cities of St. Paul or Minneapolis; (4) a city located outside the seven-county metropolitan area with a population greater than 20,000; and (5) a city located outside the seven-county metropolitan area with a population less than 20,000."*

Delete the title and insert:

"A bill for an act relating to housing; establishing the Minnesota rural and urban homesteading program; providing for pilot project grants; appropriating money; amending Minnesota Statutes 1988, section 462A.21, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462A."

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

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

S.F. No. 1211: A bill for an act relating to human services; expanding the powers and duties of the council for the hearing impaired; amending Minnesota Statutes 1988, section 256C.28, subdivision 3, and by adding subdivisions.

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

S.F. No. 1099: A bill for an act relating to public safety; establishing emergency planning and community right-to-know requirements; requiring reports on hazardous substances and chemicals; creating an emergency response commission; establishing the hazardous materials incident response advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1988, section 609.671, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 299K.

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

Page 3, line 6, delete "*one representative each from*" and insert "*eleven persons, who must include representatives of*"

Page 4, line 30, delete "should" and insert "are encouraged to"

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

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

S.F. No. 575: A bill for an act relating to resource development; establishing a legislative commission on minerals; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE TASK FORCE ON MINERALS.]

*Subdivision 1. [MEMBERSHIP] The legislative task force on minerals consists of five members of the senate, including members of the minority caucus, appointed by the subcommittee on committees of the committee on rules and administration, and five members of the house of representatives, including members of the minority caucus, appointed by the speaker. The task force shall elect a chair or co-chairs from its members.*

*Subd. 2. [DUTIES.] The task force shall study issues relating to the environmentally sound development of the state's minerals industry and shall recommend legislation and administration actions to accomplish that goal. Issues addressed by the study must include the establishment in state government of a focused mineral development function, the economic competitiveness of the state for mineral development, state programs and practices that may impede mineral development without effectively serving a countervailing state purpose, the effectiveness and appropriateness of the state's involvement in mineral resource programs, and appropriate roles for the state in educational and professional programs relating to mineral resources and related scientific and technical disciplines. The task force shall report to the legislature and the legislative commission on Minnesota resources by January 15, 1991, and shall cease to exist upon submission of its report.*

*Subd. 3. [STAFF AND ADMINISTRATIVE ASSISTANCE.] The commissioner of natural resources shall provide staff and administrative support to the task force.*

Sec. 2. [APPROPRIATION.]

*\$ . . . . . is appropriated from the general fund to the commissioner of natural resources to be available until June 30, 1991, to fund the programs and activities recommended by the Minnesota minerals coordinating committee as part of the Minnesota minerals diversification biennial fund plan, to cover costs associated with providing staff and administrative assistance to the legislative task force on minerals under section 1, and to cover expenses of the task force other than living expenses of members governed by Minnesota Statutes, section 3.101."*

Delete the title and insert:

"A bill for an act relating to resource development; establishing a legislative task force on minerals; appropriating money."

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

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

S.F. No. 1198: A bill for an act relating to motor vehicles; setting fee for inspection of certain motor vehicles for which salvage certificate of title has been issued; amending Minnesota Statutes 1988, section 168A.152.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1988, section 168A.151, is amended by adding a subdivision to read:

*Subd. 5. [FORM REQUIRED.] Within ten days after a vehicle is acquired under subdivision 2, a dealer shall complete the appropriate form required by the department and submit one copy to the department. One copy must be kept on file on the dealer's business premises for three years. The fact that a vehicle was previously titled by or purchased in another state has no effect on the requirements imposed by this subdivision."*

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring dealers acquiring graded vehicles to submit information to the department of public safety within ten days and keep records for three years;"

Page 1, line 5, delete "section" and insert "sections 168A.151, by adding a subdivision; and"

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. 1558: A bill for an act relating to transportation; creating legislative study commission to study and report on the AMTRAK Northstar rail line between Duluth and Minneapolis-St. Paul; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [LEGISLATIVE STUDY COMMISSION.]

*Subdivision 1. [CREATION; PURPOSE.] A legislative study commission on rail passenger service is created. The study commission shall study and report on issues relating to Minnesota rail passenger service of the National Railroad Passenger Corporation, also known as AMTRAK, including social and economic benefits and funding relationships between the state and federal governments.*

*Subd. 2. [MEMBERSHIP.] The commission consists of ten legislative members, five appointed by the speaker of the house of representatives and five appointed by the senate subcommittee on committees. The appointees*

*from each house shall consist of three members of the majority caucus and two members of the minority caucus.*

Sec. 2. [REPORT.]

*The legislative study commission on rail passenger service shall submit its findings and recommendations to the legislature by December 31, 1989.*

Sec. 3. [APPROPRIATION.]

*\$50,000 is appropriated from the general fund to the legislative study commission on rail passenger service for expenses related to the work of the study commission. This appropriation is available until December 31, 1989.*

Sec. 4. [REPEALER.]

*Sections 1 to 3 are repealed, effective January 1, 1990.*

Sec. 5. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 3, delete everything after "on" and insert "rail passenger service in Minnesota;"

Page 1, delete line 4

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-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 do pass and be re-referred to the Committee on Judiciary. Report adopted.

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

S.F. No. 1098: A bill for an act relating to the environment; authorizing participation in the Great Lakes Protection Fund; appropriating money.

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



Page 1, line 18, delete everything after "*Fund*" and insert "*subject to approval by the legislature.*"

Page 1, delete line 19

Page 1, line 20, before "*The*" insert "*After approval,*"

Page 1, line 23, delete everything after "*incorporation*" and insert a period

Page 1, delete line 24

Page 2, line 7, after "*appropriated*" insert "*from the general fund to the governor*" and delete everything after "*for*"

Page 2, delete lines 8 and 9

Page 2, line 11, before the period, insert "*subject to the provisions of section 2*"

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

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

S.F. No. 1502: A bill for an act relating to game and fish; regulating the time when fish houses may be on the ice; amending Minnesota Statutes 1988, section 97C.355, 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 97C.355, subdivision 7, is amended to read:

Subd. 7. [DATES AND TIMES HOUSES MAY REMAIN ON ICE.] (a) After February 28, a fish house or dark house may not be on the ice between 12:00 a.m. and ~~7:00 a.m.~~ *one hour before sunrise*. A fish house or dark house on the ice in violation of this subdivision is subject to the enforcement provisions of paragraph (b). The commissioner may, by order, extend the date beyond February 28 for any part of international boundary waters. Copies of the order must be conspicuously posted on the shores of the waters as prescribed by the commissioner.

(b) A conservation officer must confiscate a fish house or dark house in violation of paragraph (a). The officer may remove, burn, or destroy the house. The officer shall seize the contents of the house and hold them for 60 days. If the seized articles have not been claimed by the owner, they may be retained for the use of the division or sold at the highest price obtainable in a manner prescribed by the commissioner."

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. 1491: A bill for an act relating to human services; establishing a legislative task force to study community action programs in Minnesota;

requiring a study.

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

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

S.F. No. 1036: A bill for an act relating to dislocated workers; providing procedures to assist workers affected by employer closings; appropriating money; amending Minnesota Statutes 1988, section 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 268.08, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY CONDITIONS.] An individual shall be eligible to receive benefits with respect to any week of unemployment only if the commissioner finds that the individual:

(1) has registered for work at and thereafter has continued to report to an employment office, or agent of the office, in accordance with rules the commissioner may adopt; except that the commissioner may by rule waive or alter either or both of the requirements of this clause as to types of cases or situations with respect to which the commissioner finds that compliance with the requirements would be oppressive or would be inconsistent with the purposes of sections 268.03 to 268.24;

(2) has made a claim for benefits in accordance with rules as the commissioner may adopt;

(3) was able to work and was available for work, and was actively seeking work. The individual's weekly benefit amount shall be reduced one-fifth for each day the individual is unable to work or is unavailable for work. Benefits shall not be denied by application of this clause to an individual who is in training with the approval of the commissioner, *is a dislocated worker as defined in section 2 who is in training approved by the commissioner*, or in training approved pursuant to section 236 of the Trade Act of 1974, as amended.

An individual is deemed unavailable for work with respect to any week which occurs in a period when the individual is a full-time student in attendance at, or on vacation from an established school, college, or university unless a majority of the wage credits earned in the base period were for services performed during weeks in which the student was attending school as a full-time student.

An individual serving as a juror shall be considered as available for work and actively seeking work on each day the individual is on jury duty; and

(4) has been unemployed for a waiting period of one week during which the individual is otherwise eligible for benefits under sections 268.03 to 268.24. However, payment for the waiting week, not to exceed \$20, shall be made to the individual after the individual has qualified for and been

paid benefits for four weeks of unemployment in a benefit year which period of unemployment is terminated because of the individual's return to employment. No individual is required to serve a waiting period of more than one week within the one-year period subsequent to filing a valid claim and commencing with the week within which the valid claim was filed.

Sec. 2. [268.97] [DEFINITIONS.]

*Subdivision 1. [TERMS.] For the purposes of sections 2 to 7, the following terms have the meanings given them.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.*

*Subd. 3. [DISLOCATED WORKER.] "Dislocated worker" means an individual who has been terminated or laid off, or has received notice of termination or layoff from employment, as a result of a permanent closure of or a substantial layoff at a plant, facility, or enterprise.*

*Subd. 4. [ELIGIBLE ORGANIZATION.] "Eligible organization" means a local government unit, nonprofit organization, community action agency, or labor organization that has applied for a prefeasibility grant under section 5.*

*Subd. 5. [LOCAL GOVERNMENT UNIT.] "Local government unit" means a statutory or home rule charter city, county, or town.*

*Subd. 6. [PERMANENT CLOSURE.] "Permanent closure" means the permanent or temporary shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment, and the shutdown results in an employment loss at the single site of employment during any 30-day period for 50 or more employees excluding any part-time employees.*

*Subd. 7. [PREFEASIBILITY STUDY GRANT.] "Prefeasibility study grant" or "grant" means the grant awarded under section 5.*

*Subd. 8. [SUBSTANTIAL LAYOFF] "Substantial layoff" means any reduction in work force which is not the result of a permanent closure and which results in an employment loss at a single site of employment during any 30-day period for:*

*(1) 33 percent of the employees and at least 50 employees, excluding those who work less than 20 hours per week; or*

*(2) at least 500 employees who are full-time equivalents.*

Sec. 3. [268.971] [EARLY WARNING SYSTEM.]

*Subdivision 1. [EARLY WARNING INDICATORS.] The commissioner, in cooperation with the commissioners of revenue and trade and economic development, shall establish and oversee an early warning system to identify industries and businesses likely to experience a permanent closure or substantial layoff by collecting and analyzing information which may include, but not be limited to: products and markets experiencing declining growth rates; companies and industries subject to competition from production in low-wage countries; changes in ownership, layoff, and employment patterns; payments of unemployment compensation contributions; and state tax payments. The commissioner may request the assistance of businesses, business organizations, and trade associations in identifying businesses, industries, and specific plants, facilities, or enterprises that are likely to*

*experience a permanent closure or substantial layoff. The commissioner may request information and other assistance from other state agencies for the purposes of this subdivision.*

*Subd. 2. [NOTICE.] The commissioner shall encourage businesses and industries considering a decision to effect a permanent closure, substantial layoff, or relocation of operations located in this state to give notice of that decision as early as possible to: the commissioner; the employees of the affected plant, facility, or enterprise; any employee organization representing the employees; and the local government unit in which the affected plant, facility, or enterprise is located. This notice must be in addition to any notice required under the worker adjustment and retraining notification act, United States Code, title 29, section 2101.*

*Subd. 3. [EMPLOYER RESPONSIBILITY.] An employer providing notice of a permanent closure, substantial layoff, or relocation of operations under the worker adjustment and retraining notification act, United States Code, title 29, section 2101, or under subdivision 2, shall report to the commissioner the names, addresses, and occupations of the employees who will be or have been terminated or laid off.*

#### **Sec. 4. [268.972] [RAPID RESPONSE PROGRAM.]**

*Subdivision 1. [PROGRAM ESTABLISHED.] (a) The commissioner shall establish a rapid response program to assist employees, employers, labor organizations, local government units, and community organizations to quickly and effectively respond to announced or actual permanent closures or substantial layoffs.*

*(b) The program must include or address at least the following:*

*(1) within five working days after becoming aware of an announced or actual permanent closure or substantial layoff, establish on-site contact with the employer, employees, labor organization if there is one representing the employees, and leaders of the local government units and community organizations to provide coordination of efforts to: formulate a community-wide response to the permanent closure or substantial layoff; provide information on the public and private service and programs that might be available; inform the affected parties of the prefeasibility study grants under section 5; and collect any information required by the commissioner to assist in responding to the permanent closure or substantial layoff;*

*(2) provide ongoing technical assistance to employers, employees, labor organizations, local government units, and community organizations to assist them in reacting to or developing responses to permanent closures or substantial layoffs;*

*(3) establish and administer the prefeasibility study grant program under section 5 to provide an initial assessment of the feasibility of options other than permanent closure or substantial layoff;*

*(4) work with employment and training service providers, employers, labor organizations, local government units, and community organizations in providing training, education, community support service, job search programs, job clubs, and other services to address the needs of potential or actual dislocated workers;*

*(5) coordinate with providers of economic development related financial and technical assistance services so that communities that are experiencing*

*permanent closures or substantial layoffs have immediate access to economic development related services; and*

*(6) collect and make available information on programs that might assist dislocated workers and the communities affected by permanent closures or substantial layoffs.*

*Subd. 2. [APPLICABILITY.] Notwithstanding section 2, subdivisions 6 and 8, the commissioner may waive the threshold requirements for finding a permanent closure or substantial layoff in special cases where the governor's job training council recommends waiver to the commissioner following a finding by the council that the number of workers dislocated as a result of a permanent closure or substantial layoff would have a substantial impact on the community or labor market where the closure or layoff occurs and, in the absence of intervention through the rapid response program, would overwhelm the capacity of other programs to provide effective assistance.*

**Sec. 5. [268.973] [PREFEASIBILITY STUDIES.]**

*Subdivision 1. [PREFEASIBILITY STUDY GRANTS.] (a) The commissioner may make grants for up to \$10,000 to eligible organizations to provide an initial assessment of the feasibility of options other than permanent closure or substantial layoff. The options may include: employee ownership; other new ownership; new products or production processes; or public financial or technical assistance to keep a plant, facility, or enterprise open. Two or more eligible organizations may jointly apply for a grant under this section.*

*(b) Interested eligible organizations must apply to the commissioner for the grants. As part of the application process, applicants must provide: a statement of need for a grant; information relating to the work force at the plant, facility, or enterprise; the area's unemployment rate; the community's and surrounding area's labor market characteristics; information about efforts to coordinate the community's response to the permanent closure or substantial layoff; a timetable for the prefeasibility study; a description of the eligible organization applying for the grant; a description of the qualifications of persons conducting the study; and any other information required by the commissioner.*

*(c) The commissioner must respond to the applicant within five working days of receiving the organization's application. The commissioner must inform each eligible organization that applied for but did not receive a grant the reasons for the grant not being awarded. The commissioner may request further information from an eligible organization that did not receive a grant, and the eligible organization may reapply for a grant.*

*Subd. 2. [PREFEASIBILITY STUDY.] (a) The prefeasibility study must explore the current and potential viability, profitability, and productivity of the plant, facility, or enterprise that may permanently close or substantially lay off individuals, and other options for use of the plant, facility, or enterprise. The study is not intended to be a major examination of each possible other option, but rather is meant to quickly determine if further action or examination is feasible and should more fully be explored.*

*(b) The prefeasibility study must contain:*

*(1) a description of the plant's, facility's, or enterprise's present products, production techniques, management structure, and history;*

(2) a brief discussion of the feasibility of the various other options for ownership, production technique, and products;

(3) an estimate of the financing required to keep the plant, facility, or enterprise open and the potential sources of that financing;

(4) a description of the employer's, employees', and community's efforts to maintain the operation of the plant, facility, or enterprise; and

(5) any other information the commissioner may require.

*Subd. 3. [REPORTS.] (a) The commissioner must report monthly to the program subcommittee of the governor's job training council on the grants made and studies completed during the previous month.*

*(b) The commissioner must provide an annual report to the governor, legislature, and the governor's job training council on the administration of the prefeasibility study grant program. The report must also include details of actions taken as a result of a grant.*

#### **Sec. 6. [268.974] [DISLOCATED WORKER COORDINATION.]**

*Subdivision 1. [SERVICES.] The commissioner shall coordinate the actions taken by state agencies and public post-secondary educational institutions to respond to or address the specific needs of dislocated workers and to provide services to dislocated workers including education and retraining. The commissioner shall also assist local government units, community groups, labor organizations, and others in coordinating their efforts and providing services to dislocated workers.*

*Subd. 2. [LIMITATION.] For purposes of subdivision 1, "dislocated workers" eligible for services under subdivision 1 are limited to individuals who are:*

*(1) Minnesota taxpayers;*

*(2) permanently laid off from a job with an employer located in the state of Minnesota; and*

*(3) eligible for or have exhausted unemployment compensation and are unlikely to return to their previous industry or occupation.*

#### **Sec. 7. [268.975] [PERFORMANCE STANDARDS.]**

*The commissioner shall establish performance standards for the programs and activities administered or funded through the rapid response program under section 4. The commissioner may use existing federal performance standards, or if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the rapid response program are effectively administered.*

#### **Sec. 8. [APPROPRIATION.]**

*Subdivision 1. [SERVICES TO DISLOCATED WORKERS.] \$ . . . . . is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training to be distributed to organizations applying for grants through the governor's job training council for the purpose of providing services and support pursuant to section 6 to dislocated workers who have lost their jobs through permanent closures or substantial layoffs.*

#### **Subd. 2. [DEPARTMENT OF JOBS AND TRAINING STAFF.]**

*\$ . . . . . is appropriated to the commissioner of jobs and training to fund additional department of jobs and training staff for the early warning system under section 3 and the rapid response program under section 4.*

*Subd. 3. [PREFEASIBILITY STUDY GRANTS.] \$ . . . . . is appropriated from the general fund for the biennium ending June 30, 1991, to the commissioner of jobs and training for the prefeasibility study grants awarded to eligible organizations under section 5."*

Delete the title and insert:

"A bill for an act relating to dislocated workers; providing procedures to assist workers dislocated by permanent closures or substantial layoffs; appropriating money; amending Minnesota Statutes 1988, section 268.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 268."

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

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

S.F. No. 1022: A bill for an act relating to economic development; requiring a job impact statement of certain government units; providing prefeasibility study grants; requiring the employer who engages in a plant closing or mass layoff to pay community benefits, severance pay, and health benefits; establishing a community response committee; requiring repayment of certain financial assistance to businesses; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Mr. Moe, D.M. questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

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

S.F. No. 1135: A bill for an act relating to public health; limiting the sale of certain kinds of products; requiring warning signs; prescribing penalties; amending Minnesota Statutes 1988, sections 145.38, subdivision 1; and 145.39, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 145.

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 145.38, subdivision 1, is amended to read:

Subdivision 1. No person shall sell to a person under ~~19~~ 18 years of age any glue ~~or~~, cement, or aerosol paint containing toluene, benzene, xylene, amyl nitrate, butyl nitrate, or other aromatic hydrocarbon solvents, or any similar substance which the state commissioner of health has, by rule adopted pursuant to sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45, declared to have potential for abuse and toxic effects on the central

nervous system. This section does not apply if the glue ~~or~~, cement, or aerosol paint is contained in a packaged kit for the construction of a model automobile, airplane, or similar item.

Sec. 2. [145.385] [WARNING SIGNS.]

*A business establishment that offers for sale at retail any item as described in section 145.38, subdivision 1, must display a conspicuous sign that contains the following, or substantially similar, language:*

*"NOTICE*

*It is unlawful for a person to sell glue, cement, or aerosol paint containing intoxicating substances to a person under 18 years of age, except as provided by law. Such an offense is a misdemeanor. It is also unlawful for a person to use or possess glue, cement, or aerosol paint with the intent of inducing intoxication, excitement, or stupefaction of the central nervous system. Such an offense is a misdemeanor. Such use can be harmful or fatal."*

Sec. 3. Minnesota Statutes 1988, section 145.39, subdivision 1, is amended to read:

Subdivision 1. No person ~~under 19 years of age~~ shall use or possess any glue, cement, aerosol paint, or any other substance containing toluene, benzene, xylene, amyl nitrate, butyl nitrate, or other aromatic hydrocarbon solvents, or any similar substance which the state commissioner of health has, by rule adopted pursuant to sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45, declared to have potential for abuse and toxic effects on the central nervous system with the intent of inducing intoxication, excitement or stupefaction of the central nervous system, except under the direction and supervision of a medical doctor.

Sec. 4. [145.406] [INFORMATION ON THE SALE AND USE OF TOXIC SUBSTANCES.]

*The commissioner of health shall prepare and distribute materials designed to provide information to retail businesses on the requirements of sections 145.38 to 145.40.*

Sec. 5. [254A.145] [INHALANT ABUSE DEMONSTRATION PROJECT.]

*Within the limits of the available appropriation and notwithstanding the requirements of chapter 254B, the commissioner of human services shall create a demonstration project to provide intervention and to coordinate community services for inhalant abusers aged seven to 14. The project shall be established in a community that has been shown to be at great risk of such inhalant abuse and shall include assessment, education, and case management components. For individuals identified as inhalant abusers, case managers shall make referrals to services otherwise offered in the community. The case manager shall also monitor the progress of the individuals referred.*

*As part of this project, the commissioner of human services shall work with other agencies that provide services to youth and children, including education agencies and other drug treatment and counseling agencies, to increase public awareness concerning inhalant abuse among youth and children.*

Sec. 6. [REPORT ON INHALANT ABUSE DEMONSTRATION PROJECT.]



*The commissioner shall prepare a report on the outcome of the inhalant abuse demonstration project in section 5, to be presented to the legislature by February 1, 1991. In that report, the commissioner shall include information on the effectiveness of the chemical dependency treatment system for children under 14 years of age, particularly children who are inhalant abusers, and shall issue recommendations for the appropriate provision of services for this population group.*

**Sec. 7. [PLANNING GRANT.]**

*The commissioner of human services is authorized to award, for the biennium ending June 30, 1991, a planning grant to a public or private agency or program experienced in working with youth and inhalant/chemical abuse, in order to establish a treatment program for children under age 12 identified as inhalant abusers. This treatment program shall evaluate clients, provide treatment and aftercare services, and coordinate services provided with existing agencies. The agency or program receiving the planning grant must report program results and recommendations to the commissioner of human services by February 15, 1991.*

**Sec. 8. [APPROPRIATION.]**

*\$ . . . . . is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1991, for the purposes of section 4.*

*\$ . . . . . is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1991, for the purposes of sections 5 and 7."*

Delete the title and insert:

"A bill for an act relating to health and human services; limiting the sale of certain kinds of products; requiring warning signs; requiring the commissioner of health to distribute information on toxic substances; requiring the commissioner of human services to establish an inhalant abuse demonstration project; authorizing a planning grant; appropriating money; amending Minnesota Statutes 1988, sections 145.38, subdivision 1; and 145.39, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 145 and 254A."

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

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

S.F. No. 1194: A bill for an act relating to human services; exempting certain nursing homes from other operating cost limits; amending Minnesota Statutes 1988, section 256B.431, subdivision 2b.

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 256B.431, is amended by adding a subdivision to read:

*Subd. 2j. [OPERATING COSTS AFTER JULY 1, 1989.] For rate years beginning on or after July 1, 1989, a nursing home that is exempt under*

*subdivision 2b, paragraph (d), clause (2); whose total number of licensed beds are licensed under Minnesota Rules, parts 9570.2000 to 9570.3600; and that maintains an average length of stay of less than 365 days during each reporting year, is limited to 140 percent of the other-operating-cost limit for hospital-attached nursing homes as established by Minnesota Rules, part 9549.0055, subpart 2, item E, subitem (2), as modified by subdivision 2i, paragraph (a). For purposes of this subdivision, the nursing home's average length of stay must be computed by dividing the nursing home's actual resident days for the reporting year by the nursing home's total discharges for that reporting year."*

Delete the title and insert:

"A bill for an act relating to human services; nursing home rates; creating special other-operating-cost limits for certain nursing homes; amending Minnesota Statutes 1988, section 256B.431, by adding a subdivision."

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

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

S.F. No. 653: A bill for an act relating to agriculture; requiring certain disposable waste containers to be degradable; amending Minnesota Statutes 1988, section 325E.045, subdivision 1, and by adding subdivisions.

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

Page 2, line 3, delete everything after "waste"" and insert "means"

Page 2, line 4, delete everything before "garden"

Page 2, line 5, delete "and" and insert "or"

Page 2, line 15, delete the second "and" and insert "or"

Page 2, line 22, before "facility" insert "disposable bag at a"

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. 1453: A bill for an act relating to human services; providing for cost-based reimbursement for outpatient services provided by pediatric specialty hospitals to children under age 18 under the medical assistance and general assistance medical care programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Delete everything after the enacting clause and insert:

"Section 1. [256B.32] [FACILITY FEE FOR OUTPATIENT HOSPITAL EMERGENCY ROOM AND CLINIC VISITS.]

*The commissioner shall establish a facility fee payment mechanism that will pay a facility fee to all enrolled outpatient hospitals for each emergency*

*room or outpatient clinic visit provided on or after July 1, 1989. This payment mechanism may not result in an overall increase in outpatient payment rates. This section does not apply to federally mandated maximum payment limits, department approved program packages, or services billed using a non-outpatient hospital provider number.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective July 1, 1989."*

Delete the title and insert:

"A bill for an act relating to human services; requiring a facility fee payment for outpatient and emergency room services provided by a hospital; proposing coding for new law in Minnesota Statutes, chapter 256B."

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. 536: A bill for an act relating to consumer protection; providing for enhanced civil penalties for deceptive acts targeted at senior citizens or vulnerable adults; providing factors a court may consider in determining to impose an enhanced civil penalty; providing that sums collected must be credited to the account of the state board on aging; amending Minnesota Statutes 1988, section 256.975, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325F

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

Page 1, lines 14 and 15, delete "VULNERABLE ADULTS" and insert "HANDICAPPED PERSONS"

Page 1, lines 21, 23, and 27, delete "*vulnerable adults*" and insert "*handicapped persons*"

Page 1, line 28, delete "VULNERABLE ADULTS" and insert "HANDICAPPED PERSONS"

Page 2, line 6, delete "*Vulnerable adult*" and insert "*Handicapped person*" and delete "*18 years of age or*"

Page 2, line 7, delete "*older*"

Page 2, line 8, after "*that*" insert "*substantially*"

Page 2, lines 18 and 19, delete "*vulnerable adults*" and insert "*handicapped persons*"

Page 2, lines 28 and 30, delete "*vulnerable adults*" and insert "*handicapped persons*"

Page 2, line 29, delete "*one or more*"

Page 3, line 1, delete "*vulnerable adult*" and insert "*handicapped person*"

Page 3, lines 2 and 3, delete "*vulnerable adults*" and insert "*handicapped persons*"

Amend the title as follows:

Page 1, line 4, delete "vulnerable adults" and insert "handicapped persons"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1278: A bill for an act relating to taxation; extending the duration of a property tax exemption for land held for economic development by the city of Hermantown; amending Laws 1988, chapter 719, article 19, section 31.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 29: A bill for an act relating to taxation; clarifying authorization for county levy for providing funds for county agricultural societies; amending Minnesota Statutes 1988, section 38.27, subdivision 1; repealing Minnesota Statutes 1988, sections 38.17; 38.27, subdivision 3; and 38.28.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 1252: A bill for an act relating to local government; the towns of Crystal Bay, Beaver Bay, and Stony River, the cities of Beaver Bay and Silver Bay, and Unorganized Territory No. 1; permitting the establishment of a medical clinic district; permitting a hospital appropriation by the Cook county board; authorizing the establishment of a Cook county hospital district; adding and removing certain unorganized territory from a St. Louis county hospital district; validating hospital referenda; providing for certain bonded indebtedness of the city of Cook; amending Laws 1988, chapter 645, sections 1, subdivision 1, and by adding a subdivision; and 4.

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

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

S.F. No. 890: A bill for an act relating to judicial administration; providing for the transfer of referees, judicial officers, court reporters, law clerks, and district administration staff from county to state employment; providing that guardians ad litem are county employees for purposes of tort claims and clarifying tort liability for other court employees; providing for inclusion of the second and fourth judicial districts in the public defender system; providing for appointment of public defenders in the second and fourth judicial districts; authorizing the supreme court to adopt transition rules; appropriating money; amending Minnesota Statutes 1988, sections 3.732, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2; 352.01, subdivision 2b; 353.01, subdivision 2a; 466.01, subdivision 6; 484.545,

subdivisions 1, 2, and 3; 484.62; 484.64, subdivision 3; 484.65, subdivisions 3 and 7; 484.68, subdivision 5; 486.05; 486.055; 486.06; 487.08, subdivision 5; 488A.119; and 611.26, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 480 and 611; repealing Minnesota Statutes 1988, sections 383B.63, subdivisions 4 and 5; 486.07; 488A.05; 488A.111; 488A.22; 488A.281; 611.12; and 611.214; and Laws 1975, chapter 258, section 6, subdivisions 1, 3, 4, and 5.

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

Page 13, line 13, strike "district administrator"

Page 13, line 14, before "*within*" insert "*chief judge, after consultation with the judges of the district,*"

Page 15, line 34, strike "district"

Page 15, line 35, strike "administrator" and before "*within*" insert "*chief judge, after consultation with the judges of the district,*"

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

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

S.F. No. 491: A bill for an act relating to health care; providing a program of affordable health care coverage for Minnesota residents; creating a health care access commission to implement and administer the program; establishing eligibility requirements; modifying income eligibility requirements for medical assistance; imposing penalties; appropriating money; amending Minnesota Statutes 1988, section 256B.056, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 62J.

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

Delete everything after the enacting clause and insert:

"Section 1. [FINDINGS.]

*The legislature finds that it is essential for the state to initiate and participate in a system to ensure basic and affordable health care to all Minnesotans while addressing the economic pressures on the health care system as a whole in Minnesota.*

Sec. 2. [62J.01] [HEALTH CARE ACCESS COMMISSION.]

*Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] The Minnesota health care access commission consists of 15 members. Seven members are appointed by the governor, one of whom must be an experienced health care professional and one of whom must be a representative of small business. Two members are appointed under the rules of the senate and two members are appointed under the rules of the house of representatives. The commissioners of health, human services, employee relations, and commerce, or their designated representatives, are also members. The governor shall appoint the chair of the commission after considering the commission's recommendation. The terms, compensation, and removal of the members appointed by the governor are as provided in section 15.0575.*

*Subd. 2. [STAFF] The commission shall select a director to serve at its pleasure. The director may hire advisors, consultants, and employees, as authorized by the commission, and prescribe their duties. Employees are state employees in the unclassified service and are members of the state unclassified employees retirement program.*

*Subd. 3. [DUTIES.] The health care access commission shall:*

*(1) develop a system to estimate the total number of uninsured Minnesotans by age, sex, employment status, income level, geography, and other relevant characteristics;*

*(2) explore all potential insurance options including size and makeup of risk groups;*

*(3) prepare a legal analysis of restrictions and other potential legal issues of the Employee Retirement Income Security Act, United States Code, title 29, sections 1001 to 1461;*

*(4) study and make recommendations on insurance and health care law changes that will improve access to health care;*

*(5) study and make recommendations regarding the benefits to be covered by health plans offered by the health care access commission;*

*(6) study and make recommendations on incentives and disincentives to ensure that employers continue to provide health insurance coverage;*

*(7) identify cost savings to public programs that will result from implementation of the health care access program;*

*(8) develop a cost containment policy after reviewing cost containment methods such as hospital admission precertification, concurrent review of hospital stays, discharge planning, hospital bill audit prior to discharge, primary gatekeepers, claims data analysis, a drug formulary, pharmacy data analysis, bulk discounts, emergency room use, outpatient surgery oversight, protocols for preventive care and common acute care, practice data compared to peers, practitioner rewards and penalties, and other cost containment methods;*

*(9) develop a financial plan for implementing the health care access program, including an actuarial analysis; a sliding fee scale analysis; reserve fund requirements; revenue projections from a payroll tax in an amount sufficient to generate one-half of the total costs of the health care access program, but not more than \$150,000,000 per year; and recommendations and revenue projections from any alternative sources of financing identified by the commission;*

*(10) develop a system to administer the health care access program;*

*(11) define the number, functions, and duties of administrative staff;*

*(12) develop a system for collection of premium payments; and*

*(13) collect and analyze data regarding the problem of uncompensated health care and report the commission's findings and recommendations, including definitions of the terms "uncompensated care," "unsponsored care," and "bad debt," as they relate to the provision of health care in Minnesota; and recommendations for more equitably distributing the burden of uncompensated health care.*

*Subd. 4. [PROPOSED LEGISLATION.] The commission shall develop*

*and propose to the legislature a draft for legislation necessary to fully implement the health care access program. The commission must consider and may include in its proposal provisions that:*

*(1) create specific authority for the commission to contract with carriers and health care providers, establish conversion and continuation privileges for health plans to be offered through the health care access program, negotiate premium rates and coverage provisions, develop reasonable cost containment measures, and contract for the management of enrollment and plan selection;*

*(2) require the commission to offer enrollees a choice from at least two health plans, policies, or contracts, to the extent feasible;*

*(3) exempt payments from the commission to a carrier or health plan from the tax imposed by section 60A.15 and the assessment under section 62E.11;*

*(4) require the commission and its contractors to contract with community clinics when feasible and appropriate;*

*(5) require enrollee contracts to contain a detailed statement of benefits offered and include any maximums, limitations, and exclusions;*

*(6) establish the coverage and benefits provided by health plans offered through the commission, which may be less than the minimum coverage and benefit levels mandated by state law for other health plans, policies, or contracts;*

*(7) require every resident of the state to have coverage at least equivalent to the coverage and benefits of the basic plan offered by the commission;*

*(8) establish eligibility requirements for participation in the health care access program that will enable those Minnesota residents to participate who do not have health coverage, who have inadequate coverage, who are self-employed, or who are covered by the comprehensive health insurance plan under chapter 62E;*

*(9) establish eligibility requirements for employers to participate in the health care access program that will allow those employers to participate who do not offer coverage, who offer inadequate coverage, or who choose to participate in order to reduce the costs of coverage;*

*(10) establish a sliding fee scale for the enrollee's contribution to the costs of coverage through the health care access program and create mechanisms for collecting the enrollee's contribution including income withholding by an employer when appropriate;*

*(11) authorize the commission to engage in outreach activities to inform persons and employers about the health care access program;*

*(12) authorize the commission to collect, and require employers and persons to provide, evidence regarding health coverage;*

*(13) create a health care access account to be funded by penalties on employers that discontinue coverage, enrollee sliding fee contributions, and other sources identified and recommended by the commission;*

*(14) establish a payroll tax or other financing mechanism based on the financial plan and analysis required under subdivision 3, clause (9); and*

*(15) require employers that discontinue health coverage without offering*

*equivalent substitute coverage to pay a penalty to be deposited in the health care access account.*

*Subd. 5. [REPORT.] The commission shall report to the legislature by February 15, 1991, with the results of its study and its specific recommendations, including proposed language for legislation necessary to implement the health care access program.*

**Sec. 3. [APPROPRIATION.]**

*\$ . . . . is appropriated from the general fund to the health care access commission to pay for the administrative and operating expenses of the commission. The appropriation is available until June 30, 1992, at which time the commission shall repay this amount to the general fund from the health care access account."*

Delete the title and insert:

"A bill for an act relating to health care; creating a health care access commission to plan, implement, and administer a health care access program; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 62J."

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 re-referred

S.F. No. 522: A bill for an act relating to housing; authorizing the establishment of affordable housing programs under the administration of the Minnesota housing finance agency; establishing a neighborhood preservation program; revising certain tenant damage provisions in landlord-tenant actions; regulating tenant screening services; establishing a rent escrow system; providing mandatory building repair fines; authorizing a housing calendar consolidation pilot project in Hennepin and Ramsey counties; reducing property taxes on certain types of residential rental property; authorizing a tax levy for public housing; establishing a fair housing education and public information program; requiring housing impact statements; revising certain housing receivership provisions; changing notice and redemption provisions for certain types of properties; providing for city housing rehabilitation loan programs; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 273.13, subdivision 25; 462A.03, by adding a subdivision; 462A.05, subdivision 27, and by adding subdivisions; 462A.08, by adding a subdivision; 462A.21, subdivisions 4k, 12, and by adding subdivisions; 463.21; 469.012, subdivision 1; 504.255; 504.26; 566.175, subdivision 1; 566.29, subdivisions 1, 4, and by adding subdivisions; 580.031; and 580.23, by adding subdivisions; Laws 1971, chapter 333, as amended; Laws 1974, chapters 285, sections 2, 3, 4, and by adding a section; and 475; proposing coding for new law in Minnesota Statutes, chapters 129A; 268; 363; 462A; 462C; 471; 504; and 566.

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

Page 17, after line 21, insert:

*"Subd. 4. [DEFENSES.] The defenses provided in section 566.23 are defenses to an action brought under this section."*



Page 17, line 22, delete "4" and insert "5"

Page 17, line 26, delete "5" and insert "6"

Page 18, line 11, delete "6" and insert "7"

Page 18, line 12, delete everything after the period

Page 18, delete lines 13 to 16 and insert "*A certified copy of an inspection report meets the requirements of rule 803(8) of the Rules of Evidence as an exception to the rule against hearsay, and meets the requirements of rules 901 and 902 of the Rules of Evidence as to authentication.*"

Page 18, line 17, delete "7" and insert "8"

Page 18, line 26, delete "8" and insert "9"

Page 18, line 31, delete "9" and insert "10"

Page 19, line 5, delete "15" and insert "9"

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

Page 19, line 29, delete "11" and insert "12"

Page 19, line 33, after "owner" insert ", except as provided in subdivision 2"

Page 25, after line 8, insert:

"Sec. 9. [566.261] [VIOLATIONS OF BUILDING REPAIR ORDERS.]

*Subdivision 1. [NONCOMPLIANCE; FINES.] Upon finding an owner has willfully failed to comply with a court order to remedy a violation, the court shall fine the owner according to the following schedule:*

*(1) \$250 for the first failure to comply;*

*(2) \$500 for the second failure to comply with an order regarding the same violation; and*

*(3) \$750 for the third and subsequent failure to comply with an order regarding the same violation.*

*Subd. 2. [CRIMINAL PENALTY.] An owner who willfully fails to comply with a court order to remedy a violation is guilty of a gross misdemeanor if it is the third or subsequent time that the owner has willfully failed to comply with an order to remedy a violation within a three-year period.*

*Subd. 3. [FINES COLLECTED.] Fines collected under subdivision 1 in Hennepin county must be used for expenses of the fourth judicial district, housing calendar consolidation project. Fines collected under subdivision 1 in Ramsey county must be used for expenses of the second judicial district, housing calendar consolidation project."*

Page 27, line 36, after the period, insert "*A proceeding under sections 566.01 to 566.17 may not be delayed because of the consolidation of matters under the housing calendar project.*"

Page 29, line 6, delete "1993" and insert "1992"

Page 29, line 7, after "group" insert ", appointed by the state court administrator," and delete "in each judicial district"

Page 29, line 9, delete "be appointed by"

Page 29, line 10, delete "the chief judge of each district" and insert

*"include representatives of the second and fourth judicial districts"*

Page 29, line 11, after "representative" insert "from each"

Page 29, delete section 16

Page 30, line 2, delete "15" and insert "16"

Page 30, delete lines 7 and 8 and insert "state court administrator to distribute to the second and fourth judicial districts for the housing"

Page 30, line 13, delete "Section 15 is" and insert "Sections 9, subdivision 3, and 16 are"

Renumber the sections of article 2 in sequence

Page 30, delete lines 14 and 15

Pages 30 to 35, delete sections 1 and 2

Page 35, line 33, delete "4" and insert "3"

Page 36, line 10, delete everything after the period

Page 36, delete lines 11 and 12

Page 36, line 22, before "An" insert "(a)"

Page 36, line 26, after the period, insert "*The owner must inform non-disabled persons and families that do not include a disabled family member of the possibility of being offered a nonhandicapped-equipped unit as provided under this section before a rental agreement to rent an accessible unit is entered.*"

(b)"

Page 36, line 28, delete "nonhandicapped equipped" and insert "nonhandicapped-equipped"

Page 36, delete lines 30 and 31

Page 36, line 32, delete "(2)" and insert "(1)"

Page 36, line 35, delete "(3)" and insert "(2)" and delete "nonaccessible" and insert "nonhandicapped-equipped"

Pages 45 to 47, delete sections 7 to 9 and insert:

"Sec. 7. Minnesota Statutes 1988, section 582.03, is amended to read:

**582.03 [PURCHASER AT FORECLOSURE, EXECUTION, OR JUDICIAL SALE MAY PAY TAXES, ASSESSMENTS, INSURANCE PREMIUMS, OR INTEREST.]**

The purchaser at any sale, upon foreclosure of mortgage or execution or at any judicial sale during the ~~year~~ period of redemption, may pay any taxes or assessments on which any penalty would otherwise accrue, and may pay the premium upon any policy of insurance procured in renewal of any expiring policy upon mortgaged premises, ~~may pay any costs incurred under section 582.031,~~ and may, in case any interest or installment of principal upon any prior or superior mortgage, lien, or contract for deed is in default or shall become due during ~~such year~~ the period of redemption, pay the same, and, in all such cases, the sum so paid, with interest, shall be a part of the sum required to be paid to redeem from such sale. Such payments shall be proved by the affidavit of the purchaser or the purchaser's agent or attorney, stating the items and describing the premises, which must

be filed for record with the county recorder or registrar of titles, and a copy thereof shall be furnished to the sheriff at least ten days before the expiration of the ~~year~~ period of redemption.

**Sec. 8. [582.031] [LIMITED RIGHT OF ENTRY BY MORTGAGEE OR PURCHASER AT FORECLOSURE SALE.]**

*Subdivision 1. [RIGHT OF ENTRY.] If premises described in a mortgage or a sheriff's certificate are vacant or unoccupied, the holder of the mortgage or a sheriff's certificate or the holder's agents and contractors may enter upon the premises to protect the premises from waste, until the holder of the mortgage or the sheriff's certificate receives notice that the premises are occupied. The holder of the mortgage or a sheriff's certificate does not become a mortgagee in possession by taking actions authorized under this section. An affidavit of the sheriff, the holder of the mortgage or sheriff's certificate, or a person acting on behalf of the holder, describing the premises and stating that the same are vacant or unoccupied, is prima facie evidence of the facts stated in the affidavit when recorded in the office of the county recorder or the registrar of titles in the county where the premises are located.*

*Subd. 2. [AUTHORIZED ACTIONS.] The holder of the mortgage or sheriff's certificate may take the following actions to protect the premises from waste: install or change locks on doors and windows, board windows, and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activities. If the holder of the mortgage or the sheriff's certificate installs or changes locks under this section, a key to the premises must be promptly delivered to the mortgagor or any person lawfully claiming through the mortgagor, upon request.*

*Subd. 3. [COSTS.] All costs incurred by the holder of the mortgage or the sheriff's certificate to protect the premises from waste may be added to the principal balance of the mortgage. The costs may bear interest to the extent provided in the mortgage and may be added to the redemption price if the costs are incurred after a foreclosure sale. If the costs are incurred after a foreclosure sale, the purchaser at the foreclosure sale must comply with the provisions of section 582.03. The provisions of this section are in addition to, and do not limit or replace, any other rights or remedies available to holders of mortgages and sheriff's certificates, at law or under the applicable mortgage agreements."*

Page 47, line 28, delete "10" and insert "9"

Page 47, line 32, delete "11" and insert "10"

Renumber the sections of article 3 in sequence

Page 47, line 36, delete "5" and insert "4"

Amend the title as follows:

Page 1, line 16, delete everything after the semicolon and insert "providing a limited right of entry to secure vacant or unoccupied buildings;"

Page 1, delete line 17

Page 1, line 20, delete "273.13,"

Page 1, line 21, delete "subdivision 25;"

Page 1, line 27, delete everything after the semicolon and insert "582.03;"

Page 1, line 28, delete "subdivisions;"

Page 1, line 32, delete "462C;" and delete "and" and after "566" insert "; and 582"

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 re-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; and 171.30, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 65B and 169; repealing Minnesota Statutes 1988, section 65B.481.

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

Page 1, line 20, delete "14" and insert "16"

Page 2, line 5, delete "notarized"

Page 2, line 8, delete "such" and insert "the"

Page 2, line 17, delete "stating:" and insert a period

Page 2, delete lines 18 to 24

Page 2, line 25, delete the paragraph coding

Page 3, line 2, strike "misdemeanor" and insert "crime"

Page 3, lines 3 to 6, delete the new language

Page 3, line 9, before "Any" insert "(a)"

Page 3, lines 12 to 20, delete the new language

Page 3, line 20, strike "Also" and insert "*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 that 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. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section.*"

(b) *In addition to the criminal penalty"*

Page 3, line 21, strike "operator's" and after "license" insert "*of an operator convicted under this section*"

Page 3, line 29, after the period, insert:

“(c)”

Page 3, line 36, after “*require*” insert “*the surrender to the court of*”

Page 4, line 1, delete “*or motorcycle*” and delete “*owned by*” and insert “*that is owned by the convicted person*”

Page 4, line 2, delete everything before “*for*”

Page 6, line 28, delete “*or motorcycle*”

Page 6, line 33, delete “*produce*” and insert “*deliver to the place stated in the notice provided by the officer any of the following:*”

Page 7, line 4, delete everything after “*demand*”

Page 7, line 5, delete “*by the officer*”

Page 7, lines 15 and 16, delete “*or motorcycle*”

Page 7, line 29, delete “*or motorcycle*”

Page 7, line 34, delete “*produce*” and insert “*deliver*”

Page 8, line 13, after “*require*” insert “*the surrender of*”

Page 8, line 14, delete “*involved in the violation*”

Page 8, line 15, delete everything after “*person*” and insert “*that was involved in the violation, as provided in this*”

Page 8, delete lines 17 to 21

Page 8, line 22, delete “6” and insert “5”

Page 8, line 23, after the period, insert “*A second or subsequent violation within five years of a previous conviction under this section is a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section.*”

Page 8, line 27, delete “*or motorcycle*” and delete the second “*or*”

Page 8, line 28, delete “*motorcycle*”

Page 8, lines 33 and 34, delete “*or motorcycle*”

Page 9, line 2, delete “*or motorcycle*”

Page 9, line 4, delete “*produce*” and insert “*deliver to the place stated in the notice provided by the officer any of the following:*”

Page 9, line 10, delete everything after “*demand*”

Page 9, line 11, delete everything before the period

Page 9, line 17, delete “*then*”

Page 9, line 27, delete “*produce*” and insert “*deliver*”

Page 9, line 29, delete “*within*”

Page 10, line 1, delete “*herein*” and insert “*by this subdivision*”

Page 10, line 7, delete “*produce*” and insert “*deliver*”

Page 10, line 18, delete “*will be*” and insert “*is*”

Page 10, line 19, delete “*beginning*”

Page 10, line 22, delete "*not less*"

Page 10, line 23, delete "*than*"

Page 10, line 28, after "*knowing*" insert "*or having reason to know*"

Page 11, line 15, delete "*not less than*"

Page 11, line 19, before "*At*" insert "*(a)*"

Page 11, line 30, delete "*provisions*" and insert "*procedures required under sections 14.57 to 14.69*"

Page 11, line 31, delete "*in sections 14.01 to 14.69*"

Page 11, line 32, before "*The*" insert "*(b)*"

Page 12, line 1, delete "*of*"

Page 12, line 2, delete "*public safety*"

Page 12, lines 11 and 12, delete "*of public safety*"

Page 12, lines 15 and 16, delete "*of public safety*"

Page 12, delete lines 21 to 25

Page 12, line 32, delete "*or motorcycle*"

Page 13, line 4, after the period, insert "*A second or subsequent violation within five years of a previous conviction under this section is a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section.*"

Page 13, line 10, delete "*15*" and insert "*16*"

Page 13, after line 18, insert:

"Sec. 15. [169.797] [COVERED VEHICLES; EXEMPTIONS.]

*Sections 9 to 14 apply to all motor vehicles as defined in section 169.01, subdivision 3, but do not apply to buses or other commercial vehicles operated by the metropolitan transit commission, commercial vehicles required to file proof of insurance under chapter 221, and school buses as defined in section 169.01, subdivision 6.*"

Page 14, lines 30 and 31, delete "*of public safety*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete "*registration*" and insert "*license*"

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. 748: A bill for an act relating to human services; establishing state child mortality review panel; authorizing the state to require local reviews; protecting data generated by the review panel as confidential and nondiscoverable; clarifying neglect or endangerment of a child; requiring an autopsy in cases involving sudden death of an infant; requiring the commissioner of health to develop uniform procedures for coroner and

medical examiner investigations relating to sudden deaths of infants; amending Minnesota Statutes 1988, sections 256.01, by adding a subdivision; 383B.225, by adding a subdivision; 390.11, subdivision 10; 390.32, by adding a subdivision; 609.378; 626.556, subdivision 2; and 626.558; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Pages 1 to 4, delete sections 1 to 5 and insert:

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

*The commissioner of health shall develop uniform investigative guidelines and protocols for coroners and medical examiners conducting death investigations and autopsies of children under two years of age.*

Sec. 2. Minnesota Statutes 1988, section 256.01, is amended by adding a subdivision to read:

*Subd. 12. [CHILD MORTALITY REVIEW PANEL.] (a) The commissioner may establish a child mortality review panel for reviewing deaths of children in Minnesota including deaths attributed to maltreatment or in which maltreatment may be a contributing cause. The commissioners of health, education, and public safety and the attorney general shall each designate a representative to the panel. Other panel members shall be appointed by the commissioner. The purpose of the panel is to make recommendations to the state and local agencies for improving the child protection system, including modifications in statute, rule, policy, and procedure.*

*(b) The commissioner may require a local agency to establish a local child mortality review panel. The commissioner may establish procedures for conducting local reviews and may require that all professionals with knowledge of a child mortality case participate in the local review. In this section, "professional" means a person licensed to perform or a person performing a specific service in the child protective service system. "Professional" includes law enforcement personnel, social service agency attorneys, and social service, health care, mental health care providers, and educators.*

*(c) If the commissioner of human services has reason to believe that a child's death was caused by maltreatment or that maltreatment was a contributing cause, the commissioner has access to not public data under chapter 13 maintained by state agencies, statewide systems, or political subdivisions that are related to the child's death or circumstances surrounding the care of the child. Access to data under this paragraph is limited to police investigative data; autopsy records and coroner or medical examiner investigative data; hospital, public health, or other medical records of the child; hospital and other medical records of the child's parent that relate to prenatal care; and records created by social service agencies that provided services to the child or family within three years preceding the child's death. A state agency, statewide system, or political subdivision shall provide the data upon request of the commissioner. Not public data may be shared with members of the state or local child mortality review panel in connection with an individual case.*

*(d) Notwithstanding the data's classification in the possession of any other agency, data acquired by a local or state child mortality review panel*

*in the exercise of its duties are protected nonpublic or confidential data as defined in section 13.02, but may be disclosed as necessary to carry out the purposes of the review panel. The data are not subject to subpoena or discovery. The commissioner may disclose conclusions of the review panel, but shall not disclose data that were confidential or private data on decedents under section 13.10, or private, confidential, or nonpublic data in the disseminating agency.*

*A person attending a child mortality review panel meeting shall not disclose what transpired at the meeting except to carry out the purposes of the mortality review panel. The proceedings and records of the mortality review panel are protected nonpublic data as defined in section 13.02, subdivision 13, and are not subject to discovery or introduction into evidence in a civil or criminal action against a professional or state or local agency arising out of the matters the panel is reviewing. Information, documents, and records otherwise available from original sources are not immune from discovery or use in a civil or criminal action merely because they were presented during proceedings of the review panel. A person who presented information before the review panel or who is a member of the panel shall not be prevented from testifying about matters within the person's knowledge. However, in a civil or criminal proceeding a person cannot be asked about the person's presentation of information to the review panel or opinions formed by the person as a result of the review meetings."*

Page 5, line 3, delete "willfully" and insert "intentionally"

Page 5, line 5, delete "produce bodily or emotional harm or death" and insert "substantially harm the child's physical or mental health or cause the child's death"

Page 5, line 6, after the period, insert "This paragraph does not prevent a parent, legal guardian, or caretaker from causing or permitting a child to engage in activities that are appropriate to the child's age, stage of development, and experience, or from selecting health care as defined in subdivision 1, paragraph (a)."

Page 5, line 8, before "that" insert "or paragraph (b)."

Page 5, lines 9 and 11, after "neglect" insert "or endangerment"

Page 6, line 15, strike the first comma and delete the new language and strike "or (2)" and insert "in lieu of medical care; except that there is a duty to report if a lack of medical care may cause imminent and serious danger to the child's health. This section does not"

Page 6, line 20, delete everything after the period

Page 6, delete lines 21 to 23

Page 7, after line 12, insert:

"Sec. 5. Minnesota Statutes 1988, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the



child's care:

(1) an assault, as defined in section 609.02, subdivision 10, or any physical contact not exempted by section 609.379, where the assault or physical contact is either severe or recurring and causes either injury or significant risk of injury to the child;

(2) neglect as defined in subdivision 2, paragraph (c); or

(3) sexual abuse as defined in subdivision 2, paragraph (a).

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

*(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in imminent and serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child."*

Page 8, delete lines 34 to 36

Page 9, delete line 1

Page 9, line 2, delete "(b)" and insert "(a)"

Page 9, line 5, delete "under chapter 13" and insert "as defined in section 13.02, subdivision 8,"

Page 9, line 8, delete "(c)" and insert "(b)"

Page 9, line 10, delete "and functions, shall be" and insert "are" and after "confidential" insert "as defined in section 13.02, subdivision 3,"

Page 9, line 29, after the comma, insert "in a civil or criminal proceeding"

Page 9, line 32, after the period, insert paragraph coding and delete "section" and insert "subdivision"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 7 and insert "clarifying provisions of the child abuse reporting act dealing with neglect;"

Page 1, line 8, delete "of an infant;"

Page 1, line 12, delete everything after the semicolon

Page 1, delete line 13

Page 1, line 14, delete "a subdivision;" and delete "subdivision 2" and insert "subdivisions 2 and 10e"

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. 1123: A bill for an act relating to commerce; industrial loan and thrift companies; regulating lending practices; prescribing the qualifications of the directors of certain companies; regulating the lending practices of regulated lenders; specifying the loan fees and charges that may be imposed by regulated lenders; regulating delinquency and collection charges on retail installment contracts; regulating mortgage foreclosure notices; amending Minnesota Statutes 1988, sections 53.04, subdivision 3a, and by adding a subdivision; 53.06; 56.12; 56.131, subdivisions 1, 2, and 6; 56.14; 168.71; and 580.03.

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

Pages 1 to 3, delete section 1 and insert:

"Section 1. Minnesota Statutes 1988, section 48.61, is amended by adding a subdivision to read:

*Subd. 7. [PARITY WITH NATIONAL BANKS.] A state bank or trust company may invest in any securities that are authorized investments for national banks on the effective date of this section, subject to the same restrictions as apply to national banks. The commissioner may authorize a state bank or trust company to invest in any securities that become authorized investments for national banks after the effective date of this section, subject to the same restrictions as apply to national banks. This authority is in addition to the investment authority granted to state banks under other provisions of state law."*

Pages 5 to 12, delete sections 5 to 8

Pages 14 and 15, delete section 10 and insert:

"Sec. 6. Minnesota Statutes 1988, section 514.19, is amended to read:

514.19 [RIGHT OF DETAINER.]

*Subdivision 1. [CREATED.] A lien and right of detainer exists for:*

(1) Transporting property from one place to another but not as a carrier under article 7 of the Uniform Commercial Code;

(2) Keeping or storing property as a bailee but not as a warehouse operator under article 7 of the Uniform Commercial Code;

(3) Keeping, feeding, pasturing, or otherwise caring for domestic animals or other beasts, including medical or surgical treatment and shoeing;

(4) The use and storage of molds and patterns in the possession of the fabricator belonging to the customer for the balance due from the customer for fabrication work;

(5) Making, altering or repairing any article, or expending any labor, skill or material on it.

The liens embrace all lawful charges against the property paid to any other person by the person claiming the lien, and the price or value of the care, storage or contribution and all reasonable disbursements occasioned by the detention or sale of the property.

*Subd. 2. [STORAGE LIEN NOTICE.] The lien and right of detainer for*

*keeping or storing property under subdivision 1, clause (2), is not enforceable against a person with a perfected security interest in the property, unless written notice is given to the secured party within ten days after the lien attaches."*

Page 15, line 24, delete "10" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "authorizing certain investments by state banks;"

Page 1, line 3, delete "companies;" and after "practices" insert "of industrial loan and thrifts"

Page 1, line 6, delete everything after the semicolon

Page 1, delete line 7

Page 1, line 8, delete "delinquency" and insert "delinquency"

Page 1, line 9, delete everything after the semicolon and insert "requiring notice to perfect certain storage liens"

Page 1, line 10, delete "notices" and after "sections" insert "48.61, by adding a subdivision;"

Page 1, line 11, delete "subdivision 3a, and"

Page 1, line 12, delete everything after "56.12;"

Page 1, line 13, delete "580.03" and insert "514.19"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 319: A bill for an act relating to agriculture; authorizing a grasshopper control program; providing inspection and control of plant pests in the same manner as noxious weeds; providing for inspection, control, and enforcement of noxious weeds and plant pests; providing penalties; appropriating money; amending Minnesota Statutes 1988, sections 18.022, subdivision 2; 84.0895, subdivision 2; and 160.02, subdivision 14; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1988, sections 18.171 to 18.315; Revised Laws of Minnesota 1905, sections 2385, 2386, 2387, 2388, 2389, and 2390; and Minnesota Rules, parts 1505.0740 and 1505.0750.

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

Page 1, line 20, delete the first "a" and insert "the" and strike "special"

Page 1, line 21, strike "two-thirds"

Page 1, line 22, strike "mill" and insert "a gross tax capacity rate of .55 percent or a net tax capacity rate of .68 percent" and strike "or statutory millage" and insert "tax capacity rate"

Page 1, line 23, reinstate the stricken language

Page 1, line 24, before the period, insert "*except that the levy for the grasshopper control program under sections 23 to 26 is not subject to the 50 cents per capita limitation*"

Page 1, line 30, strike "1-1/3 mills" and insert "*a gross tax capacity rate of 1.1 percent or a net tax capacity rate of 1.36 percent*"

Page 3, line 25, before "Except" insert "(a)"

Page 4, after line 4, insert:

*"(b) For property that is subject to a public utility easement as defined in section 115B.02, subdivision 14, the person controlling the surface of the land other than the holder of the public utility easement is the person responsible for control of noxious weeds and plant pests under this chapter."*

Page 7, line 31, after "in" insert "a"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 1445: A bill for an act relating to taxation; providing for submission of tax expenditure budget every four years; repealing the Minnesota unfair cigarette sales act; removing requirement that owners file copies of certificate of rent paid with commissioner; changing cigarette distribution subjobber licensing fees and other requirements; eliminating certain surety bonds; appropriating money; amending Minnesota Statutes 1988, sections 270.06; 270.067, subdivisions 1 and 2; 290A.19; 297.01, subdivision 13, and by adding a subdivision; 297.03, subdivision 6; 297.04, subdivisions 4, 5, 6, and 9; 297.041, subdivision 1; 297.06, subdivision 3; 297.08, subdivision 1; 297.31, by adding a subdivision; 297.33, subdivisions 4, 5, 6, 7, and 8; 297C.03, subdivision 1; and 298.28, by adding a subdivision; repealing Minnesota Statutes 1988, sections 297.01, subdivision 15; 297.03, subdivision 12; 297.04, subdivision 10; 297.33, subdivision 13; 297C.03, subdivisions 4 and 4a; and 325D.30 to 325D.42.

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

Page 4, line 23, reinstate the stricken semicolon and delete the period

Page 4, line 24, reinstate the stricken language

Page 4, line 25, after the stricken "325.76" insert "*325D.30 to 325D.42*" and reinstate the stricken "*, the Minnesota unfair cigarette sales act.*"

Page 7, line 22, strike "January" and insert "July"

Page 10, delete section 11

Page 11, delete section 13

Page 15, after line 31, insert:

"Sec. 21. Minnesota Statutes 1988, section 325D.32, subdivision 10, is amended to read:

Subd. 10. (a) "Cost to wholesaler" means the basic cost of the cigarettes, prior to deducting manufacturer's timely payment and stamping discounts and any other discounts or rebates, plus the cost of doing business by the

wholesaler, as defined in sections 325D.30 to 325D.42.

(b) The cost of doing business by the wholesaler is presumed to be four percent of the basic cost of the cigarettes, plus cartage to the retail outlet, if furnished or paid for by the wholesaler, in the absence of proof of a lesser or higher cost. Such cartage cost is presumed to be one-half of one percent of the basic cost of the cigarettes in the absence of proof of a lesser or higher cost.

(c) *A wholesaler electing to sell cigarettes at a price other than that presumed by law must submit to the commissioner documentation substantiating the actual cost of the cigarettes before selling at actual cost. For purposes of this paragraph "actual cost" means basic cost as defined in subdivision 9 plus the wholesaler's cost of doing business. The commissioner shall review the documents submitted and, if necessary, request additional documentation to verify the accuracy of the cost computations. If, within 15 days of submission of the documentation, the commissioner has not notified the wholesaler of any deficiencies in the cost computations, the wholesaler may begin selling at actual cost. The cost computations are effective for a period of not more than 12 months beginning 15 days after submission of the documentation. Fifteen days before expiration of the 12-month period, the wholesaler must submit new cost documentation for review by the commissioner to continue selling at less than the price presumed by law. New cost documentation must also be submitted to the commissioner on the last day of a month in which the basic cost of cigarettes increases.*

Sec. 22. Minnesota Statutes 1988, section 325D.37, is amended by adding a subdivision to read:

*Subd. 3. Before selling cigarettes at a price set in good faith to meet competition, a wholesaler shall contact the commissioner to verify that a competitor has met the requirements of section 325D.32, subdivision 10, or that a competitor has contacted the commissioner under this subdivision in response to a wholesaler who has met the requirements of section 325D.32, subdivision 10.*

#### Sec. 23. [325D.415] [CIGARETTE DISTRIBUTOR FEES.]

*A cigarette distributor as defined in section 297.01, subdivision 7, shall pay to the commissioner an annual fee as follows:*

*(1) a fee of \$2,500 is due from those distributors whose annual cigarette tax collections exceed \$2,000,000; and*

*(2) a fee of \$1,200 is due from those distributors whose annual cigarette tax collections are \$2,000,000 or less.*

*The annual fee must be paid at the time of licensing under chapter 297 and is a condition of the licensing. The annual fee must be deposited into the general fund."*

Page 16, line 6, after the apostrophe, insert a space

Page 16, line 11, delete "(a)"

Page 16, delete lines 14 to 16

Page 16, line 18, delete ", 11, 13, and 24, clause (b)," and insert "and 21 to 24"

Page 16, lines 21 and 22, delete "15, 16, 17, 18, and 20" and insert

*"13, 14, 15, 16, and 18"*

Page 16, line 23, delete "16" and insert "14"

Page 16, line 29, delete "12, 19, 21, and 24, clause (a)," and insert "11, 17, 19, and 25"

Page 16, line 34, delete "24, clause (a)," and insert "25"

Page 17, line 3, delete "14" and insert "12"

Page 17, line 4, delete "22" and insert "20"

Renumber the sections in sequence

Amend the title as follows:

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

Page 1, line 13, after "5," insert "and" and delete ", and 9"

Page 1, line 14, delete "297.06, subdivision 3;"

Page 1, line 16, delete the second "and"

Page 1, line 17, after "subdivision;" insert "325D.32, subdivision 10; and 325D.37, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325D;"

Page 1, line 20, after "13;" insert "and" and delete "; and" and insert a period

Page 1, delete line 21

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

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

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

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

Amend the report from the Committee on Employment, adopted by the Senate April 10, 1989, as follows:

Page 1, line 24, after the first comma, insert "dentist,"

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

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

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

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

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

H.F. No. 22: A bill for an act relating to crimes; prohibiting unauthorized access to computers; imposing penalties; amending Minnesota Statutes 1988, sections 609.531, subdivision 1; and 609.87, subdivision 1, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

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. 223: A bill for an act relating to consumer protection; prohibiting the sale of tobacco from multiproduct vending machines; prescribing a penalty; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

Page 1, line 16, delete "by or"

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

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

H.F. No. 218: A bill for an act relating to motor vehicles; defining terms; including station wagon and certain passenger-carrying vans as passenger automobiles for all purposes; providing for registration of certain vehicles; amending Minnesota Statutes 1988, sections 65B.001, subdivision 3; 65B.43, subdivision 12; 116.60, subdivision 7; 168.011, subdivisions 7, and 28; 168.012, subdivision 1; 168.017, subdivision 1; 168.12, subdivisions 2b and 2c; 168.124, subdivision 5; 168.125, subdivision 1; and 168.126, subdivision 2; repealing Minnesota Statutes 1988, sections 168.011, subdivision 23; and 168.101, subdivision 5.

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

Page 8, after line 3, insert:

"Sec. 13. Minnesota Statutes 1988, section 171.321, is amended by adding a subdivision to read:

*Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a school bus endorsement, the commissioner shall conduct a criminal records check of the applicant. The commissioner may also conduct the check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository. If the applicant has resided in Minnesota for less than five years, the check shall also include a criminal records check of information from the state law enforcement agencies in the states where the person resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to*

*cooperate with the commissioner in conducting the records check is reasonable cause to deny an application or cancel a school bus endorsement. The commissioner may not release the results of the records check to any person except the applicant."*

Page 8, line 8, delete "13" and insert "14"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring commissioner of public safety to conduct background study on applicant for school bus endorsement;"

Page 1, line 11, delete "and" and before the semicolon, insert "; and 171.321, by adding a subdivision"

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

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

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.

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

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

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.

Reports the same back with the recommendation that the bill do pass. 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,

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.

Reports the same back with the recommendation that the report from the Committee on Local and Urban Government, shown in the Journal for April 25, 1989, be amended to read:

"the bill do pass and be re-referred to the Committee on Governmental Operations". Report adopted.



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

H.F. No. 1626: A bill for an act relating to state lands; conveying easement for sanitary sewer to city of Cambridge.

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

Page 1, line 7, delete "*or other law*."

Page 2, line 12, delete the period and insert "; and"

Page 2, delete line 13

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

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

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

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

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

H.F. No. 169: A bill for an act relating to game and fish; authorizing elderly residents to take fish by spearing without a license; amending Minnesota Statutes 1988, section 97A.451, by adding a subdivision.

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

Page 1, line 11, delete "*a valid driver's*" and insert "*an angling*" and delete "*, Minnesota*" and insert a period

Page 1, delete lines 12 to 16

Amend the title as follows:

Page 1, line 2, delete "elderly"

Page 1, line 3, after "residents" insert "over age 65"

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

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

H.F. No. 278: A bill for an act relating to highways; changing specific service signs to tourist-oriented directional signs; including certain types of businesses as tourist-oriented businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2, 3, 4, and 10; 160.293; 160.294; 160.295; and 160.296.

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 160.292, subdivision 2, is amended to read:

Subd. 2. "Specific service sign" means a rectangular sign panel not greater than 1-1/2 feet by six feet displaying the name of a rural agricultural or tourist-oriented business, place of worship, motel, restaurant, resort, or recreational camping area and, where appropriate, the direction to and distance to the rural agricultural or tourist-oriented business, camping area, motel, restaurant, or resort.

Sec. 2. Minnesota Statutes 1988, section 160.292, subdivision 10, is amended to read:

Subd. 10. "Specific service" means restaurants ~~and~~, rural agricultural or tourist-oriented businesses, places of worship, and motels, resorts, or recreational camping areas that provide sleeping accommodations for the traveling public. "Tourist-oriented business" means a business, service, or activity that receives the major portion of its income or visitors during the normal business season from motorists not residing in the immediate area of the business or activity. "Tourist-oriented business" includes, but is not limited to: (1) a greenhouse or nursery, (2) a bait and tackle shop, (3) a marina, and (4) a gift or antique shop.

Sec. 3. Minnesota Statutes 1988, section 160.293, subdivision 3, is amended to read:

Subd. 3. [NUMBER OF TRUNK HIGHWAY INTERSECTIONS.] A specific service sign for a rural agricultural or tourist-oriented business, place of worship, restaurant, motel, resort, or recreational camping area is limited to one intersection on the trunk highway system.

Sec. 4. Minnesota Statutes 1988, section 160.295, subdivision 5, is amended to read:

Subd. 5. [RURAL AGRICULTURAL BUSINESS OR TOURIST-ORIENTED BUSINESS.] A rural agricultural or tourist-oriented business must be open a minimum of eight hours per day, six days per week, and 12 months per year. However, a seasonal business may qualify if it is open eight hours per day and six days per week during the normal seasonal period.

Sec. 5. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to highways; expanding definition of specific service signs to cover tourist-oriented businesses; amending Minnesota Statutes 1988, section 160.292, subdivisions 2 and 10; 160.293, subdivision 3; and 160.295, subdivision 5."

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

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

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.

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

Page 5, line 12, after the period, insert "*The daily wage of the worker for the purpose of calculating compensation payable under this chapter is the usual going wage paid at the time of injury or death for similar services if the services are performed by paid employees.*"

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

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.

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

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

H.F. No. 831: A bill for an act relating to game and fish; Mom Fishing Weekend; season opening date for certain game fish; amending Minnesota Statutes 1988, sections 97A.445, by adding a subdivision; and 97C.395, subdivision 1.

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

Page 1, line 17, before "The" insert "(a)"

Page 2, after line 3, insert:

*"(b) The commissioner shall close the season in areas of the state where fish are spawning and closing the season will protect the resource."*

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 765: A bill for an act relating to the Western Lake Superior Sanitary District; authorizing the district to issue refunding obligations without redemption of outstanding obligations prior to maturity; amending Laws 1971, chapter 478, section 9a, subdivision 4, as added; and section 13, subdivision 4.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

H.F. No. 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.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

H.F. No. 243: A bill for an act relating to the department of revenue; recodifying information and disclosure provisions to increase uniformity of treatment and comply with the data privacy act; amending Minnesota Statutes 1988, sections 60A.17, subdivision 20; 82.27, subdivision 7; 147.091, subdivision 7; 148.10, subdivision 5; 148B.06, subdivision 3; 150A.08, subdivision 9; 171.31; 176.186; 176.231, subdivision 9; 256.978; 270.052; 270.064; 270.66, subdivision 3; 270.72, subdivision 4; 270.73, subdivision 1; 270A.11; 290.081; 290.174; 290.371, subdivision 5; 290.50, subdivision 6; 290.523, subdivision 1; 290.91; 290.92, subdivisions 5a, 17, and 26; 290A.112, subdivision 1; 297A.07; 326.20, subdivision 4; and 469.173, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 270B; repealing Minnesota Statutes 1988, sections 13.70; 290.05, subdivision 7; 290.61; 290A.17; 291.48; and 297A.43.

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

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

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.

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

Page 1, lines 11 and 12, delete "*subdivision 5 of*"

Page 1, line 16, strike "ACT EXCEPTION"

Delete the title and insert:

"A bill for an act relating to human rights; permitting comparable worth plans to be used as evidence; amending Minnesota Statutes 1988, sections 43A.05, by adding a subdivision; and 471.997."

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

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

H.F. No. 159: A bill for an act relating to crimes; providing for termination, cancellation, and forfeiture of real estate interests related to contraband or controlled substance seizures; amending Minnesota Statutes 1988, sections 566.02; 609.531; 609.5311, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 566 and 609.

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

Page 1, after line 9, insert:

"Section 1. [504.181] [COVENANT OF LESSEE NOT TO ALLOW

## DRUGS.]

*Subdivision 1. [COVENANT NOT TO SELL DRUGS OR ALLOW DRUG SALES.] In every lease or license of residential premises, whether in writing or parol, the lessee or licensee covenants that the premises, common area, and curtilage will not be used by the lessee or licensee or others acting under his or her control to manufacture, sell, give away, barter, deliver, exchange, distribute, or possess with intent to manufacture, sell, give away, barter, deliver, exchange, or distribute a controlled substance in violation of chapter 152.*

*Subd. 2. [BREACH VOIDS RIGHT TO POSSESSION.] A breach of the covenant created by subdivision 1 voids the lessee's or licensee's right to possession of the residential premises. All other provisions of the lease or license, including but not limited to the obligation to pay rent, remain in effect until the lease is terminated by the terms of the lease or operation of law.*

*Subd. 3. [WAIVER NOT ALLOWED.] The parties to a lease or license of residential premises may not waive or modify the covenant imposed by this section."*

Page 1, lines 18, 19, and 25, delete "6" and insert "7"

Page 6, line 19, delete ", whether or not"

Page 6, line 20, delete everything before the comma

Page 6, line 25, before "The" insert "The notice is not required during an ongoing investigation."

Page 8, line 1, after "3" insert ", paragraph (b)"

Page 8, line 3, delete "1, 3, 4, 5, and 6" and insert "2, 4, 5, 6, and 7"

Page 8, line 8, delete "1" and insert "2"

Page 8, line 12, delete "2" and insert "3"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, after "chapters" insert "504;" and after "566" insert a semicolon

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

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

H.F. No. 1282 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
1282	1040				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 146 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
146	1145				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

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

H.F. No. 1445 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.
1445	744				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1445 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1445 and insert the language after the enacting clause of S.F. No. 744, the first engrossment; further, delete the title of H.F. No. 1445 and insert the title of S.F. No. 744, the first engrossment.

And when so amended H.F. No. 1445 will be identical to S.F. No. 744, and further recommends that H.F. No. 1445 be given its second reading and substituted for S.F. No. 744, 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. 390 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.
390	105				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 390 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 390 and insert the language after the enacting clause of S.F. No. 105, the first engrossment; further, delete the title of H.F. No. 390 and insert the title of S.F. No. 105, the first engrossment.

And when so amended H.F. No. 390 will be identical to S.F. No. 105, and further recommends that H.F. No. 390 be given its second reading and substituted for S.F. No. 105, 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. 1067, 1105, 1195, 1502, 653, 1453, 1278, 29, 1252, 1044 and 1123 were read the second time.

## SECOND READING OF HOUSE BILLS

H.F. Nos. 300, 627, 22, 223, 218, 1311, 1048, 1626, 1416, 169, 278, 564, 1459, 831, 765, 1357, 243, 456, 159, 1282, 146, 1445 and 390 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Moe, D.M. moved that the name of Mr. McGowan be added as a co-author to S.F. No. 330. The motion prevailed.

Mr. Anderson moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1399. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Lessard be added as a co-author to S.F. No. 1418. The motion prevailed.

Mr. Mehrkens moved that the name of Mr. Laidig be added as a co-author to S.F. No. 1598. The motion prevailed.

Mr. Merriam moved that S.F. No. 1, No. 1 on the Calendar, be stricken and placed on General Orders. 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. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 164, 886, 1039, 786, 735, 858, 490, 840, 1139, H.F. Nos. 85, 212, 1172, 43, 279, 1056, 895, 989, 483, 774, 635, 1438, 489, 819 and 812 which the committee recommends to pass.

S.F. No. 631, which the committee recommends be re-referred to the Committee on Finance.

H.F. No. 266, which the committee recommends to pass with the following amendments offered by Messrs. Stumpf and Waldorf:

Mr. Stumpf moved to amend H.F. No. 266, as amended pursuant to Rule 49, adopted by the Senate March 30, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 205.)

Page 18, line 11, delete "*This*"

Page 18, delete lines 12 to 15

Page 18, line 16, delete "*subdivision.*"

Page 19, delete lines 9 to 12

Page 19, line 13, delete "*subdivision.*"

The motion prevailed. So the amendment was adopted.

Mr. Waldorf moved to amend H.F. No. 266, as amended pursuant to Rule 49, adopted by the Senate March 30, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 205.)

Page 20, after line 3, insert:

"Sec. 24. Minnesota Statutes 1988, section 297B.025, subdivision 2, is amended to read:

Subd. 2. [COLLECTOR VEHICLES.] A passenger automobile that is ~~currently~~ registered under section 168.10, ~~subdivisions~~ *subdivision 1a, 1b, 1c, and or 1d*, shall be taxed under section 297B.02, subdivision 3, and the registrar shall not designate as an above-market automobile a passenger automobile registered under those subdivisions *unless the vehicle is subsequently registered in another class not under section 168.10, subdivision 1a, 1b, 1c, or 1d, within one year of the date of registration under those subdivisions. Vehicles removed from registration under those subdivisions within one year shall be subject to the full excise tax imposed under subdivision 1.*"

Page 27, line 9, delete "29" and insert "30"

Page 27, line 17, delete "28, 30" and insert "29, 31"

Page 27, delete line 18 and insert "*to 35, and 37 are effective July 1, 1989. Section 36 is*"

Renumber the sections in sequence

Amend the title as follows:



Page 1, line 27, after the first semicolon, insert "297B.025, subdivision 2;"

The motion prevailed. So the amendment was adopted.

Mr. Anderson moved to amend H.F. No. 266, as amended pursuant to Rule 49, adopted by the Senate March 30, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 205.)

Page 19, after line 14, insert:

"Sec. 22. Minnesota Statutes 1988, section 297A.27, subdivision 1, is amended to read:

Subdivision 1. ~~Except as provided in section 297A.275,~~ On or before the 20th day of each month in which taxes imposed by sections 297A.01 to 297A.44 are payable, a return for the preceding reporting period shall be filed with the commissioner in such form as the commissioner may prescribe, verified by a written declaration that it is made under the criminal penalties for willfully making a false return, and in addition shall contain a confession of judgment for the amount of the tax shown due thereon to the extent not timely paid. Any person making sales at retail at two or more places of business may file a consolidated return subject to such rules as the commissioner may prescribe."

Page 27, line 4, before "Minnesota" insert "(a)"

Page 27, after line 7, insert:

"(b) Minnesota Statutes 1988, section 297A.275, is repealed."

Page 27, line 9, delete "29" and insert "30"

Page 27, line 17, delete "22 to 28, 30" and insert "23 to 29, 31"

Page 27, line 18, delete "34, and 36" and insert "35, and 37, paragraph (a)," and delete "35" and insert "36"

Page 27, line 19, after the period, insert "Sections 22 and 37, paragraph (b), are effective the day following final enactment."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "eliminating the accelerated payment of June sales tax liability;"

Page 1, line 26, after "16;" insert "297A.27, subdivision 1;"

Page 1, line 36, after "297A.253;" insert "297A.275;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 29 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Bertram	Frederickson, D.R.	Lessard	Ramstad
Beckman	Brataas	Gustafson	McGowan	Renneke
Belanger	Davis	Johnson, D.E.	McQuaid	Storm
Benson	Decker	Knutson	Mehrkens	Taylor
Berg	DeCramer	Laidig	Olson	Vickerman
Bernhagen	Frederick	Larson	Pariseau	

Those who voted in the negative were:

Adkins	Diessner	Lantry	Novak	Spear
Berglin	Frederickson, D.J.	Luther	Pehler	Stumpf
Brandl	Freeman	Marty	Peterson, R. W.	Waldorf
Chmielewski	Hughes	Merriam	Piper	
Cohen	Johnson, D.J.	Metzen	Pogemiller	
Dahl	Kroening	Moe, D.M.	Samuelson	
Dicklich	Langseth	Moe, R.D.	Solon	

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

S.F. No. 723, which the committee recommends to pass with the following amendment offered by Mr. Knutson:

Page 13, line 30, before the second "The" insert "*In the case of a person applying for a license,*"

The motion prevailed. So the amendment was adopted.

H.F. No. 707, which the committee recommends to pass with the following amendment offered by Mrs. Lantry:

Amend H.F. No. 707, as amended pursuant to Rule 49, adopted by the Senate April 10, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 588.)

Page 3, line 26, after the period, insert "*The commission may allow the licensee to commingle its wagering pools with the wagering pools at a facility located outside of this state that is regulated by a state racing commission, when it transmits telecasts under this paragraph.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 593, which the committee recommends to pass with the following amendment offered by Mr. Frederick:

Page 1, line 7, delete "TICKET" and insert "CITATION"

Page 1, delete lines 8 to 25

Page 2, delete lines 1 to 12 and insert:

"*Subdivision 1. [CITATION AUTHORIZED.] The board of electricity may issue a citation for violations of sections 326.241 to 326.248, rules adopted under those sections, and ordinances of political subdivisions. The citation must be in a form as provided by subdivision 2.*"

Page 2, line 13, delete "REVISION OF TICKET" and insert "FORM OF CITATION"

Page 2, line 14, delete "by rule" and insert "pursuant to chapter 14" and delete "the uniform" and insert "an"

Page 2, line 15, delete "ticket" in both places and insert "citation" in both places

Page 2, line 16, delete "ticket" and insert "citation"

Page 2, line 17, delete everything after the period

Page 2, delete lines 18 and 19

Page 2, line 23, after "may" insert "use or"

Page 2, line 24, delete "uniform" and delete everything after "violation" and insert "citation adopted by the board of electricity under subdivision 2."

Page 2, delete lines 25 and 26

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "allowing the board of electricity to issue citations for electrical violations;"

Page 1, line 3, delete everything before "proposing"

The motion prevailed. So the amendment was adopted.

H.F. No. 1429, which the committee recommends to pass with the following amendment offered by Mr. Benson:

Page 1, delete section 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivisions 4 and" and insert "subdivision"

The motion prevailed. So the amendment was adopted.

H.F. No. 955, which the committee recommends to pass with the following amendment offered by Mr. Spear:

Amend H.F. No. 955, as amended pursuant to Rule 49, adopted by the Senate April 20, 1989, as follows:

(The text of the amended House File is identical to S.F. No. 863.)

Page 2, line 19, delete "and"

Page 2, line 21, before the period, insert "; and

*(3) any other activity authorized for a national bank, a bank holding company, or a subsidiary of a national bank or bank holding company under federal law or regulation of general applicability, and approved by the commissioner by rule"*

Page 3, after line 7, insert:

"Sec. 3. [48.892] [CLERICAL SERVICES OFFICES.]

*A bank may perform clerical services, as defined in section 48.89, subdivision 1, for itself at an off-premises data processing and storage center located within the state if the bank furnishes assurances satisfactory to the commissioner that the performances of those services will be subject to regulation and examination by the commissioner to the same extent as if the services were being performed at the bank's main office or detached facility. A data processing and storage center is not considered a branch or detached facility, as defined in section 47.51. The establishment of a data processing and storage center may include acquiring real and personal property, which shall be subject to section 47.10."*

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "permitting banks to perform clerical services at off-premises data processing and storage centers;"

Page 1, line 9, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 48"

The motion prevailed. So the amendment was adopted.

S.F. No. 809, which the committee recommends to pass with the following

amendment offered by Mr. Spear:

Page 3, line 6, after the period, insert "*Emotional maltreatment*" *does not include reasonable training or discipline administered by the person responsible for the child's care or the reasonable exercise of authority by that person.*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1269, which the committee recommends to pass with the following amendment offered by Mr. Diessner:

Page 1, lines 14 and 15, delete "*in violation of section 2*"

Page 1, line 25, delete "CASH AWARDS" and insert "RECEIVING CASH"

Page 1, line 26, delete "*awards or*"

Page 3, line 4, delete "*a violation of*"

Page 3, line 5, delete everything before "*is*" and insert "*making payments from any game or in connection with the operation of any device*"

Page 4, after line 12, insert:

"Sec. 6. [INDIAN COMPACTS.]

*Section 2 may not be construed as prohibiting the state from entering into a tribal-state compact under the provisions of the Federal Gaming Regulatory Act, Public Law No. 100-497, as it relates to video poker and blackjack games of chance currently operated by Indian tribes in this state.*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything before "requiring"

Page 1, line 5, delete everything after the first semicolon

The motion prevailed. So the amendment was adopted.

S.F. No. 281, which the committee recommends to pass with the following amendment offered by Mr. Bernhagen:

Page 2, line 4, delete "*there is*"

Page 2, line 5, after "*waste*" and insert "*is reasonably*"

Page 2, line 6, after "*farm*" insert "*, as determined by resolution of the county board of the county where the person's farm is located*"

The motion prevailed. So the amendment was adopted.

S.F. No. 1283, which the committee recommends to pass with the following amendment offered by Mr. Belanger:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.75, is amended by adding a subdivision to read:

*Subd. 8. [CASINO NIGHT.] "Casino night" means an event at which persons are given the opportunity to participate in games of chance normally found in casinos, including blackjack, poker, dice, keno, and roulette.*

*where winnings from the games are in the form of scrip or redeemable tokens that are used to purchase items of value that have been acquired for this purpose.*

Sec. 2. Minnesota Statutes 1988, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Whoever does any of the following 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:

- (1) Maintains or operates a gambling place or operates a bucket shop;
- (2) Intentionally participates in the income of a gambling place or bucket shop;
- (3) Conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;
- (4) Sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;
- (5) With intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40; ~~or~~
- (6) Receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; ~~or~~
- (7) *Conducts a casino night, or with intent to conduct a casino night, possesses facilities or equipment for doing so."*

Delete the title and insert:

"A bill for an act relating to gambling; clarifying that casino nights are prohibited; providing penalties; amending Minnesota Statutes 1988, sections 609.75, by adding a subdivision; and 609.76, subdivision 1."

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that Senate Resolution No. 109 be withdrawn from the Committee on Rules and Administration. The motion prevailed.

Senate Resolution No. 109: A Senate resolution declaring Workers' Memorial Day, April 28, 1989, in recognition of workers killed, injured, and disabled at their workplace.

WHEREAS, more than 10,000 American workers are killed on the job every year; and

WHEREAS, another 100,000 workers die from cancer, lung disease, and other illnesses related to toxic chemical exposure at their workplace; and

WHEREAS, tens of thousands of workers are permanently disabled in the performance of their jobs; and

WHEREAS, millions more experience work-related injuries; and

WHEREAS, the families of these workers also suffer from the devastating effects of these incapacitating accidents and illnesses; and

WHEREAS, all Minnesotans support the basic right of employees to work in a healthy and safe environment; and

WHEREAS, employees and state officials are joining in a spirit of cooperation to rededicate themselves to improved protection of the work environment, standards of safety, and just compensation for work-related injuries; NOW, THEREFORE,

BE IT RESOLVED by the Senate of the State of Minnesota that it acknowledges that the victims of workplace injuries and disease should be remembered and declares Workers' Memorial Day, April 28, 1989, in recognition of workers killed, injured, and disabled at their workplace.

BE IT FURTHER RESOLVED that the Secretary of the Senate is directed to prepare an enrolled copy of this resolution, to be authenticated by his signature and that of the Chairman of the Senate Rules and Administration Committee, and present it to appropriate organizations planning public remembrances of Workers' Memorial Day.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

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, with the exception of reports pertaining to appointments. The motion prevailed.

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 95: A bill for an act relating to environment; requiring counties to provide an opportunity to recycle; requiring transportation of recyclable materials to processing and markets; requiring haulers of solid waste and recyclable materials to be licensed by local governments; requiring a charge for solid waste collection on a volume basis; providing financial assistance to counties for collection, transportation, processing, handling, and secondary market development of recyclables; imposing fees for land disposal of solid waste; assessing recycling fees to property owners based on generation of solid waste; developing a recycling and waste reduction program for use in schools; establishing a recycling account; requiring public agency purchase of recycled materials; reviewing barriers to recycling in public buildings; prohibiting incineration and land disposal of recyclable materials; prioritizing incineration and land disposal of waste; authorizing local governments to prohibit and remove unauthorized deposit of solid waste; providing a plan for processing and disposal of solid waste problem materials; appropriating money; amending Minnesota Statutes 1988, sections 115A.03, subdivision 25a, and by adding subdivisions; 115A.072; 115A.12, subdivision 1; 115A.15, subdivision 5, and by adding subdivisions; 115A.46, subdivision 2, and by adding a subdivision; 115A.48, subdivision 3, and

by adding a subdivision; 115A.915; 115A.919; 115A.96, subdivision 2, and by adding a subdivision; 116.07, by adding a subdivision; 116K.04, by adding a subdivision; 116P.13; 275.51, subdivision 1; 297A.01, subdivision 3; 297A.02, by adding a subdivision; 297A.44, subdivision 1; 325E.115, subdivision 1; 368.01, subdivision 14; 375.18, by adding a subdivision; 400.08, by adding a subdivision; 412.221, subdivision 22; 473.149, subdivision 1; and 473.803, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 16B; 115A; 173; 297A; 325E; and 473.

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

Page 11, line 26, delete "*nor more than \$1,800,000 annually*"

Pages 14 and 15, delete section 4

Page 19, delete section 6 and insert:

"Sec. 5. Minnesota Statutes 1988, section 297A.25, subdivision 11, is amended to read:

Subd. 11. [SALES TO GOVERNMENT.] The gross receipts from all sales, including sales in which title is retained by a seller or a vendor or is assigned to a third party under an installment sale or lease purchase agreement under section 465.71, of tangible personal property to, and all storage, use or consumption of such property by, the United States and its agencies and instrumentalities, the University of Minnesota, state universities, community colleges, technical institutes, state academies, and political subdivisions of the state are exempt. Sales exempted by this subdivision include sales under section 297A.01, subdivision 3, clause (f), *but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii)*. This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities.

Sec. 6. Minnesota Statutes 1988, section 297A.25, subdivision 16, is amended to read:

Subd. 16. [SALES TO NONPROFIT GROUPS.] The gross receipts from the sale of tangible personal property to, and the storage, use or other consumption of such property by, any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious or educational purposes if the property purchased is to be used in the performance of charitable, religious or educational functions, or any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders, are exempt. Sales exempted by this subdivision include sales pursuant to section 297A.01, subdivision 3, clauses (d) and (f), *but do not include sales under section 297A.01, subdivision 3, paragraph (j), clause (vii)*. This exemption shall not apply to building, construction or reconstruction materials purchased by a contractor or a subcontractor as a part of a lump-sum contract

or similar type of contract with a guaranteed maximum price covering both labor and materials for use in the construction, alteration or repair of a building or facility. This exemption does not apply to construction materials purchased by tax exempt entities or their contractors to be used in constructing buildings or facilities which will not be used principally by the tax exempt entities."

Page 20, line 23, after the period, insert "*No less than 82.5 percent of the amount credited to the solid waste reduction and recycling account under this section must be appropriated annually for distribution to counties under section 1.*"

Page 20, line 27, delete "297A.02" and insert "297A.01, subdivision 3, paragraph (j), clause (vii)."

Page 21, line 2, delete "297A.02" and insert "297A.01, subdivision 3, paragraph (j), clause (vii)" and after the period, insert "*The cost of a service or the portion of a service to collect waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, and from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse, in which there is at least an 85 percent volume reduction of the solid waste processed, shall be exempt from the tax imposed in section 297A.02.*"

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 32, delete "275.51, subdivision 1;"

Page 1, line 33, delete everything after the first semicolon and insert "297A.25, subdivisions 11 and 16;"

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

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

S.F. No. 1418: A bill for an act relating to metropolitan government; requiring the metropolitan council to prepare water use and supply plans; proposing coding for new law in Minnesota Statutes, chapter 473.

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

Page 1, line 9, before "*The*" insert "*(a)*"

Page 1, line 11, delete "*Twin Cities*"

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

Page 1, line 15, delete "*(b)*" and insert "*(2)*"

Page 1, line 18, delete "*(c)*" and insert "*(3)*"

Page 1, line 19, after the period, insert:

"*(b)*"

Page 1, line 24, delete "*continually*"



Page 1, line 25, delete "*metropolitan affairs*" and insert "*local government and environment*"

Page 2, line 2, delete ", and be available to the public"

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

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

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

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

Page 2, after line 12, insert:

"Sec. 2. [216B.161] [AREA DEVELOPMENT RATE.]

*Notwithstanding chapter 216B, the commission may approve area development rates that are requested jointly by a city and a utility and are designed to assist commercial revitalization projects located within the service territory of the petitioning utility. The rate may be used to prevent the loss of existing customers, expand present facilities or operations, and attract new customers. The rate may not be used to compete against a qualifying facility governed by section 216B.164 or a district heating utility as defined by section 216B.166, subdivision 2, paragraph (c). The joint petition must include:*

- (1) the potential impact of the rate on economically disadvantaged areas;*
- (2) the geographic boundaries of the revitalization projects; and*
- (3) other economic development assistance to be provided in the area.*

*The rate must be designed to recover at least the incremental cost of providing service to the customers and must remain in effect for at least one year but no longer than five years. Recovery may be made only from the class of customers to which the rate is offered and not from residential customers.*

*If the commission approves an area development rate, it may require the utility to provide customers to whom it is applied an energy audit and to inform those customers of all existing energy conservation improvement programs available from the utility. The commission may also require the utility to provide reporting to it and to the department of public service concerning the use of the rate by customers."*

Page 2, line 20, delete "1,000" and insert "2,000"

Page 3, delete line 17

Page 3, line 18, delete "(4)" and insert "(3)"

Page 3, line 21, delete "(5)" and insert "(4)"

Page 3, line 24, delete "and"

Page 3, line 25, delete "(6)" and insert "(5)"

Page 3, line 27, before the period, insert "*other than a customer in which the utility has a financial interest; and*

*(6) that the rate does not compete with district heating or cooling provided by a district heating utility as defined by section 216B.166, subdivision 2, paragraph (c)"*

Page 5, line 32, delete "1994" and insert "1993"

Page 6, line 3, delete "shall" and insert "may"

Page 6, line 4, delete "of"

Page 6, delete section 5

Page 6, line 26, delete "subdivision" and insert "subdivisions"

Page 6, line 27, after "5" insert a comma

Page 6, after line 27, insert:

*"Sections 2 and 3 are repealed July 1, 1993."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for the establishment of area development rates for certain electric utility customers;"

Page 1, line 7, delete everything after the semicolon

Page 1, delete lines 8 and 9

Page 1, line 12, delete everything after the semicolon

Page 1, line 13, delete "4;"

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

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

H.F. No. 1502: A bill for an act relating to education; extending the authority of Pine Point experimental school; amending Minnesota Statutes 1988, sections 128B.09 and 128B.10.

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

Page 1, line 18, before "This" insert "*Subdivision 1. [EXTENSION.]*" and delete "1993" and insert "1991"

Page 1, after line 18, insert:

*"Subd. 2. [STATE AUDIT.] The state auditor shall conduct an audit of the school's finances for fiscal years 1989 and 1990. A preliminary or, if*

*completed, a final report for fiscal year 1989 shall be submitted by February 15, 1990, to the White Earth reservation tribal council, the Pine Point Indian education committee, and the education committees of the legislature.*

*Subd. 3. [EVALUATION.] The department of education shall conduct a management and program evaluation of the school and make recommendations about continuing the school. The council shall cooperate with and make available any information requested by the department. The evaluation and recommendations shall be submitted to the education committees of the legislature by January 1, 1991."*

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring the state auditor to audit the records of Pine Point school; requiring the department of education to evaluate continuation of the school;"

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

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

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.

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 60A.02, is amended by adding a subdivision to read:

*Subd. 2a. [CONTINUED.] An insurance policy that is issued for a term in excess of one year or that has no specified term or that is designated as being continuous is "continued" each year on the anniversary date of the issuance of the policy.*

Sec. 2. Minnesota Statutes 1988, section 60A.08, subdivision 12, is amended to read:

Subd. 12. ~~[EXCLUSIONS RENTED VEHICLES.]~~ All commercial automobile liability policies must provide coverage for rented vehicles as required in chapter 65B.

~~This subdivision does not apply to liability policies that the commissioner has exempted by order.~~

This coverage can be excess over any and all specific motor vehicle coverage that is applicable.

Sec. 3. Minnesota Statutes 1988, section 60A.08, is amended by adding a subdivision to read:

**Subd. 13. [REDUCTION OF LIMITS BY COSTS OF DEFENSE PROHIBITED.]** *(a) No insurer shall issue or renew a policy of liability insurance in this state that reduces the limits of liability stated in the policy by the costs of legal defense.*

*(b) This subdivision does not apply to:*

*(1) professional liability insurance with limits of liability greater than \$100,000, including directors' and officers' and errors and omissions liability insurance;*

*(2) environmental impairment liability insurance;*

*(3) insurance policies issued to large commercial risks; or*

*(4) coverages that the commissioner determines to be appropriate which will be published in the manner prescribed for surplus lines insurance in section 60A.201, subdivision 4.*

*(c) For purposes of this subdivision, "large commercial risks" means an insured whose gross annual revenues in the fiscal year preceding issuance of the policy were at least \$10,000,000.*

Sec. 4. Minnesota Statutes 1988, section 60A.17, subdivision 6c, is amended to read:

**Subd. 6c. [REVOCATION OR SUSPENSION OF LICENSE.]** *(a) The commissioner may by order suspend or revoke an insurance agent's or agency's license issued to a natural person or impose a civil penalty appropriate to the offense, not to exceed \$5,000 upon that licensee, or both, if, after notice and hearing, the commissioner finds as to that licensee any one or more of the following conditions:*

*(1) any materially untrue statement in the license application;*

*(2) any cause for which issuance of the license could have been refused had it then existed and been known to the commissioner at the time of issuance;*

*(3) violation of, or noncompliance with, any insurance law or violation of any rule or order of the commissioner or of a commissioner of insurance of another state or jurisdiction;*

*(4) obtaining or attempting to obtain any license through misrepresentation or fraud;*

*(5) improperly withholding, misappropriating, or converting to the licensee's own use any money belonging to a policyholder, insurer, beneficiary, or other person, received by the licensee in the course of the licensee's insurance business;*

*(6) misrepresentation of the terms of any actual or proposed insurance contract;*

*(7) conviction of a felony or of a gross misdemeanor or misdemeanor involving moral turpitude;*

*(8) that the licensee has been found guilty of any unfair trade practice, as defined in chapters 60A to 72A, or of fraud;*

*(9) that in the conduct of the agent's affairs under the license, the licensee*

has used fraudulent, coercive, or dishonest practices, or the licensee has been shown to be incompetent, untrustworthy, or financially irresponsible;

(10) that the agent's license has been suspended or revoked in any other state, province, district, territory, or foreign country;

(11) that the licensee has forged another's name to an application for insurance; or

(12) that the licensee has violated subdivision 6b.

(b) The commissioner may by order suspend or revoke an insurance agent's or insurance agency's license issued to a partnership or corporation or impose a civil penalty ~~not to exceed \$5,000~~ *as provided for in section 45.027, subdivision 6*, upon that licensee, or both, if, after notice and hearing, the commissioner finds as to that licensee, or as to any partner, director, shareholder, officer, or employee of that licensee, any one or more of the conditions set forth in paragraph (a).

(c) A revocation of a license shall prohibit the licensee from making a new application for a license for at least one year. Further, the commissioner may, as a condition of relicensure, require the applicant to file a reasonable bond for the protection of the citizens of this state, which bond shall be maintained by the licensee in full force for a period of five years immediately following issuance of the license, unless the commissioner at the commissioner's discretion shall after two years permit the licensee to sooner terminate the maintenance filing of the bond.

(d) The commissioner may, in the manner prescribed by chapter 14, impose a civil penalty not to exceed \$5,000 upon a person whose license has lapsed, or been suspended, revoked, or otherwise terminated, for engaging in conduct prohibited by paragraph (a) before, during, or after the period of licensure.

Sec. 5. Minnesota Statutes 1988, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as an agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining an agent's license in this state;

(c) delivering to the commissioner a financial guarantee bond from a surety acceptable to the commissioner for the greater of the following:

(1) \$5,000; or

(2) the largest semiannual surplus lines premium tax liability incurred by the applicant in the immediately preceding five years; and

(d) agreeing to file with the commissioner of revenue no later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six-month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the commissioner a tax on premiums equal to three percent of the total written premiums less cancellations; and

(e) annually paying a fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause ~~(H)~~ (14).

Sec. 6. Minnesota Statutes 1988, section 621.02, subdivision 2, is amended to read:

Subd. 2. [DIRECTOR.] The association shall have a board of directors composed of 11 persons chosen ~~annually~~ as follows: five persons elected by members of the association at a meeting called by the commissioner; three public members, as defined in section 214.02, appointed by the commissioner; and three members, appointed by the commissioner representing groups to whom coverage has been extended by the association. *The terms of the members shall be four years. Terms may be staggered so that no more than six members are appointed or elected every two years. Members may serve until their successors are appointed or elected.* If at any time no coverage is currently extended by the association, then either additional public members may be appointed to fill these three positions or, at the option of the commissioner, representatives from groups who had previously been covered by the association may serve as directors.

Sec. 7. Minnesota Statutes 1988, section 621.16, subdivision 3, is amended to read:

Subd. 3. [SUPERVISION.] All money paid into the fund shall be held in ~~trust escrow~~ by the ~~corporate trustee escrow administrator~~ selected by the board of directors. The ~~corporate trustee escrow administrator~~ may invest the money held in ~~trust escrow~~ subject to the approval of the board. All investment income shall be credited to the fund. All expenses of the administration of the fund shall be charged against the fund. The money held in ~~trust escrow~~ shall be used solely for the purpose of discharging when due any retrospective premium charges payable by policyholders and any retrospective premium refunds payable to policyholders under the group retrospective rating plan. Payment of retrospective premium charges shall be made upon certification of the amount due. If all money accruing to the fund is exhausted in payment of retrospective premium charges, all liability and obligations of the association's policyholders with respect to the payment of retrospective premium charges shall terminate and shall be conclusively presumed to have been discharged. Any stabilization reserve fund charges from a particular policy year not used to pay retrospective premiums must be returned to policyholders after all claims and expense obligations from that particular policy year are satisfied.

Sec. 8. Minnesota Statutes 1988, section 65A.29, subdivision 8, is amended to read:

Subd. 8. [RULES.] (a) The commissioner may adopt rules pursuant to chapter 14, to specify the grounds for nonrenewal, reduction in limits of coverage, or elimination of coverage of a homeowner's policy. The rules must limit the grounds to the following factors:

- ~~(a)~~ (1) reasons stated for cancellation in section 65A.01, subdivision 3a;
- ~~(b)~~ (2) reasons stated in section 72A.20, subdivision 13;
- ~~(c)~~ (3) insured's loss experience, not to include natural causes; and
- ~~(d)~~ (4) other factors deemed reasonable by the commissioner.

The rules may give consideration to the form and content of the termination notice to the insured, a statement as to what constitutes receipt of

the termination notice, and the procedure by which the insured may appeal a termination notice.

The rules adopted under this subdivision may provide for imposition of a monetary penalty not greater than \$500 per occurrence upon insurers who are found to be in violation of the law or the rules.

*(b) In addition to any rules adopted under this subdivision, an insured may appeal any nonrenewal under this section to the commissioner of commerce. If the commissioner finds that the nonrenewal is unjustified, arbitrary, or capricious, the commissioner shall order the insurer to reinstate the insured's policy. The commissioner's order may be appealed pursuant to chapter 14. The insured's policy shall continue in force pending the conclusion of the appeal to the commissioner. The insurer must notify the insured of the insured's right to appeal the nonrenewal to the commissioner in the notice of nonrenewal required under subdivision 7.*

Sec. 9. Minnesota Statutes 1988, section 65A.29, is amended by adding a subdivision to read:

*Subd. 12. [DEFINITION.] For purposes of this section, "homeowner's insurance" includes mobile home insurance.*

Sec. 10. Minnesota Statutes 1988, section 65A.33, subdivision 3, is amended to read:

Subd. 3. "Property or liability insurance" means the coverage against direct loss to real or tangible personal property at a fixed location that is provided in the standard fire policy, extended coverage endorsement, homeowners insurance, as defined in section 65A.27, subdivision 4, cooperative housing insurance, condominium insurance, builders risk, and such vandalism and malicious mischief insurance and such other classes of insurance as may be added to the program with respect to said property by amendment as hereinafter provided. Property or liability insurance does not include automobile, ~~farm~~, commercial liability, or such manufacturing risks as may be excluded by the commissioner.

Sec. 11. Minnesota Statutes 1988, section 65B.15, subdivision 1, is amended to read:

Subdivision 1. No cancellation or reduction in the limits of liability of coverage during the policy period of any policy shall be effective unless notice thereof is given and unless based on one or more reasons stated in the policy which shall be limited to the following:

1. Nonpayment of premium; or
2. The policy was obtained through a material misrepresentation; or
3. Any insured made a false or fraudulent claim or knowingly aided or abetted another in the presentation of such a claim; or
4. The named insured failed to disclose fully motor vehicle accidents and moving traffic violations of the named insured for the preceding 36 months if called for in the written application; or
5. The named insured failed to disclose in the written application any requested information necessary for the acceptance or proper rating of the risk; or
6. The named insured knowingly failed to give any required written notice of loss or notice of lawsuit commenced against the named insured,

or, when requested, refused to cooperate in the investigation of a claim or defense of a lawsuit; or

7. The named insured or any other operator who either resides in the same household, ~~unless the other operator is identified by name in any other policy as an insured;~~ or customarily operates an automobile insured under such policy, ~~unless the other operator is identified as a named insured in another policy as an insured:~~

(a) has, within the 36 months prior to the notice of cancellation, had that person's driver's license under suspension or revocation; or

(b) is or becomes subject to epilepsy or heart attacks, and such individual does not produce a written opinion from a physician testifying to that person's medical ability to operate a motor vehicle safely, such opinion to be based upon a reasonable medical probability; or

(c) has an accident record, conviction record (criminal or traffic), physical condition or mental condition, any one or all of which are such that the person's operation of an automobile might endanger the public safety; or

(d) has been convicted, or forfeited bail, during the 24 months immediately preceding the notice of cancellation for criminal negligence in the use or operation of an automobile, or assault arising out of the operation of a motor vehicle, or operating a motor vehicle while in an intoxicated condition or while under the influence of drugs; or leaving the scene of an accident without stopping to report; or making false statements in an application for a driver's license, or theft or unlawful taking of a motor vehicle; or

(e) has been convicted of, or forfeited bail for, one or more violations within the 18 months immediately preceding the notice of cancellation, of any law, ordinance, or rule which justify a revocation of a driver's license.

8. The insured automobile is:

(1) so mechanically defective that its operation might endanger public safety; or

(2) used in carrying passengers for hire or compensation, provided however that the use of an automobile for a car pool shall not be considered use of an automobile for hire or compensation; or

(3) used in the business of transportation of flammables or explosives; or

(4) an authorized emergency vehicle; or

(5) subject to an inspection law and has not been inspected or, if inspected, has failed to qualify within the period specified under such inspection law; or

(6) substantially changed in type or condition during the policy period, increasing the risk substantially, such as conversion to a commercial type vehicle, a dragster, sports car or so as to give clear evidence of a use other than the original use.

Sec. 12. Minnesota Statutes 1988, section 65B.44, subdivision 3, is amended to read:

Subd. 3. [DISABILITY AND INCOME LOSS BENEFITS.] Disability



and income loss benefits shall provide compensation for 85 percent of the injured person's loss of present and future gross income from inability to work proximately caused by the nonfatal injury subject to a maximum of \$250 per week. Loss of income includes the costs incurred by a self-employed person to hire substitute employees to perform tasks which are necessary to maintain the income of the injured person, which are normally performed by the injured person, and which cannot be performed because of the injury.

If the injured person is unemployed at the time of injury and is receiving or is eligible to receive unemployment benefits under chapter 268, but the injured person loses eligibility for those benefits because of inability to work caused by the injury, disability and income loss benefits shall provide compensation for the lost benefits in an amount equal to the unemployment benefits which otherwise would have been payable, subject to a maximum of \$250 per week.

Compensation under this subdivision shall be reduced by any income from substitute work actually performed by the injured person or by income the injured person would have earned in available appropriate substitute work which the injured person was capable of performing but unreasonably failed to undertake.

For the purposes of this section "inability to work" means disability which prevents the injured person from engaging in any substantial gainful occupation or employment on a regular basis, for wage or profit, for which the injured person is or may by training become reasonably qualified. If the injured person returns to employment and is unable by reason of the injury to work continuously, compensation for lost income shall be reduced by the income received while the injured person is actually able to work. The weekly maximums may not be prorated to arrive at a daily maximum, even if the injured person does not incur loss of income for a full week.

*For the purposes of this section, an injured person who is "unable by reason of the injury to work continuously" includes, but is not limited to, a person who misses time from work, including reasonable travel time, and loses income, vacation, or sick leave benefits, to obtain medical treatment for an injury arising out of the maintenance or use of a motor vehicle.*

Sec. 13. Minnesota Statutes 1988, section 65B.49, subdivision 5a, is amended to read:

Subd. 5a. [RENTAL VEHICLES.] (a) Every plan of reparation security insuring a natural person as named insured, covering private passenger vehicles as defined under section 65B.001, subdivision 3, *and pickup trucks and vans as defined under section 168.011* must provide that all of the obligation for damage and loss of use to a rented *private passenger vehicle, including pickup trucks and vans as defined under section 168.011*, would be covered by the property damage liability portion of the plan. The obligation of the plan must not be contingent on fault or negligence. In all cases where the plan's property damage liability coverage is less than \$25,000, the coverage available under the subdivision must be \$25,000. Other than as described in this paragraph, nothing in this section amends or alters the provisions of the plan of reparation security as to primacy of the coverages in this section.

(b) A vehicle is rented for purposes of this subdivision if the rate for the use of the vehicle is determined on a weekly or daily basis. A vehicle is

not rented for purposes of this subdivision if the rate for the vehicle's use is determined on a monthly or longer period.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to *private passenger* rental vehicles, *including pickup trucks and vans as defined under section 168.011*, and that the insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more vehicles covered by a plan or plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), the insured may select the plan the insured wishes to collect from and that plan is entitled to a pro rata contribution from the other plan or plans based upon the property damage limits of liability. If the person renting the motor vehicle is also covered by the person's employer's insurance policy or the employer's automobile self-insurance plan, the reparation obligor under the employer's policy or self-insurance plan has primary responsibility to pay claims arising from use of the rented vehicle.

(e) A notice advising the insured of rental vehicle coverage must be given by the reparation obligor to each current insured with the first renewal notice after January 1, 1989. The notice must be approved by the commissioner of commerce. The commissioner may specify the form of the notice.

(f) When a motor vehicle is rented or leased in this state on a weekly or daily basis, there must be attached to the rental contract a separate form containing a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which states:

Under Minnesota law, a personal automobile insurance policy issued in Minnesota must cover the rental of this motor vehicle against damage to the vehicle and against loss of use of the vehicle. Therefore, purchase of any collision damage waiver or similar insurance affected in this rental contract is not necessary if your policy was issued in Minnesota.

No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.

(g) When damage to a rented vehicle is covered by a plan of reparation security as provided under paragraph (a), the rental contract must state that payment by the reparation obligor within the time limits of section 72A.201 is acceptable, and prior payment by the renter is not required.

(h) To be compensated for the loss of use of a damaged rented motor vehicle, the car rental company must prove:

(1) that had the vehicle been available, it would have been rented; and

(2) that no other vehicle was available for rental in place of the damaged vehicle.

The standard of proof set forth in this paragraph does not limit the responsibility of a reparation obligor to provide an insured with coverage for any loss of use for which the reparation obligor is otherwise responsible. A car rental company may be compensated for loss of use of a damaged rental motor vehicle only for the period when the damaged car actually

would have been rented.

Sec. 14. Minnesota Statutes 1988, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. The supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other constitutionally allowable device, provide for the mandatory submission to *binding* arbitration of all cases at issue where the claim at the commencement of arbitration is in an amount of \$5,000 or less against any insured's reparation obligor for no-fault benefits or comprehensive or collision damage coverage.

Sec. 15. Minnesota Statutes 1988, section 72A.20, subdivision 17, is amended to read:

Subd. 17. [RETURN OF PREMIUMS.] (a) Refusing, upon surrender of an individual policy of life insurance *in the case of the insured's death, or in the case of a surrender prior to death, of an individual insurance policy not covered by the standard nonforfeiture laws under section 61A.24*, to refund to the ~~estate of the insured~~ owner all unearned premiums paid on the policy covering the insured as of the time of the insured's death if the unearned premium is for a period of more than one month.

~~The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy.~~

~~For the purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss.~~

(b) Refusing, upon termination or cancellation of a policy of automobile insurance under section 65B.14, subdivision 2, or a policy of homeowner's insurance under section 65A.27, subdivision 4, or a policy of accident and sickness insurance under section 62A.01, or a policy of comprehensive health insurance under chapter 62E, to refund to the insured all unearned premiums paid on the policy covering the insured as of the time of the termination or cancellation if the unearned premium is for a period of more than one month.

~~The insurer may deduct from the premium any previously accrued claim for loss or damage under the policy~~

(c) *This subdivision does not apply to policies of insurance providing coverage only for motorcycles or other seasonally rated or limited use vehicles where the rate is reduced to reflect seasonal or limited use.*

(d) *For purposes of this section, a premium is unearned during the period of time the insurer has not been exposed to any risk of loss. Except for premiums for motorcycle coverage or other seasonally rated or limited use vehicles where the rate is reduced to reflect seasonal or limited use, the unearned premium is determined by multiplying the premium by the fraction that results from dividing the period of time from the date of termination to the date the next scheduled premium is due by the period of time for which the premium was paid.*

(e) *The owner may cancel a policy referred to in this section at any time during the policy period. This provision supersedes any inconsistent provision of law or any inconsistent policy provision.*

Sec. 16. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

*Subd. 20. No insurance company doing business in this state shall engage in any selection or underwriting practice that is arbitrary, capricious, or unfairly discriminatory.*

Sec. 17. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

*Subd. 21. [LIMITATIONS ON HEALTH CARE PROVIDERS.] (a) No insurer providing benefits under the Minnesota no-fault automobile insurance act or a plan authorized by sections 471.617 or 471.98 to 471.982 may limit the type of licensed health care provider who may provide treatment for covered conditions under a policy so long as the services provided are within the scope of licensure for the provider. The insurer may not exclude a specific method of treatment for a covered condition if that exclusion has the effect of excluding a specific type of licensed health care provider from treating a covered condition.*

*(b) This subdivision does not limit the right of an insurer to contract with individual members of any type of licensed health care provider to the exclusion of other members of the group, nor shall it limit the right to the insurer to exclude coverage for a type of treatment if the insurer can show the treatment is not medically necessary or is not medically appropriate.*

Sec. 18. Minnesota Statutes 1988, section 72A.20, is amended by adding a subdivision to read:

*Subd. 22. [DISCRIMINATION IN AUTOMOBILE INSURANCE POLICIES.] No insurer that offers an automobile insurance policy in this state shall:*

*(1) use the employment status of the applicant or the failure to maintain no-fault coverage as a result of an overseas assignment or coverage provided by an employer as an underwriting standard or guideline; or*

*(2) deny coverage to a policyholder for the same reason.*

*No insurer that offers an automobile insurance policy in this state shall:*

*(1) use the applicant's status as a tenant, as the term is defined in section 566.18, subdivision 2, as an underwriting standard or guideline; or*

*(2) deny coverage to a policyholder for the same reason.*

Sec. 19. Minnesota Statutes 1988, section 72A.201, subdivision 5, is amended to read:

**Subd. 5. [STANDARDS FOR FAIR SETTLEMENT OFFERS AND AGREEMENTS.]** The following acts by an insurer, an adjuster, a self-insured, or a self-insurance administrator constitute unfair settlement practices:

**(1)** making any partial or final payment, settlement, or offer of settlement, which does not include an explanation of what the payment, settlement, or offer of settlement is for;

**(2)** making an offer to an insured of partial or total settlement of one part of a claim contingent upon agreement to settle another part of the claim;

**(3)** refusing to pay one or more elements of a claim by an insured for which there is no good faith dispute;

**(4)** threatening cancellation, rescission, or nonrenewal of a policy as an inducement to settlement of a claim;

(5) *notwithstanding any inconsistent provision of section 65A.01, subdivision 3, failing to issue payment for any amount finally agreed upon in settlement of all or part of any claim within five business days from the receipt of the agreement by the insurer or from the date of the performance by the claimant of any conditions set by such agreement, whichever is later;*

(6) *failing to inform the insured of the policy provision or provisions under which payment is made;*

(7) *settling or attempting to settle a claim or part of a claim with an insured under actual cash value provisions for less than the value of the property immediately preceding the loss, including all applicable taxes and license fees. In no case may an insurer be required to pay an amount greater than the amount of insurance;*

(8) *except where limited by policy provisions, settling or offering to settle a claim or part of a claim with an insured under replacement value provisions for less than the sum necessary to replace the damaged item with one of like kind and quality, including all applicable taxes, license, and transfer fees;*

(9) *reducing or attempting to reduce for depreciation any settlement or any offer of settlement for items not adversely affected by age, use, or obsolescence;*

(10) *reducing or attempting to reduce for betterment any settlement or any offer of settlement unless the resale value of the item has increased over the preloss value by the repair of the damage.*

Sec. 20. Minnesota Statutes 1988, section 72A.201, is amended by adding a subdivision to read:

*Subd. 11. [DISCLOSURE MANDATORY.] An insurer must disclose the coverage and limits of an insurance policy within 30 days after the information is requested in writing by a claimant.*

Sec. 21. Minnesota Statutes 1988, section 72A.201, is amended by adding a subdivision to read:

*Subd. 12. [PREJUDGMENT INTEREST.] If a judgment is entered against an insured, the principal amount of which is within the applicable policy limits, the insurer is responsible for their insured's share of the costs, disbursements, and prejudgment interest, as determined under section 549.09, included in the judgment even if the total amount of the judgment is in excess of the applicable policy limits.*

Sec. 22. Minnesota Statutes 1988, section 79.251, is amended by adding a subdivision to read:

*Subd. 6. [AGENTS.] A person licensed under section 60A.17 may submit an application for coverage to the assigned risk plan and receive a fee from the assigned risk plan for submitting the application. However, the licensee is not an agent of the assigned risk plan for purposes of state law. All checks or similar instruments submitted in payment of assigned risk plan premiums must be made payable to the assigned risk plan and not the agent.*

Sec. 23. [REPEALER.]

*(a) Minnesota Statutes 1988, section 62I.12, is repealed.*

*(b) Minnesota Rules, part 2780.2700, is repealed.*

**Sec. 24. [EFFECTIVE DATES.]**

*Sections 1, 4 to 8, 10 to 12, and 14 to 23 are effective the day following final enactment.*

*Sections 2, 3, 9, and 13 are effective for policies issued or renewed on or after August 1, 1989."*

Amend the title as follows:

Page 1, line 8, after "60A.08," insert "subdivision 12, and"

Page 1, line 12, delete "subdivisions" and insert "a subdivision"

Page 1, line 13, after "3;" insert "65B.49, subdivision 5a;"

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

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

H.F. No. 371 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.
371	605				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 371 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 371 and insert the language after the enacting clause of S.F. No. 605, the first engrossment; further, delete the title of H.F. No. 371 and insert the title of S.F. No. 605, the first engrossment.

And when so amended H.F. No. 371 will be identical to S.F. No. 605, and further recommends that H.F. No. 371 be given its second reading and substituted for S.F. No. 605, 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. Pehler from the Committee on Education, to which was referred the following appointment as reported in the Journal for January 12, 1989:

**MINNESOTA HIGHER EDUCATION COORDINATING BOARD**

Andrea Schmidt

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which was referred the following appointment as reported in the Journal for January 23, 1989:

**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

Carol A. Blomberg

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 9, 1989:

**MINNESOTA HIGHER EDUCATION COORDINATING BOARD**

Andy Hilger

**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

Steve Senich

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 20, 1989:

**STATE BOARD OF EDUCATION**

Thomas Lindquist  
Douglas Wallace

**STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION**

Patricia Allinder  
Donna Anderson  
Alan Olson

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which was referred the following appointment as reported in the Journal for March 2, 1989:

**MINNESOTA HIGHER EDUCATION COORDINATING BOARD**

Peter X. Fugina

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 13, 1989:

**MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY**

Earl Herring  
Kathryn Jarvinen

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 28, 1989:

**STATE UNIVERSITY BOARD**

Julie Bleyhl  
Erin McCabe  
Rodney Searle

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for April 10, 1989:

**BOARD OF THE MINNESOTA SCHOOL  
AND RESOURCE CENTER FOR THE ARTS**

Audrey Eickhof  
H. Ted Grindal  
Owen Husney  
Mary Ingebrand-Pohlad  
William Richards

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for April 18, 1989:

**STATE BOARD FOR COMMUNITY COLLEGES**

Patricia Goldman  
Cindy (Cynthia R.) Hanson  
B. Elaine Markey

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.



Mr. Lessard from the Committee on Environment and Natural Resources, to which were referred the following appointments as reported in the Journal for January 9, 1989:

**MINNESOTA ENVIRONMENTAL QUALITY BOARD**

Martha C. Brand

**MINNESOTA POLLUTION CONTROL AGENCY**

Van R. Ellig

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, to which was referred the following appointment as reported in the Journal for February 9, 1989:

**BOARD OF WATER AND SOIL RESOURCES  
CHAIR**

Donald Ogaard

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Lessard from the Committee on Environment and Natural Resources, to which were referred the following appointments as reported in the Journal for February 23, 1989:

**MINNESOTA POLLUTION CONTROL AGENCY**

William Bryson  
Daniel D. Foley, M.D.

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

**SECOND READING OF SENATE BILLS**

S.F. No. 1418 was read the second time.

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 1502, 1283 and 371 were read the second time.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Moe, R.D. introduced—

Senate Concurrent Resolution No. 8: A Senate concurrent resolution adopting permanent joint rules of the Senate and House of Representatives.

BE IT RESOLVED, by the Senate of the State of Minnesota, the House of Representatives concurring:

The Permanent Joint Rules of the Senate and House of Representatives for the 76th Legislature shall read as follows:

## **JOINT RULES OF THE SENATE AND HOUSE OF REPRESENTATIVES**

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## **ARTICLE I: JOINT CONVENTIONS**

### **HOW GOVERNED**

Rule 1.01. The Speaker of the House shall preside at all Conventions of the two houses of the Legislature and shall call the members to order. The Chief Clerk of the House shall be the Secretary and the Sergeant at Arms of the House shall be the Sergeant at Arms of the Convention.

### **PRESIDENT'S DUTIES**

Rule 1.02. The President of the Convention shall preserve order and decorum. He may speak on all points of order in preference to other members and shall decide questions of order, subject to an appeal to the Convention by any member. He shall rise to put a question but may state it while seated.

### **PRESIDENT'S RIGHT TO VOTE**

Rule 1.03. The President shall have the right to vote in all cases except appeals from his decisions. He shall vote last on all questions.

### **STATING QUESTIONS**

Rule 1.04. Questions shall be put to the Convention in the following form: "As many as are of the opinion that (the question) shall pass, say 'Aye.'" After an affirmative vote is expressed the nays shall be called as follows: "As many as are of the contrary opinion, say 'No.'" If the President is in doubt or a division is called, those in the affirmative shall rise first and those in the negative afterward.

### **ORDER OF DEBATE**

Rule 1.05. When any member wishes to speak to the Convention on any matter, he shall rise and respectfully address the President, and not speak further until recognized. He shall confine himself to the question under debate and avoid personal remarks. When two or more members rise at the same time, the President shall designate the member to speak first. No member shall speak more than twice on the same question without permission of the Convention.

### **CALLING MEMBER TO ORDER**

Rule 1.06. If any member of the Joint Convention is called to order for offensive words in debate, the member calling him to order shall report the words to which exception is taken and the Secretary shall record them. No member may be called to order for any language used in debate if exception is not taken before any other member has spoken or any other business has taken place. A member called to order shall immediately sit down unless another member moves to permit him to explain. In any case, the Joint Convention, if appealed to, shall decide without debate. Only if the decision is in favor of the member called to order shall he be at liberty to proceed.

## CALL OF THE CONVENTION

Rule 1.07. Five members may demand a call of the Convention at any time except after voting has commenced. When such a call is demanded, the doors shall be closed, the roll shall be called, the absent members shall be sent for, and no member may be permitted to leave the Chamber, unless excused by the President, until the call is lifted. Proceedings under the roll call may be suspended by a majority vote of all the members of the Convention. A call of the Convention may be lifted by a majority vote of all the members of the Convention.

## ELECTIONS

Rule 1.08. In all elections by the Joint Convention, members shall vote viva voce and the roll of Senate members shall be called first. Whenever there is an election of any officer in Joint Convention, the result shall be certified by the President of the Senate and the Speaker of the House and announced by them to their respective houses. The result shall be entered on the Journal of each house and communicated to the Governor by the Secretary of the Convention.

## NO SMOKING

Rule 1.09. No person is permitted to smoke in the Chamber or in the gallery during a Joint Convention.

## PARLIAMENTARY PROCEDURE

Rule 1.10. The rules of the House shall be the Rules of the Joint Convention of both houses in all cases in which the foregoing rules are not applicable.

## ARTICLE II: BILLS

### FORM

Rule 2.01. The title of each bill shall clearly state its subject and briefly state its purpose. When a bill amends or repeals an existing act, the title shall refer to the chapter, section or subdivision.

Reference shall be made to Minnesota Statutes for the provisions appearing therein unless reference to previous session laws is required for some special reason.

Bills shall refer to Minnesota Statutes as follows:

"Minnesota Statutes . . . . . , section . . . . . "

Bills shall refer to the session laws as follows:

"Laws . . . . . , chapter . . . . . , section . . . . . "

A bill for the amendment of a statute shall contain the full text of the section or subdivision to be amended as it appears in the latest edition of Minnesota Statutes unless it has been amended, in which event it shall contain the full text as amended.

The words and characters constituting the amending matter shall be inserted in the proper place in the text and underscored. The words and characters to be eliminated by the amendment shall be stricken by drawing a line through

them. The text of a new section or subdivision shall also be underscored when a bill amends an existing chapter or section by adding a new section or subdivision. In the omnibus appropriation bills required by Joint Rule 2.02, sections making an appropriation or transfer and not amending a statute or session law need not have new material underscored. Before a committee favorably reports upon a bill, the chairman of the committee shall see that the bill conforms to this rule. When a bill is printed in the Journal, the new matter shall be in italics or underscored and the matter to be eliminated shall be capitalized and in parentheses or stricken by drawing a line through it. A bill drafted by the Revisor of Statutes for the purposes of correcting errors in Minnesota Statutes need not comply with the provisions of this paragraph if the bill is labeled "REVISOR'S BILL" immediately below the title, and if there is attached thereto a memorandum of information explaining the reasons for the bill.

If the bill is for an original law and not for an amendment of an existing law, the sections and subdivisions shall be arranged, subdivided, and numbered in like manner as Minnesota Statutes. If such a bill assigns to the sections thereof headnotes or identification by the decimal system of numbering used in Minnesota Statutes, such headnotes and decimal identification may be submitted by standing committee chairmen to the Revisor of Statutes for examination. Any such headnotes shall be capital letters enclosed in brackets, and shall be subject to the provisions of Minnesota Statutes, section 648.36.

All numbers in titles shall be expressed in figures. All numbers of section or chapter of law shall be in figures. In the body of a bill numbers in excess of ten shall be in figures, except for a special reason they may be written, but when written they shall not be followed by numbers or parentheses.

### APPROPRIATING MONEY

Rule 2.02. The same bill shall not appropriate public money or property to more than one local or private purpose.

No clause appropriating money for a local or private purpose shall be contained in a bill appropriating money for the State government or public institutions. All resolutions authorizing the issuing of abstracts by the Secretary of the Senate or the Chief Clerk of the House for the payment of money shall be upon the call of "yeas" and "nays."

In odd-numbered years, at least twenty calendar days prior to the last day the Legislature can meet in regular session [Tuesday, May 2, 1989], the Committee on Finance of the Senate and the Committee on Appropriations of the House shall report to their respective houses, unless directed by concurrent resolution to report different appropriation bills, ~~eight~~ *five* separate appropriation bills as follows:

(a) A bill appropriating money for the general administrative and judicial expenses of the State government for the succeeding two fiscal years including salaries, office expenses and supplies and other necessary expenses connected therewith;

(b) A bill covering all appropriations relating to public welfare, health and corrections for the support and maintenance of all State penal and charitable institutions, and other institutions of the State except educational for the two succeeding fiscal years;

(c) A bill appropriating money for the support and maintenance of all State educational institutions for the two succeeding fiscal years;

(d) A bill covering all appropriations providing for the payment of claims against the State of Minnesota which may have been allowed by the Finance Committee of the Senate or the Appropriations Committee of the House;

(e) A bill covering all appropriations made for *transportation and* semi-state activities;

(f) A bill covering all appropriations for construction and major rehabilitation of public buildings to be financed by issuance of bonds;

(g) A bill covering all appropriations for maintenance, repair, and minor rehabilitation and construction of public buildings; and

(h) A bill covering appropriations for the department of transportation.

No other appropriations shall be contained in any of said bills but all other appropriations shall be contained in separate bills.

### DEADLINES

Rule 2.03. (a) In odd-numbered years, committee reports on bills favorably acted upon by a committee in the house of origin after ~~April 10, 1987~~ April 14, 1989, and committee reports on bills originating in the other house favorably acted upon by a committee after ~~April 28, 1987~~ April 26, 1989, shall be referred in the Senate to the Committee on Rules and Administration, and in the House of Representatives to the Committee on Rules and Legislative Administration for disposition. Referral is not required when a committee after the earlier date and by the later date set by this paragraph acts on a bill that is a companion to a bill that has met the earlier deadline in the other house. This rule does not apply to the Senate Committees on Finance and on Taxes and Tax Laws, and the House Committees on Appropriations and on Taxes.

Conference committees on the major appropriation bills specified in Joint Rule 2.02 shall have their reports on the members' desks by the last Thursday on which the Legislature can meet in regular session [May 18, 1989]. After the last Friday on which the Legislature can meet in regular session [May 19, 1989], neither house shall act on bills other than those contained in:

- (1) Reports of Conference Committees;
- (2) Messages from the other house;
- (3) Reports of the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House; or
- (4) Messages from the Governor.

(b) In even-numbered years the Legislature shall establish by concurrent resolution deadlines based on the date intended to be the date of adjournment sine die.

### AMENDING BILLS ORIGINATING IN OTHER HOUSE

Rule 2.04. Either house shall have the power to amend any bill, memorial, or resolution passed by the other house.

### RECEDING FROM POSITION

Rule 2.05. Prior to a Conference Committee on any matter, either house may recede from its position on any difference existing between the two houses. In order to recede, and if the matter is not in the possession of a house, that house shall request return of the matter from the other house. To recede, a majority of a house shall govern, except in cases otherwise provided in the Constitution. If the question is put and lost, it shall not be put again on the same day. A reconsideration of the question shall in all respects be regulated by the rules of that house.

### CONFERENCE COMMITTEES

Rule 2.06. In all cases of disagreement between the Senate and House on amendments adopted by either house to a bill, memorial or resolution passed by the other house, a Conference Committee consisting of not less than three members nor more than five members from each house may be requested by either house. The other house shall appoint a similar committee.

The manner of procedure shall be as follows: The house of origin passes a bill and transmits it to the other body. If the other body adopts an amendment to the bill and passes it as amended, it shall return the bill with a record of its actions to the house of origin. If the house of origin refuses to concur in the amendment, it shall ask for a Conference Committee, appoint such a committee on its part, and transmit the bill with a record of its action to the other house. If the other house adheres to its amendment, it shall appoint a like committee and return the bill to the house of origin.

*All Conference Committees shall be open to the public. Meetings of Conference Committees shall be announced as far in advance as practical. At an agreed upon hour the Conference Committee shall meet. The members from each house shall state to the members from the other house, orally or in writing, the reason for their respective positions. The members shall confer thereon and shall report to their respective houses the agreement they have reached, or, if none, the fact of a disagreement. No report of a Conference Committee may be made to either house unless it reports action taken at an open meeting of the Conference Committee. A report in violation of this rule is out of order.*

If an agreement is reported, the house of origin shall act first upon the report. A Conference Committee report must be limited to provisions that are germane to the bill and amendment that were referred to the Conference Committee. A provision is not germane if it relates to a substantially different subject or is intended to accomplish a substantially different purpose from that of the bill and amendment that were referred to the Conference Committee. If the report is adopted and repassed as amended by the Conference Committee by the house of origin, the report, the bill and a record of its action shall be transmitted to the other house.

~~All Conference Committees shall be open to the public. Meetings of Conference Committees shall be announced as far in advance as practical.~~

Except after the last Thursday on which the Legislature can meet in regular session in odd-numbered years [May 18, 1989], and after the last Thursday on which the Legislature intended, when it adopted the concurrent resolution required by Rule 2.03, paragraph (b), to meet in regular session

in even-numbered years, a written copy of a report of a Conference Committee shall be placed on the desk of each member of a house twelve hours before action on the report by that house. If the report has been reprinted in the Journal of either house for a preceding day and is available to the members, the Journal copy shall serve as the written report. The member presenting the Conference Committee report to the body shall disclose, either in writing or orally, the substantial changes from the bill or the amendment as they were last before the body.

### **ENROLLMENT AND SIGNATURE**

Rule 2.07. After a bill or memorial has been passed by both houses, it shall be carefully and properly enrolled by the Revisor of Statutes under the direction of the Secretary of the Senate for a matter originating in the Senate or the Chief Clerk of the House for a matter originating in the House. The Revisor of Statutes shall obtain the signatures and certificates of the proper officers to the enrolled copy of the bill or memorial and present it to the Governor for his approval.

A bill or memorial may be prepared for presentation to the Governor on good quality paper approximately 8 1/2" x 14" in size and may be produced by means of a copying machine. An enrolled bill shall be labeled "An Act" and it shall be identical to the bill passed by the Legislature. An enrolled bill which is amendatory of any existing law or constitutional provision shall indicate deletions and additions in the manner provided in Rule 2.01 for printed bills.

## **ARTICLE III: GENERAL PROVISIONS**

### **SUSPENSION OF JOINT RULES**

Rule 3.01. Either house may suspend the Joint Rules of the Senate and House by a vote of two-thirds of its members.

### **ODD YEAR SESSION ADJOURNMENT**

Rule 3.02. Adjournment of the regular session in any odd-numbered year to a date certain in the following year shall be equivalent to daily adjournment, except that upon adjournment in any odd-numbered year to a date certain in the following year:

(a) Any bill being considered by a Conference Committee shall be returned to the house of origin, laid on the table, and the Conference Committee shall be discharged;

(b) Any bill referred to the Committee on Rules and Administration in the Senate or the Committee on Rules and Legislative Administration in the House pursuant to Joint Rule 2.03 shall be returned to the standing committee to which it was last previously referred; and

(c) Any bill returned by the Governor to the house of origin with his objections following such adjournment shall be laid on the table.

### **INTERIM COMMITTEE AND COMMISSION REPORTS**

Rule 3.03. Except as otherwise provided by law, the report of any interim committee or commission to the Legislature shall be submitted on paper 8 1/2" x 11" in size, spiral bound, stapled, or punched on the left edge to



fit a standard size three ring binder intended for that size paper. A brief summary of the recommendations of the commission or committee shall appear first and be clearly separated from its findings, discussions, and exhibits. If the report contains legislative recommendations, a copy of any proposed legislation, particularly if extensive in character, shall if possible be attached as an exhibit at the end of the report.

## ARTICLE IV: ELECTION OF REGENTS

### JOINT COMMITTEE

*Rule 4.01. By April 30 of each odd-numbered year, a joint committee shall meet to recommend nominees for regent of the University of Minnesota to be presented to a Joint Convention of the legislature. The members of the joint committee are the members of the senate and house committees on education and the members of the education division of the senate committee on finance and the education division of the house committee on appropriations. A majority of the members of the committee from each house is a quorum of the joint committee.*

*The joint committee shall determine the number of persons, and the person or persons to be recommended for each open seat.*

*Each person recommended by the regent candidate advisory council is considered to be nominated. Other persons may be nominated by a member of the committee at the meeting. Nominations may be made by committee members only. Nominations must be made for a specified congressional or student seat, or for any at-large seat.*

*Voting must be by public ballot. Each member has one vote for each recommendation to be made. A majority vote of the members of the committee from each house is required for a candidate to be recommended.*

### JOINT CONVENTION

*Rule 4.02. At the Joint Convention of the senate and house of representatives called to elect regents, the joint committee shall report the name of the person or persons recommended for each seat. These persons are considered to be nominated. Any member of the legislature may submit additional nominations. If there is more than one at-large seat to be filled, all candidates for an at-large seat run for any of the at-large seats.*

*The roll shall be called viva voce on the election of regents. The roll must be called first on congressional district seats until they are filled, then on the student seat, and then on the at-large seats. The candidate for each seat receiving a majority of the votes cast must be declared elected. If no candidate receives a majority of the votes cast for a seat, on each succeeding ballot the candidate with the fewest votes must be dropped from consideration and the votes cast again until a majority vote is achieved. Any candidate with fewer than 20 votes on any ballot shall also be dropped on succeeding ballots.*

Mr. Luther moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 6, line 17, after "for" insert "agriculture," and after "transportation" insert a comma and strike the semicolon

Page 6, line 25, reinstate the stricken period

Page 8, lines 20 and 21, delete the new language and insert "*As much as practical, meetings of Conference Committees shall be announced as far in advance as possible and actions taken shall be agreed upon in an open meeting.*"

Page 8, lines 27 to 30, delete the new language

Page 11, delete lines 19 to 22 and insert:

*"The roll shall be called viva voce on the recommendation of regents. A majority vote of the members of the joint committee is required for a candidate to be recommended."*

Mr. Laidig requested division of the amendment as follows:

First portion:

Page 11, delete lines 19 to 22 and insert:

*"The roll shall be called viva voce on the recommendation of regents. A majority vote of the members of the joint committee is required for a candidate to be recommended."*

Second portion:

Page 6, line 17, after "for" insert "agriculture," and after "transportation" insert a comma and strike the semicolon

Page 6, line 25, reinstate the stricken period

Page 8, lines 20 and 21, delete the new language and insert "*As much as practical, meetings of Conference Committees shall be announced as far in advance as possible and actions taken shall be agreed upon in an open meeting.*"

Page 8, lines 27 to 30, delete the new language

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.

### RECONSIDERATION

Having voted on the prevailing side, Mr. Moe, R.D. moved that the vote whereby the first portion of the Luther amendment to Senate Concurrent Resolution No. 8 was not adopted be now reconsidered. The motion prevailed.

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.

Mr. Moe, R.D. moved to amend the second portion of the Luther amendment as follows:

Page 8, line 33, strike "amendment" and insert "amendments"

The motion prevailed. So the amendment to the second portion of the Luther amendment was adopted.

The question was taken on the adoption of the second portion of the Luther amendment, as amended.

The motion prevailed. So the second portion of the Luther amendment, as amended, was adopted.

Mr. Pehler moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 11, line 2, delete "April 30" and insert "May 7"

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 10, after line 36, insert:

#### "CONGRESSIONAL DISTRICT SEATS"

*Rule 4.01. The chairs of the joint committee provided for in Rule 4.02 shall notify in a timely manner all members who represent any part of a congressional district in which there is a vacancy in the position of regent of the University of Minnesota. The congressional district delegation shall meet in a timely manner, select from among its delegation a chair and a secretary, and adopt a nominating and voting procedure.*

*Each delegation shall interview all candidates from their congressional district forwarded to the delegation by the regent candidate advisory council. The delegation of each congressional district in which there is a regent vacancy shall recommend a single nominee for their congressional district and submit that recommendation to the joint committee provided for in Rule 4.02. The recommendation of each congressional district delegation must be submitted to the joint committee no later than a date determined by the joint committee. The joint committee must notify each congressional district delegation of that date in a timely manner."*

Page 11, line 14, after "council" insert "or a congressional district delegation"

Renumber the rules in sequence

Amend the table of contents as follows:

Page 1, after line 34, insert:

"4.01 Congressional District Seats"

Page 1, line 35, delete "4.01" and insert "4.02"

Page 1, line 36, delete "4.02" and insert "4.03"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 22 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	Olson	Storm
Belanger	Decker	Knaak	Pariseau	Taylor
Benson	Frederick	McGowan	Ramstad	
Berg	Frederickson, D.R.	McQuaid	Reichgott	
Bernhagen	Gustafson	Mehrkens	Renneke	

Those who voted in the negative were:

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

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

Mr. Benson moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 1, after line 33, insert:

“3.04 Caucus Fund-raisers”

Page 10, after line 35, insert:

#### “CAUCUS FUND-RAISERS

Rule 3.04. *No caucus of members of the Senate or House of Representatives may conduct a political fund-raiser after the deadline established in Rule 2.03 for bills originating in the other house.”*

The question was taken on the adoption of the amendment.

Mr. Berg moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 28 and nays 29, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Knaak	Mehrkens	Ramstad
Benson	Decker	Laidig	Merriam	Renneke
Berg	Frederick	Lantry	Moe, D.M.	Storm
Bernhagen	Frederickson, D.R.	Marty	Olson	Taylor
Brandl	Gustafson	McGowan	Pariseau	
Brataas	Johnson, D.E.	McQuaid	Peterson, R.W.	

Those who voted in the negative were:

Adkins	Davis	Kroening	Morse	Schmitz
Beckman	DeCramer	Langseth	Pehler	Solon
Berglin	Dicklich	Lessard	Peterson, D.C.	Stumpf
Bertram	Diessner	Luther	Piper	Vickerman
Chmielewski	Frederickson, D.J.	Metzen	Reichgott	Waldorf
Cohen	Johnson, D.J.	Moe, R.D.	Samuelson	

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

Mr. Laidig moved to amend Senate Concurrent Resolution No. 8 as follows:

Page 8, line 27, after the period, insert “*No report of a Conference Committee may be made to either house unless it reports action taken at an open meeting of the Conference Committee. A report in violation of this rule is out of order.*”

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Dahl	Johnson, D.E.	Mehrkens	Renneke
Belanger	Decker	Knaak	Metzen	Storm
Benson	Frederick	Laidig	Olson	Taylor
Bernhagen	Frederickson, D.R.	McGowan	Pariseau	
Brataas	Gustafson	McQuaid	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Kroening	Morse	Schmitz
Beckman	DeCramer	Lantry	Pehler	Solon
Berglin	Dicklich	Lessard	Peterson, D.C.	Spear
Bertram	Diessner	Luther	Peterson, R. W.	Stumpf
Brandl	Frederickson, D.J.	Merriam	Piper	Vickerman
Chmielewski	Freeman	Moe, D.M.	Reichgott	Waldorf
Cohen	Johnson, D.J.	Moe, R.D.	Samuelson	

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

Mr. Moe, R.D. moved the adoption of Senate Concurrent Resolution No. 8, as amended.

The question was taken on the adoption of the foregoing resolution, as amended.

The roll was called, and there were yeas 41 and nays 17, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Mehrkens	Taylor
Belanger	Decker	Knaak	Ramstad	
Benson	Frederick	Laidig	Renneke	
Bernhagen	Gustafson	McGowan	Storm	

The motion prevailed. So the resolution, as amended, was adopted.

## RECESS

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

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

## APPOINTMENTS

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

S.F. No. 104: Messrs. Beckman, Berg and Vickerman.

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

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Ms. Berglin introduced—

S.F. No. 1601: A bill for an act relating to health; regulating mandated health care benefits; requiring referral and review by the commissioner; establishing review criteria; proposing coding for new law as Minnesota Statutes, chapter 62J.

Referred to the Committee on Health and Human Services.

Messrs. Morse, Berg, Davis and Stumpf introduced—

S.F. No. 1602: A bill for an act relating to game and fish; providing experimental deer management in certain areas; requiring a study and report of the deer management program.

Referred to the Committee on Environment and Natural Resources.

Mr. Beckman introduced—

S.F. No. 1603: A bill for an act relating to traffic regulations; authorizing recreational vehicle combinations and restricting their use; amending Minnesota Statutes 1988, sections 169.01, by adding a subdivision; and 169.81, subdivision 3, and by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Renneke; Mehrkens; Frederickson, D.R.; Bernhagen and Anderson introduced—

S.F. No. 1604: A bill for an act relating to education; providing equity in revenue for all school districts; proposing coding for new law in Minnesota Statutes, chapter 124A.

Referred to the Committee on Education.

Mr. Mehrkens, Ms. Olson, Mrs. McQuaid, Messrs. Knutson and Belanger introduced—

S.F. No. 1605: A bill for an act relating to education; proposing a commission on school funding alternatives; appropriating money.

Referred to the Committee on Education.

Mr. Marty and Ms. Piper introduced—

S.F. No. 1606: A bill for an act relating to ethics in government; prescribing standards of conduct for state and local officials; expanding the financial disclosure requirements for state officials; imposing disclosure requirements on local officials; changing the reporting requirements for lobbyists; amending Minnesota Statutes 1988, sections 10A.01, subdivision 11, and by adding subdivisions; 10A.02, subdivisions 1, 3, and by adding subdivisions; 10A.04, subdivisions 4 and 5; 10A.06; 10A.07; and 10A.09, subdivisions 1, 2, 5, 7, and by adding subdivisions; proposing

coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1988, section 10A.02, subdivisions 11, 11a, and 12.

Referred to the Committee on Elections and Ethics.

Ms. Peterson, D.C. introduced—

S.F. No. 1607: A bill for an act relating to commerce; granting motor fuel retailers the option to purchase from wholesalers other than the refiner; proposing coding for new law in Minnesota Statutes, chapter 80C.

Referred to the Committee on Commerce.

Mr. Samuelson introduced—

S.F. No. 1608: A bill for an act relating to retirement; teachers retirement association; setting age 62 as the normal retirement age; providing for actuarial reductions for early retirement; changing the retirement formula and adopting a rule of 90; amending Minnesota Statutes 1988, sections 354.44, subdivisions 6 and 7; 354.46, subdivision 1; 354.48, subdivisions 3 and 10; 354.49, subdivision 3; and 354.55, subdivision 11.

Referred to the Committee on Governmental Operations.

### **MEMBERS EXCUSED**

Mr. Frank was excused from the Session of today. Mr. Larson was excused from the Session of today at 10:00 a.m. Mr. Knaak was excused from the Session of today from 9:15 a.m. to 12:00 noon. Ms. Reichgott was excused from the Session of today from 8:00 to 10:40 a.m. Ms. Peterson, D.C. was excused from the Session of today from 8:00 to 10:00 a.m. Mr. Purfeerst was excused from the Session of today at 11:30 a.m. Messrs. Novak, Stumpf, Pogemiller and Johnson, D.J. were excused from the Session of today from 10:00 to 11:00 a.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:00 a.m., Friday, April 28, 1989. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate