

## SEVENTIETH DAY

St. Paul, Minnesota, Wednesday, March 14, 1990

The Senate met at 1:00 p.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Gilbert J. Seddon.

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

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

The President declared a quorum present.

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

### MEMBERS EXCUSED

Mrs. McQuaid was excused from the Session of today.

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received and referred to the committee indicated.

March 7, 1990

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Gambling Control Board is hereby respectfully submitted to the Senate for confirmation as required by law:

Nicholas J. Zuber, 25 S. 26th Ave. E., Duluth, St. Louis County, has been appointed by me, effective February 10, 1990, for a term expiring June 30, 1992.

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

Sincerely,  
Rudy Perpich, Governor

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

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

There has been appointed as such committee on the part of the House: Dille, Price and Jennings.

Senate File No. 60 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned March 12, 1990

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1927, 1984, 2045, 2058, 2149, 2188, 2481, 2508, 1569, 1754, 1785, 1830 and 1846.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 12, 1990

### **FIRST READING OF HOUSE BILLS**

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

H.F. No. 1927: A bill for an act relating to traffic regulations; regulating approaches of vehicles to certain intersections; amending Minnesota Statutes 1988, section 169.20, subdivision 1.

Referred to the Committee on Transportation.

H.F. No. 1984: A bill for an act relating to insurance; accident and health; providing for coordination of benefits between group and individual contracts; amending Minnesota Statutes 1989 Supplement, section 62A.046.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2110, now on General Orders.

H.F. No. 2045: A bill for an act relating to human services; clarifying the definition of mentally retarded person in the Minnesota Commitment Act; increasing the time limit for a court of appeals decision under the commitment act; amending Minnesota Statutes 1988, sections 253B.02, subdivision 14; 253B.12, subdivision 4; and 253B.23, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1905.

H.F. No. 2058: A bill for an act relating to education; changing names of state board and state director of vocational technical education and local directors of technical colleges; amending Minnesota Statutes 1988, section 136C.02, subdivisions 4 and 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1926, now on General Orders.

H.F. No. 2149: A bill for an act relating to port authorities; expanding the range of titles for certain offices; amending Minnesota Statutes 1988, section 469.051, subdivision 2.

Referred to the Committee on Economic Development and Housing.

H.F. No. 2188: A bill for an act relating to local government; permitting towns to publish collections of town ordinances, resolutions, rules, and laws; amending Minnesota Statutes 1988, sections 415.021 and 599.13.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1979, now on General Orders.

H.F. No. 2481: A bill for an act relating to crimes; making preparation of a written presentence investigation report discretionary with the court when a defendant is convicted of a felony for which the court must impose

an executed sentence under the sentencing guidelines; amending Minnesota Statutes 1989 Supplement, section 609.115, subdivision 1.

Referred to the Committee on Judiciary.

H.F. No. 2508: A bill for an act relating to education; placing certain positions in special school district No. 1, Minneapolis, in the unclassified service; naming the appointing authority for the positions.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2314.

H.F. No. 1569: A bill for an act relating to highways; providing for resolution of local disapproval of certain county state-aid highway actions; providing that 30 percent of the county state-aid highway fund be apportioned on the basis of lane-miles; changing the composition of the county and municipal state-aid screening boards; amending Minnesota Statutes 1988, sections 162.02, subdivisions 8 and 10, and by adding a subdivision; 162.07, subdivisions 1 and 5; and 162.13, subdivision 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1420, now on General Orders.

H.F. No. 1754: A resolution memorializing the Congress of the United States to enact the American Heritage Trust Act authorizing the creation of a federal trust fund to provide funding for local, state, and federal land and water conservation and historic preservation purposes.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1785: A bill for an act relating to real property; providing for plat monuments; imposing a penalty; amending Minnesota Statutes 1988, sections 505.02, subdivision 1; and 505.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 505.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2141.

H.F. No. 1830: A bill for an act relating to crime; increasing the penalty for malicious child punishment resulting in great bodily harm; amending Minnesota Statutes 1989 Supplement, section 609.377.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1978.

H.F. No. 1846: A bill for an act relating to prostitution; increasing penalties for certain patrons of prostitutes; providing that when a patron uses a motor vehicle during commission of an offense, that fact will be noted on the person's driving record; amending Minnesota Statutes 1988, sections 609.324, subdivisions 2, 3, and by adding subdivisions; and 609.3241.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1977.

## REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports on S.F. Nos. 2236 and 1653. The motion prevailed.

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

S.F. No. 2329: A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.081, as amended; 474A.091, subdivisions 1 and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, section 474A.091, subdivisions 4 and 4a; repealing Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 474A.02, subdivision 6, is amended to read:

Subd. 6. [DEPARTMENT; DEPARTMENT OF ~~TRADE AND ECONOMIC DEVELOPMENT~~ FINANCE.] "Department" means the department of ~~trade and economic development finance~~.

Sec. 2. Minnesota Statutes 1988, section 474A.02, subdivision 8, is amended to read:

Subd. 8. [FEDERAL TAX LAW.] "Federal tax law" means those provisions of the Internal Revenue Code of 1986, *as amended through December 31, 1989*, that limit the aggregate amount of obligations of a specified type or types which may be issued by an issuer during a calendar year whose interest is excluded from gross income for purposes of federal income taxation.

Sec. 3. Minnesota Statutes 1988, section 474A.02, is amended by adding a subdivision to read:

*Subd. 22b. [PUBLIC FACILITIES PROJECT.] "Public facilities project" means any publicly owned facility that is eligible to be financed with the proceeds of public facilities bonds as defined under subdivision 23a.*

Sec. 4. Minnesota Statutes 1988, section 474A.03, is amended to read:

474A.03 [DETERMINATION OF ANNUAL VOLUME CAP]

Subdivision 1. [ANNUAL VOLUME CAP UNDER FEDERAL TAX LAW; POOL ALLOCATIONS.] At the beginning of each calendar year after December 31, ~~1987~~ 1990, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

- (1) ~~\$74,000,000~~ \$75,000,000 to the manufacturing pool;
- (2) ~~\$30,000,000~~ \$46,000,000 to the ~~multifamily~~ housing pool;
- (3) ~~\$21,000,000~~ \$10,000,000 to the public facilities pool; and
- (4) amounts to be allocated as provided in subdivision 2a.

If the annual volume cap is greater or less than the amount of bonding authority allocated under clauses (1) to (4) *and subdivision 2a, paragraph (a), clauses (1) to (3)*, the allocation must be adjusted so that each adjusted allocation is the same percentage of the annual volume cap as each original allocation is of the total bonding authority originally allocated.

Subd. 2a. [ENTITLEMENT ISSUER ALLOCATION.] (a) The commissioner shall make the following allocation to the Minnesota housing finance agency and the following cities:

(1) ~~\$50,000,000~~ *\$51,000,000* per year to the Minnesota housing finance agency, less any amount received in the previous year under section 474A.091, subdivision 6;

(2) \$20,000,000 per year to the city of Minneapolis; *and*

(3) \$15,000,000 per year to the city of Saint Paul; *and*

~~(4) \$3,000,000 to each of the cities of the first class located outside of the metropolitan area as defined in section 473.121, subdivision 2, or an amount equal to the amount of mortgage bonds or residential rental project bonds that each city permanently issued in the previous calendar year, whichever amount is less. If a city is eligible to receive an entitlement allocation under this clause, the amount of the allocation is deducted from the allocations made under clauses (1), (2), and (3) in proportion to the total amount of allocations made in clauses (1), (2), and (3).~~

(b) Allocations provided under this subdivision must be used for mortgage bonds, mortgage credit certificates, or residential rental project bonds, except that entitlement cities may also use their allocations for public facility bonds.

Sec. 5. [474A.045] [SCORING SYSTEM FOR MANUFACTURING PROJECTS.]

*The following criteria must be used in determining the allocation of small issue bonds for manufacturing projects. The issuer must prepare and submit to the commissioner a public purpose scoring worksheet that presents the data and methods used in determining the total score under this section. The total score is the sum of the following:*

*(1) the number of net direct new jobs in the state generated by the proposed project for the next two years per \$100,000 of proposed allocation multiplied by 15;*

*(2) the number of direct jobs retained in the state due to the proposed project per \$100,000 of proposed allocation multiplied by 15;*

*(3) the quotient of the total increase in net payroll generated in the state by the proposed project divided by the proposed bond allocation, multiplied by 100;*

*(4) the quotient of the estimated total net increase in property taxes generated in the state by the project in the first full year of operation divided by the proposed bond allocation, multiplied by 500; and*

*(5) the unemployment rate in the community where the proposed project is located measured as a percent of the state's unemployment rate, multiplied by ten.*

*The community unemployment rate used in determining the points under clause (5) must be the rate for the county in which the proposed project*

is located unless an accurate rate may be estimated for a smaller geographic area or census tract. The commissioner of jobs and training must approve the rate used when an unemployment rate other than that for a county is used.

If the manufacturing project will retain jobs and the total score includes points calculated under clause (2), the issuer must certify to the commissioner that the proceeds of the small issue bonds are required to retain those jobs. The commissioner shall submit the information relating to the retaining of jobs to the commissioner of trade and economic development. The commissioner of trade and economic development must verify that the proceeds of the small issue bonds are required to retain the jobs referred to in the certification prior to the awarding of any points under this section.

Sec. 6. [474A.047] [RESIDENTIAL RENTAL BONDS; LIMITATIONS.]

Subdivision 1. [ELIGIBILITY.] An issuer may only use the proceeds from residential rental bonds if the proposed project meets one of the following:

(a) The proposed project is a single room occupancy project and all the units of the project will be occupied by individuals whose incomes are 50 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development; or

(b) The proposed project is a multifamily project where at least 75 percent of the units have two or more bedrooms and at least 25 percent of the units have three or more bedrooms. At least 75 percent of the units of the multifamily project must be occupied by individuals or families whose incomes are 60 percent or less of the greater of the statewide or county median income adjusted for household size as determined by the federal Department of Housing and Urban Development.

The maximum rent for a proposed single room occupancy unit under paragraph (a) is 30 percent of the amount equal to 30 percent of the greater of the statewide or county median income for a one-member household as determined by the federal Department of Housing and Urban Development. The maximum rent for a multifamily project under paragraph (b) is 30 percent of the amount equal to 50 percent of the greater of the statewide or county median income as determined by the federal Department of Housing and Urban Development based on a household size with one person per bedroom.

Subd. 2. [15-YEAR AGREEMENT.] Prior to the issuance of residential rental bonds, the developer of the project for which the bond proceeds will be used must enter into a 15-year agreement with the issuer that specifies the maximum rental rates of the units in the project and the income levels of the residents of the project. The rental rates and income levels must be within the limitations established under subdivision 1. The developer must annually certify to the issuer over the term of the agreement that the rental rates are within the limitations under subdivision 1. The issuer may request individual certification of the income of all residents of the project.

If a project is found to be out of compliance with the rental rate and income levels under subdivision 1, the issuer must notify the Minnesota housing finance agency and department of revenue. The interest earnings on the bonds issued for the project will be subject to the tax under chapter 290.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, ~~and~~ (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in August, or in the amount of two percent of the requested allocation on or after the last Monday in August, *and (5) a public purpose scoring worksheet for small issue applications.* ~~An issuer applying for an allocation from the multifamily housing pool who does not sign an agreement requiring that the project comply with the gross rent restrictions of the low income housing credit program under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988, must submit an additional application deposit in the amount of two percent of the requested allocation before the last Monday in August, or in the amount of one percent of the requested allocation on or after the last Monday in August. The issuer must pay the application deposit by check. The Minnesota housing finance agency may apply for and receive an allocation under this section without submitting an application deposit.~~

(b) An entitlement issuer may not apply for an allocation from the ~~multifamily~~ housing pool or from the public facilities pool unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount of bonding authority carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

(c) *If an application is rejected under this section, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by a certificate of allocation.*

Sec. 8. Minnesota Statutes 1988, section 474A.061, is amended by adding a subdivision to read:

Subd. 2a. [HOUSING POOL ALLOCATION.] (a) *On the first business day that falls on a Monday of the calendar year and on the first Monday in April, the commissioner shall allocate available bonding authority in the housing pool to applications received by the Monday of the previous week for residential rental projects that meet the eligibility criteria under section 6. After April 1, and until April 15, the Minnesota housing finance agency may accept applications from cities for single-family housing programs which meet program requirements as follows:*

(1) *the housing program must meet a locally identified housing need and be economically viable;*

(2) *the adjusted income of home buyers cannot exceed the greater of the agency's income limits or 80 percent of the greater of the state or area median income as published by the Department of Housing and Urban Development;*

(3) *house price limits may not exceed the greater of agency house price*



limits or 90 percent of the median purchase price in the city for which the bonds are to be sold up to a maximum of 90 percent of the safe harbor limitations for existing housing provided under section 143(e) of the Internal Revenue Code of 1986, as amended through December 31, 1989, except that house price limits may be 100 percent of the median city purchase price if subsidy is used to reduce the effective purchase price of the property to the above levels. Data establishing the median purchase price in the city must be included in the application by a city requesting house price limits higher than the housing finance agency's house price limits;

(4) mortgage bonds may be issued during the first eight months that mortgage bond proceeds are available only for the purchase or purchase and rehabilitation of existing housing except in the following circumstances: newly constructed housing located in an area where a redevelopment project as defined under section 469.002, subdivision 14, may occur; newly constructed housing approved under the Affordable Housing Program of the Department of Housing and Urban Development; newly constructed housing located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1; or newly constructed housing that is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing; and

(5) the agency or a city may not make available, provide set asides, or commit to make available money or proceeds of bonds for the exclusive use of builders or developers for loans to eligible purchasers for new housing except for housing located in an area where a redevelopment project as defined under section 469.002, subdivision 14, may occur. This prohibition is in effect for the entire time mortgage bond proceeds are available.

The Minnesota housing finance agency may accept applications from July 1 to July 15 from cities for single-family housing programs which meet program requirements specified under clauses (1) to (5) if bonding authority is available in the housing pool. The agency and a representative for each applicant shall negotiate the terms of an agreement regarding the allocation of available authority among the applicants. The agreement must allot available bonding authority among the applicants. For purposes of paragraphs (a) to (d), "city" has the meaning given it in section 462C.02, subdivision 6, and "agency" means the Minnesota housing finance agency.

(b) Upon reaching agreement with participating cities, the agency shall forward to the commissioner the amounts allotted to each applicant pursuant to the agreement. The agency may issue bonds on behalf of participating cities. The agency shall request an allocation from the commissioner for all applicants who choose to have the agency issue bonds on their behalf and the commissioner shall allocate the requested amount to the agency. The agency may request an allocation at any time between the first Tuesday after the first Monday in April and the last Monday in August, but may request an allocation no later than the last Monday in August.

(c) A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than

*the amount it would have received under the agreement forwarded by the Minnesota housing finance agency to the commissioner. No city may request or receive an allocation from the commissioner until the agreement under paragraph (b) has been forwarded to the commissioner. Between the first Monday in April and the last Monday in August, no city may receive an allocation from the housing pool which has not first applied to the Minnesota housing finance agency.*

*(d) If a city issues mortgage bonds from an allocation received under paragraph (c), the issuer must provide for the recycling of funds into new loans. If the issuer is not able to provide for recycling, the issuer must notify the commissioner in writing of the reason that recycling was not possible and the reason the issuer elected not to have the Minnesota housing finance agency issue the bonds. "Recycling" means the use of money generated from the repayment and prepayment of loans for further eligible loans or for the redemption of bonds and the issuance of current refunding bonds.*

*(e) The total amount of allocation for mortgage bonds for one city is limited to the lesser of (i) \$4,000,000 or (ii) 20 percent of the total amount available for allocation for mortgage bonds from the housing pool after the first Monday in April.*

Sec. 9. Minnesota Statutes 1988, section 474A.061, is amended by adding a subdivision to read:

*Subd. 2b. [MANUFACTURING POOL ALLOCATION.] From the beginning of the calendar year until the last Monday in August, the commissioner shall allocate available bonding authority from the manufacturing pool on Monday of each week to applications received on or before the Monday of the preceding week. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 5. Proposed projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed projects that receive less than 50 points are eligible to receive a proportionally reduced share of the proposed authority.*

*If there are two or more applications for manufacturing projects from the manufacturing pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding authority has been transferred as provided in section 474A.081, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.*

Sec. 10. Minnesota Statutes 1988, section 474A.061, is amended by adding a subdivision to read:

*Subd. 2c. [PUBLIC FACILITIES POOL ALLOCATION.] From the beginning of the calendar year until the last Monday in August, the commissioner shall allocate available bonding authority from the public facilities pool on Monday of each week to applications for eligible public facilities projects received on or before the Monday of the preceding week. If there are two or more applications for public facilities projects from the pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding authority has been transferred as provided in section 474A.081, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective*

issuers.

Sec. 11. Minnesota Statutes 1988, section 474A.061, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL DEPOSIT.] An issuer which has received an allocation under this section may retain any unused portion of the allocation after the first ~~Monday~~ *Tuesday* in September only if the issuer has submitted to the department before the first ~~Monday~~ *Tuesday* in September a letter stating its intent to issue obligations pursuant to the allocation before the end of the calendar year or within the time period permitted by federal tax law and a deposit in addition to that provided under subdivision 1, equal to one percent of the amount of allocation to be retained. *The Minnesota housing finance agency may retain an unused portion of an allocation after the first Tuesday in September without submitting an additional deposit.*

Sec. 12. Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 4, is amended to read:

Subd. 4. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section ~~by the end of the current year within 90 days of allocation~~ or within the time period permitted by federal tax law, *whichever is less*, the issuer must notify the department. If the issuer notifies the department *or the 90-day period since allocation has expired* prior to the last Monday in August, the amount of allocation *is canceled and returned* ~~must be reallocated~~ *for reallocation* through the pool from which it was originally allocated. If the issuer notifies the department *or the 90-day period since allocation has expired* on or after the last Monday in August, the amount of allocation *is canceled and returned* ~~must be reallocated~~ *for reallocation* through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation *is canceled and returned* ~~must be reallocated~~ *for reallocation* to the Minnesota housing finance agency.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section *within 90 days of allocation* shall receive within 30 days a refund of ~~all of its application deposits~~ equal to:

(1) one-half of the ~~amount on application deposit~~ for the amount of bonding authority returned ~~before the first Monday in November within 30 days of receiving allocation~~;

(2) one-fourth of the ~~amount on application deposit~~ for the amount of bonding authority returned ~~on or after the first Monday in November and before the third Monday in November between 31 and 60 days of receiving allocation~~; and

(3) one-eighth of the ~~amount on application deposit~~ for the amount of bonding authority returned ~~on or after the third Monday in November and before the last Monday in November between 61 and 90 days of receiving allocation~~.

*No refund shall be available for allocations returned 90 or more days after receiving the allocation. This subdivision does not apply to the Minnesota housing finance agency.*

Sec. 13. Minnesota Statutes 1988, section 474A.081, as amended by Laws 1989, chapter 328, article 1, section 21, is amended to read:

## 474A.081 [POOL TRANSFERS.]

Subdivision 1. [AUTHORITY TO TRANSFER BONDING AUTHORITY.] If there is insufficient bonding authority in either the manufacturing pool or the ~~multifamily~~ housing pool to provide allocations for applications received in any one week, additional bonding authority for small issue bonds and residential rental project bonds may be obtained under this section.

Subd. 2. [TRANSFER LIMITS.] No transfer of bonding authority may be made from any pool for qualified bonds not eligible to receive allocations from that pool (i) prior to June 30, or (ii) if, on June 30, allocations of bonding authority have been made from that pool equal to or exceeding 50 percent of the annual volume cap originally allocated to that pool. ~~For 1987, the amount considered originally allocated to each of the pools shall be \$80,000,000 for the manufacturing pool and \$60,000,000 for the multifamily housing pool.~~

Subd. 4. [POOL TRANSFERS.] If there is insufficient bonding authority to provide allocations for all small issue bonds or residential rental project bonds in any one week, applications for small issue bonds may receive bonding authority from the ~~multifamily~~ housing pool or applications for residential rental project bonds may receive bonding authority from the manufacturing pool, except as provided in subdivision 2. If bonding authority is transferred from one pool to the other pool, applications for small issue bonds must receive priority for allocations from the manufacturing pool, and applications for residential rental project bonds must receive priority for allocations from the ~~multifamily~~ housing pool.

Sec. 14. Minnesota Statutes 1988, section 474A.091, subdivision 1, is amended to read:

Subdivision 1. [UNIFIED POOL AMOUNT.] On the day after the last Monday in August any bonding authority remaining unallocated from the manufacturing pool, the ~~multifamily~~ housing pool, and the public facilities pool is transferred to the unified pool and must be reallocated as provided in this section.

Sec. 15. Minnesota Statutes Second 1989 Supplement, section 474A.091, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, ~~and~~ (4) an application deposit in the amount of two percent of the requested allocation, ~~and~~ (5) *a public purpose scoring worksheet for small issue applications. An issuer applying for an allocation for residential rental project bonds who does not sign an agreement requiring that the project comply with the gross rent restrictions of the low-income housing credit program under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988, must submit an additional application deposit in the amount of one percent of the requested allocation. The issuer must pay the application deposit by check.* An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year

plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in September. Notwithstanding the restrictions imposed on unified pool allocations after October 1 under subdivision 3, paragraph (c)(2), the Minnesota housing finance agency may be awarded allocations for mortgage bonds from the unified pool after October 1. *The Minnesota housing finance agency may apply for and receive an allocation under this section without submitting an application deposit.*

Sec. 16. Minnesota Statutes Second 1989 Supplement, section 474A.091, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in September through and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. *If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.*

(b) On or before October 1, allocations shall be awarded from the unified pool in the following order of priority:

(1) applications for small issue bonds, ~~with preference given to projects to be located in distressed counties designated under section 297A.257;~~

(2) applications for residential rental project bonds, ~~with preference given to issuers agreeing to require that the project comply with the gross rent restrictions of the low income housing credit program under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988;~~

(3) applications for public facility projects funded by public facility bonds;

(4) applications for redevelopment bonds;

(5) applications for mortgage bonds; and

(6) applications for governmental bonds.

*Allocations for residential rental projects may only be made during the first allocation in September. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 5. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 5 are only eligible to receive a proportionally reduced share of the proposed authority. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 5 with those projects receiving the greatest number of points receiving allocation first.*

(c)(1) On the first Monday in October, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the manufacturing pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the manufacturing pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in October, ~~\$5,000,000~~ \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds and public facility bonds, ~~three-fourths~~ *seven-eighths* of the remaining available bonding authority is reserved for small issue bonds and ~~one-fourth~~ *one-eighth* of the remaining available bonding authority is reserved for public facility bonds.

(2) *The total amount of allocations for mortgage bonds from the housing pool and the unified pool may not exceed:*

- (i) \$10,000,000 for any one city; *or*
- (ii) \$20,000,000 for any number of cities in any one county; *or*.
- (iii) ~~60 percent of the amount initially allocated to the unified pool.~~

An allocation for mortgage bonds may be used for mortgage credit certificates.

After October 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, ~~with preference given to manufacturing projects to be located in distressed counties designated under section 297A.257,~~ public facility bonds, and residential rental project bonds.

(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.

Sec. 17. Minnesota Statutes 1988, section 474A.091, subdivision 4, is amended to read:

Subd. 4. [MORTGAGE BOND SUNSET BONDS.] ~~If federal tax law is not amended to permit the issuance of tax-exempt mortgage bonds after December 31, 1988, All remaining bonding authority available for allocation under this section on December 1, 1988, is allocated to the Minnesota housing finance agency. For purposes of this subdivision, "city" has the meaning given it in section 462C.02, subdivision 6. The Minnesota housing finance agency shall reallocate at least 50 percent of the remaining bonding authority available for allocation to cities requesting an allocation on or before November 1, 1988, for the issuance of mortgage bonds. A city may apply for an allocation under this subdivision by submitting to the Minnesota housing finance agency an application on or before November 1, 1988, on forms provided by the agency. After December 1, 1988, any unallocated bonding authority remaining after all city requests are filled~~

is reallocated to the Minnesota housing finance agency for issuance by the agency or for reallocation to a city requesting an allocation on or before November 1, 1988.

Sec. 18. Minnesota Statutes 1988, section 474A.091, subdivision 5, is amended to read:

Subd. 5. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section ~~by the end of the current year~~ *within 90 days of the allocation* or within the time period permitted by federal tax law, *whichever is less*, the issuer must notify the department. If the issuer notifies the department *or the 90-day period since allocation has expired* prior to the last Monday in November, the amount of allocation *is canceled and returned* ~~must be reallocated~~ *for reallocation* through the unified pool.

(b) An issuer that returns for reallocation all or a portion of an allocation received under this section *within 90 days of the allocation* shall receive within 30 days a refund of its ~~application deposit~~ equal to:

(1) one-half of the ~~amount on application~~ deposit for the amount of bonding authority returned ~~before the first Monday in November~~ *within 30 days of receiving the allocation*;

(2) one-fourth of the ~~amount on application~~ deposit for the amount of bonding authority returned ~~on or after the first Monday in November and before the third Monday in November~~ *between 31 and 60 days of receiving the allocation*; and

(3) one-eighth of the ~~amount on application~~ deposit for the amount of bonding authority returned ~~on or after the third Monday in November and before the last Monday in November~~ *between 61 and 90 days of receiving the allocation*.

No refund of the application deposit shall be available for allocations returned on or after the last Monday in November. *This subdivision does not apply to the Minnesota housing finance agency.*

Sec. 19. Minnesota Statutes 1988, section 474A.131, subdivision 2, is amended to read:

Subd. 2. [CARRYFORWARD NOTICE.] If an issuer intends to carry forward an allocation received under this chapter, it must notify the department *in writing* before the last Monday of December. If the *written* notice of carryforward is not provided within the time required, one-quarter of the amount of the *application* deposit eligible for refund upon filing of the notice of issue under this section is forfeited.

Sec. 20. Minnesota Statutes 1988, section 474A.14, is amended to read:

474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

The department shall publish in the State Register ~~at least twice monthly~~, a notice of the amount of bonding authority; ~~if any, available for allocation pursuant to sections 474A.061 and 474A.091~~ *in the housing, manufacturing, and public facilities pools as soon after January 1 as possible. The department shall publish in the State Register a notice of the amount of bonding authority available for allocation in the unified pool as soon after September 1 as possible.*

**Sec. 21. [SUNSET OF QUALIFIED BONDS.]**

*Subdivision 1. [TRANSFER.] If federal tax law is not amended by May 31, 1990, to permit the issuance of tax exempt mortgage bonds or small issue bonds past September 30, 1990, all remaining bonding authority available for allocation in housing, manufacturing, and public facilities pools is transferred to the unified pool on the first business day in June and must be reallocated as provided in this section.*

*Subd. 2. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for small issue applications as provided under section 5. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under Minnesota Statutes, section 474A.04, subdivision 6.*

*The Minnesota housing finance agency may not apply for an allocation for mortgage bonds under this section until after the last Monday in June. Notwithstanding the restrictions imposed on the unified pool allocations after July 1 under subdivision 3, paragraph (c), clause (2), the agency may be awarded allocations for mortgage bonds from the unified pool after July 1. The agency may apply for and receive an allocation under this section without submitting an application deposit.*

*Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in June through and on the last Monday in August. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day.*

*(b) On or before July 1, allocations shall be awarded from the unified pool in the following order of priority:*

- (1) applications for small issue bonds;*
- (2) applications for residential rental project bonds;*
- (3) applications for public facilities projects financed with public facility bonds;*
- (4) applications for redevelopment bonds;*
- (5) applications for mortgage bonds; and*
- (6) applications for governmental bonds.*

*Allocations for residential rental projects may only be made during the first allocation in June and must meet the eligibility requirements of section*



6. *The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 5. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocations. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 5 with those projects receiving the greatest number of points receiving allocation first. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.*

*(c)(1) On the first Monday in July, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the manufacturing pool under Minnesota Statutes, section 474A.03, subdivision 1, less the amount allocated to issuers from the manufacturing pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in July, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds and public facility bonds, seven-eighths of the remaining available bonding authority is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds.*

*(2) Allocations for mortgage bonds from the unified pool may not exceed:*

*(i) \$10,000,000 for any one city;*

*(ii) \$20,000,000 for any number of cities in any one county; or*

*(iii) 60 percent of the amount initially allocated to the unified pool.*

*An allocation for mortgage bonds may be used for mortgage credit certificates.*

*After July 1, allocations shall be awarded from the unified pool only for the following types of qualified bonds: small issue bonds, public facility bonds, and residential rental project bonds.*

*(d) If there is insufficient bonding authority to fund all projects within any qualified bond category, allocations shall be awarded by lot unless otherwise agreed to by the respective issuers. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.*

*Subd. 4. [REMAINING ALLOCATION.] Any remaining bonding authority that has not been allocated by September 1 in the unified pool shall be allocated to the Minnesota housing finance agency.*

*Subd. 5. [RETURN OF ALLOCATION; DEPOSIT REFUND.] (a) If an issuer that receives an allocation under this section determines that it will not issue obligations equal to all or a portion of the allocation received under this section within 90 days of the allocation or within the time period permitted by federal tax law, whichever is less, the issuer must notify the department. If the issuer notifies the department or the 90-day period since allocation has expired prior to the last Monday in August, the amount of allocation is canceled and returned for reallocation through the unified pool.*

*(b) An issuer that returns for reallocation all or a portion of an allocation received under this section within 90 days of the allocation shall receive within 30 days a refund equal to:*

*(1) one-half of the application deposit for the amount of bonding authority returned within 30 days of receiving the allocation;*

*(2) one-fourth of the application deposit for the amount of bonding authority returned between 31 and 60 days of receiving the allocation; and*

*(3) one-eighth of the application deposit for the amount of bonding authority returned between 61 and 90 days of receiving the allocation.*

*No refund of the application deposit shall be available for allocations returned on or after the last Monday in August.*

#### **Sec. 22. [REPEALER.]**

*Minnesota Statutes 1988, section 474A.091, subdivision 4a; and Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2, are repealed. Section 21 is repealed January 1, 1991.*

#### **Sec. 23. [EFFECTIVE DATE.]**

*Sections 1 to 4, 7 to 20, and 22 are effective January 1, 1991. Sections 5, 6, and 21 are effective the day after final enactment."*

*Amend the title as follows:*

*Page 1, line 7, after "1" insert ", 4,"*

*Page 1, line 13, delete "subdivisions 4 and" and insert "subdivision" and delete "repealing"*

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

*S.F. No. 1915: A bill for an act relating to children; establishing a board to plan, coordinate, and oversee early childhood family development programs and services; requiring local area planning councils to be established; establishing a technical advisory committee; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 129D; repealing Minnesota Statutes 1989 Supplement, section 256H.25.*

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

*Delete everything after the enacting clause and insert:*

**"Section 1. [129D.01] [MINNESOTA EARLY CHILDHOOD FAMILY COORDINATING BOARD.]**

*Subdivision 1. [MEMBERSHIP; CHAIR.] (a) The Minnesota early childhood family coordinating board consists of 15 members appointed by the governor as follows:*

*(1) 11 members who have demonstrated expertise in programs and services for children from birth through age eight;*

*(2) two members who are early childhood family development experts from post-secondary educational institutions; and*

*(3) two members who are parents with children in early childhood family development programs.*

*Members appointed under clause (1) must have expertise in programs and services of child care, family child care, school-age child care, Head Start, early childhood family education, parent education, nursery school programs and services, early childhood family education programs for handicapped children, or early childhood health services.*

*(b) Membership of the board must reflect the geographical, racial, and ethnic diversity of the state.*

*(c) The governor shall appoint a member of the board to serve as its chair.*

*Subd. 2. [TERMS; COMPENSATION.] Terms and removal of members and the filling of membership vacancies are governed by section 15.0575. Compensation of members is governed by section 15.059, subdivision 6.*

*Subd. 3. [MEETINGS; DUTIES.] The board shall meet at least four times a year and shall:*

*(1) plan for the coordination and integration of the development and delivery of new and existing public and private early childhood family development programs and services;*

*(2) recommend to the governor and the legislature policies, legislation, and funding that will further develop and improve early childhood family development programs and services;*

*(3) develop and recommend a quality control system that would promote a level of consistent high quality across all programs and services and that could ensure that all early childhood family development programs and services have the developmental focus appropriate to the age and needs of the child;*

*(4) oversee local area planning councils established under section 2 by defining planning boundaries, developing selection criteria, designating organizations that meet the criteria, and providing technical assistance as needed;*

*(5) study and evaluate issues including personnel compensation and benefit levels, availability of facilities, caregiver training and certification offerings, parental participation, and business involvement, and recommend strategies for expansion and improvement of the early childhood family development system;*

(6) *issue requests for proposals to provide comprehensive and coordinated early childhood family development services at the local level;*

(7) *authorize the acceptance and expenditure of grants, awards, or other funds or appropriations as may be available to the board to carry out the purposes of the board;*

(8) *establish demonstration models of integrated early childhood family development programs;*

(9) *develop interagency mechanisms for the planning, coordination, and integration of early childhood family development programs and services at the state and local level;*

(10) *set budget priorities that will create an equitable distribution of resources across the state for the development and expansion of early childhood family development programs and services, based upon the biennial state plan for early childhood family development services established under section 3;*

(11) *promote public-private sector collaboration for early childhood family development programs and services;*

(12) *promote research and evaluation efforts across the early childhood family development system; and*

(13) *serve as a clearinghouse for information on early childhood family development programs and services.*

*Subd. 4. [EXECUTIVE DIRECTOR.] The board shall appoint a full-time executive director to serve in the unclassified service. The director may employ other personnel in the classified service as necessary to enable the early childhood family coordinating board to perform its duties. The executive director must be a person qualified by training and ability in the field of early childhood family development.*

*Subd. 5. [DUTIES OF THE EXECUTIVE DIRECTOR.] The executive director shall:*

(1) *supervise the staff, prepare an annual work plan, and perform all duties and responsibilities assigned by the board;*

(2) *make and enter into all contracts and agreements necessary or incidental to the performance of the board's duties and the execution of its powers under this section, including contracts with the United States or other states and agencies and governmental subdivisions of the state;*

(3) *accept and expend grants, awards, or other funds or appropriations as may be available to and authorized by the board to carry out the purposes of the board.*

## **Sec. 2. [129D.02] [LOCAL AREA PLANNING COUNCILS.]**

*Subdivision 1. [DESIGNATION; PURPOSE.] The early childhood family coordinating board shall designate local area planning councils across the state to plan for, develop, and coordinate early childhood family development programs and services at the local level.*

*Subd. 2. [DUTIES OF LOCAL AREA PLANNING COUNCILS.] The local area planning councils shall:*

(1) *assess the early childhood family development needs in a given community;*

- (2) develop a system of planning and coordination at the local level;*
- (3) assist the community to obtain needed resources and provide technical assistance with program and service implementation;*
- (4) review and recommend local funding requests to the board;*
- (5) promote consumer education about the importance of quality resources; and*
- (6) report community assessment data to the board before the development of the biennial state plan and assist in the development of the biennial state plan.*

**Sec. 3. [129D.03] [BIENNIAL STATE PLAN FOR EARLY CHILDHOOD FAMILY DEVELOPMENT PROGRAMS AND SERVICES.]**

*The early childhood family coordinating board shall develop a biennial state plan for early childhood family development programs and services. The plan must set forth the policies and goals for early childhood family development programs and services, identify service needs and gaps in services, and provide a plan for meeting identified needs. The biennial state plan must be submitted to the governor and the legislature before each biennial budget year.*

**Sec. 4. [129D.04] [TECHNICAL ADVISORY COMMITTEE.]**

*The technical advisory committee to the early childhood family coordinating board shall advise the board in carrying out its powers and duties and in the development of the biennial state plan for early childhood family development programs and services. It shall also provide technical and support services to the board.*

*The technical advisory committee consists of representatives from major early childhood family development services associations, designated by the executive director of the early childhood family coordinating board, and the commissioners of human services, education, health, jobs and training, state planning, and finance, and the director of the higher education coordinating board or their designees. Compensation of committee members is governed by section 15.059, subdivision 6.*

**Sec. 5. [INITIAL TERMS.]**

*Notwithstanding section 1, subdivision 2, the governor shall appoint the initial members of the Minnesota early childhood family coordinating board as follows:*

- (1) five members to two-year terms;*
- (2) five members to three-year terms; and*
- (3) five members to four-year terms.*

**Sec. 6. [INITIAL DESIGNATION OF LOCAL AREA PLANNING COUNCILS.]**

*The Minnesota early childhood family coordinating board shall complete its initial designation of local area planning councils under section 2 by June 30, 1994.*

**Sec. 7. [INITIAL PLAN.]**

*The initial biennial state plan required by section 3 is due by December 31, 1990. In addition to the biennial plans required by section 3, the early*

*childhood family coordinating board, by December 31, 1991, shall submit to the governor and legislature a plan for the establishment of six pilot local area planning councils and a plan for the continued development of local area planning councils across the state.*

**Sec. 8. [INITIAL EXECUTIVE DIRECTOR APPOINTMENT.]**

*Notwithstanding section 1, subdivision 4, the governor shall appoint the first executive director of the early childhood family coordinating board to a two-year term in the unclassified service.*

**Sec. 9. [APPROPRIATION TRANSFER.]**

*Any unencumbered or unexpended balance remaining in the appropriation to the department of human services and allocated for the use of the governor's council on children, youth, and family shall cancel and is appropriated from the general fund to the department of education for the Minnesota early childhood family coordinating board for fiscal year 1990 for the purposes of sections 1 to 8. The 1990 appropriation does not cancel and is available until June 30, 1991.*

*The state complement for the Minnesota early childhood family coordinating board is four.*

**Sec. 10. [REPEALER.]**

*Minnesota Statutes 1989 Supplement, section 256H.25, is repealed August 1, 1990. Sections 1 to 4 are repealed August 1, 1995.*

**Sec. 11. [EFFECTIVE DATE.]**

*Sections 1 to 9 are effective the day following final enactment."*

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 referred

S.F. No. 1881: A bill for an act relating to peace officers; providing death benefits to dependents of peace officers killed in the line of duty; expanding the application of activities considered to be in the line of duty; amending Minnesota Statutes 1988, section 176B.04.

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 176B.04, is amended to read:

**176B.04 [DISBURSEMENTS.]**

Upon certification to the governor by the administrator of the fund that a peace officer employed by a state or governmental subdivision within this state has been killed in the line of duty, leaving a spouse or one or more eligible dependents, the commissioner of finance shall, subject to the approval of the workers' compensation court of appeals, pay \$100,000 as follows:

(a) if there is no dependent child, to the spouse;

(b) if there is no spouse, to the dependent child or children in equal shares;

(c) if there are both a spouse and one or more dependent children, one-half to the spouse and one-half to the child or children, in equal shares;

(d) if there is no surviving spouse or dependent child or children, to the parent or parents dependent for *economic* support on the decedent, in equal shares;

(e) if there is no surviving spouse or dependent child, children or *economically dependent* parent, ~~then there shall be~~ no payment *may be* made from the peace officers benefit fund.

*When payment is to be made to a dependent child, the commissioner of finance may petition the probate court having jurisdiction over the decedent's estate for the appointment of a conservator under section 525.541.*

*A peace officer is "killed in the line of duty" if the person dies as a result of an event or events occurring at any time while the person was performing duties peculiar to a peace officer that expose the officer to the hazard of being killed. Being killed in the line of duty does not include deaths from natural causes or deaths that occur during employment for a private employer other than an independent nonprofit firefighting corporation."*

Amend the title as follows:

Page 1, line 4, delete "expanding the application of" and insert "defining"

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

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

S.F. No. 2205: A bill for an act relating to the metropolitan waste control commission; providing for criminal and civil penalties for violations of pretreatment standards; 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 7, delete "PRETREATMENT" and after "ENFORCEMENT" insert "OF PRETREATMENT STANDARDS AND REQUIREMENTS"

Page 1, line 9, delete everything after "means" and insert " any discharge or action by a person"

Page 1, line 14, delete the first "A" and insert "Each"

Page 1, delete lines 18 to 20 and insert:

*"Subd. 2. [CRIMINAL PENALTIES; DUTIES.] (a) Any person who commits a violation under subdivision 1 may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both."*

Page 2, after line 3, insert:

"Sec. 2. Laws 1971, chapter 478, section 17, subdivision 4, is amended

to read:

Subd. 4. The board shall have the power to adopt rules and regulations relating to the board's responsibilities and may provide penalties for the violation thereof ~~not exceeding the maximum which may be specified for a misdemeanor of imprisonment for not more than 90 days or the payment of a fine or civil penalty of not more than \$1,000, or both, for each violation.~~ Any rule or regulation prescribing a penalty for violation shall be published at least once in a newspaper having general circulation in the district. Such violations may be prosecuted before any court in the district having jurisdiction of misdemeanors, and every such court shall have jurisdiction of such violations. Any constable or other peace officer of any municipality in the district may make arrests for such violations committed anywhere in the district in like manner and with like effect as for violations of village ordinances or for statutory misdemeanors. All fines collected in such cases shall be deposited in the treasury of the board, or may be allocated between the board and the municipality in which such prosecution occurs on such basis as the board and the municipality agree."

Page 2, line 4, delete "2" and insert "3"

Page 2, after line 5, insert:

*"Section 2 is effective only after its approval by the sanitary board of the Western Lake Superior Sanitary District, and upon compliance with Minnesota Statutes, section 645.021."*

Amend the title as follows:

Page 1, line 2, delete "the metropolitan" and delete "commission"

Page 1, line 4, delete "pretreatment standards" and insert "criteria of the metropolitan waste control commission and the Western Lake Superior Sanitary District board; amending Laws 1971, chapter 478, section 17, subdivision 4"

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

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

S.F. No. 1807: A bill for an act relating to Hennepin county; permitting the issuance of obligations by the county board for a public safety building.

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

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

S.F. No. 1743: A bill for an act relating to telephone service; requiring the expansion of the metropolitan extended area telephone service, under some circumstances; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Page 1, line 20, after the period, insert "*Rates within the existing metropolitan extended area service may not be raised as a result of the addition*"



*of a local exchange or wire center under this section until the rate in the added local exchange or wire center is at least equal to the tier four rate."*

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

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

S.F. No. 2076: A bill for an act relating to education; allowing independent school district No. 712 to establish a special account; amending Laws 1984, chapter 463, article 6, section 15, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 1984, chapter 463, article 6, section 15, subdivision 2, is amended to read:

Subd. 2. [USE OF PROCEEDS.] (a) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

*(b) The district shall establish a reserved account in the general fund which shall include the total July 1985 unreserved fund balance in the operating funds plus all levy proceeds dedicated to the retirement of this deficit plus any adjustment specified by the commissioner.*

*(c) The district shall establish on July 1, 1990, a reserved account in the general fund equal to the unreserved undesignated fund balance in the operating funds as of June 30, 1990. Starting with fiscal year 1991, this account shall be adjusted by the levy proceeds dedicated to retirement of the deficit fund balance.*

*(d) The district shall certify an appropriated debt levy each year in account to eliminate the deficit in the account established pursuant to paragraph (c). This levy shall not exceed in any year 4.5 percent of the most recent adjusted net capacity of the district."*

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

S.F. No. 2439: A bill for an act relating to education; allowing the Pine Point School to qualify for federal impact aid; amending Minnesota Statutes 1989 Supplement, sections 128B.01, subdivision 1; and 128B.03, subdivisions 3, 4, 6, and 8; repealing Minnesota Statutes 1989 Supplement, sections 128B.02, subdivision 4; and 128B.05, subdivision 3.

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

Page 1, delete sections 1 and 2

Page 1, line 24, delete "(a)" and reinstate the stricken language

Page 1, lines 25 to 27, reinstate the stricken language and delete the new language

Page 2, delete lines 9 to 11 and insert:

*"For the sole purpose of receiving federal impact aid, the experimental school on the land comprising the former independent school district No. 25 is a local education agency, according to the Code of Federal Regulations, title 34, section 222.80. The school and the land shall not be included, for the purpose of determining federal impact aid, in independent school district No. 309."*

Page 2, delete section 4

Page 2, delete lines 19 to 28

Page 2, delete lines 30 and 31 and insert:

*"Section 1 is retroactively effective July 1, 1989."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "sections 128B.01," and insert "section 128B.03, subdivision 4."

Page 1, delete lines 5 to 8

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

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

S.F. No. 2236: A bill for an act relating to the environment; changing the requirements for management plans; directing the commissioner of health to refund fees; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 8, and by adding a subdivision; 116.77; and 116.79, subdivisions 1 and 3.

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 1989 Supplement, section 116.76, subdivision 8, is amended to read:

Subd. 8. [FACILITY.] "Facility" means a site where infectious or pathological waste is generated, stored, decontaminated, incinerated, or disposed, *except that each of the following is a single facility:*

(1) a school district, including a nonpublic school within the district that is included in the district's management plan;

(2) a community health board;

(3) a college or a university campus, including a student health service, but not including a hospital or clinic; and

(4) a hospital or clinic, excluding a student health service, on a campus of a college or university.

Sec. 2. Minnesota Statutes 1989 Supplement, section 116.76, is amended by adding a subdivision to read:

Subd. 7a. [EMPLOYEE.] "Employee" means an employee, either full

*or part time, involved in the delivery of health care or the generation of infectious or pathological waste. Volunteers involved in the generation of infectious or pathological waste are not employees.*

Sec. 3. Minnesota Statutes 1989 Supplement, section 116.77, is amended to read:

116.77 [COVERAGE.]

Sections 116.75 to 116.83 and 609.671, subdivision 10, cover any person, *including veterinarians in private practice*, who generates, treats, stores, transports, or disposes of infectious or pathological waste ~~except~~, *but not including* infectious or pathological waste generated by households, farm operations, or agricultural businesses. Except as specifically provided, sections 116.75 to 116.83 do not limit or alter treatment or disposal methods for infectious or pathological waste.

Sec. 4. Minnesota Statutes 1989 Supplement, section 116.82, is amended by adding a subdivision to read:

*Subd. 4. [ONLY METROPOLITAN COUNCIL AND AGENCY APPROVAL REQUIRED FOR CERTAIN SITES.] A local government unit in the metropolitan area may not prevent the establishment, operation, or expansion of a facility for the incineration of items defined in section 116.76 if the facility has obtained the necessary approvals from the metropolitan council and the pollution control agency. The local unit of government may impose reasonable conditions respecting the construction, inspection, monitoring, and maintenance of a facility."*

Delete the title and insert:

"A bill for an act relating to the environment; defining facility and employer for purposes of infectious and pathological waste regulations; clarifying persons subject to infectious and pathological waste requirements; restricting local regulation of certain incineration facilities; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 8, and by adding a subdivision; 116.77; and 116.82, by adding a subdivision."

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

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

S.F. No. 2270: A bill for an act relating to solid waste management; permitting certain fees; granting authority to St. Louis county; amending Minnesota Statutes 1988, section 400.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 383C.

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

Page 1, line 9, after "1." insert "[CONTRACTS.]" and delete "or other"

Page 1, line 10, delete "law"

Page 1, line 16, after "2." insert "[MUNICIPALITY CONTRACTS.]"

Page 1, line 23, after "3." insert "[ACTS FOR UNORGANIZED TERRITORIES.]"

Page 2, line 4, after "or" insert "town"

Page 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1988, section 574.26, is amended to read:  
574.26 [CONTRACTORS' BONDS.]

*Subdivision 1. [BOND REQUIREMENT.]* Except as provided in sections 574.263 and 574.264 or if the amount of the contract is \$10,000 or less, a contract with the state, or with any municipal corporation or other public board or body thereof, for the doing of any public work, is not valid unless the contractor shall give bond to the state or other body contracted with, for the use of the obligee, the state and of all persons doing work or furnishing skill, tools, machinery, or materials or insurance premiums or equipment or supplies for any camp maintained for the feeding or keeping of workers and animals engaged under, or for the purpose of, such contract, conditioned for the payment, as they become due, of all just claims for such work, tools, machinery, skill, materials, insurance premiums, equipment, taxes incurred under section 290.92 or chapter 297A, and supplies for the completion of the contract in accordance with its terms, for saving the obligee harmless from all costs and charges that may accrue on account of the doing of the work specified, and for the enforcing of the terms of the bond if action is brought on the bond, including reasonable attorney's fees, in any case where such action is successfully maintained and for the compliance with the laws appertaining thereto. The penalty of such bond shall be not less than the contract price, and if after the giving of the bond the contract price should for any reason be increased, the obligee may require an additional bond, the penalty of which shall be not less than the amount of such increase, and if such additional bond be not furnished within ten days after such demand, the work on the contract shall cease until such additional bond shall have been furnished. In contracts made by the commissioner of administration or the department of transportation of the state, the penalty of the bond shall be in such amount as the commissioner of administration or the commissioner of transportation may fix, but not less than three-quarters of the contract price.

*Subd. 2. [EXEMPTION FROM BOND REQUIREMENT.]* A bond is not required for a contract that does not require payment of any portion of the contract price before completion of the project."

Page 2, line 28, delete everything after "I" and insert "is effective the day following final enactment."

Page 2, delete lines 29 and 30

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "permitting certain"

Page 1, line 3, delete "fees;" and after "county;" insert "exempting the bond requirement for certain municipal contracts;"

Page 1, line 4, delete "400.08, subdivision" and insert "574.26;"

Page 1, line 5, delete "3;"

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

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

S.F. No. 1907: A bill for an act relating to environment; setting fees based on performance for motor vehicle emissions inspections in the metropolitan area; amending Minnesota Statutes 1988, sections 116.64; and 116.65, subdivision 2.

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

Delete everything after the enacting clause and insert:

“Section 1. [STUDY.]

*As part of its current study on the mix of air pollutants in the metropolitan area, the pollution control agency shall determine if the inspection maintenance program should be altered to meet new federal requirements contained in the Clean Air Act amendments. The pollution control agency shall also determine the reduction in overall emissions that would result from requiring that all vehicles owned by governmental units in the metropolitan area use block heaters. The pollution control agency shall also assess the cost-effectiveness of retrofitting current public parking facilities for block heater use. The pollution control agency shall report its findings to the legislature by January 10, 1991.”*

Delete the title and insert:

“A bill for an act relating to the environment; providing that the pollution control agency consider additional factors in its study of air quality in the metropolitan area.”

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

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

S.F. No. 2483: A bill for an act relating to corporations; clarifying and modifying provisions relating to the organization and operation of nonprofit corporations; amending Minnesota Statutes 1989 Supplement, sections 317A.011, subdivision 15; 317A.021, subdivision 4; 317A.111, subdivision 3; 317A.115, subdivision 2; 317A.133, subdivisions 1, 2, 3, and 4; 317A.181, subdivision 2; 317A.201; 317A.205; 317A.207, subdivision 1; 317A.213; 317A.225; 317A.237; 317A.251, subdivision 3; 317A.301; 317A.311; 317A.321; 317A.341, subdivision 2; 317A.401, subdivision 4; 317A.403; 317A.431; 317A.435, subdivision 2; 317A.443, subdivision 1; 317A.453, subdivision 3; 317A.455, subdivision 3; 317A.615, subdivision 1; 317A.711, subdivision 2; 317A.735, subdivisions 1 and 2; 317A.811, subdivisions 1, 4, and 6; 317A.821, subdivision 2; 317A.823, subdivisions 2 and 3; and 354A.021, subdivision 2.

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

Page 1, after line 25, insert:

“Sec. 2. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 1, is amended to read:

Subdivision 1. [ELECTION BY CHAPTER 300, 309, OR 315 CORPORATIONS.] A corporation incorporated under *or governed by* chapter

300, 309, or 315 that has not later become governed by chapter 317 may elect to be governed by this chapter.

Sec. 3. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 2, is amended to read:

Subd. 2. [ELECTION BY CHAPTER 317 CORPORATIONS.] On or after August 1, 1989, and before January 1, 1991, a corporation incorporated under *or governed by* chapter 317 may elect to become governed by this chapter.

Sec. 4. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 7, is amended to read:

Subd. 7. [NONELECTING NONPROFIT CORPORATIONS SUBJECT TO THIS CHAPTER AS OF JANUARY 1, 1991.] (a) A corporation in existence on January 1, 1991, that is within the scope of this chapter and incorporated under another statute of this state, other than a corporation incorporated under chapter 300, 309, or 315 that has not later become governed by chapter 317, is governed by this chapter as of January 1, 1991, as though the corporation had been incorporated under this chapter. The provisions of the articles and bylaws of the corporation that may be included in the articles or bylaws under this chapter remain in effect. The provisions of the articles and bylaws of the corporation that are inconsistent with this chapter are not effective as of January 1, 1991. Provisions required by this chapter to be contained in the articles that do not appear in the articles are read into them as a matter of law.

*(b) On and after January 1, 1991, a corporation that elected to reject Laws 1951, chapter 500, sections 1 to 25, that does not elect to be governed by this entire chapter is governed by sections 317A.131 to 317A.151; 317A.461; and 317A.601 to 317A.791."*

Page 4, after line 13, insert:

"Sec. 7. Minnesota Statutes 1989 Supplement, section 317A.111, subdivision 4, is amended to read:

Subd. 4. [OPTIONAL PROVISIONS; SPECIFIC SUBJECTS.] The following provisions relating to the management or regulation of the affairs of a corporation may be included in the articles or, except for naming members of the first board ~~or fixing a greater than majority director or member vote~~, in the bylaws:

(1) the first board of directors may be named in the articles (section 317A.171);

(2) additional qualifications for directors may be imposed (section 317A.205);

(3) terms of directors may be staggered (section 317A.207);

(4) the day or date, time, and place of board meetings may be fixed (section 317A.231);

(5) in addition to the president, authority to sign and deliver certain documents may be delegated to an officer or agent of the corporation (section 317A.305);

(6) additional officers may be designated (section 317A.311);

(7) additional powers, rights, duties, and responsibilities may be given

to officers (section 317A.311);

(8) a method for filling vacant offices may be specified (section 317A.341);

(9) membership criteria and procedures for admission may be established (section 317A.401);

(10) membership terms may be fixed (section 317A.401);

(11) a corporation may levy dues, assessments, or fees on members (section 317A.407);

(12) a corporation may buy memberships (section 317A.413);

(13) a corporation may have delegates with some or all the authority of members (section 317A.415);

(14) the day or date, time, and place of regular member meetings or the place of special meetings may be fixed (section 317A.431);

(15) certain persons may be authorized to call special meetings of members (section 317A.433);

(16) notices of special member meetings may be required to contain certain information (section 317A.433);

(17) a larger than majority vote may be required for member action (section 317A.443);

(18) members may vote by proxy (section 317A.453); and

(19) members may enter into voting agreements (section 317A.457)."

Page 16, after line 25, insert:

"Sec. 39. Minnesota Statutes 1989 Supplement, section 317A.821, subdivision 1, is amended to read:

Subdivision 1. [NOTICE FROM SECRETARY OF STATE; REGISTRATION REQUIRED.] (a) Before February 1, 1990, the secretary of state shall mail a corporate registration form by first-class mail to each corporation at its last registered office address listed in the records of the secretary of state. The form must include the exact legal corporate name and registered office address currently on file with the secretary of state.

(b) A corporation that is subject to chapter 317 shall file an initial corporate registration with the secretary of state between January 1, 1990, and December 31, 1990. The registration must include the exact legal corporate name and registered office address of the corporation and must be signed by an authorized person. If the current registered office address listed in the records of the secretary of state is not in compliance with section 317A.011, subdivision 2, or if the corporation has changed its registered office address to an address other than that listed with the secretary of state, the corporation shall list a new registered office address that complies with section 317A.011, subdivision 2, on the registration form. A fee of \$35 must be paid for filing the registered office address change, *provided that a fee may not be charged if the registered office address is being changed only because of failure to comply with section 317A.011, subdivision 2.* The new registered office address must have been approved by the board."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision 4" and insert "subdivisions 1, 2, 4, and 7" and delete "subdivision 3" and insert "subdivisions 3 and 4"

Page 1, line 17, delete "subdivision 2" and insert "subdivisions 1 and 2"

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. 1499: A bill for an act relating to consumer protection; regulating certain rental-purchase agreements; prescribing the rights and duties of all parties; requiring disclosures; regulating advertising; providing remedies; amending Minnesota Statutes 1988, section 325G.15, subdivision 5; 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 8, line 35, before "No" insert "*This subdivision applies until the rules adopted by the commissioner of commerce under subdivision 3 are effective.*"

Page 9, after line 5, insert:

*"Subd. 3. [CASH PRICE LIMITS RULES.] The commissioner of commerce shall adopt rules governing cash price limits for rental-purchase agreements. Notwithstanding section 14.18, the rules are effective 45 working days after the notice of adoption is published in the State Register."*

Page 9, line 6, delete "3" and insert "4"

Page 14, line 26, delete everything after "the"

Page 14, line 27, delete everything before "cost"

Page 14, after line 29, insert:

"Sec. 17. [EFFECTIVE DATE; APPLICATION.]

*Sections 1 to 14 are effective August 1, 1990, and apply to rental-purchase agreements executed on or after that date. Section 15 does not affect the applicability of Minnesota Statutes 1988, sections 325G.15 and 325G.16, to a contract executed before rules adopted by the commissioner of commerce under section 8, subdivision 3, are effective."*

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

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

S.F. No. 2054: A bill for an act relating to courts; staggering the elections of chief judges and assistant chief judges; amending Minnesota Statutes 1988, section 484.69, subdivision 1, and by adding a subdivision; repealing Minnesota Statutes 1988, section 484.69, subdivision 2.

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

Page 2, after line 14, insert:

"Sec. 3. Minnesota Statutes 1988, section 593.19, is amended to read:



## 593.19 [MISCONDUCT OF OFFICER DRAWING JURY.]

~~Every~~ An officer or other person charged by law with the preparation of any jury list, or list of names from which ~~any~~ a jury is to be drawn, and ~~every~~ a person authorized by law to assist at the drawing or impaneling of a grand or petit jury to attend a court or term of court, or to try any cause or issue, who ~~shall~~:

(1) ~~Place~~ places on ~~any~~ such a list ~~any~~ a name at the request or solicitation, direct or indirect, of ~~any~~ a person;

(2) ~~Designedly put~~ purposely puts upon a list of jurors, as having been drawn, ~~any~~ a name which that was not lawfully drawn for that purpose;

(3) ~~Designedly omit~~ purposely omits to place on ~~such~~ a list ~~any~~ a name which that was lawfully drawn;

(4) ~~Designedly sign~~ purposely signs or ~~certify~~ certifies a list of ~~such~~ jurors as having been drawn, ~~which~~ that was not lawfully drawn;

(5) ~~Designedly withdraw~~ purposely withdraws from the box or other receptacle for the ballots containing the names of ~~such~~ the jurors any paper or ballot lawfully placed or belonging there, and containing the name of a juror, or omit to place therein any name lawfully drawn or designated, or place therein a paper or ballot containing the name of a person not lawfully drawn and designated as a juror; or

(6) ~~Who~~, in drawing or impaneling ~~such~~ the jury, ~~shall do~~ ~~any~~ does an act ~~which~~ that is unfair, partial, or improper in any other respect ~~shall be~~, is guilty of a misdemeanor.

Sec. 4. Minnesota Statutes 1988, section 593.21, is amended to read:

## 593.21 [MISCONDUCT OF OFFICER IN CHARGE OF JURY.]

~~Every~~ An officer to whose charge a jury is committed by a court, who negligently or willfully, and without leave of the court, permits them, or any one of them, to receive ~~any~~ a communication from ~~any~~ a person, to make ~~any~~ a communication to ~~any~~ a person, to obtain or receive ~~any~~ a book, paper, or refreshment, or to leave the jury room, is guilty of a misdemeanor.

Sec. 5. Minnesota Statutes 1988, section 593.31, is amended to read:

## 593.31 [UNIFORM SELECTION AND SERVICE; DECLARATION OF POLICY.]

It is the policy of this state that all persons selected for jury service be selected at random from the broadest feasible cross section of the population of the area served by the court, and that all qualified citizens have the opportunity in accordance with ~~sections 593.31 to 593.50 this chapter and applicable court rules~~ to be considered for jury service in this state, and that qualified citizens have an obligation to serve as jurors when summoned for that purpose.

Sec. 6. Minnesota Statutes 1988, section 593.37, subdivision 2a, is amended to read:

Subd. 2a. The department of public safety shall, upon request and for a reasonable fee, provide drivers' license lists to the jury commissioner. ~~The lists shall be used solely as a supplementary source for selection of prospective jurors.~~

Sec. 7. Minnesota Statutes 1988, section 593.40, subdivision 4, is amended to read:

Subd. 4. A prospective juror who fails to return a completed juror qualification ~~form~~ *questionnaire* as instructed may be ordered by the court to appear and show cause for failure to complete and submit the questionnaire. A prospective juror who fails to appear pursuant to the court's order or to show good cause for the failure to appear or who fails to show good cause for failure to complete and submit the questionnaire is guilty of a misdemeanor.

Sec. 8. Minnesota Statutes 1988, section 593.40, subdivision 5, is amended to read:

Subd. 5. A person who willfully misrepresents a material fact on a juror qualification ~~form~~ *questionnaire* for the purpose of avoiding or securing service as a juror is guilty of a misdemeanor.

Sec. 9. Minnesota Statutes 1988, section 593.40, is amended by adding a subdivision to read:

*Subd. 6. [FAILURE TO APPEAR.] A person summoned for jury service who fails to appear as directed shall be ordered by the court to appear and show cause for failure to comply with the summons. Absent a showing of good cause for noncompliance with the summons, the juror is guilty of a misdemeanor.*

Sec. 10. [593.51] [COURT RULES.]

*The supreme court shall promulgate rules governing jury administration in accordance with this chapter by July 31, 1990."*

Page 2, line 16, delete "section" and insert "sections" and delete "is" and insert "593.01; 593.08; 593.131; 593.135; 593.16; 593.32; 593.33; 593.34; 593.35; 593.36; 593.37, subdivisions 1, 2, and 3; 593.38; 593.39; 593.40, subdivisions 1, 2, and 3; 593.41; 593.42, subdivisions 1, 2, 3, and 5; 593.43; 593.44; 593.45; 593.46; 593.47; and 593.49 are"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing for the adoption of rules by the supreme court governing jury administration; imposing penalties;"

Page 1, line 4, delete "section" and insert "sections"

Page 1, line 5, after the semicolon, insert "593.19; 593.21; 593.31; 593.37, subdivision 2a; 593.40, subdivisions 4, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 593;"

Page 1, line 6, delete "section" and insert "sections" and before the period, insert "593.01; 593.08; 593.131; 593.135; 593.16; 593.32; 593.33; 593.34; 593.35; 593.36; 593.37, subdivisions 1, 2, and 3; 593.38; 593.39; 593.40, subdivisions 1, 2, and 3; 593.41; 593.42, subdivisions 1, 2, 3, and 5; 593.43; 593.44; 593.45; 593.46; 593.47; and 593.49"

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

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

S.F. No. 2432: A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502.

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 1989 Supplement, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

(a) When access to the data would reveal the identity of an undercover law enforcement officer;

(b) When access to the data would reveal the identity of a victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;

(c) When access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant; ~~or~~

(d) When access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual; *or*

*(e) When access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred.*

Sec. 2. Minnesota Statutes 1988, section 609.502, is amended to read:

**609.502 [INTERFERENCE WITH DEAD BODY OR SCENE OF DEATH; PENALTY; REPORTING.]**

*Subdivision 1. [CONCEALING EVIDENCE.] Whoever interferes with the body or scene of death with intent to mislead the coroner or conceal evidence is guilty of a gross misdemeanor.*

*Subd. 2. [FAILURE TO REPORT.] (a) A person in charge of a cemetery who has knowledge that the body of a deceased person interred in the cemetery has been unlawfully removed shall:*

*(1) immediately report the occurrence to local law enforcement authorities; and*

*(2) inform the next of kin of the deceased person, if known, within three business days of the discovery of the body's removal unless the person making the report has been instructed by law enforcement authorities that informing the next of kin would compromise an active law enforcement investigation.*

*(b) A person who violates either clause (1) or clause (2) is guilty of a gross misdemeanor.*

Sec. 3. [EFFECTIVE DATE.]

*Section 2 is effective August 1, 1990, and applies to crimes committed on or after that date."*

Delete the title and insert:

"A bill for an act relating to crimes; requiring cemetery owners to report unlawful removal of bodies to law enforcement authorities and next of kin of the deceased person; prescribing penalties; amending Minnesota Statutes 1988, section 609.502; Minnesota Statutes 1989 Supplement, section 13.82, subdivision 10."

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. 1653: A bill for an act relating to tax administration; recodifying and providing for the administration of certain taxes; imposing penalties; appropriating money; amending Minnesota Statutes 1988, sections 270.06; 270.07, subdivision 1, and by adding a subdivision; 270.65; 270.67, subdivision 2; 270.68, subdivisions 1 and 3; 270.69, subdivisions 2, 3, 7, 8, and by adding a subdivision; 270.70, subdivisions 1 and 2; 270.73, subdivision 1; 290.05, subdivision 4; 290.92, subdivisions 6a, 15, 23, and 24; 290A.07, subdivisions 2a and 3; 290A.19; 291.09, subdivision 3a; 296.18, subdivisions 2 and 3; 296.25; 297A.03, subdivision 2; 297A.041; 297A.17; 297A.18; and 297A.211, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 270; proposing coding for new law as Minnesota Statutes, chapter 289A; repealing Minnesota Statutes 1988, sections 270.08; 270.10, subdivision 4; 270.651; 270.77; 271.061; 290.05, subdivision 5; 290.067, subdivision 5; 290.281, subdivision 5; 290.29; 290.37; 290.38; 290.39; 290.391; 290.40; 290.41; 290.42; 290.43; 290.44; 290.45; 290.46; 290.47; 290.49; 290.50, as amended; 290.52; 290.521; 290.522; 290.523; 290.53, subdivisions 1, 1a, 2, 2a, 3, 3a, 4, 5, 7, 8, 9, 10, and 11; 290.54; 290.56; 290.57; 290.58; 290.59; 290.65; 290.92, subdivisions 6, 7, 8, 11, 13, 14, and 15; 290.923, subdivision 7; 290.93; 290.931; 290.932; 290.933; 290.934; 290.935; 290.936; 290.974; 290A.06; 290A.11, subdivisions 1, 1a, 2, 3, and 4; 290A.111; 290A.112; 290A.12; 291.09, subdivisions 1a, 2a, 4a, 6, and 7; 291.11; 291.131; 291.14; 291.15, subdivisions 1 and 3; 291.215, subdivisions 2 and 3; 291.31, subdivisions 1 and 2; 291.32; 296.027; 296.16, subdivision 3; 296.17, subdivision 13; 296.18, subdivisions 3a and 7; 296.24; 297A.08; 297A.121; 297A.15, subdivision 3; 297A.20; 297A.26; 297A.27; 297A.275; 297A.29; 297A.30; 297A.31; 297A.32; 297A.33, subdivisions 1, 3, 4, and 5; 297A.34; 297A.35; 297A.39, subdivisions 1, 2, 2a, 3, 4, 5, 7, and 8; 297A.40; 297A.41; 297A.42; and 297A.44, subdivision 2.

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

Page 103, lines 29, 31, 33, and 34, delete "1989" and insert "1990"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Mr. Knaak questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and

## Administration.

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

S.F. No. 1626: A bill for an act relating to game and fish; providing a criminal penalty for trespass sign removal; prohibiting possession of firearms while intoxicated; requiring covering of transported animals; regulating discharge of firearms across highways; altering deer stand restrictions; amending Minnesota Statutes 1988, sections 97A.315, subdivision 1; 97A.421, subdivision 4; 97A.535, subdivision 1; 97B.055, subdivision 1; 97B.065; and 97B.325.

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

Pages 1 and 2, delete sections 2 and 3

Page 2, line 20, before "A" insert "(a)"

Page 2, lines 21 to 32, reinstate the stricken language and delete the new language

Page 2, after line 32, insert:

*"(b) A person may not discharge a firearm or an arrow from a bow on, over, across, or within the right-of-way of an improved public highway at a decoy of a big game animal that has been set out by a licensed peace officer."*

Pages 2 and 3, delete section 5

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "prohibiting"

Page 1, delete line 4

Page 1, line 5, delete everything before "regulating"

Page 1, line 8, delete everything after "1;"

Page 1, line 9, delete "4; 97A.535, subdivision 1;"

Page 1, line 10, delete "97B.065;"

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. 1555 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.
1555	1238				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1555 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1555 and insert the language after the enacting clause of S.F. No. 1238, the second engrossment; further, delete the title of H.F. No. 1555 and insert the title of S.F. No. 1238, the second engrossment.

And when so amended H.F. No. 1555 will be identical to S.F. No. 1238, and further recommends that H.F. No. 1555 be given its second reading and substituted for S.F. No. 1238, 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

S.F. No. 1898: A bill for an act relating to education; providing for department of education initiatives; amending Minnesota Statutes 1988, sections 122.94, subdivision 5; 123.3514, subdivisions 6 and 6b; 123.9361; 123.947; and 125.231, subdivision 6; Minnesota Statutes 1989 Supplement, sections 121.912, subdivision 1b; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 4; 129.128; and 141.35; and Laws 1989, chapter 329, article 11, section 15, subdivisions 2 and 12.

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 1989 Supplement, section 121.111, subdivision 1, is amended to read:

**121.111 [OFFICE OF EDUCATIONAL LEADERSHIP]**

Subdivision 1. [ESTABLISHMENT.] *The commissioner shall maintain an office of educational leadership is established within the department of education. The purpose of the office is to assist school districts, education districts, and other education organizations in developing education policies that maximize the learning of all pupils.*

Sec. 2. Minnesota Statutes 1989 Supplement, section 121.111, subdivision 2, is amended to read:

Subd. 2. [OFFICE STRUCTURE MANAGEMENT.] ~~The assistant commissioner of instructional effectiveness, in consultation with the assistant commissioner of development and partnership effectiveness, shall administer the office of educational leadership.~~ A director in the unclassified service appointed by the assistant commissioner of instructional effectiveness shall manage the office.

Sec. 3. Minnesota Statutes Second 1989 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to sections 124.2721, subdivision

3; 124.575, subdivision 3; and 275.125, subdivision 9a; and Laws 1976, chapter 20, section 4.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the June and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus 31.0 percent of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) 31.0 percent of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 275.125, subdivision 9a, and Laws 1976, chapter 20, section 4; and

(iii) retirement and severance pay pursuant to sections 124.2725, subdivision 15, 124.4945, and 275.125, subdivision 6a, and Laws 1975, chapter 261, section 4; and

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, amounts levied for education district bonds under section 122.96, subdivision 5, and amounts levied pursuant to section 275.125, subdivision 14a.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 4. Minnesota Statutes 1989 Supplement, section 121.912, subdivision 1b, is amended to read:

Subd. 1b. [TRA AND FICA TRANSFER.] (a) Notwithstanding subdivision 1, a district shall transfer money from the general fund to the community ~~education~~ service fund for the employer contributions for teacher retirement and FICA obligations attributable to community education programs for employees who are members of a teacher retirement association and who are paid from the community service fund.

(b) A district shall not transfer money under paragraph (a) for employees who are paid with money other than normal operating funds, as defined in section 354.05, subdivision 27.

Sec. 5. Minnesota Statutes 1989 Supplement, section 122.241, subdivision 2, is amended to read:

Subd. 2. [COOPERATION REQUIREMENTS.] Cooperating districts shall:

(1) ~~have implement~~ a written agreement according to section 122.541 *no later than the first year of cooperation; and*

(2) all be members of one education district, if any one of the districts is a member; ~~and~~

(3) ~~all be members of one ECSU, if any one of the districts is a member~~ *no later than the end of the second year of cooperation.*

Sec. 6. Minnesota Statutes 1989 Supplement, section 122.241, subdivision 3, is amended to read:

Subd. 3. [COMBINATION REQUIREMENTS.] Combining districts must be contiguous and meet one of the following requirements at the time of combination:

(1) at least two districts with at least 400 resident pupils enrolled in grades 7 through 12 in the combined district and projections, approved by the department of education, of enrollment at least at that level for five years;

(2) at least two districts, both of which qualify for sparsity revenue under section 124A.22, subdivision 6, and have an average isolation index over 23; or

(3) at least three districts with fewer than 400 resident pupils enrolled in grades 7 through 12 in the combined district *and the combination is approved by the state board of education.*

~~A combination under clause (3) must be approved by the state board of education.~~

*The state board may approve a combination under clause (1) of two districts with projected enrollments of fewer than 400 resident pupils enrolled in grades seven through 12 in the combined district if the state board determines that the combination would be in the best interests of the pupils of the two districts and that no other contiguous district is willing to enter into an agreement under this section with those two districts.*

The state board shall disapprove a combination under clause (3) if the combination is educationally unsound or would not reasonably enable the districts to fulfill statutory and rule requirements.

Sec. 7. Minnesota Statutes 1989 Supplement, section 122.242, subdivision 10, is amended to read:

Subd. 10. [BUILDING SITES.] The plan must provide for:

(1) locations for elementary schools which need not be altered and may contain assurances that, to the extent feasible, elementary schools will be retained for at least the number of years specified in the plan; and

(2) one location, if possible, for a secondary school.

*Notwithstanding sections 122.241, subdivision 2, and 122.541, subdivision 1, the state board may approve a plan for more than one location for a secondary school, according to criteria established by the board.*



Sec. 8. Minnesota Statutes 1989 Supplement, section 122.243, subdivision 2, is amended to read:

Subd. 2. [VOTER APPROVAL.] During the *first or* second year of cooperation, a referendum on the question of combination shall be conducted. The referendum shall be on a date called by the school boards. The referendum shall be conducted by the school boards according to the Minnesota election law, as defined in section 200.01. If the referendum fails, the same question or a modified question may be submitted the following school year. If a question is submitted, the second referendum must be conducted on a date before October 1. If the referendum fails again, the same question may not be submitted. A different question may be submitted on any date before October 1. Referendums shall be conducted on the same date in all districts.

Sec. 9. Minnesota Statutes 1988, section 122.94, subdivision 5, is amended to read:

Subd. 5. [ATTENDANCE IN OTHER DISTRICTS.] (a) The agreement may provide for a pupil who is a resident of a member district to enroll in programs or courses offered by another member district or transfer to another member district. A pupil and parent shall consult with a career teacher, counselor, or principal before transferring to another district. The agreement shall specify procedures for reimbursement among the member districts. The district of residence shall count all resident pupils who enroll in programs or courses or transfer to another district as its pupils for the purpose of state aid and levy limitations. The agreement shall determine whether transportation is available for pupils enrolled in programs or courses or transferring to another district.

(b) *A pupil may also transfer according to section 120.062.*

Sec. 10. Minnesota Statutes 1989 Supplement, section 122.94, subdivision 6, is amended to read:

Subd. 6. [COMMON ACADEMIC CALENDAR.] For ~~1990-1991~~ 1991-1992 and later school years, the agreement must require a common academic calendar for all member districts of an education district. For purposes of this subdivision, a common academic calendar must include at least the following:

- (1) the number of days of instruction;
- (2) the first and last days of instruction in a school year; and
- (3) the specific days reserved for staff development.

Before the 1990-1991 school year, each education district must report to the state board of education on ways that other components of the academic calendar in each member district will affect the implementation of the five-year plan described in section 122.945. Other components include the length of the school day, the time the school day begins and ends, and the number of periods in the day.

Sec. 11. Minnesota Statutes 1989 Supplement, section 122.945, subdivision 2, is amended to read:

Subd. 2. [SUBMISSION AND APPROVAL OF FIVE-YEAR PLAN.] Each education district must submit a five-year plan developed according to subdivision 1 to the state board of education. An education district established before ~~January~~ November 1, ~~1990~~ 1989, must submit a plan to

the state board by April 1, 1990. An education district established after ~~December 31~~ *October 31*, 1989, must submit a plan to the state board by ~~April~~ *June* 1 of the first year that the education district will certify the amount of education district revenue to be raised under section 124.2721. The board must approve or disapprove the plan within 60 days of receiving it from the education district.

Sec. 12. Minnesota Statutes 1988, section 123.34, subdivision 10, is amended to read:

Subd. 10. Each *public* school building ~~or unit of classification~~, as ~~designated~~ *defined* by section 120.05, subdivision 2, clauses (1), (2) and (3), in an independent school district shall be under the supervision of a principal who is assigned to that responsibility by the board of education in that school district upon the recommendation of the superintendent of schools of that school district.

Each principal assigned the responsibility for the supervision of a school building ~~or units of classification~~ shall hold valid certification in the assigned position of supervision and administration as established by the rules of the state board of education.

The principal shall provide administrative, supervisory and instructional leadership services, under the supervision of the superintendent of schools of the school district and in accordance with the policies, rules and regulations of the board of education, for the planning, management, operation and evaluation of the education program of the building or buildings to which the principal is assigned.

Sec. 13. Minnesota Statutes 1988, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] At the end of each school year, the department of education shall pay the tuition reimbursement amount within 30 days to the post-secondary institutions for courses that were taken for secondary credit. The amount of tuition reimbursement shall equal the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course taken by the secondary pupil; or

(2) an amount equal to the difference between the basic revenue of the district for that pupil and an amount computed by multiplying the basic revenue of the district for that pupil by a ratio. The ratio to be used is the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount paid for each pupil shall be subtracted from the general education aid paid to the pupil's ~~resident~~ *district of attendance*. If the amount to be subtracted is greater than the amount of general education aid due the district, the excess reduction shall be made from other state aids due to the district. If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in the average daily membership only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at a post-secondary institution for secondary credit.

The department shall not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

Sec. 14. Minnesota Statutes 1988, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] At the end of each school year, the department of education shall pay the tuition reimbursement amount to the post-secondary institutions for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid. The amount of the tuition reimbursement equals the lesser of:

(1) the actual costs of tuition, textbooks, materials, and fees directly related to the course or program taken by the pupil; or

(2) an amount equal to the difference between the adult high school graduation aid attributable to that pupil and an amount computed by multiplying the adult high school graduation aid by the ratio of the total number of hours that the pupil is enrolled in courses in the secondary school during the regular school year over the total number of secondary instructional hours per pupil in that pupil's resident district.

The amount of tuition reimbursement paid for each pupil shall be subtracted from the adult high school graduation aid paid to the pupil's ~~resident~~ district of attendance. If a pupil is enrolled in a course for post-secondary credit, the school district shall include the pupil in average daily membership as computed under section 120.17, subdivision 1, only for the portion of time during which the pupil is enrolled in courses at the secondary school and enrolled in courses at the post-secondary institution for secondary credit.

The department must not pay any tuition reimbursement or other costs of a course taken for post-secondary credit only.

Sec. 15. Minnesota Statutes 1988, section 123.39, subdivision 6, is amended to read:

Subd. 6. The board may transport pupils residing outside of the district but attending school therein if these pupils present themselves within the *resident or nonresident* district on one of the regular routes traveled in the transportation of the pupils of the district.

Sec. 16. Minnesota Statutes 1989 Supplement, section 123.58, subdivision 4, is amended to read:

Subd. 4. [MEMBERSHIP AND PARTICIPATION.] Full membership in an ECSU shall be limited to public school districts of the state but nonvoting associate memberships shall be available to nonpublic school administrative units within the ECSU. Participation in programs and services provided by the ECSU shall be discretionary. No school district shall be compelled to participate in these services under authority of this section. However, all school districts whose central administrative offices are within that ECSU whose boundaries coincide with those of development region 11 shall participate in the planning and planning research functions of that ECSU. ~~All of the members of an education district shall belong to the same ECSU, if any members belong to an ECSU.~~ No planning or planning research decision of that ECSU shall be binding on these region 11 districts. Nonpublic school students and personnel are encouraged to participate in programs and services to the extent allowed by law.

Sec. 17. Minnesota Statutes 1988, section 123.9361, is amended to read:

## 123.9361 [ADMINISTRATIVE COSTS.]

Each year, a school district or intermediary service area may claim and receive from the department of education an additional sum for the ~~actual cost of administration of sections 123.933 and 123.935, which shall not exceed an amount~~ equal to five percent of the district's or area's allocation for that year pursuant to those sections.

Sec. 18. Minnesota Statutes 1988, section 123.947, is amended to read:

## 123.947 [RESTRICTIONS TO PREVENT IMPROPER USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.]

(a) The department of education shall assure that *textbooks and* individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) *Textbooks and* individualized instructional materials shall not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) *Textbooks and* individualized instructional materials shall be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the department of education. The request forms shall provide for verification by the parent or guardian or pupil that the requested *textbooks and* individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

(d) ~~The department of education or the servicing school district or the intermediary service area~~ shall take adequate measures to ensure an accurate and periodic inventory of all *textbooks and* individualized instructional materials loaned to elementary and secondary school pupils attending nonpublic schools. The state board of education shall promulgate rules under the provisions of chapter 14 to terminate the eligibility of any nonpublic school pupil if ~~the department or the servicing school district or intermediary service area of education~~ determines, after notice and opportunity for hearing, that the *textbooks or* individualized instructional materials have been used in a manner contrary to the provisions of section 123.932, subdivision 1e, 123.933 or this section or any rules promulgated by the state board of education.

(e) Nothing contained in section 123.932, subdivision 1e, 123.933 or this section shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.

Sec. 19. Minnesota Statutes 1988, section 124.17, subdivision 1b, is amended to read:

Subd. 1b. [AFDC PUPIL UNITS.] In a district in which the number of pupils from families receiving aid to families with dependent children on October 1 of the previous school year equals six percent or more of the actual pupil units in the district for the ~~same~~ *current school* year, as computed in subdivision 1, each such pupil shall be counted as an additional one-tenth of a pupil unit for each percent of concentration over five percent of such pupils in the district. The percent of concentration shall be rounded down to the nearest whole percent. In a district in which the percent of concentration is less than six, additional pupil units may not be counted

for such pupils. A pupil may not be counted as more than .6 additional pupil unit under this subdivision. The weighting in this subdivision is in addition to the weighting provided in subdivision 1.

Sec. 20. Minnesota Statutes 1989 Supplement, section 124.19, subdivision 7, is amended to read:

Subd. 7. [ALTERNATIVE PROGRAMS.] (a) This subdivision applies to an alternative program that has been approved by the state board of education pursuant to Minnesota Rules, part 3500.3500, as exempt from Minnesota Rules, part 3500.1500, requiring a school day to be at least six hours in duration.

(b) To receive general education revenue for a pupil in an alternative program, a school district must meet the requirements in this paragraph. The program must be approved by the commissioner of education. In approving a program, the commissioner may use the process used for approving state designated area learning centers under section 129B.56.

(c) In addition to the requirements in paragraph (b), to receive general education revenue for a pupil in an alternative program that has an independent study component, a school district must meet the requirements in this paragraph.

~~For a course having an independent study component, the pupil must complete coursework and receive credit for each course for which the aid is claimed.~~

The school district must develop with the pupil a continual learning plan for the pupil. A district must allow a minor pupil's parent or guardian to participate in developing the plan, if the parent or guardian wants to participate. The plan must identify the learning experiences and expected outcomes needed for satisfactory credit for the year and for graduation. The plan must be updated each year.

General education revenue for a pupil in an approved alternative program without an independent study component must be prorated for a pupil participating for less than a full school year, or its equivalent.

General education revenue for a pupil in an approved alternative program that has an independent study component must be ~~prorated for a pupil receiving fewer than six credits in a year paid for each hour of teacher contact time and each hour of independent study time completed toward a credit necessary for graduation.~~

For an alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

A credit for a year in an approved alternative program shall, for the purposes of audit, be considered to be 170 hours of teacher contact time and independent study time.

Sec. 21. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph (e), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 12-1/2 percent per year of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.44, subdivision 15, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Adjusted authorized predicted cost per FTE" means the authorized cost predicted by a multiple regression formula determined by the department of education and adjusted pursuant to subdivision 7a.

(d) "Regular transportation allowance" for the 1989-1990 school year means the adjusted authorized predicted cost per FTE, inflated pursuant to subdivision 7b.

(e) For purposes of this section, "transportation category" means a category of transportation service provided to pupils:

(1) regular transportation is transportation services provided during the regular school year under section 124.223, clauses (1) and (2), excluding the following transportation services provided under section 124.223, clause (1): transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; late transportation home from school for pupils involved in after school activities; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone;

(2) nonregular transportation is transportation services provided under section 124.223, clause (1), that are excluded from the regular category, and transportation services provided under section 124.223, clauses (3), (4), (5), (6), (7), (8), (9), and (10);

(3) excess transportation is transportation to and from school for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, *drug*, or *crime* hazards; and

(4) desegregation transportation is transportation of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(f) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(g) "Current year" means the school year for which aid will be paid.

(h) "Base year" means the second school year preceding the school year for which aid will be paid.

(i) "Base cost" for the 1986-1987 and 1987-1988 base years means the ratio of:

(1) the sum of:

(i) the authorized cost in the base year for regular transportation as defined in clause (b), plus

(ii) the actual cost in the base year for excess transportation as defined in paragraph (e), clause (3),

(2) to the sum of:

(i) the number of FTE pupils transported in the regular category in the base year, plus

(ii) the number of FTE pupils transported in the excess category in the base year.

(j) Base cost for the 1988-1989 base year and later years means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in clause (b) plus the actual cost in the base year for excess transportation as defined in clause (e);

(2) to the sum of the number of weighted FTE pupils transported in the regular and excess categories in the base year.

(k) "Predicted base cost" for the 1986-1987 and 1987-1988 base years means the base cost as predicted by subdivision 3.

(l) "Predicted base cost" for the 1988-1989 base year and later years means the predicted base cost as computed in subdivision 3a.

(m) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) divide the square mile area of the school district by the number of FTE pupils transported in the regular and excess categories in the base year;

(2) raise the result in clause (1) to the one-fifth power;

(3) divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(n) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(o) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the

number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(p) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(q) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) multiply the district's sparsity index by 20;

(2) select the ~~greater~~ lesser of one or the result in clause (1);

(3) multiply the district's percentage of regular FTE's transported using vehicles that are not owned by the school district by the result in clause (2).

(r) "Adjusted predicted base cost" for the 1988-1989 base year and after means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(s) "Regular transportation allowance" for the 1990-1991 school year and after means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

(t) "Minimum regular transportation allowance" for the 1990-1991 school year and after means the result of the following computation:

(1) compute the sum of the district's basic transportation aid for the 1989-1990 school year according to subdivision ~~8a~~ 8b and the district's excess transportation levy for the 1989-1990 school year according to section 275.125, subdivision 5e, clause (a);

(2) divide the result in clause (1) by the sum of the number of weighted FTE's transported by the district in the regular and excess transportation categories in the 1989-1990 school year;

(3) select the lesser of the result in clause (2) or the district's base cost for the 1989-1990 base year according to paragraph (j).

Sec. 22. Minnesota Statutes 1989 Supplement, section 124.225, subdivision 8k, is amended to read:

Subd. 8k. [CONTRACTED SERVICES AID REDUCTION.] (a) Each year, a district's transportation aid shall be reduced according to the provisions of this subdivision, if the district contracted for some or all of the transportation services provided in the regular category.

(b) For the 1988-1989 and 1989-1990 school years, the department of education shall compute this subtraction by conducting the multiple regression analysis specified in subdivision 3 and computing the district's aid under two circumstances, once including the coefficient of the factor specified in subdivision 4b, clause (3), and once excluding the coefficient of that factor. The aid subtraction shall equal the difference between the district's aid computed under these two circumstances.

(c) For 1990-1991 and later school years, the department of education shall determine the subtraction by computing the district's regular transportation revenue, *excluding revenue based on the minimum regular transportation allowance*, under two circumstances, once including the factor specified in subdivision 3a, clause (c), and once excluding the factor. The



aid subtraction equals the difference between the district's revenue computed under the two circumstances.

Sec. 23. Minnesota Statutes 1989 Supplement, section 124.243, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES REVENUE.] Capital expenditure facilities revenue for a district equals the lesser of:

(1) \$130 times its actual pupil units for the school year; or

(2) the difference between \$400 times the actual pupil units for the school year and the unreserved balance in the capital expenditure facilities account on June 30 of the ~~second~~ prior school year. For the purpose of determining revenue for the 1989-1990 and the 1990-1991 school years, the unreserved balance in the capital expenditure facilities account on June 30 of the ~~second~~ prior school year is zero.

Sec. 24. Minnesota Statutes 1988, section 124.261, is amended to read:

124.261 [ADULT HIGH SCHOOL GRADUATION AID.]

Adult high school graduation aid for eligible pupils age 21 or over, equals ~~an allowance of~~ 65 percent of the general education formula allowance ~~times 1.35 times the average daily membership under section 124.17, subdivision 2e.~~ Adult high school graduation aid must be paid in addition to any other aid to the district. ~~Average daily membership of eligible Pupils must age 21 or over may not be used in the computation of pupil units under section 124.17, subdivision 1, counted by the district for any purpose other than the computation of adult high school graduation aid.~~

Sec. 25. Minnesota Statutes 1989 Supplement, section 124.2725, subdivision 13, is amended to read:

Subd. 13. [REVENUE FOR EXTENDED COOPERATION.] If the state board disapproves of the plan according to section 122.243, subdivision 1, or if a second referendum fails under section 122.243, subdivision 2, ~~revenues shall be determined under this subdivision beginning with the following fiscal year.~~ Cooperation and combination revenue shall equal \$60 times the actual pupil units. Cooperation and combination aid must be reduced by an amount equal to the aid paid under subdivision 6 ~~plus the difference between the aid paid under subdivision 5 for the first two years of the agreement and the aid that would have been paid if the revenue had been \$60 times the actual pupil units.~~ If the aid is insufficient to recover the entire amount, the department of education shall reduce other aids due the district to recover the entire amount. ~~The cooperation and combination levy shall be reduced by an amount equal to the difference between the levy for the first two years of the agreement and the levy that would have been authorized if the revenue had been \$60 times the actual pupil units.~~ A district that receives revenue under this subdivision may not also receive revenue according to sections 124.2721 and 124.575.

Sec. 26. Minnesota Statutes 1989 Supplement, section 124.2725, is amended by adding a subdivision to read:

Subd. 16. [COMBINATION AFTER ONE YEAR OF COOPERATION.] *Notwithstanding subdivisions 4 and 5, revenue for districts that combine after one year of cooperation shall be the same as for districts that cooperate for two years. The first three years of combination shall be deemed to be the second year of cooperation and the first and second year of combination.*

Sec. 27. Minnesota Statutes 1989 Supplement, section 124.2725, is amended by adding a subdivision to read:

*Subd. 17. [EXCLUSION FROM FUND BALANCE.] Revenue under this section shall be excluded from the net unreserved operating fund balance for the purposes of section 124A.26.*

Sec. 28. Minnesota Statutes 1988, section 124.494, is amended by adding a subdivision to read:

*Subd. 7. [PROCEDURES FOR FUTURE GRANTS.] Sections 122.241 to 122.248 apply to grants awarded after July 1, 1990. To the extent a provision of this section is inconsistent with sections 122.241 to 122.248, it is without effect.*

Sec. 29. Minnesota Statutes Second 1989 Supplement, section 124A.03, subdivision 2, is amended to read:

**Subd. 2. [REFERENDUM LEVY.]** (a) The levy authorized by section 124A.23, subdivision 2, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased levy as a percentage of net tax capacity, the amount that will be raised by that tax capacity rate in the first year it is to be levied, and that the tax capacity rate shall be used to finance school operations. The ballot shall designate the specific number of years for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the levy proposed by (petition to) the board of . . . . ., School District No. . . . ., be approved?"

If approved, the amount provided by the approved tax capacity rate applied to the net tax capacity for the year preceding the year the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the ~~election~~ referendum to each taxpayer at the address listed on the school district's current year's assessment roll, a notice of the referendum and the proposed levy increase. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "In 1989 the legislature

reduced property taxes for education by increasing the state share of funding for education. However, state aid for cities and townships was reduced by a corresponding amount. As a result, property taxes for cities and townships may increase. Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased levy amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A levy approved by the voters of the district pursuant to paragraph (a) must be made at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction ~~election~~ referendum may be held to revoke or reduce a levy for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) *At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 30 15 days after the district holds a referendum pursuant to this clause day of the referendum, the district shall notify the commissioner of education of the results of the referendum.*

Sec. 30. Minnesota Statutes Second 1989 Supplement, section 124A.26, subdivision 1, is amended to read:

Subdivision 1. [REVENUE REDUCTION.] A district's general education revenue for a school year shall be reduced if the estimated net unappropriated operating fund balance as of June 30 in the ~~second~~ prior school year exceeds \$600 times the actual pupil units in the prior year. The amount of the reduction shall equal the lesser of:

- (1) the amount of the excess, or
- (2) \$150 times the actual pupil units for the school year.

The final adjustment payments made under section 124.195, subdivision 6, must be adjusted to reflect actual net operating fund balances as of June 30 of the prior school year.

Sec. 31. Minnesota Statutes 1988, section 125.231, subdivision 6, is amended to read:

Subd. 6. [REPORT TO THE LEGISLATURE.] By January 1, ~~1988~~ 1991, the commissioner of education shall report to the legislature on *how the teacher mentoring task force recommendations are being implemented for a system of incentives at the state and local level to assure that highly capable individuals are attracted to and retained in the teaching profession and for ways in which the roles of teachers can be expanded to be different and more professional.*

By January 1 of ~~1989 and~~ 1990 and 1991, the commissioner of education shall report to the legislature on the design, development, implementation, and evaluation of the mentorship program.

Sec. 32. Minnesota Statutes 1989 Supplement, section 129.128, is amended to read:

129.128 [~~COMMISSIONER~~ DIRECTOR TO REPORT ON LEAGUE TO LEGISLATURE.]

Subdivision 1. [~~ANNUALLY ANNUAL REPORT.~~] The ~~commissioner of education~~ executive director must report to the legislature before each regular session on the activities of the league.

Subd. 2. [~~URGE NEEDED LAWS RECOMMEND LEGISLATION.~~] The ~~commissioner~~ executive director must recommend to the legislature whether any legislation is made necessary by league activities.

Sec. 33. Minnesota Statutes 1989 Supplement, section 129C.10, is amended by adding a subdivision to read:

Subd. 7. [PURCHASING INSTRUCTIONAL ITEMS.] *Technical educational equipment may be procured for programs of the Minnesota center for arts education by the board either by brand designation or in accordance with standards and specifications the board may adopt, notwithstanding chapter 16B.*

Sec. 34. Minnesota Statutes 1989 Supplement, section 141.35, is amended to read:

141.35 [EXEMPTIONS.]

None of the provisions of sections 141.21 to 141.36 shall apply to the following:

(a) Colleges authorized by the laws of Minnesota or of any other state or foreign country to grant degrees;

(b) Schools of nursing accredited by the state board of nursing or an equivalent public board of another state or foreign country;

(c) Public schools as defined in section 120.05;

(d) Private schools complying with the requirements of section 120.10, subdivision 2;

(e) Private and parochial nonprofit schools exempt from taxation under the constitution of Minnesota;

(f) Courses taught to students in a valid apprenticeship program taught by or required by a trade union;

(g) Schools exclusively engaged in training physically or mentally handicapped persons for the state of Minnesota;

(h) Schools now or hereafter licensed by boards authorized under Minnesota law to issue such licenses;

(i) Schools and educational programs, or training programs, conducted by persons, firms, corporations, or associations, for the training of their own employees, for which no fee is charged the employee;

(j) Schools engaged exclusively in the teaching of purely avocational or recreational, or remedial subjects as determined by the commissioner. Private schools teaching a method or procedure to increase the speed with which a student reads are not within this exemption;

(k) Driver training schools and instructors as defined in section 171.33,

subdivisions 1 and 2;

(l) Classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(m) Courses of instruction in the fine arts provided by organizations exempt from taxation pursuant to section 290.05 and registered with the attorney general pursuant to chapter 309. "Fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the commissioner may seek the advice and recommendation of the Minnesota board of the arts;

(n) Classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, which classes, courses, or programs have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and which are offered primarily to a person who currently practices the profession;

*(o) Classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;*

*(p) Classes, courses, or programs of a seminar nature providing 16 or fewer hours of instruction that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment;*

*(q) Classes, courses, or programs of a seminar nature providing instruction in personal development, modeling, or acting; and*

*(r) Training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment.*

Sec. 35. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 5e, is amended to read:

Subd. 5e. [EXCESS TRANSPORTATION LEVY.] A school district may make a levy for excess transportation costs according to this subdivision. The amount of the levy shall be the result of the following computation:

(a) Multiply the lesser of (1) the regular transportation allowance for the fiscal year to which the levy is attributable, or (2) the base cost for the fiscal year to which the levy is attributable, by the number of weighted FTE pupils transported in the excess category in the district in the current school year.

(b) Add to the result in paragraph (a) the actual cost in the fiscal year to which the levy is attributable of other related services that are necessary because of extraordinary traffic, *drug, or crime* hazards.

Sec. 36. Minnesota Statutes 1989 Supplement, section 275.125, subdivision 11d, is amended to read:

Subd. 11d. [EXTRA CAPITAL EXPENDITURE LEVY FOR LEASING BUILDINGS.] When a district finds it economically advantageous to rent or lease a building *or site*, or to purchase a building and site under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71, for any

instructional purposes and it determines that the capital expenditure facilities revenues authorized under section 124.243 are insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease or agreement, and a description of the space to be leased or purchased according to any type of deferred payment agreement, and its proposed use. The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the building or site, conformity of the lease or agreement to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease or agreement to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing or purchasing a building or site for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services or to purchase a building newly constructed under an installment purchase agreement, lease purchase agreement, or any other deferred payment agreement authorized under section 465.71.

Sec. 37. Laws 1989, chapter 329, article 11, section 15, subdivision 2, is amended to read:

Subd. 2. [TEACHER MENTORSHIP] (a) ~~For grants~~ To develop mentoring programs in school districts according to Minnesota Statutes, section 125.231:

\$250,000 . . . . . 1990

\$250,000 . . . . . 1991

Any unexpended balance in the first year does not cancel and is available for the second year.

(b) *Of the amounts in paragraph (a), \$110,000 each year is to provide approximately \$10,000 each year for each existing demonstration site to refine its program and disseminate services and materials to schools that are interested in developing a mentoring program. The pilot sites must provide exemplary mentoring processes and assist the department of education in working with new sites that are planning to adopt or adapt specific mentorship programs or components of those programs. The department shall encourage cooperation with career teacher programs.*

(c) *Of the amounts in paragraph (a), \$90,000 each year is for start-up money of up to \$5,000 each for a minimum of 18 new districts or groups of districts to adopt or adapt an existing mentorship program for five or more probationary teachers. The criteria and process in Minnesota Statutes, section 125.231, subdivisions 3 and 4, must be used. Participants from the adoption grant sites must attend regional and statewide training sessions and visit and collaborate with the exemplary sites.*

(d) *Of the amounts in paragraph (a), \$50,000 each year is to evaluate the program, to put on regional and statewide events, including conferences, seminars, and for meetings to provide staff development and technical assistance for district teams funded to adopt or adapt components implemented by existing pilot sites. The events must be available to districts interested in developing a mentorship program without applying for an adoption*

*grant. The department may contract with districts having exemplary sites and others to develop guidelines and materials and provide staff development. Fees may be charged for meals, materials, and the like.*

Sec. 38. Laws 1989, chapter 329, article 11, section 15, subdivision 12, is amended to read:

Subd. 12. [ACADEMIC EXCELLENCE FOUNDATION.] For the academic excellence foundation according to Minnesota Statutes, section 121.612:

\$160,000 . . . . . 1990

\$160,000 . . . . . 1991

Up to \$50,000 each year is contingent upon the department's receipt of \$1 from private sources for each \$1 of the appropriation. The commissioner of education must certify receipt of the private matching funds. *The unencumbered balance from the amount actually appropriated from the contingent amount in 1990 does not cancel but is available in 1991. The amount carried forward must not be used to establish a larger annual base appropriation for later fiscal years.*

Sec. 39. Laws 1989, chapter 329, article 12, section 11, is amended to read:

Sec. 11. [MINNESOTA CENTER FOR ARTS EDUCATION.]

Total Appropriations	\$ 5,800,000	\$ 6,200,000
Approved Complement -	1990	1991
General Fund -	39.0	<del>49.0</del> 53.0
Total -	39.0	<del>49.0</del> 53.0

The state complement for the Minnesota center for arts education is increased by 18.0 for the first year and ~~28.0~~ 32.0 the second year.

Any expended balance from the appropriation in this section in 1990 does not cancel but is available in 1991.

Sec. 40. [BADGER SCHOOL DISTRICT BORROWING.]

*Subdivision 1. [BORROWING AGAINST TAXES PAYABLE.] Independent school district No. 676, Badger, may borrow money for the purpose of anticipating general taxes previously levied by the district for school purposes, including taxes on which penalties for nonpayment or delinquency have accrued. Minnesota Statutes, sections 124.71 to 124.76, apply to the borrowing except as provided in this subdivision.*

*Subd. 2. [NO LOCAL APPROVAL.] According to Minnesota Statutes, section 645.023, subdivision 1, clause (a), subdivision 1 is effective the day following final enactment without local approval.*

Sec. 41. [SHAKOPEE; 1991 AID CALCULATIONS.]

*Subdivision 1. [ADJUSTMENTS.] For purposes of determining state aids for taxes payable in 1991, the fiscal disparity prior year adjustments in the city of Shakopee for taxes payable years 1986, 1987, and 1988 shall not be recognized.*

*Subd. 2. [LOCAL APPROVAL.] Subdivision 1 is effective the day following compliance by the Shakopee city council with Minnesota Statutes, section 645.021, subdivision 2.*

**Sec. 42. [EFFECTIVE DATE FOR CERTAIN TEACHER EXAMS.]**

*Notwithstanding any law to the contrary, successful completion of an examination of skills in reading, writing, and mathematics, as required by Minnesota Statutes, section 125.05, subdivision 1, is applicable for all persons applying for initial secondary vocational teaching licenses effective April 8, 1991.*

**Sec. 43. [1989-1990 ABATEMENT AID.]**

*If a district qualifies for:*

*(1) general education aid for fiscal year 1990 only because of Laws 1989, chapter 329, article 1, section 6; or*

*(2) early childhood family education aid for fiscal year 1990 only because of Laws 1989, chapter 329, article 4, section 11; or*

*(3) community education aid only because of Laws 1989, chapter 329, article 4, section 12, subdivision 3a;*

*it does not qualify for abatement aid for fiscal year 1990 under Minnesota Statutes, section 124.214, subdivision 2.*

**Sec. 44. [CARRYOVER OF LEARNER OUTCOME APPROPRIATION.]**

*Any unexpended fund balance remaining from the amount designated for fiscal year 1990 for identification and integration of learner outcomes, including the amount designated for fiscal year 1990 for the identification and development of vocational career learner outcomes, does not cancel and is available for fiscal year 1991. The amounts carried forward may not be used to establish a larger annual base appropriation for future fiscal years.*

**Sec. 45. [DEFICIENCY IN COOPERATION AND COOPERATION AID APPROPRIATION.]**

*Notwithstanding Minnesota Statutes, section 124.14, subdivision 7, the commissioner of education shall allocate any excess appropriations for fiscal year 1991 to eliminate a deficiency occurring in the appropriation for cooperation and combination aid in Laws 1989, chapter 329, article 6, section 53, subdivision 3. Any excess appropriations remaining after this allocation shall be distributed according to Minnesota Statutes, section 124.14, subdivision 7.*

**Sec. 46. [EFFECTIVE DATE.]**

*Sections 20 and 24 are retroactively effective July 1, 1989. Section 37 is effective the day following final enactment."*

**Delete the title and insert:**

**"A bill for an act relating to education; making certain changes to the cooperation and combination program, transportation, education districts, the center for arts education, community service fund transfers, nonpublic pupil program, teacher mentorship programs, and private proprietary school regulation; allowing certain appropriations to be carried over; authorizing school districts to levy for certain purposes; authorizing Badger school**



district to borrow certain money; requiring adjustments to state aids paid to the Shakopee school district; increasing adult high school graduation aid; making certain corrections and clarifications to certain state aid programs; amending Minnesota Statutes 1988, sections 122.94, subdivision 5; 123.34, subdivision 10; 123.3514, subdivisions 6 and 6b; 123.39, subdivision 6; 123.9361; 123.947; 124.17, subdivision 1b; 124.261; 124.494, by adding a subdivision; 125.231, subdivision 6; Minnesota Statutes 1989 Supplement, sections 121.111, subdivisions 1 and 2; 121.912, subdivision 1b; 122.241, subdivisions 2 and 3; 122.242, subdivision 10; 122.243, subdivision 2; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 4; 124.19, subdivision 7; 124.225, subdivisions 1 and 8k; 124.243, subdivision 2; 124.2725, subdivision 13, and by adding subdivisions; 129.128; 129C.10, by adding a subdivision; 141.35; 275.125, subdivisions 5e and 11d; Minnesota Statutes Second 1989 Supplement, sections 121.904, subdivision 4a; 124A.03, subdivision 2; 124A.26, subdivision 1; and Laws 1989, chapter 329, articles 11, section 15, subdivisions 2 and 12; and 12, section 11."

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

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

S.F. No. 2177: A bill for an act relating to traffic safety; allowing impoundment of license plates by administrative action for repeat violations of the driving while intoxicated provisions; amending Minnesota Statutes 1988, section 168.041, subdivision 3a, 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:

#### "ARTICLE 1

#### PLATE IMPOUNDMENT BY ADMINISTRATIVE ACTION

Section 1. Minnesota Statutes 1988, section 168.041, subdivision 3, is amended to read:

Subd. 3. Except as otherwise provided in ~~subdivision 3a~~ *section 168.042*, if a person is convicted of an offense that makes mandatory the revocation of the person's driver's license, or is convicted of driving a motor vehicle without having a valid driver's license in force, the court may require the registration plates and registration certificate of any motor vehicle owned by the person or any motor vehicle registered in the person's name to be surrendered to the court.

Sec. 2. Minnesota Statutes 1989 Supplement, section 168.041, subdivision 4, is amended to read:

Subd. 4. If the court issues an impoundment order, the registration plates and certificates must be surrendered to the court either three days after the order is issued or on the date specified by the court, whichever date is later. The court shall forward surrendered registration certificates to the registrar of motor vehicles within seven days after their surrender. The court may destroy the surrendered registration plates. Except as provided in subdivision 1a, 4a, 5, 6, or 7, no new registration plates may be issued to the violator or owner until the driver's license of the violator has been

reissued or reinstated. The court shall notify the commissioner of public safety within ten days after issuing an impoundment order.

Sec. 3. Minnesota Statutes 1988, section 168.041, subdivision 8, is amended to read:

Subd. 8. Nothing contained in this section or section 168.042 is intended to change or modify any provision of this chapter, with respect to the taxation of motor vehicles or the time within which motor vehicle taxes must be paid.

Sec. 4. Minnesota Statutes 1988, section 168.041, subdivision 10, is amended to read:

Subd. 10. "Rental motor vehicle" means a passenger vehicle, truck, motorcycle, or motorized bicycle:

(1) that is ~~involved in a violation under subdivision 3a,~~ leased in the name of the violator, or leased jointly in the name of the violator and the violator's spouse; and

(2) that is one of a fleet of two or more vehicles rented for periods of 30 days or less.

Sec. 5. [168.042] [ADMINISTRATIVE IMPOUNDMENT OF REGISTRATION PLATES FOR ALCOHOL-RELATED DRIVER'S LICENSE REVOCATIONS.]

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

*(b) "Violator" means a person who was driving, operating, or in physical control of the motor vehicle when the violation occurred.*

*(c) "Violation" means a violation of section 169.123 or an impaired driving conviction as defined in section 169.121, subdivision 3, that results in the revocation of a person's driver's license or driving privileges, and also includes an alcohol-related license revocation from another state.*

*Subd. 2. [VIOLATION AND ISSUANCE OF IMPOUNDMENT ORDER.] The commissioner shall issue a registration plate impoundment order when a person's driver's license or driving privileges are revoked for a third violation within five years or a fourth or subsequent violation within ten years. The order shall require the impoundment of the registration plates of the vehicle involved in the violation and all vehicles owned by, registered, or leased in the name of the violator, including vehicles registered jointly or leased in the name of the violator and another. An impoundment order shall not be issued for the registration plates of a rental vehicle as defined in section 168.041, subdivision 10, or a vehicle registered in another state.*

*Subd. 3. [NOTICE OF IMPOUNDMENT.] An impoundment order is effective when the commissioner or a peace officer acting on behalf of the commissioner notifies the violator or the registered owner of the vehicle of the intent to impound and order of impoundment. The notice must advise the violator of the duties and obligations set forth in subdivision 6 and of the right to obtain administrative and judicial review. The notice to the registered owner who is not the violator must include the procedure to obtain new registration plates under subdivision 8. If mailed, the notice and order of impoundment is deemed received three days after mailing to the last known address of the violator or the registered owner.*

*Subd. 4. [PEACE OFFICER AS AGENT FOR NOTICE OF IMPOUNDMENT.] (a) On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation under section 169.123 shall also serve a notice of intent to impound and an order of impoundment if the violation is the third violation within five years or the fourth or subsequent violation within ten years. If the vehicle involved in the violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed.*

*Subd. 5. [TEMPORARY PERMIT.] If the vehicle is registered to the violator, the officer shall issue a temporary vehicle permit that is valid for seven days when the officer issues the notices under subdivision 4. If the vehicle is registered in the name of another, the officer shall issue a temporary vehicle permit that is valid for 45 days when the notices are issued under subdivision 3. The permit must be in a form determined by the registrar and whenever practicable must be posted on the left side of the inside rear window of the vehicle. A permit is valid only for the vehicle for which it is issued.*

*Subd. 6. [VEHICLES SUBJECT TO IMPOUNDMENT ORDERS.] Within seven days after issuance of the impoundment notice, a person who receives a notice of impoundment and impoundment order shall surrender all registration plates subject to the impoundment order that were not seized by a peace officer under subdivision 4. Registration plates required to be surrendered under this subdivision must be surrendered to a Minnesota police department, sheriff, or the state patrol, along with a copy of the impoundment order. A law enforcement agency receiving registration plates under this subdivision shall destroy the plates and notify the commissioner that they have been destroyed. The notification to the commissioner shall also include a copy of the impoundment order.*

*Subd. 7. [VEHICLE NOT OWNED BY THE VIOLATOR.] A violator may file a sworn statement with the commissioner within seven days of the issuance of an impoundment order stating any material information relating to the impoundment order, including that the vehicle has been sold or destroyed and supplying the date, name, location, and address of the person or entity that purchased or destroyed the vehicle. The commissioner shall rescind the impoundment order if the violator shows that the impoundment order was not properly issued.*

*Subd. 8. [REISSUANCE OF REGISTRATION PLATES.] (a) The commissioner shall rescind the impoundment order if a person subject to an impoundment order under this section, other than the violator, files with the commissioner an acceptable sworn statement that the person:*

*(1) is the registered owner of the vehicle from which the plates have been impounded under this section;*

*(2) is the current owner and possessor of the vehicle used in the violation;*

*(3) was not a passenger in the vehicle at the time of the violation; and*

*(4) knows that the violator may not drive, operate, or be in physical control of a vehicle without a valid driver's license.*

*(b) If the order is rescinded, the owner shall receive new registration plates at no cost, if the plates were seized and destroyed.*

**Subd. 9. [ADMINISTRATIVE REVIEW.]** *At any time during the effective period of an impoundment order, a person may request in writing a review of the impoundment order by the commissioner. On receiving a request, the commissioner or the commissioner's designee shall review the order, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. The commissioner shall report in writing the results of the review within 15 days of receiving the request. The review provided in this subdivision is not subject to the contested case provisions of the administrative procedure act in sections 14.01 to 14.70. As a result of this review, the commissioner may authorize the issuance at no cost of new registration plates to the registered owner of the vehicle if the registered owner's license or driving privileges were not revoked under section 169.123 or as a result of an impaired driving conviction as defined in section 169.121, subdivision 3.*

*Review under this subdivision shall take place, if possible, at the same time as any administrative review of the person's license revocation under section 169.123, subdivision 5b.*

**Subd. 10. [PETITION FOR JUDICIAL REVIEW.]** *(a) Within 30 days following receipt of a notice and order of impoundment under this section, a person may petition the court for review. The petition must include the petitioner's date of birth, driver's license number, date of the violation, and a copy of the notice and order of impoundment. The petition shall state with specificity the grounds upon which the petitioner seeks rescission of the order for impoundment. The petition may be combined with any petition filed under section 169.123, subdivision 5c.*

*(b) Except as otherwise provided in this section, the judicial review and hearing are governed by section 169.123, subdivisions 5c and 6, and shall take place at the same time as any judicial review of the person's license revocation under section 169.123. The filing of the petition shall not stay the impoundment order. The reviewing court may order a stay of the balance of the impoundment period if the hearing has not been conducted within 60 days after filing of the petition upon terms the court deems proper. The court shall order either that the impoundment be rescinded or sustained, and forward the order to the commissioner of public safety. The court shall file its order within 14 days following the hearing.*

*(c) In addition to the issues described in section 169.123, subdivision 5c, the scope of a hearing under this subdivision is limited to:*

*(1) whether the violator owns, is the registered owner of, possesses, or has access to the vehicle used in the violation; and*

*(2) whether a member of the violator's household has a valid driver's license, the violator or registered owner has a limited license issued under section 171.30, the registered owner is not the violator and the registered owner has a valid or limited driver's license, or a member of the registered owner's household has a valid driver's license.*

**Subd. 11. [RESCISSION OF REVOCATION AND ISSUANCE OF NEW PLATES.]** *If the driver's license revocation that is the basis for an impoundment order is rescinded, the registrar of motor vehicles shall issue new registration plates for the vehicle at no cost, when the registrar receives*

*an application that includes a copy of the order rescinding the driver's license revocation.*

*Subd. 12. [SALE OF VEHICLE SUBJECT TO IMPOUNDMENT ORDER.] A registered owner may not sell a motor vehicle during the time its registration plates have been ordered impounded or during the time its registration plates bear a special series number, unless:*

- (1) the sale is for a valid consideration;*
- (2) the transferee does not reside in the same household as the registered owner; and*
- (3) all elements of section 168A.10 are satisfied.*

*The registrar may then transfer the title to the new owner upon proper application and issue new registration plates.*

*Subd. 13. [MISDEMEANOR OFFENSES.] A person is guilty of a misdemeanor who:*

- (1) fails to comply with an impoundment order under this section;*
- (2) files a false statement under subdivision 5 or 6;*
- (3) operates a motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under this section; or*
- (4) fails to notify the commissioner of the impoundment order when requesting new plates.*

#### **Sec. 6. [REPEALER.]**

*Minnesota Statutes 1988, section 168.041, subdivision 3a; and Minnesota Statutes 1989 Supplement, section 168.041, subdivision 4a, are repealed.*

#### **Sec. 7. [EFFECTIVE DATE.]**

*Sections 1 to 6 are effective January 1, 1991.*

### **ARTICLE 2**

#### **CHEMICAL USE ASSESSMENTS**

**Section 1.** Minnesota Statutes 1989 Supplement, section 169.121, subdivision 3b, is amended to read:

**Subd. 3b. [HABITUAL OFFENDERS; CHEMICAL USE ASSESSMENT.]** If a person has been convicted under subdivision 1, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of violating subdivision 1, section 169.129, or an ordinance in conformity with either of them (1) once within five years of the first conviction or (2) two or more times within ten years after the first conviction, the court must order the person to submit to the level of care recommended in the chemical use assessment required under section 169.126.

If a person is convicted under section 169.121, subdivision 1a, the court shall order the person to submit to the level of care recommended in the chemical use assessment *report* required under section 169.126.

**Sec. 2.** Minnesota Statutes 1988, section 169.124, subdivision 1, is amended to read:

Subdivision 1. [COUNTY BOARD.] The county board of every county shall establish an alcohol safety program designed to provide alcohol ~~problem screening and chemical use assessment~~ *assessments* of persons convicted of an offense enumerated in section 169.126, subdivision 1.

Sec. 3. Minnesota Statutes 1988, section 169.126, subdivision 1, is amended to read:

Subdivision 1. [~~SCREENING REQUIREMENT WHEN CHEMICAL USE ASSESSMENT IS REQUIRED.~~] ~~An alcohol problem screening~~ *A chemical use assessment* shall be conducted and ~~a screening an assessment~~ report submitted to the court by the county agency administering the alcohol safety program when:

(a) The defendant is convicted of an offense described in section 169.121 or 169.129; or

(b) The defendant is arrested for committing an offense described in section 169.121 or 169.129 but is convicted of another offense arising out of the circumstances surrounding the arrest.

Sec. 4. Minnesota Statutes 1988, section 169.126, subdivision 2, is amended to read:

Subd. 2. [REPORT.] (a) ~~The screening assessment~~ report shall contain an evaluation of the convicted defendant concerning the defendant's prior traffic record, characteristics and history of alcohol *and chemical use* problems, and amenability to rehabilitation through the alcohol safety program. ~~The screening report shall include a recommendation as to a treatment or rehabilitation program for the defendant.~~ The screening report shall be classified as private data on individuals as defined in section 13.02, subdivision 12.

(b) *The assessment report must include:*

(1) *a recommended level of care for the offender in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3;*

(2) *recommendations for other appropriate remedial action or care, that may consist of educational programs, one-on-one counseling, a program or type of treatment that addresses mental health concerns, or a combination of them; or*

(3) *a specific explanation why no level of care or action was recommended.*

Sec. 5. Minnesota Statutes 1989 Supplement, section 169.126, subdivision 4, is amended to read:

Subd. 4. [CHEMICAL USE ASSESSMENT.] (a) ~~Except as otherwise provided in paragraph (d), when an alcohol problem screening shows that the defendant has an identifiable chemical use problem, the court shall require the defendant to undergo a comprehensive~~ *A chemical use assessment required by this section must be conducted by an assessor qualified under appointed by the court. The assessor must meet the training and qualification requirements of rules adopted by the commissioner of human services under section 254A.03, subdivision 3. Notwithstanding section 13.82, the assessor shall have access to any police reports, laboratory test results, and other law enforcement data relating to the current offense or previous offenses that are necessary to complete the evaluation. An assessor providing a chemical use an assessment for the court under this section*

may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An appointment for the defendant to undergo the ~~chemical use~~ assessment shall be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The ~~comprehensive chemical use~~ assessment must be completed no later than three weeks after the defendant's court appearance. If the assessment is not performed within this time limit, the county where the defendant is to be sentenced shall perform the assessment. The county of financial responsibility shall be determined under chapter 256G.

(b) The ~~chemical use~~ assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3.

(c) The state shall reimburse the county for the entire cost of each ~~chemical use~~ assessment and report at a rate established by the department of human services up to a maximum of \$100 in each case. The county may not be reimbursed for the cost of any ~~chemical use~~ assessment or report not completed within the time limit provided in this subdivision. Reimbursement to the county must be made from the general fund.

(d) If the preliminary alcohol problem screening is conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3, consists of a ~~comprehensive chemical use~~ assessment of the defendant, and complies with the ~~chemical use~~ assessment report requirements of paragraph (b), it is a ~~chemical use~~ assessment for the purposes of this section and the court may not require the defendant to undergo a second ~~chemical use~~ assessment under paragraph (a). The state shall reimburse counties for the cost of alcohol problem screenings that qualify as ~~chemical use~~ assessments under this paragraph in the manner provided in paragraph (c) in lieu of the reimbursement provisions of section 169.124, subdivision 3.

Sec. 6. Minnesota Statutes 1988, section 169.126, is amended by adding a subdivision to read:

*Subd. 4c. [REIMBURSEMENT.] The commissioner of public safety shall reimburse the county for the cost of each assessment and report at a rate established by the commissioner. The county may not be reimbursed for the cost of any assessment or report not completed within the time limit provided in subdivision 4. Reimbursement to the county must be made from the general fund. The commissioner of public safety shall adopt rules under chapter 14 providing for the reimbursement of counties for assessments conducted under this section.*

Sec. 7. Minnesota Statutes 1988, section 169.126, subdivision 6, is amended to read:

*Subd. 6. [APPLICABILITY.] This section shall not apply to persons a person who ~~are~~ is not residents a resident of the state of Minnesota at the time of the offense and at the time of the ~~alcohol problem screening~~ assessment.*

Sec. 8. Minnesota Statutes 1989 Supplement, section 260.193, subdivision 8, is amended to read:

Subd. 8. If the juvenile court finds that the child is a juvenile major highway or water traffic offender, it may make any one or more of the following dispositions of the case:

(a) Reprimand the child and counsel with the child and the parents;

(b) Continue the case for a reasonable period under such conditions governing the child's use and operation of any motor vehicles or boat as the court may set;

(c) Require the child to attend a driver improvement school if one is available within the county;

(d) Recommend to the department of public safety suspension of the child's driver's license as provided in section 171.16;

(e) If the child is found to have committed two moving highway traffic violations or to have contributed to a highway accident involving death, injury, or physical damage in excess of \$100, the court may recommend to the commissioner of public safety or to the licensing authority of another state the cancellation of the child's license until the child reaches the age of 18 years, and the commissioner of public safety is hereby authorized to cancel the license without hearing. At any time before the termination of the period of cancellation, the court may, for good cause, recommend to the commissioner of public safety, or to the licensing authority of another state, that the child's license be returned, and the commissioner of public safety is authorized to return the license;

(f) Place the child under the supervision of a probation officer in the child's own home under conditions prescribed by the court including reasonable rules relating to operation and use of motor vehicles or boats directed to the correction of the child's driving habits;

(g) Require the child to pay a fine of up to \$700. The court shall order payment of the fine in accordance with a time payment schedule which shall not impose an undue financial hardship on the child;

(h) If the court finds that the child committed an offense described in section 169.121, the court shall order that an ~~alcohol problem screening~~ *a chemical use assessment* be conducted and a ~~screening~~ report submitted to the court in the manner prescribed in section 169.126. ~~Except as otherwise provided in section 169.126, subdivision 4, paragraph (d),~~ If the ~~alcohol problem screening shows assessment concludes~~ that the child has an identifiable chemical use problem, the court shall require the child to undergo a comprehensive chemical use assessment in accordance with section 169.126, subdivision 4. ~~If the chemical use assessment recommends meets the level of care criteria for placement under rules adopted under section 254A.03, subdivision 3, the report must recommend a level of care for the child.~~ The court may require that level of care in its disposition order. In addition, the court may require any child ordered to undergo a ~~chemical use~~ an assessment to pay a chemical dependency assessment charge of \$75. The court shall forward the assessment charge to the commissioner of finance to be credited to the general fund. The state shall reimburse counties for the total cost of the ~~chemical use~~ assessment in the manner provided in section 169.126, subdivision 4 4c.

Sec. 9. [REPEALER.]



*Minnesota Statutes 1988, sections 169.124, subdivisions 2 and 3; and 169.126, subdivisions 2, 3, and 4b; and Minnesota Statutes 1989 Supplement, section 169.126, subdivision 4a, are repealed.*

#### ARTICLE 3

##### EXPANDED DWI SANCTIONS FOR REPEAT OFFENDERS

Section 1. Minnesota Statutes 1989 Supplement, section 169.121, subdivision 1a, is amended to read:

Subd. 1a. [REFUSAL TO SUBMIT TO TESTING; CRIME.] It is a crime for any person to refuse to submit to a chemical test of the person's blood, breath, or urine under section 169.123 if the person's *driver's* license has been *suspended, revoked, canceled, or denied* once within the past five years, or two or more times within the past ten years, under any of the following: this section; or section 169.123; *; section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clause (2) or (3); 609.21, subdivision 2, clause (2) or (3); 609.21, subdivision 3, clause (2) or (3); or 609.21, subdivision 4, clause (2) or (3).*

Sec. 2. Minnesota Statutes 1988, section 169.129, is amended to read:

##### 169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person *is guilty of a gross misdemeanor* who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driver's privilege has been reinstated following its cancellation, suspension or, revocation ~~(1) because the person drove, operated, or was in physical control of a motor vehicle while under the influence of alcohol or a controlled substance or while the person had an alcohol concentration of 0.10 or more or (2) because the person refused to take a test which determines the presence of alcohol or a controlled substance when requested to do so by a proper authority; is guilty of a gross misdemeanor, or denial under any of the following: section 169.121 or 169.123; section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clause (2) or (3); 609.21, subdivision 2, clause (2) or (3); 609.21, subdivision 3, clause (2) or (3); or 609.21, subdivision 4, clause (2) or (3).~~ Jurisdiction over prosecutions under this section is in the county court.

Sec. 3. [EFFECTIVE DATE.]

*Sections 1 and 2 are effective August 1, 1990, and apply to violations occurring on or after that date.*

#### ARTICLE 4

##### CRIMINAL VEHICULAR HOMICIDE

Section 1. Minnesota Statutes 1989 Supplement, section 609.21, is amended to read:

##### 609.21 [CRIMINAL VEHICULAR OPERATION HOMICIDE AND INJURY.]

Subdivision 1. [~~RESULTING IN DEATH~~ CRIMINAL VEHICULAR HOMICIDE.] Whoever causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle ~~as defined~~

in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) in a negligent manner while having an alcohol concentration of 0.10 or more; or

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation homicide resulting in death and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 2. [RESULTING IN ~~INJURY~~ GREAT BODILY HARM.] Whoever causes great bodily harm to another, as defined in section 609.02, subdivision 8; not constituting attempted murder or assault, as a result of operating a motor vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; or

(3) in a negligent manner while having an alcohol concentration of 0.10 or more; or

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in ~~injury~~ great bodily harm and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 2a. [RESULTING IN SUBSTANTIAL BODILY HARM.] Whoever causes substantial bodily harm to another, as a result of operating a motor vehicle,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements;

(3) while having an alcohol concentration of 0.10 or more; or

(4) while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,

is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [RESULTING IN DEATH TO AN UNBORN CHILD.] Whoever causes the death of an unborn child as a result of operating a motor vehicle defined in section 169.01, subdivision 2, or an aircraft or watercraft,

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; ~~or~~

(3) ~~in a negligent manner~~ while having an alcohol concentration of 0.10 or more; ~~or~~

(4) *while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,*

is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 4. [RESULTING IN INJURY TO UNBORN CHILD.] Whoever causes great bodily harm, ~~as defined in section 609.02, subdivision 8,~~ to an unborn child who is subsequently born alive, as a result of operating a motor vehicle ~~defined in section 169.01, subdivision 2,~~ ~~or an aircraft or watercraft,~~

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of alcohol, a controlled substance, or any combination of those elements; ~~or~~

(3) ~~in a negligent manner~~ while having an alcohol concentration of 0.10 or more; ~~or~~

(4) *while having an alcohol concentration of 0.10 or more, as measured within two hours of the time of driving,*

is guilty of criminal vehicular operation resulting in injury to an unborn child and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. A prosecution for or conviction of a crime under this subdivision is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

Subd. 5. [DEFINITION.] *For purposes of this section, "motor vehicle" has the meaning given in section 609.52, subdivision 1.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1990, and applies to crimes committed on or after that date.*

## ARTICLE 5

### OPEN BOTTLE LAW

Section 1. Minnesota Statutes 1988, section 169.122, subdivision 2, is amended to read:

Subd. 2. No person shall have in possession ~~on the person~~ while in a private motor vehicle upon a public highway, any bottle or receptacle containing intoxicating liquor or nonintoxicating malt liquor which has been opened, or the seal broken, or the contents of which have been partially removed. *For purposes of this section, "possession" means either that the person had actual possession of the bottle or receptacle or that the person*

*consciously exercised dominion and control over the bottle or receptacle. This subdivision does not apply to a bottle or receptacle that is in the trunk of the vehicle if it is equipped with a trunk, or that is in another area of the vehicle not normally occupied by the driver and passengers if the vehicle is not equipped with a trunk.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1990, and applies to violations occurring on or after that date."*

Delete the title and insert:

"A bill for an act relating to traffic safety; providing for administrative impoundment of license plates of vehicles owned by repeat violators of laws relating to driving while intoxicated; providing for issuance of special plates to certain members of the violator's household; requiring peace officers to serve a notice of intent to impound when serving a notice of intent to revoke the violator's driver's license; providing for administrative and judicial review of impoundment orders; eliminating the alcohol problem screening for persons convicted of offenses associated with driving under the influence of alcohol or a controlled substance; modifying procedures for chemical use assessments, programs, and funding; changing the maximum rate for reimbursement of counties from the general fund for the assessments; expanding the crime of refusing to submit to an implied consent test; expanding the crime of aggravated driving while intoxicated; removing requirement that negligence be proven for conviction of criminal vehicular operation if driver's alcohol concentration was 0.10 or more; imposing penalties for criminal vehicular operation resulting in substantial bodily harm; prohibiting constructive possession of alcohol in a private motor vehicle; expanding the definition of possession; amending Minnesota Statutes 1988, sections 168.041, subdivisions 3, 8, and 10; 169.122, subdivision 2; 169.124, subdivision 1; 169.126, subdivisions 1, 2, 6, and by adding a subdivision; and 169.129; Minnesota Statutes 1989 Supplement, sections 169.041, subdivision 4; 169.121, subdivisions 1a and 3b; 169.126, subdivision 4; 260.193, subdivision 8; and 609.21; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 1988, sections 168.041, subdivision 3a; 169.124, subdivisions 2 and 3; and 169.126, subdivisions 2, 3, and 4b; and Minnesota Statutes 1989 Supplement, sections 168.041, subdivision 4a; and 169.126, subdivision 4a."

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. 2465: A bill for an act relating to economic development; requiring a prevailing wage for projects which received economic development related financial assistance from a government agency; requiring certification from the commissioners of the pollution control agency and labor and industry relating to past violations; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Delete everything after the enacting clause and insert:

**"Section 1. [116J.871] [DEFINITIONS.]**

*Subdivision 1. [APPLICABILITY.] For the purposes of this section and section 2, the following terms have the meanings given them.*

*Subd. 2. [FINANCIAL ASSISTANCE.] "Financial assistance" means grants, loans, loan guarantees, interest subsidies, tax credits, property tax deferrals or reductions, property acquisition writedowns, subsidized utility connections, and tax abatements provided by a government agency; interest cost savings from tax-exempt bonds and other securities issued by a government agency on behalf of a person; wage subsidies and other employment and training services as defined under section 268.0111, subdivision 4, provided to or on behalf of a person by a government agency; or other financing tool or assistance utilized by the government agency to encourage development.*

*Subd. 3. [GOVERNMENT AGENCY.] "Government agency" means a state agency, the Greater Minnesota Corporation, a political subdivision of the state, a development agency organized or operating under chapter 469, or a port authority organized under special law.*

*Subd. 4. [PROJECT SITE.] "Project site" means the location where improvements are made or business operations are undertaken that are financed in whole or in part by the financial assistance; or the location of employees that receive financial assistance in the form of employment and training services as defined in section 268.0111, subdivision 4.*

**Sec. 2. [116J.872] [FINANCIAL ASSISTANCE; CERTIFICATION.]**

*Subdivision 1. [FINANCIAL ASSISTANCE LIMITATIONS.] A government agency may provide financial assistance to a person only if the person receiving or benefiting from the financial assistance certifies to the commissioner of labor and industry that laborers, workers, and mechanics at the project site during construction, installation, remodeling, and repairs for which the financial assistance was provided will be paid the prevailing wage rate as defined in section 177.42, subdivision 6, for the county or other areas from which labor for the project is secured.*

*Subd. 2. [PREVAILING WAGE; PENALTY.] It is a misdemeanor for a person who has certified that prevailing wages will be paid to laborers, workers, and mechanics under subdivision 1 to subsequently fail to pay the prevailing wage. This misdemeanor is punishable by a fine of not more than \$700, or imprisonment for not more than 90 days, or both. Each day a violation of this subdivision continues is a separate offense."*

Delete the title and insert:

**"A bill for an act relating to economic development; requiring a prevailing wage for projects which received economic development related financial assistance from a government agency; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 116J."**

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

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

S.F. No. 1848: A bill for an act relating to housing; authorizing guarantees, requiring limits, and regulating securities relating to certain home loans; amending Minnesota Statutes 1988, sections 462A.21, subdivision 9; and 475.66, subdivision 3; Minnesota Statutes 1989 Supplement, sections 462A.05, subdivision 34; and 462A.057, subdivision 7; and Laws 1989, chapter 335, article 1, section 27, 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 1989 Supplement, section 462A.05, subdivision 34, is amended to read:

Subd. 34. [HOME EQUITY CONVERSION LOANS.] (a) The agency may make or, purchase, or make a forward commitment to purchase home equity conversion loans for low- or moderate-income elderly homeowners. Loan recipients must be at least 62 years of age, have substantial equity in their home, and have an income at or below 50 percent of the greater of statewide or area median income. The agency must inform a program participant of available home equity conversion loan counseling services before making a loan.

(b) Repayment of a home equity conversion loan may not be required until at least one of the following conditions occurs:

- (1) the sale or conveyance of the mortgaged property;
- (2) the mortgaged property is no longer the mortgagor's principal residence;
- (3) the death of the mortgagor; or
- (4) a violation of an obligation of the mortgagor under the mortgage.

For purposes of this section, an obligation of the mortgagor under the mortgage does not include immediate repayment upon completion of loan disbursements at the end of a specified term.

Sec. 2. Minnesota Statutes 1988, section 462A.05, is amended by adding a subdivision to read:

Subd. 35. [MANUFACTURED HOME PARK LOANS.] *The agency may provide financial assistance for the conversion of manufactured home parks to cooperative or nonprofit ownership. Financial assistance may include direct loans, interest rate subsidy loans, loan guarantees, and down payment assistance.*

Sec. 3. Minnesota Statutes 1989 Supplement, section 462A.057, subdivision 7, is amended to read:

Subd. 7. [PURCHASE AND REHABILITATION.] An eligible organization may acquire up to five properties in a designated area with the consent of the advisory board for that area. The organization must rehabilitate these properties to the standards established by the agency. The total maximum cost of the acquisition, rehabilitation, closing costs, and back taxes must be no greater than ~~\$50,000~~ *an amount equal to 90 percent of the home sale price limitation established for the agency's home mortgage programs* 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.

Sec. 4. Minnesota Statutes 1989 Supplement, section 462A.21, subdivision 8b, is amended to read:

Subd. 8b. [FAMILY RENTAL HOUSING.] It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 60 percent of area median income. Priority must be given to those developments with resident families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. *The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the rehabilitation of existing housing under this subdivision.*

Sec. 5. Minnesota Statutes 1989 Supplement, section 462A.21, subdivision 8c, is amended to read:

Subd. 8c. [RENTAL HOUSING FOR INDIVIDUALS.] It may establish a rental housing assistance program for persons of low income or with a mental illness to provide loans or direct rental subsidies for housing for individuals with incomes of up to 30 percent of area median income. Priority must be given to developments with the lowest income residents. Housing for the mentally ill must be operated in coordination with social service providers who provide services to tenants. The developments may be financed by the agency or other public or private entities. Direct rental subsidies must be administered by the agency for the benefit of eligible tenants. Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Loans and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. *The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the rehabilitation of existing housing under this subdivision.*

Sec. 6. Minnesota Statutes 1988, section 462A.21, subdivision 9, is amended to read:

Subd. 9. It may make loans to encourage innovations in the development or rehabilitation of single or multifamily residential housing pursuant to section 462A.05, subdivision 18. ~~Loans pursuant to this subdivision shall only be made with money appropriated directly by the legislature specifically for this purpose.~~

Sec. 7. Minnesota Statutes 1988, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities or in general obligations of other state and local governments with taxing powers which are rated A or better by a national bond rating service, or (2) a general obligation of the Minnesota housing finance agency, or (3) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, provided that investments under clauses (2) and (3) must be in obligations that are rated the highest or next highest rating given by Standard & Poor's Corporation or Moody's Investors Service, Inc., and investments under clause (3) may be made only (i) prior to August 1, 1991, and (ii) for a period of no more than three years from the date of purchase and further provided that investments under clauses (2) and (3) be determined to be expedient to reduce the amount of arbitrage rebate otherwise payable to the United States under section 148 of the Internal Revenue Code of 1986; *A or better by a national bond rating service,*

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis or a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.



The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created.

Sec. 8. Laws 1989, chapter 335, article 1, section 27, subdivision 1, is amended to read:

Subdivision 1. Total

Appropriation	12,583,000	12,584,000
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Approved Complement - 134

Spending limit on cost of general administration of agency programs:

1990	1991
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\$7,130,000	\$7,560,000
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This appropriation is for transfer to the housing development fund for the programs specified.

\$225,000 the first year and \$225,000 the second year are for housing programs for the elderly under Minnesota Statutes, section 462A.05, subdivision 24.

\$2,115,000 the first year and \$2,115,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$1,887,000 the first year and \$1,887,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14, of which \$125,000 the first year and \$125,000 the second year are for a demonstration program to make off-reservation loans in combination with bond proceeds from *or other mortgage financing approved by the agency*.

\$233,000 the first year and \$233,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$4,842,000 the first year and \$4,842,000 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

\$569,000 the first year and \$569,000 the second year are for temporary housing programs

under Minnesota Statutes, sections 462A.05, subdivision 20; and 462A.21.

Notwithstanding any law to the contrary, in the event that the housing finance agency assumes servicing responsibility for its home improvement loans, energy loans, and rehabilitation loans, the agency may apply for an increase in its complement and administrative cost ceiling through the regular legislative advisory commission process."

Delete the title and insert:

"A bill for an act relating to housing; making changes in the home equity conversion loan program, authorizing manufactured home park loan assistance, requiring limits, and regulating securities relating to certain home loans; amending Minnesota Statutes 1988, sections 462A.05, by adding a subdivision; 462A.21, subdivision 9; 475.66, subdivision 3; Minnesota Statutes 1989 Supplement, sections 462A.05, subdivision 34; 462A.057, subdivision 7; 462A.21, subdivisions 8b and 8c; and Laws 1989, chapter 335, article 1, section 27, subdivision 1."

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

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

S.F. No. 2192: A bill for an act relating to crime; expanding the crime of first degree murder to include certain deaths caused by domestic abuse; imposing penalties; amending Minnesota Statutes 1988, section 609.185.

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 1989 Supplement, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer or a guard employed at a Minnesota state correctional facility, with intent to effect the death of that person or another, while the peace officer or guard is engaged in the performance of

official duties; ~~or~~

(5) causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing ~~or attempting to commit~~ child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life; *or*

*(6) causes the death of a human being under circumstances other than those described in clause (1), (2), or (5) while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim and the death occurs under circumstances manifesting an extreme indifference to human life.*

For purposes of clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, 609.345, 609.377, or 609.378.

*For purposes of clause (6), "domestic abuse" means an act that:*

*(1) constitutes a violation of section 609.221, 609.222, or 609.223; and*

*(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective August 1, 1990, and applies to crimes committed on or after that date."*

Amend the title as follows:

Page 1, line 5, delete "1988" and insert "1989 Supplement"

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

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

S.F. No. 2531: A bill for an act relating to veterans; authorizing the veterans homes board to rent certain facilities; appropriating money; amending Minnesota Statutes 1989 Supplement, section 198.003.

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

Amend the title as follows:

Page 1, line 3, delete "appropriating" and insert "authorizing expenditures of"

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. 1838: A bill for an act relating to health; requiring a surcharge fee for hearing instrument sellers; requiring permit systems and ethical codes for occupations regulated by a health-related board; allowing cease

and desist orders against a person violating occupation regulations; requiring positive results from a toxicology test of a pregnant woman or infant to be recorded on the birth certificate or fetal death report; amending Minnesota Statutes 1988, sections 214.001, subdivision 3; and 214.11; Minnesota Statutes 1989 Supplement, sections 144.698, subdivision 1; 214.06, subdivision 1; and 626.5562, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 153A.

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

Pages 2 and 3, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

Page 1, delete line 4

Page 1, line 5, delete "health-related board;"

Page 1, line 10, delete everything after the first comma and insert "section"

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. 2481: A bill for an act relating to health; requiring an asbestos abatement rule change.

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

Delete everything after the enacting clause and insert:

"Section 1. [326.785] [ASBESTOS CONTAINMENT BARRIERS.]

*Notwithstanding Minnesota Rules, part 7005.1616, subpart 4, item B, subitem (5), containment barriers, in the case of tunnel abatement enclosures, are limited to double critical barriers."*

Delete the title and insert:

"A bill for an act relating to health; changing asbestos containment standards; proposing coding for new law in Minnesota Statutes, chapter 326."

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. 1903: A bill for an act relating to health; providing programs and incentives for persons to volunteer as bone marrow donors; requiring the commissioner of health to educate residents about the need for volunteer bone marrow donors; requiring paid leave for employees to donate bone marrow; allowing a tax credit to employers who develop tissue typing programs for employees; providing that certain contributions qualify as a

charitable contribution for purposes of the corporate franchise tax; requiring a bone marrow donor drive to encourage state employees to volunteer as bone marrow donors; appropriating money; amending Minnesota Statutes 1988, sections 290.06, by adding a subdivision; and 290.21, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 145 and 181.

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

Pages 3 to 5, delete sections 3 and 4

Page 5, line 32, delete "5" and insert "3"

Page 5, delete line 36

Page 6, delete line 1

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete everything after the semicolon

Page 1, delete lines 8 to 10

Page 1, line 11, delete "franchise tax;"

Page 1, line 13, delete "amending Minnesota"

Page 1, delete line 14

Page 1, line 15, delete everything before "proposing"

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. 2536: A bill for an act relating to insurance; accident and health; providing for the classification and disclosure of certain comprehensive health insurance data; regulating the Minnesota comprehensive health insurance plan; amending Minnesota Statutes 1988, sections 13.71, by adding a subdivision; 62E.10, subdivision 9; and 62E.14, by adding a subdivision.

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

Page 2, line 35, after "*resident*" insert "*who is eligible to enroll in the comprehensive health plan*" and delete "*comprehensive*"

Page 2, line 36, delete "*health*"

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

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

S.F. No. 2165: A bill for an act relating to occupations and professions; providing for independent medical examinations by doctors of chiropractic; amending Minnesota Statutes 1988, sections 148.01, subdivision 1; and 148.08, subdivision 3; proposing coding for new law in Minnesota Statutes,

chapter 148.

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

Page 1, line 26, delete "MEDICAL"

Page 2, lines 3, 9, 16, 20, 24, and 32, delete "medical"

Page 2, line 4, delete "and" and insert "or"

Page 2, lines 8, 14, 18, and 27, delete "MEDICAL"

Page 2, line 10, after "analysis" insert "regarding chiropractic care"

Page 3, lines 4, 7, 12, 21, and 25, delete "medical"

Page 3, lines 20, 24, and 30, after "doctor" insert "of chiropractic"

Page 3, line 21, after "party" insert "selecting a chiropractic examination"

Page 3, line 23, delete "MEDICAL"

Page 3, line 27, delete "examiner's" and insert "examiners'"

Page 4, lines 5, 17, 20, 23, 25, 29, 33, and 36, delete "medical"

Page 5, line 6, delete "medical"

Amend the title as follows:

Page 1, line 3, delete "medical"

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

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

S.F. No. 1896: A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing a tax credit; requiring studies; increasing medical assistance rates for ambulance services; providing funding for prehospital education, continuing education, and equipment; establishing task forces for medical directors and advisers; establishing an incentive plan for ambulance service personnel; setting plan requirements; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; increasing medical assistance reimbursement for certain physician services; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; changing requirements for swing beds; providing exemptions to the hospice licensure requirement; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money; amending Minnesota Statutes 1988, sections 136C.04, by adding a subdivision; 144A.48, subdivision 2, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78,

by adding subdivisions; 144.562, subdivision 2; 144.804, subdivision 1; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; 168.33, subdivision 7; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 148; 174; and 290; proposing coding for new law as Minnesota Statutes, chapter 353E.

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

Page 2, line 10, delete "*public health agency*" and insert "*board of health, community health board, or public health nursing agency*"

Page 2, line 30, delete "*eligible public health agencies*" and insert "*an eligible board of health, community health board, or public health nursing agency*"

Page 2, delete line 34 and insert "*board of health, community health board, or public health nursing agency*" is defined as a board of health, community health board, or public health nursing agency"

Page 3, line 3, delete "*public health agency*" and insert "*board of health, community health board, or public health nursing agency*"

Page 3, line 17, strike "all"

Page 3, line 18, strike everything before the comma and insert "*basic life support equipment as required by rules adopted by the commissioner under section 144.804, subdivision 2*"

Page 3, lines 20 to 26, delete the new language

Page 3, after line 36, insert:

"Sec. 5. Minnesota Statutes 1989 Supplement, section 144.804, subdivision 7, is amended to read:

Subd. 7. [~~DRIVERS OF AMBULANCE SERVICE VEHICLES~~ *AMBULANCES.*] An ambulance service vehicle shall be staffed by a driver possessing a current Minnesota driver's license or equivalent and whose driving privileges are not under suspension or revocation by any state. If red lights and siren are used, the driver must also have completed training approved by the commissioner in emergency driving techniques. An ambulance transporting patients must be staffed by at least two persons who are trained according to ~~this~~ *section 144.804, subdivision 1, or section 144.809*, one of whom may be the driver. *A third person serving as driver shall be trained according to this subdivision.*"

Page 4, line 19, delete "*requirments*" and insert "*requirements*"

Page 4, line 36, before the semicolon, insert "*, as authorized in section 144.804, subdivision 7*"

Page 6, after line 7, insert:

"Sec. 8. [144.8097] [EMERGENCY MEDICAL SERVICES ADVISORY COMMITTEE.]

*Subdivision 1. [ADVISORY COMMITTEE ESTABLISHED.] The commissioner of health may establish an emergency medical services advisory committee to advise, to consult with, and to make recommendations to the commissioner of health regarding the formulation of policy and plans for the organization, delivery, and evaluation of emergency medical services*

*within the state. The commissioner shall establish procedures for the advisory committee's proper functioning. The procedures must include, but not be limited to, methods for selecting alternate or temporary members and methods of communicating recommendations and advice to the commissioner for consideration.*

*Subd. 2. [MEMBERSHIP; TERMS; COMPENSATION.] (a) The committee shall consist of 17 members. The members shall be appointed by the commissioner of health and shall consist of the following:*

*(1) a representative of the governing bodies of the eight regional emergency medical systems designated under section 144.8093;*

*(2) an emergency medical services physician;*

*(3) an emergency department nurse;*

*(4) an emergency medical technician (ambulance, intermediate, or paramedic);*

*(5) a representative of an emergency medical care training institution;*

*(6) a representative of a licensed ambulance service;*

*(7) a hospital administrator;*

*(8) a first responder;*

*(9) a member of a community health services agency; and*

*(10) a representative of the public at large.*

*(b) As nearly as possible, one-third of the initial members' terms must expire each year during the first three years of the committee. Successors of the initial members shall be appointed for three-year terms. A person chosen to fill a vacancy shall be appointed only for the unexpired term of the board member whom the newly appointed member succeeds.*

*(c) The compensation and removal of all members and the expiration of the committee shall be as provided in section 15.059."*

Page 6, line 24, delete "vehicles" and insert "ambulances"

Page 12, line 18, delete "employee relations" and insert "health"

Page 12, line 19, delete "health" and insert "employee relations"

Page 13, after line 15, insert:

**"Sec. 19. [STUDY OF RECRUITMENT AND RETENTION INDUCEMENTS.]**

*The commissioner of health, in consultation with the executive director of the public employees retirement association, shall study the need for recruitment and retention inducements for professional ambulance personnel in all areas of the state. The study must: (1) examine both the feasibility of and the need for pensions, lump-sum retirement benefits, and other recruitment and retention inducements; (2) estimate potential utilization of pension and retirement plans and other inducements; and (3) provide recommendations for eligibility standards, plan funding and benefits, and plan administration for a pension plan or retirement benefit for professional ambulance personnel. The commissioner of health shall present study findings and recommendations to the legislature by January 1, 1991."*



Page 13, line 28, delete "17" and insert "20"

Page 13, line 31, delete "human services" and insert "health"

Page 13, line 32, delete "6" and insert "7"

Renumber the sections of article 1 in sequence

Pages 13 to 21, delete article 2

Page 21, line 25, delete "3" and insert "2"

Page 21, line 30, delete "raised by" and insert "contributed to a fund according to recommendations of"

Pages 23 to 25, delete section 3 and insert:

"Sec. 3. [136A.1351] [NURSING GRANT PROGRAM.]

*Subdivision 1. [ESTABLISHMENT.] A nursing grant program is established under the authority of the higher education coordinating board to provide grants to registered nurses seeking to complete baccalaureate or masters degrees in nursing or a program of advanced nursing education.*

*Subd. 2. [DEFINITION.] "Program of advanced nursing education" means a nursing program to prepare registered nurses to become nurse practitioners or nurse anesthetists that has been certified by a nationally recognized organization having authority to certify the program.*

*Subd. 3. [ELIGIBILITY.] To be eligible to receive a grant, a student must be:*

*(1) licensed as a registered nurse in Minnesota and have been employed as a nurse in the state for at least one year prior to re-enrolling in college;*

*(2) a resident of the state of Minnesota;*

*(3) enrolled in a school or college of nursing for the purpose of completing a baccalaureate or masters degree, or a program of advanced nursing education; and*

*(4) eligible under any additional criteria established by the school or college of nursing, or program of advanced nursing education, in which the student is enrolled.*

*The scholarship must be awarded for one academic year but is renewable for a maximum of six semesters or nine quarters of full time study, or their equivalent.*

*Subd. 4. [RESPONSIBILITY OF NURSING PROGRAMS.] Each nursing program that wishes to participate in the nursing grant program must apply to the higher education coordinating board for funds, in accordance with rules and policies established by the board. Each nursing program must establish criteria to use in awarding the grants. These criteria must include consideration of the likelihood of a student's success in completing the nursing program and must give priority to: (1) students with the greatest financial need; and (2) students enrolling to complete baccalaureate degrees. Grants must be for a minimum of \$500, but may not exceed \$2,500 per year. Each nursing program shall establish procedures for students to apply for and receive grants.*

*Subd. 5. [RESPONSIBILITIES OF THE HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall distribute funds each year to the nursing programs applying to participate*

*in the nursing grant program based on the prior academic year's enrollment of registered nurses in schools or colleges of nursing, or programs of advanced nursing education, as provided under subdivision 3, clause (3). Any funds not used by a recipient nursing program must be returned to the higher education coordinating board for redistribution under this section. The board shall establish an application process for interested nursing programs. Initial applications are due by January 1, 1991, and each subsequent year thereafter. By March 1, 1991, and each subsequent year thereafter, the board shall notify each applicant nursing program of its approximate allocation of funds in order to allow the program to determine the number of students that can be supported by the allocation. The board shall distribute funds to the nursing programs by August 1, 1991, and each subsequent year thereafter.*

*Subd. 6. [FUNDING.] (a) The nursing grant program shall be funded by a \$5.50 fee on each registration renewal of registered nurses as provided under section 148.231, unless the applicant specifically indicates on the renewal form that the applicant does not wish to participate in the funding of this program. The board of nursing shall transfer all money received under this subdivision, less an amount sufficient to pay the costs of administering the program not to exceed 12 percent of the fee collected under this subdivision, to the higher education coordinating board on a quarterly basis. By January 1, 1991, and each subsequent year thereafter, the board of nursing shall provide an estimate to the higher education coordinating board of the amount of money that may be available each year based on the number of anticipated registration renewals in that year.*

*(b) Notwithstanding paragraph (a), up to the first \$17,000 of fees collected under this subdivision may be used to program the board of nursing's computer system for purposes of administering this section.*

*Subd. 7. [REPORT.] The nursing programs participating in the nursing grant program shall report to the higher education coordinating board on their program activity as requested by the board. The higher education coordinating board shall report its findings and recommendations on the program to the legislature by February 1, 1995.*

*Subd. 8. [SUNSET.] This section is repealed on June 30, 1995."*

*Page 25, line 10, delete "148.284" and insert "136A.1352"*

*Page 25, line 23, delete the first "nurse" and insert "clinical nurse specialist" and after the second comma, insert "master's degree prepared public health nurse,"*

*Page 26, line 2, delete "for" and insert "to become an"*

*Page 26, line 3, delete everything after "practice" and insert "nurse"*

*Page 26, line 4, delete everything before "shall"*

*Page 26, line 14, delete everything after "loans" and insert a period*

*Page 26, line 15, delete everything before "For"*

*Page 27, line 5, delete "education" and insert "health"*

*Page 27, delete section 7 and insert:*

*"Sec. 7. [STUDY OF MEDICAL ASSISTANCE REIMBURSEMENT FOR PHYSICIANS.]*

*The commissioner of human services shall examine methods to increase medical assistance reimbursement to medical doctors and doctors of osteopathy. The commissioner may consider selective reimbursement increases for the following primary care services as defined by the commissioner by the appropriate current procedure terminology (CPT): preventive care, office visits, maternity and delivery services, and pediatric immunization, or may consider other changes in medical assistance reimbursement designed to target reimbursement increases to medical doctors and doctors of osteopathy providing primary care services. The commissioner shall present recommendations to the legislature by January 15, 1991."*

Page 28, line 2, delete "5" and insert "6,"

Page 28, delete lines 26 to 29

Page 28, line 30, delete "6" and insert "5"

Page 29, line 1, delete "4" and insert "3"

Page 29, line 2, delete "AND HOSPICES"

Page 30, line 36, delete "\$75,000" and insert "\$50,000"

Page 31, line 20, delete "SUBSIDY" and insert "ASSISTANCE"

Page 31, line 22, delete "subsidy" and insert "assistance"

Page 31, line 24, delete "such a subsidy" and insert "financial assistance"

Pages 32 and 33, delete sections 4 to 6

Page 33, line 23, delete "health professionals" and insert "primary care physicians and nurses"

Page 33, line 26, delete everything after "of" and insert "primary care physicians and nurses;"

Page 33, delete line 27

Page 39, line 18, after "APPROPRIATION" insert "COMPLEMENT INCREASE"

Page 39, line 21, delete everything after "and" and insert "4."

Page 39, delete line 22 and insert "The complement of the department of health is increased by . . . positions to carry out the requirements of sections 2, 3, and 4."

Renumber the sections of article 3 in sequence

Amend the title as follows:

Page 1, line 8, after the semicolon, insert "authorizing an emergency medical services advisory committee;"

Page 1, line 13, delete everything after the semicolon

Page 1, delete lines 14 to 17

Page 1, line 18, delete "requirements;"

Page 1, delete line 23

Page 1, line 24, delete everything before the semicolon and insert "requiring a study of medical assistance reimbursement for physicians"

Page 1, line 27, delete "changing"

Page 1, delete line 28

Page 1, line 29, delete everything before "requiring"

Page 1, line 31, after "money" insert "and increasing the complement"

Page 1, line 32, delete everything after "amending"

Page 1, delete line 33

Page 1, line 34, delete everything before "Minnesota"

Page 1, line 36, delete "144.562, subdivision 2;"

Page 1, line 37, delete "subdivision 1" and insert "subdivisions 1 and 7"

Page 1, line 38, delete "168.33, subdivision 7;"

Page 1, line 42, delete "148;" and delete "; proposing coding for new law" and insert a period

Page 1, delete line 43

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

## **SECOND READING OF SENATE BILLS**

S.F. Nos. 1881, 2205, 1743, 2439, 2270, 1907, 1499, 2054, 2432, 1626, 1898, 2465, 1848, 2192, 1838 and 2481 were read the second time.

## **SECOND READING OF HOUSE BILLS**

H.F. No. 1555 was read the second time.

## **MOTIONS AND RESOLUTIONS**

Mr. Davis moved that the name of Mr. Bertram be added as a co-author to S.F. No. 2162. The motion prevailed.

Mr. Merriam moved that the name of Mr. Morse be added as a co-author to S.F. No. 2194. The motion prevailed.

Mr. Davis moved that the name of Mr. Bertram be added as a co-author to S.F. No. 2285. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Merriam be added as a co-author to S.F. No. 2419. The motion prevailed.

Mr. Frank moved that the name of Ms. Reichgott be added as a co-author to S.F. No. 2539. The motion prevailed.

Mr. Kroening moved that the names of Mr. Novak and Mrs. McQuaid be added as co-authors to S.F. No. 2551. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Morse be added as a co-author to S.F. No. 2565. The motion prevailed.

Mr. Schmitz moved that S.F. No. 1742 be withdrawn from the Committee on Taxes and Tax Laws and returned to its author. The motion prevailed.

Mr. Cohen introduced—

Senate Resolution No. 160: A Senate resolution congratulating James C. Malley, the Executive Director of Merriam Park Community Center, on his

retirement.

Referred to the Committee on Rules and Administration.

Mr. Bertram introduced—

Senate Resolution No. 161: A Senate resolution congratulating Joseph H. Holthaus, of Albany, Minnesota, for being named Driver of the Month.

Referred to the Committee on Rules and Administration.

Ms. Reichgott moved that the name of Mr. McGowan be added as a co-author to S.F. No. 1853. The motion prevailed.

Mr. Diessner moved that the name of Mr. Gustafson be added as a co-author to S.F. No. 1868. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Peterson, R.W. be added as a co-author to S.F. No. 1898. The motion prevailed.

Mr. Vickerman moved that S.F. No. 2502 be withdrawn from the Committee on Agriculture and Rural Development and re-referred to the Committee on Finance. The motion prevailed.

Mr. Diessner moved that S.F. No. 1869, No. 1 on the Consent Calendar, be stricken and placed at the top of General Orders. The motion prevailed.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Messrs. Decker, Bernhagen, Frederick, Mrs. Pariseau and Mr. Piepho introduced—

S.F. No. 2569: A bill for an act relating to the environment; changing the collection period of the fee; changing the terms for reimbursement of petroleum tank release costs by the petroleum tank release compensation board; amending Minnesota Statutes 1988, section 115C.08, subdivision 2; and Minnesota Statutes 1989 Supplement, sections 115C.08, subdivision 5; and 115C.09, subdivision 3.

Referred to the Committee on Environment and Natural Resources.

Mr. Peterson, R.W. introduced—

S.F. No. 2570: A bill for an act relating to education; eliminating performance bond requirements for the purchase of finished tangible goods by school districts; amending Minnesota Statutes 1988, section 123.37, subdivision 1.

Referred to the Committee on Education.

Mr. Cohen introduced—

S.F. No. 2571: A bill for an act relating to commerce; clarifying exceptions to the licensing requirements for real estate brokers; amending Minnesota Statutes 1989 Supplement, section 82.18.

Referred to the Committee on Commerce.

Messrs. Marty, Lessard and Spear introduced—

S.F. No. 2572: A bill for an act relating to game and fish; requiring the commissioner of natural resources to adopt an order regulating the sale and use of blowguns; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

Mr. Piepho introduced—

S.F. No. 2573: A bill for an act relating to retirement; permitting participants in the college supplemental retirement plan to designate beneficiaries; amending Minnesota Statutes 1989 Supplement, section 136.82, subdivisions 1 and 2.

Referred to the Committee on Governmental Operations.

Mr. Kroening, Ms. Flynn, Messrs. Laidig and Metzen introduced—

S.F. No. 2574: A bill for an act relating to metropolitan government; authorizing the payment of systemwide costs of administering the regional recreation open space system; authorizing the acquisition and betterment of regional recreation open space lands by the metropolitan council and metropolitan area local government units; authorizing the issuance of state bonds; appropriating money.

Referred to the Committee on Environment and Natural Resources.

Mr. Knaak introduced—

S.F. No. 2575: A bill for an act relating to retirement; Minnesota state retirement system; authorizing the purchase of credit for prior service.

Referred to the Committee on Governmental Operations.

Messrs. Spear and Cohen introduced—

S.F. No. 2576: A resolution memorializing the Soviet Union to continue human rights reforms.

Referred to the Committee on Judiciary.

Mr. Solon introduced—

S.F. No. 2577: A bill for an act relating to state employees, public employees, and teachers; providing immediate vesting for those persons whose employer ceases to be a governmental agency, instrumentality, subdivision, or public body; permitting those persons to elect a refund of their accumulated contributions, retirement annuity, or deferred retirement annuity; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

Mr. Solon introduced—

S.F. No. 2578: A bill for an act relating to retirement; making various changes concerning reserves, coverage, contribution, and administration for the state board of investment, the Minnesota state retirement system,

the public employees retirement association, and the Duluth teachers retirement fund association; clarifying certain provisions; changing administrative requirements; amending Minnesota Statutes 1988, sections 11A.18, subdivision 6; 352.01, subdivision 13; 352.029, subdivision 3; 352.03, subdivision 1; 352.115, subdivision 7; 352.96, subdivision 4; 353.03, subdivision 3; 353.15, subdivision 2; 353.27, subdivisions 7 and 10; 353.46, subdivision 4; 353.657, subdivision 1; and 353.83; Minnesota Statutes 1989 Supplement, sections 352.021, subdivision 5; 352.93, subdivision 3; 352.96, subdivision 3; 353.01, subdivisions 2b, 11a, and 16; 353.33, subdivision 6; 353.35; and 353.656, subdivisions 1 and 3; repealing Minnesota Statutes 1989 Supplement, section 353.87, subdivision 5.

Referred to the Committee on Governmental Operations.

Messrs. Frederickson, D.J.; DeCramer and Johnson, D.E. introduced—

S.F. No. 2579: A bill for an act relating to capital improvements; providing for capital expenses for school district projects; authorizing sale of state bonds; appropriating money.

Referred to the Committee on Education.

Messrs. Vickerman; Frederickson, D.J.; Beckman and Ms. Piper introduced—

S.F. No. 2580: A bill for an act relating to taxation; property; changing the class rates on certain agricultural property; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 23.

Referred to the Committee on Taxes and Tax Laws.

Mr. Peterson, R.W. introduced—

S.F. No. 2581: A bill for an act relating to education; authorizing the commissioner of education to approve district proposals to reorganize delivery of specialized services.

Referred to the Committee on Education.

Mr. Metzen introduced—

S.F. No. 2582: A bill for an act relating to game and fish; authorizing licensing of family shooting preserves; appropriating license fees; proposing coding for new law in Minnesota Statutes, chapter 97A.

Referred to the Committee on Environment and Natural Resources.

Mr. Metzen introduced—

S.F. No. 2583: A bill for an act relating to motor vehicles; establishing and regulating manufacturer's registration plates; amending Minnesota Statutes 1989 Supplement, section 168.27, subdivisions 1, 16, and 17.

Referred to the Committee on Transportation.

Mr. Metzen introduced—

S.F. No. 2584: A bill for an act relating to motor vehicles; requiring inspection of lights and brakes on certain vehicles; amending Minnesota

Statutes 1988, section 169.47, by adding a subdivision.

Referred to the Committee on Transportation.

### **RECONSIDERATION**

Having voted on the prevailing side, Mr. Benson moved that the vote on Mr. Vickerman's motion to withdraw S.F. No. 2502 from the Committee on Agriculture and Rural Development and re-refer to the Committee on Finance, be now reconsidered. The motion prevailed.

Mr. Vickerman withdrew his motion.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 15, 1990. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate