

SEVENTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, March 21, 1990

The Senate met at 12:00 noon and was called to order by the President.

CALL OF THE SENATE

Mr. Belanger 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. Gary Lueck.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

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

March 13, 1990

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

John Borchert, 23239 St. Croix Trl. N., Scandia, Washington County, has been appointed by me, effective March 14, 1990, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

March 13, 1990

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The following appointments to the State Board of Vocational Technical Education are hereby respectfully submitted to the Senate for confirmation as required by law:

Douglas Knowlton, 823 James Ave. S.E., East Grand Forks, Polk County, has been appointed by me, effective March 14, 1990, for a term expiring the first Monday in January, 1994.

John O'Connor, 10677 - 114th St., Stillwater, Washington County, has been appointed by me, effective March 14, 1990, for a term expiring the first Monday in January, 1994.

Gerald Mullen, 6259 Gopher Blvd., Oakdale, Washington County, has been appointed by me, effective March 14, 1990, for a term expiring the first Monday in January, 1992.

(Referred to the Committee on Education.)

March 14, 1990

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Alfred Babington-Johnson, 2923 Fremont Ave. N., Minneapolis, Hennepin County, has been appointed by me, effective March 17, 1990, for a term expiring the first Monday in January, 1991.

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

March 14, 1990

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

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

Elizabeth Pegues, 27 Nord Circle Rd., North Oaks, Ramsey County, has been appointed by me, effective March 18, 1990, for a term expiring the first Monday in January, 1994.

Paula Dykstra, 1776 Poppy Rd., St. Cloud, Stearns County, has been appointed by me, effective March 18, 1990, for a term expiring the first Monday in January, 1994.

(Referred to the Committee on Education.)

Sincerely,
Rudy Perpich, Governor

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 2468 and reports pertaining to appointments. The motion prevailed.

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

S.F. No. 1769: A bill for an act relating to employment; raising the minimum wage; amending Minnesota Statutes 1988, section 177.24, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 177.23, subdivision 7, is amended to read:

Subd. 7. "Employee" means any individual employed by an employer but does not include:

(1) two or fewer specified individuals employed at any given time in agriculture on a farming unit or operation who are paid a salary;

(2) any individual employed in agriculture on a farming unit or operation who is paid a salary greater than the individual would be paid if the individual worked 48 hours at the state minimum wage plus 17 hours at 1-1/2 times the state minimum wage per week;

(3) an individual under 18 who is employed in agriculture on a farm to perform services other than corn detasseling or hand field work when one or both of that minor hand field worker's parents or physical custodians are also hand field workers;

(4) for purposes of section 177.24, an individual under 18 who is employed as a corn detasseler;

(5) any staff member employed on a seasonal basis by a nonprofit organization for work in an organized children's resident or day camp operating under a permit issued under section 144.72;

(6) any individual employed in a bona fide executive, administrative, or professional capacity, or a salesperson who conducts no more than 20 percent of sales on the premises of the employer;

(7) any individual who renders service gratuitously for a nonprofit organization;

(8) any individual who serves as an elected official for a political subdivision or who serves on any governmental board, commission, committee

or other similar body, or who renders service gratuitously for a political subdivision;

(9) any individual employed by a political subdivision to provide police or fire protection services or employed by an entity whose principal purpose is to provide police or fire protection services to a political subdivision;

(10) any individual employed by a political subdivision who is ineligible for membership in the public employees retirement association under section 353.01, subdivision 2b, clause (a), (b), (d), or (i);

(11) any driver employed by an employer engaged in the business of operating taxicabs;

(12) any individual engaged in babysitting as a sole practitioner;

(13) for the purpose of section 177.25, any individual employed on a seasonal basis in a carnival, circus, fair, or ski facility;

(14) any individual under 18 working less than 20 hours per workweek for a municipality as part of a recreational program;

(15) any individual employed by the state as a natural resource manager 1, 2, or 3 (conservation officer);

(16) any individual in a position for which the United States Department of Transportation has power to establish qualifications and maximum hours of service under United States Code, title 49, section 304;

(17) any individual employed as a seafarer. The term "seafarer" means a master of a vessel or any person subject to the authority, direction, and control of the master who is exempt from federal overtime standards under United States Code, title 29, section 213(b)(6), including but not limited to pilots, sailors, engineers, radio operators, firefighters, security guards, pursers, surgeons, cooks, and stewards;

(18) any individual employed by a county in a single family residence owned by a county home school as authorized under section 260.094 if the residence is an extension facility of that county home school, and if the individual as part of the employment duties resides at the residence for the purpose of supervising children as defined by section 260.015, subdivision 2; or

(19) nuns, monks, priests, lay brothers, lay sisters, ministers, deacons, and other members of religious orders who serve pursuant to their religious obligations in schools, hospitals, and other nonprofit institutions operated by the church or religious order.

Sec. 2. Minnesota Statutes 1988, section 177.24, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT.] (a) For purposes of this subdivision, the terms defined in this paragraph have the meanings given them. "Federal covered employers" means those employers covered by the Federal Fair Labor Standards Act of 1938, as amended, (United States Code, title 29, chapter 201 et seq.). "State covered employers" means those employers not covered by the Federal Fair Labor Standards Act of 1938, as amended, and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(b) Except as otherwise provided in sections 177.21 to 177.35, every federal covered employer must pay each employee who is 18 years of age

or older wages at a rate of at least \$3.55 an hour beginning January 1, 1988, \$3.85 an hour beginning January 1, 1989, and \$3.95 an hour beginning January 1, 1990. Every state covered employer must pay each employee who is 18 years of age or older \$3.50 an hour beginning January 1, 1988, \$3.65 an hour beginning January 1, 1989, and \$3.80 an hour beginning January 1, 1990. Every federal covered employer must pay each employee under 18 wages at a rate of at least \$3.20 an hour beginning January 1, 1988, \$3.47 an hour beginning January 1, 1989, \$3.56 an hour beginning January 1, 1990. Every state covered employer must pay each employee under 18 wages at a rate of at least \$3.15 an hour beginning January 1, 1988, \$3.29 an hour beginning January 1, 1989, and \$3.42 an hour beginning January 1, 1990.

~~(e) Notwithstanding paragraph (b), the minimum hourly wage for federal or state covered employees who receive \$35 or more in gratuities per month shall be \$3.35 an hour for those employees who are 18 years of age or older and \$3.02 an hour for those employees who are under 18 years of age. This paragraph applies only until January 1, 1989.~~

(c) Notwithstanding paragraph (b) to the contrary, an employee who is receiving as of January 1, 1990, the minimum wage at a rate greater than that provided for the employee under paragraph (b), shall continue to receive the minimum wage rate required as of January 1, 1990.

Sec. 3. Minnesota Statutes 1988, section 177.24, is amended by adding a subdivision to read:

Subd. 1a. [AMOUNT.] Beginning April 1, 1991, except as otherwise provided in sections 177.21 to 177.35, every employer shall pay each employee wages at a rate of at least \$3.95 an hour.

Sec. 4. Minnesota Statutes 1988, section 177.25, subdivision 1, is amended to read:

Subdivision 1. [COMPENSATION REQUIRED.] (a) No employer may employ an employee for a workweek longer than 48 hours, unless the employee receives compensation for employment in excess of 48 hours in a workweek at a rate of at least 1-1/2 times the regular rate at which the employee is employed. The state of Minnesota or a political subdivision may grant time off at the rate of 1-1/2 hours for each hour worked in excess of 48 hours in a week in lieu of monetary compensation. An employer does not violate the overtime pay provisions of this section by employing any employees for a workweek in excess of 48 hours without paying the compensation for overtime employment prescribed (1) if the employee is employed under an agreement meeting the requirement of section 7(b)(2) of the Fair Labor Standards Act of 1938, as amended, or (2) if the employee is employed as a sugar beet hand laborer on a piece rate basis, provided that the regular rate of pay received per hour of work exceeds the applicable wage provided in section 177.24, subdivision 1 by at least 40 cents.

(b) An employer must pay compensation to an employee at a rate of at least 1-1/2 times the regular rate for any time worked over 48 hours in a period of seven consecutive days. This clause does not apply if the employee and employer have a voluntary agreement providing otherwise.

Sec. 5. Minnesota Statutes 1988, section 181A.04, is amended by adding a subdivision to read:

Subd. 6. A high school student under the age of 18 must not be permitted

to work after 11:30 p.m. on an evening before a school day.

For the purpose of this subdivision, a high school student does not include a student enrolled in an alternative education program approved by the state board of education under Minnesota Rules, part 3500.3500, or an area learning center, including area learning centers under sections 129B.52 to 129B.55 or according to section 121.11, subdivision 12.

Sec. 6. Minnesota Statutes 1988, section 181A.12, subdivision 1, is amended to read:

Subdivision 1. [FINES; PENALTY.] Any employer who hinders or delays the department or its authorized representative in the performance of its duties under sections 181A.01 to 181A.12 or refuses to admit the commissioner or an authorized representative to any place of employment or refuses to make certificates or lists available as required by sections 181A.01 to 181A.12, or otherwise violates any provisions of sections 181A.01 to 181A.12 or any rules issued pursuant thereto shall be assessed a fine to be paid to the commissioner for deposit in the general fund. The fine may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or the district court where the commissioner has an office. Fines are in the amounts as follows:

- | | |
|---|-------|
| (a) employment of minors under the age of 14
(each employee) | \$ 50 |
| (b) employment of minors under the age of 16
during school hours while school is in session
(each employee) | 50 |
| (c) employment of minors under the age of 16
before 7:00 a.m. (each employee) | 50 |
| (d) employment of minors under the age of 16
after 9:00 p.m. (each employee) | 50 |
| (e) <i>employment of a high school student, except a
student enrolled in an alternative education
program approved by the state board of education
under Minnesota Rules, part 3500.3500, or an area
learning center, including area learning centers
under sections 129B.52 to 129B.55 or
according to section 121.11, subdivision 12,
under the age of 18 after 11:30 p.m. in the
evening before a school day (each employee)</i> | 50 |
| (f) employment of minors under the age of 16
over eight hours a day (each employee) | 50 |
| (f) (g) employment of minors under the age of 16
over 40 hours a week (each employee) | 50 |
| (g) (h) employment of minors under the age of 18
in occupations hazardous or detrimental to their
well-being as defined by rule (each employee) | 100 |
| (h) (i) employment of minors under the age of 16
in occupations hazardous or detrimental to their
well-being as defined by rule (each employee) | 100 |

- (j) minors under the age of 18 injured in hazardous employment (each employee) 500
- (k) minors employed without proof of age (each employee) 5

An employer who refuses to make certificates or lists available as required by sections 181A.01 to 181A.12 shall be assessed a \$500 fine.

An employer who engages in repeated violations of sections 181A.01 to 181A.12 is also guilty of a gross misdemeanor.

Sec. 7. [REPEALER.]

Minnesota Statutes 1988, section 177.24, subdivision 1, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Section 2 is effective March 31, 1990. Sections 1 and 4 to 6 are effective August 1, 1990. Sections 3 and 7 are effective April 1, 1991."

Delete the title and insert:

"A bill for an act relating to employment; regulating minimum wages and compensation for overtime work; regulating permitted work hours of high school students; amending Minnesota Statutes 1988, sections 177.23, subdivision 7; 177.24, subdivision 1, and by adding a subdivision; 177.25, subdivision 1; 181A.04, by adding a subdivision; 181A.12, subdivision 1; repealing Minnesota Statutes 1988, section 177.24, subdivision 1."

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

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

S.F. No. 2566: A bill for an act relating to insurance; long-term care; modifying the definition of medically prescribed long-term care; allowing additional licensed health care providers to prepare plans of care; regulating assessments; regulating cancellations; amending Minnesota Statutes 1988, sections 62A.46, subdivisions 2, 4, 5, and 8; 62A.48, subdivision 3, and by adding a subdivision; and 62A.56; Minnesota Statutes 1989 Supplement, section 62A.48, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 62A.46, subdivision 2, is amended to read:

Subd. 2. [LONG-TERM CARE POLICY.] "Long-term care policy" means an individual or group policy, certificate, subscriber contract, or other evidence of coverage that provides benefits for ~~medically~~ prescribed long-term care, including nursing facility services and home care services, pursuant to the requirements of sections 62A.46 to 62A.56. A long-term care policy must contain a designation specifying whether the policy is a long-term care policy AA or A and a caption stating that the commissioner has established two categories of long-term care insurance and the minimum standards for each.

Sections 62A.46, 62A.48, and 62A.52 to 62A.56 do not apply to a long-term care policy issued to (a) an employer or employers or to the trustee of a fund established by an employer where only employees or retirees, and dependents of employees or retirees, are eligible for coverage or (b) to a labor union or similar employee organization. The associations exempted from the requirements of sections 62A.31 to 62A.44 under 62A.31, subdivision 1, clause (c) shall not be subject to the provisions of sections 62A.46 to 62A.56 until July 1, 1988.

Sec. 2. Minnesota Statutes 1988, section 62A.46, subdivision 4, is amended to read:

Subd. 4. [HOME CARE SERVICES.] "Home care services" means one or more of the following ~~medically~~ prescribed services for the long-term care and treatment of an insured that are provided by a home health agency in a noninstitutional setting according to a written diagnosis *or assessment* and plan of care:

(1) nursing and related personal care services under the direction of a registered nurse, including the services of a home health aide;

(2) physical therapy;

(3) speech therapy;

(4) respiratory therapy;

(5) occupational therapy;

(6) nutritional services provided by a licensed dietitian;

(7) homemaker services, meal preparation, and similar nonmedical services;

(8) medical social services; and

(9) other similar medical services and health-related support services.

Sec. 3. Minnesota Statutes 1988, section 62A.46, subdivision 5, is amended to read:

Subd. 5. [~~MEDICALLY~~ PRESCRIBED LONG-TERM CARE.] "~~Medi-~~*Medically* Prescribed long-term care" means a service, type of care, or procedure that *could not be omitted without adversely affecting the patient's illness or condition* and is specified in a plan of care prepared by *either: (1) a physician and a registered nurse and is appropriate and consistent with the physician's diagnosis and that could not be omitted without adversely affecting the patient's illness or condition; or (2) a registered nurse or licensed social worker based on an assessment of the insured's ability to perform the activities of daily living and to perform basic cognitive functions appropriately.*

Sec. 4. Minnesota Statutes 1988, section 62A.46, subdivision 8, is amended to read:

Subd. 8. [PLAN OF CARE.] "Plan of care" means a written document prepared and signed by *either: (1) a physician and registered nurse that specifies medically prescribed long-term care services or treatment that are consistent with the diagnosis and are; or (2) by a registered nurse or licensed social worker that specifies prescribed long-term care services or treatment that are consistent with an assessment of the insured's ability to perform the activities of daily living and to perform basic cognitive functions appropriately. The plan of care must be prepared in accordance*

with accepted **medical and nursing** standards of practice and *must contain services or treatment* that could not be omitted without adversely affecting the patient's illness or condition.

Sec. 5. Minnesota Statutes 1989 Supplement, section 62A.48, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 62A.46 to 62A.56. A long-term care policy must cover ~~medically~~ prescribed long-term care in nursing facilities and at least the ~~medically~~ prescribed long-term home care services in section 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least \$100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least \$50,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Prior hospitalization may not be required under a long-term care policy.

Coverage under either policy designation must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to be homebound or house confined to receive home care services. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured during confinement in a nursing facility must be included. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

No long-term care policy shall be offered or delivered in this state until the insurer has received from the insured a written designation of one or two additional persons who are to receive notice of cancellation of the policy for nonpayment of premium. The designation shall include the persons' full names, home addresses, and telephone numbers.

The insurer may file a policy form that utilizes a plan of care prepared as provided under section 62A.46, subdivision 5, clause (1) or clause (2).

Sec. 6. Minnesota Statutes 1988, section 62A.48, subdivision 3, is amended to read:

Subd. 3. [EXPENSE-INCURRED COVERAGE.] If benefits are provided on an expense-incurred basis, a benefit of not less than 80 percent of covered charges for medically prescribed long-term care must be provided.

Sec. 7. Minnesota Statutes 1988, section 62A.48, is amended by adding a subdivision to read:

Subd. 8. [CANCELLATION FOR NONPAYMENT OF PREMIUM.] No long-term care policy shall be canceled for nonpayment of premium unless the insurer, at least 30 days before the effective date of the cancellation, has given notice to the insured and to the person designated pursuant to section 62A.48, subdivision 1, at the address provided by the insured for purposes of receiving notice of cancellation.

Sec. 8. Minnesota Statutes 1988, section 62A.56, is amended to read:

62A.56 [RULEMAKING.]

Subdivision 1. [PERMISSIVE.] The commissioner may adopt rules pursuant to chapter 14 to carry out the purposes of sections 62A.46 to 62A.56. The rules may:

(1) establish additional disclosure requirements for long-term care policies designed to adequately inform the prospective insured of the need and extent of coverage offered;

(2) prescribe uniform policy forms in order to give the purchaser of long-term care policies a reasonable opportunity to compare the cost of insuring with various insurers; and

(3) establish other reasonable minimum standards as needed to further the purposes of sections 62A.46 to 62A.56.

Subd. 2. [MANDATORY.] The commissioner shall adopt rules under chapter 14 establishing general standards to ensure that assessments used in the prescribing of long-term care are reliable, valid, and clinically appropriate.

Sec. 9. [APPLICATION.]

Sections 1 to 8 apply to policies issued after the effective date of sections 1 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. 1473: A bill for an act relating to the environment; providing for mitigation of the greenhouse effect by imposing a surcharge on motor vehicles and on facilities permitted by the pollution control agency; establishing a carbon dioxide tree planting account; proposing coding for new law in Minnesota Statutes, chapter 116.

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

Delete everything after the enacting clause and insert:

"Section 1. [CARBON DIOXIDE REPORT TO THE LEGISLATURE.]

By June 1, 1991, the commissioner of natural resources in consultation

with and assistance from the pollution control agency, representatives of industry that may be affected by a potential surcharge on carbon dioxide emissions, and representatives of the forestry and the environmental communities, shall prepare a report to the legislature on carbon dioxide emissions and incentives to reduce emissions. The report shall:

(1) identify sources of carbon dioxide emissions and estimates of emission levels by source;

(2) evaluate potential methods of offsetting or decreasing carbon dioxide emissions, through energy efficiency and conservation programs;

(3) evaluate the feasibility of a tree planting plan for carbon dioxide absorption that identifies the proper mix of tree species for optimum absorption, proper placement of trees for energy efficiency and conservation, the areas of the state most effective for proper tree planting, the adequate production of state nursery stock, the available procurement of private nursery stock, a range of costs to plant various tree species, and the current and prospective distribution system to allow species of trees to be planted; and

(4) if appropriate, suggest a fee structure on sources of carbon dioxide emissions, including but not limited to motor vehicle and permitted facilities in the air emission inventory of the pollution control agency. The fee structure shall relate to response levels by sources as recommended in the study and reflect offsets for activities which reduce carbon dioxide emissions.

Sec. 2. [FUNDING.]

Money received to complete the study must be deposited in the general fund and credited to a separate account. The study need only be done if the amount in the account is \$50,000 or more. The money in the account received for the purposes of this study are appropriated to the commissioner of natural resources."

Delete the title and insert:

"A bill for an act relating to the environment; requiring a report to the legislature on carbon dioxide emissions; appropriating money."

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

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

S.F. No. 1706: A bill for an act relating to natural resources; amending certain provisions concerned with the management of wildlife; amending Minnesota Statutes 1988, sections 97A.135, by adding a subdivision; and 97A.445, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 97B.603.

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

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 1988, section 97A.115, is amended to read:

97A.115 [ESTABLISHMENT OF ~~PRIVATE~~ SHOOTING PRESERVES.]

Subdivision 1. [LICENSES; RULES.] A person ~~must be licensed to~~ may not operate a ~~private~~ shooting preserve without a license. The commissioner may issue a license for a ~~privately owned and operated~~ licenses to operate commercial shooting ~~preserve~~ preserves and private shooting preserves if the commissioner determines that it is in the public interest and that there will not be an adverse effect on wild game bird populations. Private shooting preserves may only be located outside of the pheasant range as determined by the commissioner. The commissioner may ~~make~~ adopt rules to implement this section and section 97A.121.

Subd. 2. [GAME AVAILABLE.] Game that may be released and hunted in a licensed shooting preserve must be specified in the license and is limited to ~~adult~~ pheasant, quail, and chukar partridge for private shooting preserves and ~~adult~~ pheasant, quail, chukar partridge, turkey, mallard duck, black duck, and other species designated by the commissioner for commercial shooting preserves. These game birds must be pen hatched and raised.

Subd. 3. [SIZE OF PRESERVE.] A ~~private~~ shooting preserve must be at least 40 but not more than 160 contiguous acres for private shooting preserves and at least 100 but not more than 1,000 contiguous acres, including any water area, for commercial shooting preserves. A ~~preserve limited to duck hunting may be a minimum of 50 contiguous acres including water area.~~

Subd. 4. [POSTING OF BOUNDARIES.] The boundaries of a ~~private~~ shooting preserve must be clearly posted in a manner prescribed by the commissioner.

Subd. 5. [REVOCATION OF LICENSE.] The commissioner may revoke a ~~private~~ shooting preserve license if the licensee or persons authorized to hunt in the preserve have been convicted of a violation under this section or section 97A.121. After revocation, a new license may be issued in the discretion of the commissioner.

Sec. 2. Minnesota Statutes 1988, section 97A.121, is amended to read:
97A.121 [HUNTING IN PRIVATE SHOOTING PRESERVES.]

Subdivision 1. [HUNTER'S LICENSE.] (a) A person hunting ~~released~~ birds in a private shooting preserve must have the licenses required by law for the hunting of ~~game birds~~ pheasants. A ~~nonresident may obtain a special private shooting preserve license that is valid for the entire preserve season for the same fee as a resident small game hunting license.~~

(b) A license is not required to hunt authorized game birds on a commercial shooting preserve.

Subd. 2. [SEASON.] (a) The open season for hunting in ~~private~~ commercial shooting preserves is ~~from July 15 through April 15~~ continuous. Sanctioned registered field trials in ~~private~~ commercial shooting preserves may be held from April 16 to July 14 after notification to the commissioner.

(b) The open season for hunting in a private shooting preserve is September 15 until December 31.

(c) The commissioner may restrict the open season after receiving a complaint, holding a public hearing, and finding that the population of wild game birds is in danger by hunting in the preserve.

Subd. 3. [OPERATOR MAY ESTABLISH RESTRICTIONS.] A ~~private~~

shooting preserve licensee may determine who is allowed to hunt in the preserve. In each preserve the licensee may establish the charge for taking game, the shooting hours, the season, limitations, and restrictions on the age, sex, and number of each species that may be taken by a hunter. These provisions may not conflict with this section or section 97A.115 and may not be less restrictive than any rule or order.

Subd. 4. [LIMITS AND MARKING OF GAME BIRDS.] *Except as provided in subdivision 4a, the commissioner shall prescribe the minimum number of each authorized species that may be released and the percentage of each species that may be taken. The commissioner shall prescribe methods for identifying birds to be released.*

Subd. 4a. [PHEASANTS.] (a) A private shooting preserve licensed to release pheasants ~~must may release at least 500 no more than 300 adult~~ pheasants on the licensed shooting preserve area during the private shooting preserve hunting season. ~~At least 20 pheasants must be released within 14 days before a day that pheasants are hunted.~~ The number of pheasants harvested may not exceed 95 percent of the number of pheasants released ~~during the private shooting preserve hunting season.~~

(b) *A commercial shooting preserve must release at least 1,000 adult pheasants.*

Subd. 5. [MARKING HARVESTED GAME.] Harvested game, except ducks that are marked in accordance with regulations of the United States Fish and Wildlife Service, ~~must be tagged with a self-sealing tag, identifying marked or identified by the private shooting preserve in a manner prescribed by the commissioner.~~ The commissioner ~~shall~~ may issue the tags or other markings at a cost of 15 cents each. ~~The tag marking must remain attached on the bird while the bird is transported.~~

Subd. 6. [RECORD KEEPING.] A ~~private~~ shooting preserve licensee must maintain a registration book listing the names, addresses, and hunting license numbers, *if applicable*, of all hunters, the date when they hunted, the amount and species of game taken, and the tag numbers *or other markings* affixed to each bird. A ~~record~~ shooting preserve ~~must be kept keep records~~ of the number of each species raised and purchased and the date and number of each species released. The records must be open to inspection by the commissioner at all reasonable times."

Page 2, delete section 3 and insert:

"Sec. 5. Minnesota Statutes 1989 Supplement, section 97A.475, subdivision 18, is amended to read:

Subd. 18. [SHOOTING PRESERVES.] The fee for a shooting preserve license is ~~\$82.50~~:

- (1) *for a private shooting preserve, \$100; and*
- (2) *for a commercial shooting preserve, \$500."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "sections" insert "97A.115; 97A.121;"

Page 1, line 7, delete "97B.603" and insert "97A.475, subdivision 18"

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

adopted.

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

S.F. No. 2105: A bill for an act relating to public employee retirement plans; requiring the regular reporting of investment performance results calculated on a time-weighted total rate of return basis; proposing coding for new law in Minnesota Statutes, chapter 356.

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

Delete everything after the enacting clause and insert:

"Article I

STATE PATROL RETIREMENT PLAN MEMBERSHIP

Section 1. Minnesota Statutes 1988, section 43A.34, subdivision 4, is amended to read:

Subd. 4. [STATE PATROL, CONSERVATION AND CRIME BUREAU OFFICERS EXEMPTED.] Notwithstanding any provision to the contrary, (a) conservation officers and crime bureau officers who were first employed on or after July 1, 1973, and who are members of the state patrol retirement fund by reason of their employment, and members of the Minnesota state patrol ~~division~~ *and gambling enforcement divisions* of the department of public safety who are members of the state patrol retirement association by reason of their employment, shall not continue employment after attaining the age of 60 years, except for a fractional portion of one year that will enable the employee to complete the employee's next full year of allowable service as defined pursuant to section 352B.01, subdivision 3; and (b) conservation officers and crime bureau officers who were first employed and are members of the state patrol retirement fund by reason of their employment before July 1, 1973, shall not continue employment after attaining the age of 70 years.

Sec. 2. Minnesota Statutes 1989 Supplement, section 352.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] "State employee" does not include:

- (1) elective state officers;
- (2) students employed by the University of Minnesota, the state universities, and community colleges unless approved for coverage by the board of regents, the state university board, or the state board for community colleges, as the case may be;
- (3) employees who are eligible for membership in the state teachers retirement association except employees of the department of education who have chosen or may choose to be covered by the Minnesota state retirement system instead of the teachers retirement association;
- (4) employees of the University of Minnesota who are excluded from coverage by action of the board of regents;
- (5) officers and enlisted personnel in the national guard and the naval militia who are assigned to permanent peacetime duty and who under federal law are or are required to be members of a federal retirement system;

- (6) election officers;
- (7) persons engaged in public work for the state but employed by contractors when the performance of the contract is authorized by the legislature or other competent authority;
- (8) officers and employees of the senate and house of representatives or a legislative committee or commission who are temporarily employed;
- (9) receivers, jurors, notaries public, and court employees who are not in the judicial branch as defined in section 43A.02, subdivision 25, except referees and adjusters employed by the department of labor and industry;
- (10) patient and inmate help in state charitable, penal, and correctional institutions including the Minnesota veterans home;
- (11) persons employed for professional services where the service is incidental to regular professional duties and whose compensation is paid on a per diem basis;
- (12) employees of the Sibley House Association;
- (13) employees of the Grand Army of the Republic and employees of the ladies of the G.A.R.;
- (14) the members of any state board or commission who serve the state intermittently and are paid on a per diem basis; the secretary, secretary-treasurer, and treasurer of those boards if their compensation is \$500 or less per year, or, if they are legally prohibited from serving more than two consecutive terms and their total service is required by law to be less than ten years; and the board of managers of the state agricultural society and its treasurer unless the treasurer is also its full-time secretary;
- (15) state troopers;
- (16) temporary employees of the Minnesota state fair employed on or after July 1 for a period not to extend beyond October 15 of that year; and persons employed at any time by the state fair administration for special events held on the fairgrounds;
- (17) emergency employees in the classified service; except that if an emergency employee, within the same pay period, becomes a provisional or probationary employee on other than a temporary basis, the employee shall be considered a "state employee" retroactively to the beginning of the pay period;
- (18) persons described in section 352B.01, subdivision 2, clauses ~~(b) and (c)~~, formerly defined as state police officers (2) to (4);
- (19) temporary employees in the classified service, temporary employees in the unclassified service appointed for a definite period of not more than six months and employed less than six months in any one-year period and seasonal help in the classified service employed by the department of revenue;
- (20) trainees paid under budget classification number 41, and other trainee employees, except those listed in subdivision 2a, clause (10);
- (21) persons whose compensation is paid on a fee basis;
- (22) state employees who in any year have credit for 12 months service as teachers in the public schools of the state and as teachers are members of the teachers retirement association or a retirement system in St. Paul,

Minneapolis, or Duluth;

(23) employees of the adjutant general employed on an unlimited intermittent or temporary basis in the classified and unclassified service for the support of army and air national guard training facilities;

(24) chaplains and nuns who have taken a vow of poverty as members of a religious order;

(25) labor service employees employed as a laborer 1 on an hourly basis;

(26) examination monitors employed by departments, agencies, commissions, and boards to conduct examinations required by law;

(27) members of appeal tribunals, exclusive of the chair, to which reference is made in section 268.10, subdivision 4;

(28) persons appointed to serve as members of fact-finding commissions or adjustment panels, arbitrators, or labor referees under chapter 179;

(29) temporary employees employed for limited periods under any state or federal program for training or rehabilitation including persons employed for limited periods from areas of economic distress except skilled and supervisory personnel and persons having civil service status covered by the system;

(30) full-time students employed by the Minnesota historical society intermittently during part of the year and full-time during the summer months;

(31) temporary employees, appointed for not more than six months, of the metropolitan council and of any of its statutory boards, if the board members are appointed by the metropolitan council;

(32) persons employed in positions designated by the department of employee relations as student workers;

(33) any person who is 65 years of age or older when appointed and who does not have allowable service credit for previous employment, unless the employee gives notice to the director within 60 days after appointment that coverage is desired;

(34) members of trades employed by the metropolitan waste control commission with trade union pension plan coverage under a collective bargaining agreement first employed after June 1, 1977;

(35) persons employed in subsidized on-the-job training, work experience, or public service employment as enrollees under the federal Comprehensive Employment and Training Act after March 30, 1978, unless the person has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement system to meet the minimum vesting requirements for a deferred annuity, or the employer agrees in writing on forms prescribed by the director to make the required employer contributions, including any employer additional contributions, on account of that person from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the person agrees in writing on forms prescribed by the director to make the required employer contribution in addition to the required employee contribution;

(36) off-duty peace officers while employed by the metropolitan transit commission under section 629.40, subdivision 5; and

(37) persons who are employed as full-time firefighters by the department of military affairs and as firefighters are members of the public employees police and fire fund.

Sec. 3. Minnesota Statutes 1988, section 352B.01, subdivision 2, is amended to read:

Subd. 2. [MEMBER.] "Member" means:

~~(a)~~ (1) persons referred to and employed after June 30, 1943, under Laws 1929, chapter 355, as amended or supplemented, currently employed by the state, whose salaries or compensation is paid out of state funds;

~~(b)~~ (2) a conservation officer employed under section 97A.201, currently employed by the state, whose salary or compensation is paid out of state funds; ~~and~~

~~(c)~~ (3) a crime bureau officer who was employed by the crime bureau and was a member of the highway patrolmen's retirement fund on July 1, 1978, whether or not that person has the power of arrest by warrant after that date, or who is employed as police personnel, with powers of arrest by warrant under section 299C.04, and who is currently employed by the state, and whose salary or compensation is paid out of state funds; ~~and~~

(4) public safety employees defined as peace officers in section 626.84, subdivision 1, paragraph (c), and employed with the division of gambling enforcement under section 299L.01.

Sec. 4. Minnesota Statutes 1988, section 352B.14, subdivision 4, is amended to read:

Subd. 4. [RETIRES UNDER OLD LAW.] A member defined in section 352B.01, subdivision 2, clause ~~(a)~~ (1), who has retired and began collecting a retirement annuity before April 21, 1961, or any surviving spouse or child who began collecting an annuity or benefit before April 21, 1961, shall continue to receive an annuity or benefit in the amount and subject to the conditions specified in the law before April 21, 1961.

Article 2

PENSION PLAN INVESTMENT PERFORMANCE REPORTING

Section 1. [356.218] [INVESTMENT PERFORMANCE REPORT.]

Subdivision 1. [REPORT REQUIRED.] (a) Unless paragraph (c) applies, the chief administrative officer of a public pension plan with an associated pension fund or investment fund specified in subdivision 2 shall annually prepare and file an investment performance report meeting the contents requirements of subdivision 3. The report must be filed with or distributed as specified in paragraph (b) by April 1 each year and must cover the previous calendar year. The report must be prepared under the supervision or at the direction of the chief administrative officer and must be signed by that officer. The investment performance report is a public record.

(b) A copy of the report or a synopsis of the report must be distributed to each member of the pension plan and must be filed with the chief administrative officer of each employing unit making employer contributions to the pension plan. A copy of the report also must be filed with the executive director of the legislative commission on pensions and retirement.

(c) This section does not apply to the state board of investment. This

section also does not apply to a public pension plan if all assets of the pension fund or investment fund attributable to the public pension plan are invested by the state board of investment under chapters 11A and 356A and if the executive director of the state board of investment makes public in an annual report or in other documents the fiscal year investment performance results of the pension fund or investment fund attributable to the pension plan that substantially meet the requirements of subdivision 3 for that fiscal year period.

Subd. 2. [COVERED PUBLIC PENSION PLANS.] The provisions of this section apply to any Minnesota public pension plan, including a local police or firefighters relief association governed by sections 69.77 or 69.771 to 69.775, that has assets with a book value of at least \$500,000 as of the end of the preceding plan year.

Subd. 3. [CONTENTS OF THE INVESTMENT PERFORMANCE REPORT.] The investment performance report required by this section must contain the time-weighted total rate of return results for each quarter and annually for each significant asset class or type of investment and for the portfolio as a whole. The time-weighted rate of return results must be computed using market values and the formula or formulas prescribed by the state board of investment under section 11A.04, clause (11). The person performing the calculations shall certify conformance to that formula or those formulas. The investment performance report may also include any additional investment performance or investment related information that the chief administrative officer considers necessary to provide an adequate summary of the performance of the portfolio. The additional information must be clearly indicated as a supplement to the information required by this subdivision. The executive director of the legislative commission on pensions and retirement shall prescribe the forms on which the report must be submitted and may prescribe other directions for submitting the report.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective on July 1, 1990.

Article 3

STATE UNIVERSITY AND COMMUNITY COLLEGE FACULTY RETIREMENT PROVISIONS

Section 1. Minnesota Statutes 1989 Supplement, section 136.81, subdivision 1, is amended to read:

Subdivision 1. [DEDUCTIONS.] The state university board and the state board for community colleges shall deduct from the salary of each person described in section 136.80, subdivision 1, a sum equal to five percent of the person's annual salary paid between \$6,000 and \$15,000. The deduction must be made in the same manner as other retirement deductions are made from the salary of the person. The employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. If an agreement is made under section 356.24 for additional employer contributions, an amount equal to the additional employer contribution must be deducted from the person's annual salary above \$15,000 as specified in this subdivision. ~~The money deducted and the employer contribution must be deposited to the credit of the state university and community college supplemental retirement plan account of the teachers retirement fund. The account must be~~

separate and distinct from other funds, accounts, or assets of the teachers retirement fund. Two percent of the amount of the salary deductions and employer contributions must be credited to the administrative expense reserve account of the supplemental retirement plan and must be used by the state university board and the state board for community colleges for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65.

Deductions taken from the salary of a person for the supplemental retirement plan in error must, upon discovery and verification, be refunded to the person. Any related employer contributions must be refunded to the employer. The executive director shall establish a reserve reflecting any gains or losses realized due to the purchase and redemption of shares representing salary deductions and employer contributions made in error. The balance of the reserve remaining after the refund of contributions made in error must be credited annually to the administrative expense reserve account.

If salary deductions required under this section are omitted, the amount of the omitted salary deductions may be remitted by the person to the supplemental retirement plan investment account of the teachers retirement association within 90 days following the association's written notification to the person of the omission, but not thereafter. If the omitted salary deductions are received from the person, the required employer contribution must be paid by the employer within 30 days after the association's written notification to the employer of the amount due.

Sec. 2. Minnesota Statutes 1988, section 136.81, is amended by adding a subdivision to read:

Subd. 1a. [ADMINISTRATION.] The state university board and the community college board shall administer the supplemental retirement plan for their employees. The boards shall invest contributions made under this section, less amounts used for administrative expenses, as required by section 354B.05, subdivisions 2 and 3. The retirement contributions and death benefits provided by annuity contracts or custodial accounts purchased by the boards are owned by the members of the plan and must be paid in accordance with the provisions of the annuity contracts or custodial accounts.

Sec. 3. Minnesota Statutes 1988, section 354B.01, subdivision 2, is amended to read:

Subd. 2. [COVERED EMPLOYMENT; STATE UNIVERSITIES.] "Covered employment," with respect to employment by the state university system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2, other than that of an administrator covered by or eligible for coverage in the Minnesota state retirement system unclassified employees retirement plan. "Covered employment" does not include employment when the initial appointment is defined as less than 25 percent of a full academic year, exclusive of summer session.

Sec. 4. Minnesota Statutes 1988, section 354B.01, subdivision 3, is amended to read:

Subd. 3. [COVERED EMPLOYMENT; COMMUNITY COLLEGES.] "Covered employment," with respect to employment by the community college system, means employment in a position included in the definition of teacher under section 354.05, subdivision 2. "Covered employment"

does not include employment when the initial appointment is defined as less than 25 percent of a full academic year, exclusive of summer session.

Sec. 5. Minnesota Statutes 1989 Supplement, section 354B.02, is amended by adding a subdivision to read:

Subd. 4. [PURCHASE OF PRIOR SERVICE CREDIT.] A person who is initially excluded from participation, but is subsequently appointed to a position that qualifies for participation, may purchase credit for the prior uncovered employment. This purchase must be made by paying to the employer the amount the person would have paid if the prior service had been covered employment. This payment must be made within 45 days of the start of covered employment. The employer must contribute an amount to match any contribution made by an employee under this subdivision. Contributions for prior service must be invested under section 354B.05. Once a person is employed in a position that qualifies for participation, all subsequent employment by the person is under the provisions of this plan.

Sec. 6. Minnesota Statutes 1989 Supplement, section 354B.03, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] If a person with less than three years of allowable service elects a transfer to the plan under section 354B.02, subdivision 2 or 3, the executive director of the teachers retirement association shall transfer from the teachers retirement fund to the plan the person's member contributions plus interest compounded annually at ~~five~~ six percent a year. The transfer must be made within 90 days from the date the executive director receives notification of the election. The transfer may not include any amount representing an employer contribution nor any amount representing the repayment of a refund received by the association after the date of enactment of this act.

Sec. 7. Minnesota Statutes 1989 Supplement, section 354B.05, subdivision 3, is amended to read:

Subd. 3. [SELECTION OF FINANCIAL INSTITUTIONS.] The supplemental investment fund administered by the state board of investment is one of the investment options for the plan. The state university board and the community college board shall select no more than ~~three~~ two other financial institutions to provide annuity contracts or custodial accounts. Each board may at its discretion change a selection of an institution. Investment programs offered by the institutions must meet the requirements of section 401(a) or 403(b) of the Internal Revenue Code of 1986, as amended. In making their selections, the boards shall consider these criteria:

- (1) the experience and ability of the financial institution to provide retirement and death benefits suited to the needs of the covered employees;*
- (2) the relationship of the benefits to their cost; and*
- (3) the financial strength and stability of the institution.*

The executive director of the teachers retirement fund shall redeem all shares in the accounts of the Minnesota supplemental investment fund held on behalf of personnel in the supplemental plan who elect an investment option other than the supplemental investment fund, except that shares in the guaranteed return account must not be redeemed. The executive director shall transfer the cash realized to the financial institutions selected by the state university board and the community college board under this section.

For employees who continue to participate in the supplemental investment fund or who own shares in the guaranteed return account, the executive director of the teachers retirement association shall transfer administrative records to the state university board or the community college board.

Sec. 8. [INTEREST ON CERTAIN PRIOR TRANSFERS.]

The increase in interest payable on transfers specified in section 6 is also payable on transfers made before the effective date of section 6. The executive director of the teachers retirement association shall calculate the transfer interest amounts payable on these prior transfers and transfer the additional interest within 60 days of the effective date of this section.

Sec. 9. [REPEALER.]

Minnesota Statutes 1988, sections 136.81, subdivisions 2 and 3; 136.82, subdivisions 3 and 4; 136.83; and 136.85, are repealed. Minnesota Statutes 1989 Supplement, sections 136.82, subdivisions 1 and 2; and 136.84, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1, 2, 7, and 9 are effective July 1, 1991. Sections 3 to 6 and 8 are effective the day following final enactment.

Article 4

UNCLASSIFIED RETIREMENT PROGRAM MEMBERSHIP

Section 1. Minnesota Statutes 1988, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERAGE.] ~~The following~~ (a) Employees enumerated in paragraph (b), if they are in the unclassified service of the state and are eligible for coverage under the general state employees retirement fund plan under chapter 352, ~~shall participate~~ are participants in the unclassified program under this chapter unless ~~an~~ the employee gives notice to the executive director of the Minnesota state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the ~~regular employee~~ general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director ~~shall be~~ is deemed to have exercised the option to participate in the unclassified plan.

(b) Enumerated employees are:

(1) ~~any~~ an employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general or ~~an~~ employee of the state board of investment;

(2) the head of ~~any~~ a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or ~~any~~ an employee enumerated in section 15A.081, subdivision 1 or 15A.083, subdivision 4;

(3) ~~any~~ a permanent, full-time unclassified employee of the legislature or ~~any~~ a commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

(4) ~~any~~ a person employed in a position established ~~pursuant to~~ under

section 43A.08, subdivision 1, clause (c), or subdivision 1a, or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(5) the chair, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission; the chair, executive director, and not to exceed three positions at the division director or assistant to the chair level of the regional transit board; a chief administrator who is an employee of the metropolitan transit commission; and the chair, executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations ~~shall~~ *may* be made without approval of the board of directors of the Minnesota state retirement system;

(6) the executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations ~~shall~~ *may* be made without approval of the board of directors of the Minnesota state retirement system;

(7) the clerk of the appellate courts appointed ~~pursuant to~~ *under* article VI, section 2, of the Constitution of the state of Minnesota;

(8) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services;

(9) ~~any~~ *an* employee whose principal employment is at the state ceremonial house;

(10) ~~employees~~ *an employee* of the Minnesota educational computing corporation; ~~and;~~

(11) ~~any~~ *an* employee of the world trade center board; *and*

(12) *an employee of the division of the state lottery in the department of gaming who is covered by the managerial plan established under section 43A.18, subdivision 3.*

Sec. 2. [TRANSFER OF ASSETS.]

An unclassified employee of the division of the state lottery in the department of gaming on the effective date of this section who is covered by the managerial plan established under Minnesota Statutes, section 43A.18, subdivision 3, and who was covered by the general state employees retirement plan under Minnesota Statutes, chapter 352, while employed as an unclassified employee of the division of the state lottery may transfer accumulated employee and employer contributions made while employed with the division of the state lottery to the unclassified plan, as provided in Minnesota Statutes, section 352D.03.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment and apply to any person who was employed with the division of the state lottery in the department of gaming and who is covered by the managerial plan

established under Minnesota Statutes, section 43A.18, subdivision 3, before that date and after that date.

Article 5

FIDUCIARY RESPONSIBILITY MODIFICATIONS

Section 1. Minnesota Statutes 1989 Supplement, section 356A.06, subdivision 4, is amended to read:

Subd. 4. [ECONOMIC INTEREST STATEMENT.] (a) Each member of the governing board of a covered pension plan and the chief administrative officer of the plan shall file with the plan a statement of economic interest.

(b) *For a covered pension plan other than a plan specified in paragraph (c), the statement must contain the information required by section 10A.09, subdivision 5, and any other information that the fiduciary or the governing board of the plan determines is necessary to disclose a reasonably foreseeable potential or actual conflict of interest.*

(c) *For a covered pension plan governed by sections 69.771 to 69.776 or a covered pension plan governed by section 69.77 with assets under \$8,000,000, the statement must contain the following:*

(1) *the person's principal occupation and principal place of business;*

(2) *whether or not the person has an ownership of or interest of ten percent or greater in an investment security brokerage business, a real estate sales business, an insurance agency, a bank, a savings and loan, or another financial institution; and*

(3) *any relationship or financial arrangement that can reasonably be expected to give rise to a conflict of interest.*

(d) The statement must be filed annually with the chief administrative officer of the plan and be available for public inspection during regular office hours at the office of the pension plan.

(e) A disclosure form meeting the requirements of the federal Investment Advisers Act of 1940, United States Code, title 15, sections 80b-1 to 80b-21 as amended, and filed with the state board of investment or the pension plan meets the requirements of this subdivision.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Article 6

MISCELLANEOUS LOCAL PENSION MODIFICATIONS

Section 1. Laws 1978, chapter 689, section 4, subdivision 2, as amended by Laws 1981, chapter 224, section 272, is amended to read:

Subd. 2. [THIEF RIVER FALLS POLICE ~~RETIREMENT~~ PENSION TRUST FUND; ~~REPORTING~~ ACTUARIAL VALUATION.] Upon the transfer of money and the establishment of the trust fund pursuant to subdivision 1 and periodically thereafter, the board of trustees shall have an actuarial valuation ~~or survey~~ *and experience study* made of the trust fund in accordance with the filing requirements and applicable actuarial standards set forth in the general statute governing actuarial reporting by police and fire funds, *except that the actuarial valuation and experience study need be made at least once every five years.* The board of trustees shall also

complete and file a financial report for the trust fund in accordance with Minnesota Statutes, Section 69.051.

Sec. 2. Laws 1980, chapter 612, section 3, as amended by Laws 1981, chapter 301, section 4, is amended to read:

Sec. 3. [SAINT PAUL AND MINNEAPOLIS, CITIES OF; EMPLOYMENT OF UNIVERSITY OR COLLEGE STUDENTS.]

Notwithstanding any contrary provision of the Saint Paul city charter and the Minneapolis city charter, or a statute, including the veterans preference act, or a civil service rule or regulation, the governing body or any board or commission of the city of Saint Paul and the city of Minneapolis having authority to hire employees may employ university, college, or professional school students pursuant to an intern or other training program when the program is sponsored or substantially financed by the state or the United States or by a philanthropic foundation or organization. Persons hired under a program shall be in the unclassified service of the city and serve at the pleasure of the body employing them. No full time appointment under this section shall exceed one year. Persons employed under this section shall be excluded from the provisions of Minnesota Statutes, Sections 268.03 to 268.24, and Minnesota Statutes, Chapters 353 and 356.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Thief River Falls city council and governs actuarial valuations and experience studies to be made under section 1 beginning with the next actuarial valuation and experience study required after 1989.

Section 2 is effective, if approved by both the city councils of the city of Saint Paul and the city of Minneapolis, the day after compliance by them with Minnesota Statutes, section 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to retirement; various retirement plans; including gambling enforcement division officers in the membership of the state patrol retirement plan; requiring regular investment performance reporting from public pension plans; modifying various retirement provisions related to state university and community college faculty members; including certain state lottery employees in the unclassified state employees retirement program; modifying economic interest statement requirements for certain pension plan fiduciaries; changing schedule for actuarial valuations for the Thief River Falls police pension trust fund; excluding certain interns from public employees retirement association membership; amending Minnesota Statutes 1988, sections 43A.34, subdivision 4; 136.81, by adding a subdivision; 352B.01, subdivision 2; 352B.14, subdivision 4; 352D.02, subdivision 1; 354B.01, subdivisions 2 and 3; Minnesota Statutes 1989 Supplement, sections 136.81, subdivision 1; 352.01, subdivision 2b; 354B.02, by adding a subdivision; 354B.03, subdivision 1; 354B.05, subdivision 3; 356A.06, subdivision 4; Laws 1978, chapter 689, section 4, subdivision 2, as amended; Laws 1980, chapter 612, section 3, as amended; proposing coding for new law in Minnesota Statutes, chapter 356; repealing Minnesota Statutes 1988, sections 136.81, subdivisions 2 and 3; 136.82, subdivisions 3 and 4; 136.83; 136.85; Minnesota Statutes 1989 Supplement, sections 136.82, subdivisions 1 and 2; and 136.84."

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. 2045: A bill for an act relating to judicial administration; proposing an amendment to the Minnesota Constitution, articles VI and VIII, creating a court of compensation appeals; abolishing the workers' compensation court of appeals; providing for designation by the governor of the chief judge of the workers' compensation court of appeals; regulating the administration of the workers' compensation court of appeals; appropriating money; amending Minnesota Statutes 1988, sections 3C.11, subdivision 3; 3C.12, subdivision 2; 5.08, subdivision 2; 10A.01, subdivision 19; 14.03, subdivision 2; 15A.082, subdivisions 1 and 3; 15A.083, subdivision 7; 43A.18, subdivision 3; 43A.27, subdivision 4; 175A.01, subdivision 1; 175A.02; 175A.07, subdivision 4; 176.421, subdivisions 5, 6, and by adding a subdivision; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3, 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 209.01, subdivision 2; 268.10, subdivision 8; 268.12, subdivision 13; 480.052; 480.054; 480.055, subdivision 1; 480.19; 480A.06, subdivision 3; 481.02, subdivisions 3 and 6; 490.15, subdivision 1; and 574.18; Minnesota Statutes 1989 Supplement, sections 10A.01, subdivisions 5 and 18; 357.08; proposing coding for new law as Minnesota Statutes, chapter 480B; repealing Minnesota Statutes 1988, sections 175A.01 to 175A.10; and 176.471.

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

Page 15, line 6, after the period, insert "*Of the initial appointments, two judges must be appointed to six-year terms; two judges to four-year terms; and one judge to a two-year term.*"

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

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

S.F. No. 2564: A bill for an act relating to criminal sexual contact; expanding the definition of "sexual contact" in fifth degree criminal sexual conduct; amending Minnesota Statutes 1988, section 609.3451, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 609.3451, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person is guilty of criminal sexual conduct in the fifth degree if the person engages in nonconsensual sexual contact. For purposes of this section, "sexual contact" has the meaning given in section 609.341, subdivision 11, paragraph (a), clauses (i) and (iv), but does not include the intentional touching of the clothing covering the immediate area of the buttocks. "*Sexual contact*" also includes the intentional removal or attempted removal of clothing covering the complainant's intimate parts or undergarments, if the action is performed with

sexual or aggressive intent.

Sec. 2. [EFFECTIVE DATE.]

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

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. 2395: A bill for an act relating to unemployment compensation; making various technical changes; regulating eligibility of conservation corps members and entertainers; increasing the income disregard; regulating eligibility for persons receiving holiday pay; regulating administrative hearings; providing for data sharing; appropriating certain federal money; amending Minnesota Statutes 1988, sections 268.08, subdivision 3; 268.10, subdivision 9; and 268.12, subdivision 13; Minnesota Statutes 1989 Supplement, sections 84.965, subdivision 2; 84.98, subdivision 5; 268.04, subdivision 12; 268.07, subdivision 2; 268.12, subdivision 12; 270B.14, subdivisions 2 and 8; and 290.92, subdivision 21.

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

Page 21, line 19, delete "or" and insert "and"

Page 21, line 22, delete "shall be confidential" and insert "are private"

Page 21, line 23, delete "protected"

Page 21, line 25, after "8" insert a comma

Pages 24 and 25, delete section 9

Page 26, line 25, after "10," insert "and" and delete ", and 12,"

Renumber the sections in sequence

Amend the title as follows

Page 1, line 14, delete "subdivisions 2 and" and insert "subdivision"

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

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

S.F. No. 2477: A bill for an act relating to agriculture; providing for light butter; amending Minnesota Statutes 1988, section 32.471, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 32.

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 32.471, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITION.] ~~No~~ A person ~~shall~~ *may not* manufacture for sale, or sell, or have in possession with intent to sell, ~~any~~:

(1) dairy or creamery butter ~~which that~~ contains less than 80 percent butterfat by weight; or ~~which~~ has been manufactured from milk or cream ~~which that~~ has not been pasteurized in accordance with the provisions of sections 32.391 and 32.392; ~~provided that nothing in this section shall be construed as prohibiting the manufacture, sale, or distribution of butterfat spreads with a lower butterfat content so long as such spreads are packaged and contain all dairy products and labeled so as to disclose the butterfat and other ingredient content and distinguish them from butter, in accordance with rules of the commissioner or~~

(2) light butter that does not meet the requirements of section 2.

Sec. 2. [32.474] [LIGHT BUTTER.]

Subdivision 1. [DEFINITION.] "Light butter" means a food produced to resemble butter that contains 52 percent butterfat, with one-third fewer calories, made from milk or cream, or both, that has been pasteurized in accordance with sections 32.391 and 32.392, that may contain one or more of the optional dairy ingredients described in subdivision 3, and that may contain other optional ingredients described in subdivision 4.

Subd. 2. [VITAMIN A ADDED.] Light butter must have vitamin A added, if necessary, to provide 15,000 international units per pound within limits of good manufacturing practices.

Subd. 3. [DAIRY INGREDIENTS.] Light butter may contain the following dairy ingredients: part skim milk, skim milk, buttermilk, whey, and whey-derived ingredients.

Subd. 4. [OTHER INGREDIENTS.] Light butter may contain the following optional ingredients: water, salt or salt substitutes, bacterial cultures, nutritive sweeteners, emulsifiers and stabilizers, safe and suitable color additives, natural flavors, and safe and suitable ingredients that improve texture, prevent syneresis, or extend the shelf life of the product.

Sec. 3. Minnesota Statutes 1988, section 32.481, is amended to read:

32.481 [CHEESE.]

Subdivision 1. [DEFINITION.] ~~The term~~ "Cheese" as used in sections 32.481 to 32.485; ~~shall include~~ includes all varieties of cheese, cheese spreads, cheese foods, cheese compounds, or processed cheese, made or manufactured in whole or in part from cow's, goat's, or sheep's milk.

Subd. 2. [REDUCED FAT CHEESE; LIGHT CHEESE.] (a) "Reduced fat cheese" or "light cheese" is a product prepared from milk and other ingredients by the processing procedures set by rule or by an alternate procedure that produces a finished cheese having the same or substantially the same flavor, body, and texture characteristics as the referenced standardized variety on the labels of the reduced fat cheese.

(b) Reduced fat cheese must contain at least one-third less than the minimum milkfat content required of the referenced standardized variety. The moisture content of the reduced fat cheese must not exceed 125 percent of the maximum allowable moisture of the referenced standardized variety. The principal display panel must bear the name "reduced fat cheese" or "light cheese," the blank to be filled with the varietal name of the referenced standardized cheese all in the same size type. The principal display panel must also contain a statement declaring the

amount of fat reduction as a percentage or fraction of the referenced standardized variety in a type size not less than one-half that of the name of the reduced fat cheese. All other label information must be as stated in section 32.483 or as required by Code of Federal Regulations, title 21, and as adopted by rule.

Sec. 4. Minnesota Statutes 1988, section 32.55, subdivision 2, is amended to read:

Subd. 2. [FROZEN FOOD.] "Frozen foods" means ice cream, frozen custard, French ice cream, French custard ice cream, ice milk, fruit sherbets, water ices, frozen malted milk, frozen milk shakes, frozen malts, *frozen yogurt, frozen low-fat yogurt, frozen nonfat yogurt, reduced-fat ice cream, low-fat ice cream, nonfat ice cream*, or any frozen food for which the commissioner has established a standard of identity, but shall not include frozen vegetables, fruits, meats, poultry, or bakery products.

Sec. 5. Minnesota Statutes 1988, section 32.55, is amended by adding a subdivision to read:

Subd. 14. [FROZEN YOGURT; FROZEN LOW-FAT YOGURT; FROZEN NONFAT YOGURT.] "*Frozen yogurt, "frozen low-fat yogurt," or "frozen nonfat yogurt" means a frozen dairy food made from a mix containing safe and suitable ingredients including, but not limited to, milk products. All or a part of the milk products must be cultured with a characterizing live bacterial culture that contains the lactic acid producing bacteria Lactobacillus bulgaricus and Streptococcus thermophilus and may contain other lactic acid producing bacteria.*

Sec. 6. Minnesota Statutes 1988, section 32.55, is amended by adding a subdivision to read:

Subd. 15. [REDUCED-FAT ICE CREAM.] "*Reduced-fat ice cream" means a frozen food that is made from the same ingredients and in the same manner as for ice cream except that:*

- (1) milkfat content is more than two percent but not more than seven percent;*
- (2) total milk solids content per gallon before the addition of bulky flavors is not less than .46 pounds and not less than 1.3 pounds of food solids per gallon; and*
- (3) the weight per gallon is not less than 4.0 pounds.*

Sec. 7. Minnesota Statutes 1988, section 32.55, is amended by adding a subdivision to read:

Subd. 16. [LOW-FAT ICE CREAM.] "*Low-fat ice cream" means a frozen food that is made from the same ingredients and in the same manner as ice cream except that:*

- (1) milkfat content is more than 0.5 percent but not more than 2.0 percent;*
- (2) total milk solids content per gallon before the addition of bulky flavors is not less than .49 pounds and not less than 1.3 pounds of total food solids per gallon; and*
- (3) the weight per gallon is not less than 4.0 pounds.*

Sec. 8. Minnesota Statutes 1988, section 32.55, is amended by adding a subdivision to read:

Subd. 17. [NONFAT ICE CREAM.] "*Nonfat ice cream" means a frozen*

food that is made from the same ingredients and in the same manner as for ice cream except that:

(1) milkfat content is less than 0.5 percent;

(2) total milk solids content per gallon before the addition of bulky flavors is not less than .45 pounds and not less than 1.3 pounds of total food solids per gallon; and

(3) the weight per gallon is not less than 4.0 pounds.

Sec. 9. [32.555] [COMPLIANCE WITH FEDERAL REGULATIONS.]

(a) Frozen yogurt, frozen low-fat yogurt, and frozen nonfat yogurt must comply with Code of Federal Regulations, title 21, and sections 32.55 to 32.90.

(b) Reduced-fat ice cream, low-fat ice cream, and nonfat ice cream must comply with the frozen dessert provisions in Code of Federal Regulations, title 21, part 135.

Sec. 10. [EFFECTIVE DATE.]

Section 7 and section 8 as it applies to nonfat ice cream are effective January 1, 1991."

Delete the title and insert:

"A bill for an act relating to agriculture; providing requirements for light butter, reduced fat cheese, light cheese, frozen yogurt, frozen low-fat yogurt, frozen nonfat yogurt, reduced-fat ice cream, low-fat ice cream, and nonfat ice cream; amending Minnesota Statutes 1988, sections 32.471, subdivision 1; 32.481; and 32.55, subdivision 2, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 32."

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

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

S.F. No. 2468: A bill for an act relating to agriculture; requiring certain disclosures about artificial cheese; proposing coding for new law in Minnesota Statutes, chapter 31.

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

Delete everything after the enacting clause and insert:

"Section 1. [31.105] [ARTIFICIAL DAIRY PRODUCTS.]

Subdivision 1. [NOTICE REQUIRED.] Except as provided in subdivision 2, a restaurant with \$500,000 or more in gross sales whose principal business is serving or selling foods for consumption on the premises some of which contain artificial dairy products must:

(1) post in a clearly visible manner on or near each customer entrance to the premises a notice substantially as follows: "NOTICE: ONE OR MORE OF THE PRODUCTS SERVED OR SOLD BY THIS ESTABLISHMENT MAY CONTAIN ARTIFICIAL DAIRY PRODUCTS"; or

(2) print on or affix to the menu or menu board a list of the foods that

contain artificial dairy products.

Subd. 2. [EXCEPTIONS.] A restaurant that prepares and serves or sells foods is exempt from the disclosure requirements of subdivision 1 if:

(1) the foods do not contain artificial dairy products;

(2) the foods contain only minor quantities of artificial dairy products used principally for cosmetic purposes; or

(3) the foods containing artificial dairy products are sold prepackaged and labeled in accordance with federal labeling regulations.

Subd. 3. [RULES.] The commissioner may adopt rules necessary to administer this section. The rules may include provisions governing the size, location, and wording of disclosure notices.

Sec. 2. [32.5335] [REAL DAIRY PRODUCTS OFFERED WITH ARTIFICIAL DAIRY PRODUCTS.]

A person who offers artificial dairy products as a substitute for dairy products and charges for the artificial dairy product, or the artificial dairy product is served with food or drink for which there is a charge, must also provide the real dairy product on request."

Delete the title and insert:

"A bill for an act relating to agriculture; providing customer information when artificial dairy products are used in certain foods; providing real dairy products offered on request if artificial dairy products are served; proposing coding for new law in Minnesota Statutes, chapters 31 and 32."

And when so amended the bill do pass.

Pursuant to Joint Rule 2.03, the bill was re-referred to the Committee on Rules and Administration.

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

S.F. No. 2318: A bill for an act relating to education; making rules governing the use of aversive and deprivation procedures by school district employees conform with department of human services rules; amending Minnesota Statutes 1988, section 127.44.

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 127.43, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] For the purposes of *providing instruction to handicapped children under section 120.17*, this section and section 127.44, the following terms have the meanings given them.

Sec. 2. Minnesota Statutes 1988, section 127.44, is amended to read:

127.44 [AVERSIVE AND DEPRIVATION PROCEDURES.]

The state board of education shall adopt rules governing the use of aversive and deprivation procedures by school district employees or persons under contract with a school district. The rules must:

(1) promote the use of positive approaches and must not encourage or require the use of aversive or deprivation procedures;

(2) require that planned application of aversive and deprivation procedures be a part of an individual education plan;

(3) require parents or guardians to be notified after the use of aversive or deprivation procedures in an emergency; ~~and~~

(4) establish health and safety standards for the use of time-out procedures that require a safe environment, continuous monitoring of the child, ventilation, and adequate space; *and*

(5) contain a list of prohibited procedures.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to education; clarifying that statutes governing aversive and deprivation procedures apply to handicapped pupils; requiring that rules of the state board of education contain a list of prohibited procedures; amending Minnesota Statutes 1988, sections 127.43, subdivision 1; and 127.44."

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. 2195: A bill for an act relating to waste; prohibiting certain types of low-level radioactive waste from being disposed of at other than licensed facilities; proposing coding for new law in Minnesota Statutes, chapter 116C.

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

Delete everything after the enacting clause and insert:

"Section 1. [116C.851] [DEFINITIONS.]

Subdivision 1. [FACILITY.] "Facility" has the meaning given in section 116C.831, article II, paragraph f.

Subd. 2. [LOW-LEVEL RADIOACTIVE WASTE.] "Low-level radioactive waste" means waste that consists of or contains class A, B, or C radioactive waste as defined by Code of Federal Regulations, title 10, section 61.55, as in effect on January 26, 1983.

Sec. 2. [116C.852] [LOW-LEVEL RADIOACTIVE WASTE DISPOSAL.]

No low-level radioactive waste may be treated, recycled, stored, or disposed of in this state except at a facility that is specifically licensed for treatment, recycling, storage, or disposal of low-level radioactive waste regardless of whether or not the waste has been reclassified as "below regulatory concern" by the United States Nuclear Regulatory Commission pursuant to a generic rule or standard adopted after January 1, 1990.

Sec. 3. [DUTIES OF THE ADVISORY TASK FORCE ON RADIOACTIVE WASTE DEREGULATION.]

The advisory task force on radioactive waste deregulation shall:

(1) design and initiate a study that will:

(i) be a cost-benefit analysis of deregulation of "low-level" radioactive waste costs, including regulatory, health, and environmental costs and benefits, including both dollar and nondollar benefits in both the long term and the short term;

(ii) be completed by October 1991;

(2) determine who will conduct the study;

(3) determine the timelines for the study;

(4) evaluate the cost-benefit study;

(5) make recommendations to the legislature by January 1, 1992.

Sec. 4. [ADVISORY TASK FORCE.]

The legislative commission on waste management shall appoint an advisory task force on radioactive waste deregulation. The task force must include representatives from the office of waste management, pollution control agency, department of health, a public interest consumer advocate organization, organized labor, environmental organizations, and affected industry. The task force shall coordinate with the United States Nuclear Regulatory Commission. The members shall serve without compensation.

Sec. 5. [REPEALER.]

Sections 1 to 4 are repealed effective June 30, 1992.

Sec. 6. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for a task force on radioactive waste deregulation;"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 2034: A bill for an act relating to taxation; property; making technical corrections and administrative changes; providing for the management and cleanup of tax-forfeited lands; amending Minnesota Statutes 1988, sections 115B.02, subdivision 11; 115B.03, by adding a subdivision; 115C.02, subdivision 8; 115C.021, by adding a subdivision; 116.49, by adding a subdivision; 273.42, subdivision 1; 274.01, subdivision 1; 282.08; and 287.21, subdivision 2; Minnesota Statutes 1989 Supplement, sections 50.14, subdivision 4; 118.12; 168.013, subdivision 5; 273.01; 273.11, subdivision 1; 273.124, subdivision 9; 282.01, subdivision 1; 469.177, subdivision 1a; and 505.173, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 273.1391, subdivision 2; 273.1398, subdivisions 1, 2, 5a, and 6; 274.14; 274.175; 275.07, subdivision 3; and 275.51,

subdivision 3h; Laws 1989, First Special Session chapter 1, articles 3, section 35; and 9, section 86; proposing coding for new law in Minnesota Statutes, chapter 282; repealing Minnesota Statutes 1988, section 272.70.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

TECHNICAL AND ADMINISTRATIVE CHANGES

Section 1. Minnesota Statutes 1988, section 116K.04, subdivision 4, is amended to read:

Subd. 4. The commissioner shall:

(1) Appoint the state demographer, who shall be compensated in accordance with section 43A.18, subdivision 3. The state demographer shall be professionally competent in the field of demography and shall possess demonstrated ability, based upon past performance;

(2) Continuously gather and develop demographic data within the state;

(3) Design and test methods of research and data collection;

(4) Periodically prepare population projections for designated regions and for the state and may periodically prepare projections for each county, or other political or geographic division as necessary to carry out the purposes of this section;

(5) Review, comment, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies or nongovernmental persons, institutions or commissions;

(6) Serve as the state liaison with the federal bureau of census, and coordinate the activities of the state planning agency with federal demographic activities to the fullest extent possible, and shall aid the legislature in preparing a census data plan and form for each decennial census;

(7) Compile an annual study of population estimates on the basis of county, regional or other political or geographic divisions as necessary to carry out the purposes of this subdivision and section 116K.05;

(8) On or before January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(9) Cause to be prepared maps of all counties in the state, all municipalities with a population of 10,000 or more, and any other municipalities as deemed necessary for census purposes, according to scale and detail recommended by the federal bureau of the census, with the maps of cities showing boundaries of precincts; ~~and~~

(10) Prepare an estimate of population and of the number of households for each governmental subdivision for which the metropolitan council does not prepare an annual estimate, and shall communicate the estimates to the governing body of each governmental subdivision by May 1 of each year; *and*

(11) *Prepare a population estimate for an area annexed by a governmental subdivision subject to levy limits under sections 275.50 to 275.56*

if a municipal board order exists for the annexation and if the population in the annexed area is equal to either (1) at least 50 people or (2) at least ten percent of the population of a governmental subdivision or unorganized territory that is being annexed. The estimate shall be of the population as of the date, within the 12-month period after the annexation occurs, for which a population estimate for the governmental subdivision is made by either the state demographer under clause (10) or by the metropolitan council.

Sec. 2. Minnesota Statutes 1989 Supplement, section 168.013, subdivision 5, is amended to read:

Subd. 5. [CERTAIN VEHICLES SUBJECT TO PERSONAL PROPERTY TAX.] Motor vehicles not subject to taxation as provided in section 168.012, but subject to taxation as personal property within the state *under section 273.36 or 273.37, subdivision 1*, shall be assessed and valued at ~~33-1/3 percent of the market value thereof~~, have a tax capacity as provided in section 273.13, subdivision 25, provided, that if the person against whom any tax has been levied on the ad valorem basis because of any motor vehicle shall, during the calendar year for which such tax is levied, be also taxed under the provisions of this chapter, then and in that event, upon proper showing, the commissioner of revenue shall grant to the person against whom said ad valorem tax was levied, such reduction or abatement of net tax capacity or taxes as was occasioned by the so-called ad valorem tax imposed, and provided further that, if said ad valorem tax upon any motor vehicle has been assessed against a dealer in new and unused motor vehicles, and the tax imposed by this chapter for the required period is thereafter paid by the owner, then and in that event, upon proper showing, the commissioner of revenue, upon the application of said dealer, shall grant to such dealer against whom said ad valorem tax was levied such reduction or abatement of net tax capacity or taxes as was occasioned by the so-called ad valorem tax imposed. If such motor vehicle be registered and taxed under this chapter for a fractional part of the calendar year only, then such ad valorem tax shall be reduced in the percentage which such fractional part of the years bears to a full year.

Sec. 3. Minnesota Statutes 1989 Supplement, section 272.16, is amended to read:

272.16 [TRANSFER OF SPECIFIC PART.]

Subdivision 1. [TRANSFER OF SPECIFIC PART.] When any part less than the whole of any parcel of land, as charged in the tax lists, is conveyed, the county auditor shall transfer the same whenever the seller and purchaser agree, in a writing signed by them, or personally appear before the county auditor and agree, upon the amount of the net tax capacity to be transferred therewith; ~~but~~. If the seller and purchaser do not so agree, the county auditor shall make ~~such a division of the net tax capacity as may appear that appears just to the auditor just~~. If the county auditor is satisfied that the proportion of the net tax capacity so agreed to be transferred is greater than the proportional value of the land to be transferred therewith, and that ~~such the agreement was made by collusion of the parties, and with a view fraudulently to evade payment of taxes assessed on the entire parcel, the auditor may refuse to make such the transfer; and~~. When any such transfer has already been procured by fraudulent agreement, the auditor shall cancel ~~the same it~~, and the land so transferred shall be charged with taxes in the same manner as though the transfer had not been made.

Subd. 2. [SPECIFIC PART CONVEYED AFTER EXECUTION OF A LENDER'S LIEN.] Notwithstanding the provisions of sections 272.12, 272.121, and 272.162, a lender that acquires through execution of a lien, any part less than the whole of any parcel of land, as charged in the tax lists, may convey that part upon payment of the proper proportion of taxes due and owing on that part. The county auditor shall determine the proper proportion of taxes to be paid. The lender shall be required to provide the county auditor with instruments that document the lender's lien and the acquisition of the part.

Sec. 4. Minnesota Statutes 1989 Supplement, section 273.01, is amended to read:

273.01 [LISTING AND ASSESSMENT, TIME.]

All real property subject to taxation shall be listed and at least one-fourth of the parcels listed shall be appraised each year with reference to their value on January 2 preceding the assessment so that each parcel shall be reappraised at maximum intervals of four years. All real property becoming taxable in any year shall be listed with reference to its value on January 2 of that year. Except as provided in *this section* and section 274.01, subdivision 1, all real property assessments shall be completed two weeks prior to the date scheduled for the local board of review or equalization. *No changes in valuation or classification which are intended to correct errors in judgment by the county assessor may be made by the county assessor after the board of review or the county board of equalization has adjourned; however, corrections of errors that are merely clerical in nature or changes that extend homestead treatment to property are permitted after adjournment until the tax extension date for that assessment year. Any changes made by the assessor after this time adjournment must be fully documented and maintained in a file in the assessor's office and shall be available for review by any person. A copy of any changes made during this period shall be sent to the county board no later than December 31 of an assessment year. In the event a valuation and classification is not placed on any real property by the dates scheduled for the local board of review or equalization the valuation and classification determined in the preceding assessment shall be continued in effect and the provisions of section 273.13 shall, in such case, not be applicable, except with respect to real estate which has been constructed since the previous assessment. Real property containing iron ore, the fee to which is owned by the state of Minnesota, shall, if leased by the state after January 2 in any year, be subject to assessment for that year on the value of any iron ore removed under said lease prior to January 2 of the following year. Personal property subject to taxation shall be listed and assessed annually with reference to its value on January 2; and, if acquired on that day, shall be listed by or for the person acquiring it.*

Sec. 5. Minnesota Statutes 1989 Supplement, section 273.11, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] Except as provided in subdivisions 6, 8, and 9 or section 273.17, subdivision 1, all property shall be valued at its market value. The market value as determined pursuant to this section shall be stated such that any amount under \$100 is rounded up to \$100 and any amount exceeding \$100 shall be rounded to the nearest \$100. In estimating and determining such value, the assessor shall not adopt a lower or different standard of value because the same is to serve as a basis of taxation, nor

shall the assessor adopt as a criterion of value the price for which such property would sell at a forced sale, or in the aggregate with all the property in the town or district; but the assessor shall value each article or description of property by itself, and at such sum or price as the assessor believes the same to be fairly worth in money. In assessing any tract or lot of real property, the value of the land, exclusive of structures and improvements, shall be determined, and also the value of all structures and improvements thereon, and the aggregate value of the property, including all structures and improvements, excluding the value of crops growing upon cultivated land. In valuing real property upon which there is a mine or quarry, it shall be valued at such price as such property, including the mine or quarry, would sell for a fair, voluntary sale, for cash. In valuing real property which is vacant, the fact that such property is platted shall not be taken into account. An individual lot of such platted property shall not be assessed in excess of the ~~assessment~~ valuation of the land as if it were unplatted until the lot is improved with a permanent improvement all or a portion of which is located upon the lot, or for a period of three years after final approval of said plat whichever is shorter. When a lot is sold or construction begun, ~~the net tax capacity of~~ that lot or any single contiguous lot fronting on the same street shall be eligible for ~~reassessment~~ revaluation. All property, or the use thereof, which is taxable under section 272.01, subdivision 2, or 273.19, shall be valued at the market value of such property and not at the value of a leasehold estate in such property, or at some lesser value than its market value.

Sec. 6. Minnesota Statutes Second 1989 Supplement, section 273.124, subdivision 6, is amended to read:

Subd. 6. [LEASEHOLD COOPERATIVES.] When one or more dwellings or one or more buildings which each contain several dwelling units is owned by a nonprofit corporation subject to the provisions of chapter 317 and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1988, or a limited partnership which corporation or partnership operates the property in conjunction with a cooperative association, homestead treatment may be claimed by the cooperative association on behalf of the members of the cooperative for each dwelling unit occupied by a member of the cooperative. The cooperative association must provide the assessor with the social security numbers of those members. To qualify for the treatment provided by this subdivision, the following conditions must be met:

(a) the cooperative association must be organized under chapter 308A and all voting members of the board of directors must be resident tenants of the cooperative and must be elected by the resident tenants of the cooperative;

(b) the cooperative association must have a lease for occupancy of the property for a term of at least 20 years, which permits the cooperative association, while not in default on the lease, to participate materially in the management of the property, including material participation in establishing budgets, setting rent levels, and hiring and supervising a management agent;

(c) to the extent permitted under state or federal law, the cooperative association must have a right under a written agreement with the owner to purchase the property if the owner proposes to sell it; if the cooperative association does not purchase the property it is offered for sale, the owner

may not subsequently sell the property to another purchaser at a price lower than the price at which it was offered for sale to the cooperative association unless the cooperative association approves the sale;

(d) the cooperative must meet one of the following criteria with respect to the income of its members: (1) a minimum of 75 percent of members must have incomes at or less than 80 percent of area median income, (2) a minimum of 40 percent of members must have incomes at or less than 60 percent of area median income, or (3) a minimum of 20 percent of members must have incomes at or less than 50 percent of area median income. For purposes of this clause, "member income" means the income of a member existing at the time the member acquires his or her cooperative membership, and "median income" means the St. Paul-Minneapolis metropolitan area median income as determined by the United States Department of Housing and Urban Development;

(e) if a limited partnership owns the property, it must include as the managing general partner a nonprofit organization operating under the provisions of chapter 317 and qualifying under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended through December 31, 1988, and the limited partnership agreement must provide that the managing general partner have sufficient powers so that it materially participates in the management and control of the limited partnership;

(f) prior to becoming a member of a leasehold cooperative described in this subdivision, a person must have received notice that (1) describes leasehold cooperative property in plain language, including but not limited to the effects of classification under this subdivision on rents, property taxes and tax credits or refunds, and operating expenses, and (2) states that copies of the articles of incorporation and bylaws of the cooperative association, the lease between the owner and the cooperative association, a sample sublease between the cooperative association and a tenant, and, if the owner is a partnership, a copy of the limited partnership agreement, can be obtained upon written request at no charge from the owner, and the owner must send or deliver the materials within seven days after receiving any request;

(g) if a dwelling unit of a building was occupied on the 60th day prior to the date on which the unit became leasehold cooperative property described in this subdivision, ~~then (1) the notice described in paragraph (f) must have been sent by first class mail to the occupant of the unit at least 60 days prior to the date on which the unit became leasehold cooperative property; and (2) prior to the mailing of the notice.~~ *For purposes of the notice under this paragraph, the copies of the documents referred to in paragraph (f) may be in proposed version, provided that any subsequent material alteration of those documents made after the occupant has requested a copy shall be disclosed to any occupant who has requested a copy of the document. Copies of the documents identified in the notice must have been articles of incorporation and certificate of limited partnership shall be filed with the secretary of state after the expiration of the 60-day period unless the change to leasehold cooperative status does not proceed; and*

(h) the county attorney of the county in which the property is located must certify to the assessor that the property meets the requirements of this subdivision.

Homestead treatment must be afforded to units occupied by members of the cooperative association and the units must be assessed as provided in

subdivision 3, provided that any unit not so occupied shall be classified and assessed pursuant to the appropriate class. No more than three acres of land may, for assessment purposes, be included with each dwelling unit that qualifies for homestead treatment under this subdivision.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 25, is amended to read:

Subd. 25. [CLASS 4.] (a) Class 4a is residential real estate containing four or more units and used or held for use by the owner or by the tenants or lessees of the owner as a residence for rental periods of 30 days or more. Class 4a also includes hospitals licensed under sections 144.50 to 144.56, other than hospitals exempt under section 272.02, and contiguous property used for hospital purposes, without regard to whether the property has been platted or subdivided. Class 4a property has a class rate of 3.6 percent of market value.

(b) Class 4b includes:

(1) residential real estate containing less than four units, other than seasonal residential, and recreational;

(2) post-secondary student housing not to exceed one acre of land which is owned by a nonprofit corporation organized under chapter 317 and is used exclusively by a sorority or fraternity organization for housing;

(3) manufactured homes not classified under any other provision;

(4) a dwelling, garage, and surrounding one acre of property on a non-homestead farm classified under subdivision 23, paragraph (b).

Class 4b property has a class rate of 3.0 percent of market value.

(c) Class 4c property includes:

(1) a structure that is situated on real property that is used for housing for the elderly or for low and moderate income families as defined by Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant thereto and financed by a *local government unit loan*, direct federal loan ~~or~~, federally insured loan, or a loan made by the Minnesota housing finance agency pursuant to the provisions of either of those acts and acts amendatory thereof. This clause applies only to (i) property of a nonprofit or limited dividend entity, and (ii) *property upon which restrictions are enforced by a public agency or governmental unit to ensure the affordability of rents for persons and families of low income and which is a "qualified low-income housing project" as defined in section 42(g) of the Internal Revenue Code of 1986, as amended through December 31, 1989.* Property is classified as class 4c under this clause for 15 years from the date of the completion of the original construction or substantial rehabilitation, or for the original term of the loan;

(2) a structure that is:

(i) situated upon real property that is used for housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and

(ii) owned by an entity which has entered into a housing assistance payments contract under section 8 which provides assistance for 100 percent of the dwelling units in the structure, other than dwelling units intended

for management or maintenance personnel. Property is classified as class 4c under this clause for the term of the housing assistance payments contract, including all renewals, or for the term of its permanent financing, whichever is shorter; and

(3) a qualified low-income building that (i) receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988; or (ii) meets the requirements of that section. Classification pursuant to this clause is limited to buildings the construction or rehabilitation of which began after May 1, 1988, and to a term of 15 years.

For all *class 4c* properties described in clauses (1), (2), and (3) and for *class 4d* properties described in paragraph (d), the market value determined by the assessor must be based on the normal approach to value using normal unrestricted rents. The land on which these structures are situated has the class rate given *class 4b* property in paragraph (b) if the structure contains fewer than four units, and the class rate given *class 4a* property in paragraph (a) if the structure contains four or more units.

(4) a parcel of land, not to exceed one acre, and its improvements or a parcel of unimproved land, not to exceed one acre, if it is owned by a neighborhood real estate trust and at least 60 percent of the dwelling units, if any, on all land owned by the trust are leased to or occupied by lower income families or individuals. This clause does not apply to any portion of the land or improvements used for nonresidential purposes. For purposes of this clause, a lower income family is a family with an income that does not exceed 65 percent of the median family income for the area, and a lower income individual is an individual whose income does not exceed 65 percent of the median individual income for the area, as determined by the United States Secretary of Housing and Urban Development. For purposes of this clause, "neighborhood real estate trust" means an entity which is certified by the governing body of the municipality in which it is located to have the following characteristics: (a) it is a nonprofit corporation organized under chapter 317; (b) it has as its principal purpose providing housing for lower income families in a specific geographic community designated in its articles or bylaws; (c) it limits membership with voting rights to residents of the designated community; and (d) it has a board of directors consisting of at least seven directors, 60 percent of whom are members with voting rights and, to the extent feasible, 25 percent of whom are elected by resident members of buildings owned by the trust; and

(5) except as provided in subdivision 22, paragraph (c), real property devoted to temporary and seasonal residential occupancy for recreation purposes, including real property devoted to temporary and seasonal residential occupancy for recreation purposes and not devoted to commercial purposes for more than 225 days in the year preceding the year of assessment. For this purpose, property is devoted to commercial use on a specific day if it is used, or offered for use, and a fee is charged for the use. Class 4c also includes commercial use real property used exclusively for recreational purposes in conjunction with class 4c property devoted to temporary and seasonal residential occupancy for recreational purposes, up to a total of two acres, provided the property is not devoted to commercial recreational use for more than 225 days in the year preceding the year of assessment and is located within two miles of the class 4c property with which it is used. Class 4c property classified in this clause and clause (6) also includes the remainder of class 1c resorts; and

(6) real property up to a maximum of one acre of land owned by a nonprofit community service oriented organization; provided that the property is not used for a revenue-producing activity for more than six days in the calendar year preceding the year of assessment and the property is not used for residential purposes on either a temporary or permanent basis. For purposes of this clause, a "nonprofit community service oriented organization" means any corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, fraternal, civic, or educational purposes, and which is exempt from federal income taxation pursuant to section 501(c)(3), (10), or (19) of the Internal Revenue Code of 1986, as amended through December 31, 1988. For purposes of this clause, "revenue-producing activities" shall include but not be limited to property or that portion of the property that is used as an on-sale intoxicating liquor or nonintoxicating malt liquor establishment licensed under chapter 340A, a restaurant open to the public, bowling alley, a retail store, gambling conducted by organizations licensed under chapter 349, an insurance business, or office or other space leased or rented to a lessee who conducts a for-profit enterprise on the premises. Any portion of the property which is used for revenue-producing activities for more than six days in the calendar year preceding the year of assessment shall be assessed as class 3a. The use of the property for social events open exclusively to members and their guests for periods of less than 24 hours, when an admission is not charged nor any revenues are received by the organization shall not be considered a revenue-producing activity; and

Class 4c property has a class rate of 2.4 percent of market value.

(d) (1) Class 4d property includes any structure:

(i) situated on real property that is used for housing for the elderly or for low and moderate income families as defined by the farmers home administration;

(ii) located in a municipality of less than 10,000 population; and

(iii) financed by a direct loan or insured loan from the farmers home administration. Property is classified under this clause for 15 years from the date of the completion of the original construction or for the original term of the loan.

Classification under this clause is only available to property of a nonprofit or limited dividend entity.

(2) The class rates in paragraph (c), clauses (1), (2), and (3) and this clause (1) apply to the properties described in them, only in proportion to occupancy of the structure by elderly or handicapped persons or low and moderate income families as defined in the applicable laws unless construction of the structure had been commenced prior to January 1, 1984; or the project had been approved by the governing body of the municipality in which it is located prior to June 30, 1983; or financing of the project had been approved by a federal or state agency prior to June 30, 1983. ~~Classification under this clause is only available to property of a nonprofit or limited dividend entity. The restrictions contained in this clause apply to all properties financed by a local government unit loan, regardless of when construction of the project began or when the project was approved.~~

Class 4d property has a class rate of 1.7 percent of market value for taxes payable in 1990, and two percent of market value for taxes payable thereafter.

(e) Residential rental property that would otherwise be assessed as class 4 property under paragraph (a); paragraph (b), clauses (1) and (2); paragraph (c), clause (1), (2), (3), or (4); ~~or paragraph (d)~~, is assessed at the class rate applicable to it under Minnesota Statutes 1988, section 273.13, if it is found to be a substandard building under section 273.1316. *Residential rental property that would otherwise be assessed as class 4 property under paragraph (d) is assessed at 2.4 percent of market value if it is found to be a substandard building under section 273.1316.*

Sec. 8. Minnesota Statutes Second 1989 Supplement, section 273.1391, subdivision 2, is amended to read:

Subd. 2. For taxes payable in 1990 and subsequent years, the amount of the reduction authorized by subdivision 1 shall be:

(a) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a county with a population of less than 100,000 in which taconite is mined or quarried and wherein a school district is located which does meet the qualifications of a tax relief area, and provided that at least 90 percent of the area of the school district which does not meet the qualifications of section 273.134 lies within such county, 57 percent of the tax on qualified property located in the school district that does not meet the qualifications of section 273.134, provided that the amount of said reduction shall not exceed the maximum amounts specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10. The reduction provided by this clause shall only be applicable to property located within the boundaries of the county described therein.

(b) In the case of property located within a school district which does not meet the qualifications of section 273.134 as a tax relief area, but which is located in a school district in a county containing a city of the first class and a qualifying municipality, but not in a school district containing a city of the first class or adjacent to a school district containing a city of the first class unless the school district so adjacent contains a qualifying municipality, 57 percent of the tax, but not to exceed the maximums specified in clause (c), and shall not exceed an amount sufficient to reduce the effective tax rate on each parcel of property to the product of 95 percent of the base year effective tax rate multiplied by the ratio of the current year's tax rate to the payable 1989 tax rate. In no case will the reduction for each homestead resulting from this credit be less than \$10.

(c) The maximum reduction of the tax ~~up to the taconite breakpoint~~ is \$200.10 for taxes payable in 1985. This maximum amount shall increase by \$15 multiplied by the quantity one minus the homestead credit equivalency percentage per year for taxes payable in 1986 and subsequent years.

For the purposes of this subdivision, "homestead credit equivalency percentage" means one minus the ratio of the net tax capacity percentage to the gross tax capacity percentage applicable to the first \$68,000 of the market value of residential homesteads, and "effective tax rate" means tax divided by the market value of a property, and the "base year effective tax rate" means the payable 1988 tax on a property with an identical market value to that of the property receiving the credit in the current year after

application of the credits payable under Minnesota Statutes 1988, section 273.13, subdivisions 22 and 23, and this section, divided by the market value of the property.

Sec. 9. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) In this section, the terms defined in this subdivision have the meanings given them.

(b) "Unique taxing jurisdiction" means the geographic area subject to the same set of tax capacity rates.

(c) "Gross tax capacity" means the product of the gross class rates and estimated market values. "Total gross tax capacity" means the gross tax capacities for all property within the unique taxing jurisdiction. The total gross tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's gross tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the gross tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the gross tax capacity of transmission lines deducted from a local government's total gross tax capacity under section 273.425. Gross tax capacity cannot be less than zero.

(d) "Net tax capacity" means the product of the appropriate net class rates for the year in which the aid is payable, except that for class 3 utility real and personal property the class rate applied shall be 5.38 percent, and estimated market values for the assessment two years prior to that in which aid is payable. "Total net tax capacity" means the net tax capacities for all property within the unique taxing jurisdiction. The total net tax capacity used shall be reduced by the sum of (1) the unique taxing jurisdiction's net tax capacity of commercial industrial property as defined in section 473F02, subdivision 3, multiplied by the ratio determined pursuant to section 473F08, subdivision 6, for the municipality, as defined in section 473F02, subdivision 8, in which the unique taxing jurisdiction is located, (2) the net tax capacity of the captured value of tax increment financing districts as defined in section 469.177, subdivision 2, and (3) the net tax capacity of transmission lines deducted from a local government's total net tax capacity under section 273.425. For purposes of determining the net tax capacity of property referred to in clauses (1) and (2), the net tax capacity shall be multiplied by the ratio of the highest class rate for class 3a property for taxes payable in the year in which the aid is payable to the highest class rate for class 3a property in the prior year. Net tax capacity cannot be less than zero.

(e) "Equalized market values" are market values that have been equalized by dividing the assessor's estimated market value for the second year prior to that in which the aid is payable by the assessment sales ratios determined by class in the assessment sales ratio study conducted by the department of revenue pursuant to section 124.2131 in the second year prior to that in which the aid is payable. The equalized market values shall equal the unequalized market values divided by the assessment sales ratio.

(f) "Local tax rate" means the quotient derived by dividing the gross taxes levied within a unique taxing jurisdiction for taxes payable in 1989

by the gross tax capacity of the unique taxing jurisdiction for taxes payable in 1989. For computation of the local tax rate for aid payable in 1991 and subsequent years, gross taxes for taxes payable in 1989 exclude equalized levies as defined in subdivision 2a. For purposes of computation of the local tax rate only, gross taxes shall not be adjusted by inflation or household growth.

(g) For purposes of calculating the homestead and agricultural credit aid authorized pursuant to subdivision 2, the "subtraction factor" is the product of (i) a unique taxing jurisdiction's local tax rate; (ii) its total net tax capacity; and (iii) 0.9767.

(h) For purposes of calculating and allocating homestead and agricultural credit aid authorized pursuant to subdivision 2 and the disparity reduction aid authorized in subdivision 3, "gross taxes levied on all properties" or "gross taxes" means the total gross taxes levied on all properties except that levied on the captured value of tax increment districts as defined in section 469.177, subdivision 2, and that levied on the portion of commercial industrial properties' assessed value or gross tax capacity, as defined in section 473F02, subdivision 3, subject to the areawide tax as provided in section 473F08, subdivision 6, in a unique taxing jurisdiction before reduction by any credits for taxes payable in 1989. Gross taxes are before any reduction for disparity reduction aid. Gross taxes levied cannot be less than zero.

For homestead and agricultural credit aid payable in 1991 and subsequent years, "gross taxes" or "gross taxes levied on all properties" shall mean gross taxes payable in 1989, excluding taxes defined as "equalized levies" *actual amounts levied for the purposes listed in subdivision 2a*, multiplied by the cost-of-living adjustment factor and the household adjustment factor.

(i) "Human services aids" means:

(1) aid to families with dependent children under sections 256.82, subdivision 1, and 256.935, subdivision 1;

(2) medical assistance under sections 256B.041, subdivision 5, and 256B.19, subdivision 1;

(3) general assistance medical care under section 256D.03, subdivision 6;

(4) general assistance under section 256D.03, subdivision 2;

(5) work readiness under section 256D.03, subdivision 2;

(6) emergency assistance under section 256.871, subdivision 6;

(7) Minnesota supplemental aid under section 256D.36, subdivision 1;

(8) preadmission screening and alternative care grants under section 256B.091;

(9) work readiness services under section 256D.051;

(10) case management services under section 256.736, subdivision 13;

(11) general assistance claims processing, medical transportation and related costs; and

(12) medical assistance, medical transportation and related costs.

(j) "Adjustment factor" means one plus the percentage change in (1) the

ratio of estimated market value of residential ~~homesteads~~ *property* to the estimated market value of all taxable property within the city or township containing the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the assessment two years prior to the year in which the aid is payable. If the market value of farm homesteads exceeds the market value of residential homesteads in the city or township containing the unique taxing jurisdiction *for the assessment two years prior to the year in which the aid is payable*, "~~adjusted~~ *adjustment factor*" means one plus the percentage change in the ratio of the estimated market value of farm ~~homesteads~~ *property* to the estimated market value of all taxable property within the city or township containing the unique taxing jurisdiction based on the assessment one year prior to the year in which the aid is payable when compared to the same ratio based on the assessment two years prior to the year in which the aid is payable. The adjustment factor cannot be less than one. Estimates of market value for the assessment one year prior to the year in which the aid is paid will be made on the basis of the abstract submitted pursuant to section 270.11. Discrepancies between the estimate and actual market values will not result in increased or decreased aid in the year in which the estimates are used to compute aid.

(k) "Cost-of-living adjustment factor" means one plus the percentage, if any, by which:

(1) the consumer price index for the calendar year preceding that in which aid is payable, exceeds

(2) the consumer price index for calendar year 1989.

(l) "Consumer price index for any calendar year" means the average of the consumer price index as of the close of the 12-month period ending on May 31 of such calendar year.

(m) "Consumer price index" means the last consumer price index for all-urban consumers published by the department of labor. For purposes of the preceding sentence, the revision of the consumer price index which is most consistent with the consumer price index for calendar year 1989 shall be used.

(n) "Household adjustment factor" means the number of households for the most recent year preceding that in which the aids are payable divided by the 1988 number of households. The household adjustment factor cannot be less than one.

Sec. 10. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 2, is amended to read:

Subd. 2. [HOMESTEAD AND AGRICULTURAL CREDIT AID.] (a) Initial homestead and agricultural credit aid for each unique taxing jurisdiction equals the total gross taxes levied on all properties, minus the unique taxing jurisdiction's subtraction factor. The commissioner of revenue may, in computing the amount of the homestead and agricultural credit aid paid in 1990, adjust the gross tax capacity, net tax capacity, and gross taxes of a taxing jurisdiction for taxes payable in 1989 to reflect auditor's errors in computing taxes payable for 1989 in unique taxing jurisdictions within independent school district Nos. 720 and 792. Homestead and agricultural credit aid cannot be less than zero.

(b)(1) The homestead and agricultural credit aid is allocated to each local

government levying taxes in the unique taxing jurisdiction in the proportion that the local government's gross taxes bears to the total gross taxes levied within the unique taxing jurisdiction.

(2) The 1990 homestead and agricultural credit aid so determined for school districts for purposes of general education levies pursuant to section 124A.23, subdivisions 2 and 2a, and transportation levies pursuant to section 275.125, subdivisions 5 and 5c, shall be multiplied by the ratio of the adjusted gross tax capacity based upon the 1988 adjusted gross tax capacity to the estimated 1987 adjusted gross tax capacity based upon the 1987 adjusted assessed value.

~~(3) If a local government's total tax capacity rate for all funds for taxes payable in 1989 varies within the area in which it exercises taxing authority, the local government's allocated homestead and agricultural credit aid must be further allocated between the part of its levy in respect to which the tax capacity rate is constant throughout the area in which it exercises taxing authority and the part of its levy in respect to which the tax capacity rate varies throughout the area in which it exercises taxing authority.~~

(c) The calendar year 1990 homestead and agricultural credit aid shall be adjusted by the adjustment factor.

(d) Payments under this subdivision to counties in 1990 and subsequent years shall be reduced by the amount provided in section 477A.012, subdivisions 3, paragraph (d), and 4, paragraph (d).

(e) Payments under this subdivision to cities and towns shall be annually reduced by the amount of the homestead and agricultural credit aid adjustment, if any, determined for 1990 under section 477A.013, subdivision 6.

Sec. 11. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL HOMESTEAD AND AGRICULTURAL CREDIT GUARANTEE.] Beginning with taxes payable in 1990, each unique taxing jurisdiction may receive additional homestead and agricultural credit guarantee payments.

(1) Each year, the commissioner shall determine the total education aids paid under chapters 124 and 124A, homestead and agricultural credit aid and disparity reduction aid paid under section 273.1398, local government aid to cities, counties, and towns paid under chapter 477A, ~~and income maintenance aid and, for aids paid in 1991 and thereafter, the amount paid under subdivision 5b~~ paid to counties for each taxing jurisdiction. The commissioner shall apportion each local government's aids to the unique taxing jurisdiction based upon the proportion that the unique taxing jurisdiction's tax capacity bears to the total tax capacity of the local government.

(2) Each year, the commissioner will compute a gross tax capacity rate for each taxing jurisdiction equal to its total levy divided by its gross tax capacity under Minnesota Statutes 1988, section 273.13. For each unique taxing jurisdiction, a total gross tax capacity rate will be determined. This total gross tax capacity rate will be applied against the gross tax capacity of property that would have been eligible for the homestead credit or the agricultural credit for taxes payable in 1989. An estimated credit amount will be determined for all qualifying parcels based upon the credit rate structure in effect for taxes payable in 1989. The resulting credit amounts will be summed for all parcels in the unique taxing jurisdiction.

If the amount determined in clause (2) is greater than the amount determined in clause (1), the difference will be additional homestead and agricultural credit guarantee payments for the unique taxing jurisdiction. The additional credit amount shall proportionately reduce the tax capacity rates of all local governments levying taxes within the unique taxing jurisdiction in the following year. The commissioner shall certify the amounts of additional credits determined under this subdivision to the county auditor at the time provided in subdivision 6.

Sec. 12. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 5a, is amended to read:

Subd. 5a. [AID ADJUSTMENT FOR COUNTY HUMAN SERVICES AID.] (a) There shall be transferred to the human services aid account from the payment to a county under subdivision 2 an amount representing a county's human services aid increase as calculated in subdivision 5b, paragraphs (a) to (c). The amount calculated for each county shall be deducted ~~from the first payment to the~~ *equally from the July and December payments to the* county under this section in 1991 and subsequent years. ~~If the deduction exceeds the amount of the first payment, the balance shall be subtracted from the second payment.~~ The amount of the payments under subdivision 2 shall not be less than zero as a result of this adjustment.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 273.1398, subdivision 6, is amended to read:

Subd. 6. [PAYMENT.] The commissioner shall certify the aids provided in subdivisions 2, 2b, 3, and 5 before December 1, 1989, and October 1 thereafter of the year preceding the distribution year to the county auditor of the affected local government and pay them and the credit reimbursements to local governments other than school districts at the times provided in section 477A.015 for payment of local government aid to taxing jurisdictions. Aids and credit reimbursements to school districts must be certified to the commissioner of education and paid under section 273.1392. Except for education districts and secondary cooperatives that receive revenue according to section 124.2721 or 124.575, payment shall not be made to any taxing jurisdiction that has ceased to levy a property tax ~~nor shall homestead and agricultural credit aid be payable on the part of a levy to which homestead and agricultural credit aid was separately allocated under subdivision 2, paragraph (b); clause (2); which is no longer levied.~~

Sec. 14. Minnesota Statutes 1988, section 273.42, subdivision 1, is amended to read:

Subdivision 1. The property set forth in section 273.37, subdivision 2, consisting of transmission lines of less than 69 kv and transmission lines of 69 kv and above located in an unorganized township, and distribution lines not taxed as provided in sections 273.38, 273.40 and 273.41 shall be taxed at the average *tax capacity* rate of taxes levied for all purposes throughout the county *after disparity reduction aid is applied*, and shall be entered on the tax lists by the county auditor against the owner thereof and certified to the county treasurer at the same time and in the same manner that other taxes are certified, and, when paid, shall be credited as follows: 50 percent to the general revenue fund of the county and 50 percent to the general school fund of the county, except that if there are high voltage transmission lines as defined in section 116C.52, the construction of which was commenced after July 1, 1974 and which are located in unorganized townships within the county, then the distribution of taxes within this

subdivision shall be credited as follows: 50 percent to the general revenue fund of the county, 40 percent to the general school fund of the county and ten percent to a utility property tax credit fund, which is hereby established.

Sec. 15. Minnesota Statutes 1988, section 274.01, subdivision 1, is amended to read:

Subdivision 1. [ORDINARY BOARD; MEETINGS, DEADLINES, GRIEVANCES.] (a) The town board of a town, or the council or other governing body of a city, is the board of review except in cities whose charters provide for a board of equalization. The county assessor shall fix a day and time when the board or the board of equalization shall meet in the assessment districts of the county. On or before February 15 of each year the assessor shall give written notice of the time to the city or town clerk. Notwithstanding the provisions of any charter to the contrary, the meetings must be held between April 1 and May 31 each year. The clerk shall give published and posted notice of the meeting at least ten days before the date of the meeting. The board shall meet at the office of the clerk to review the assessment and classification of property in the town or city. No changes in valuation or classification which are intended to correct errors in judgment by the county assessor may be made by the county assessor after the board of review or the county board of equalization has adjourned; however, corrections of errors that are merely clerical in nature or changes that extend homestead treatment to property are permitted after the board of review or the county board of equalization has adjourned. ~~This restriction does not apply to corrections of errors that are merely clerical or administrative in nature~~ adjournment until the tax extension date for that assessment year. The changes must be fully documented and maintained in the assessor's office and must be available for review by any person. A copy of the changes made during this period must be sent to the county board no later than December 31 of an assessment year.

(b) The board shall determine whether the taxable property in the town or city has been properly placed on the list and properly valued by the assessor. If real or personal property has been omitted, the board shall place it on the list with its market value, and correct the assessment so that each tract or lot of real property, and each article, parcel, or class of personal property, is entered on the assessment list at its market value. No assessment of the property of any person may be raised unless the person has been duly notified of the intent of the board to do so. On application of any person feeling aggrieved, the board shall review the assessment or classification, or both, and correct it as appears just.

(c) A local board of review may reduce assessments upon petition of the taxpayer but the total reductions must not reduce the aggregate assessment made by the county assessor by more than one percent. If the total reductions would lower the aggregate assessments made by the county assessor by more than one percent, none of the adjustments may be made. The assessor shall correct any clerical errors or double assessments discovered by the board of review without regard to the one percent limitation.

(d) A majority of the members may act at the meeting, and adjourn from day to day until they finish hearing the cases presented. The assessor shall attend, with the assessment books and papers, and take part in the proceedings, but must not vote. The county assessor, or an assistant delegated by the county assessor shall attend the meetings. The board shall list separately, on a form appended to the assessment book, all omitted property

added to the list by the board and all items of property increased or decreased, with the market value of each item of property, added or changed by the board, placed opposite the item. The county assessor shall enter all changes made by the board in the assessment book.

(e) If a person fails to appear in person, by counsel, or by written communication before the board after being duly notified of the board's intent to raise the assessment of the property, or if a person feeling aggrieved by an assessment or classification fails to apply for a review of the assessment or classification, the person may not appear before the county board of equalization for a review of the assessment or classification. This paragraph does not apply if an assessment was made after the board meeting, as provided in section 273.01, or if the person can establish not having received notice of market value at least five days before the local board of review meeting.

(f) The board of review or the board of equalization must complete its work and adjourn within 20 days from the time of convening stated in the notice of the clerk, unless a longer period is approved by the commissioner of revenue. No action taken after that date is valid. All complaints about an assessment or classification made after the meeting of the board must be heard and determined by the county board of equalization. A nonresident may, at any time, before the meeting of the board of review file written objections to an assessment or classification with the county assessor. The objections must be presented to the board of review at its meeting by the county assessor for its consideration.

Sec. 16. Minnesota Statutes Second 1989 Supplement, section 274.14, is amended to read:

274.14 [LENGTH OF SESSION; RECORD.]

The county board of equalization or the special board of equalization appointed by it shall meet during the last two weeks in June that contain ten meeting days, excluding Saturday and Sunday. No action taken by the county board of review after June 30 is valid, *except for corrections as permitted in sections 273.01 and 274.01*. The county auditor shall keep an accurate record of the proceedings and orders of the board. The record must be published like other proceedings of county commissioners. A copy of the published record must be sent to the commissioner of revenue, with the abstract of assessment required by section 274.16.

Sec. 17. Minnesota Statutes Second 1989 Supplement, section 274.175, is amended to read:

274.175 [VALUES FINALIZED.]

The assessments recorded by the county assessor and the county auditor under sections 273.124, subdivision 9; 274.16; 274.17; or other law for real and personal property are final on July 1 of the assessment year, except for property added to the assessment rolls under section 272.02, subdivision 4, or deleted because of tax forfeiture pursuant to chapter 281. No changes in value may be made after July 1 of the assessment year, *except for corrections as permitted in sections 273.01 and 274.01*.

Sec. 18. Minnesota Statutes Second 1989 Supplement, section 275.07, subdivision 3, is amended to read:

Subd. 3. The county auditor shall adjust each local government's levy certified under subdivision 1 by the amount of homestead and agricultural

credit aid certified by section 273.1398, subdivision 2, reduced by the amount under section 273.1398, subdivision 5a, and equalization aid certified by section 477A.013, subdivision 5. If a local government's homestead and agricultural credit aid was further allocated between portions of its levy pursuant to section 273.1398, subdivision 2, paragraph (b)(2), the levy or fund to which the homestead and agricultural credit aid was allocated is the levy or fund which must be adjusted.

Sec. 19. Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5, is amended to read:

Subd. 5. Notwithstanding any other law to the contrary for taxes levied in 1989 payable in 1990 and subsequent years, "special levies" means those portions of ad valorem taxes levied by governmental subdivisions to:

(a) for taxes levied in 1990, payable in 1991 and subsequent years, pay the costs not reimbursed by the state or federal government, of payments made to or on behalf of recipients of aid under any public assistance program authorized by law, and the costs of purchase or delivery of social services. The aggregate amounts levied under this clause for the costs of purchase or delivery of social services and income maintenance programs, other than those identified in section 273.1398, subdivision 1, paragraph (i), are subject to a maximum increase over the amount levied for the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties. For purposes of this clause, "income maintenance programs" include income maintenance programs in section 273.1398, subdivision 1, paragraph (i), to the extent the county provides benefits under those programs over the statutory mandated standards. Effective with taxes levied in 1990, the portion of this special levy for human service programs identified in section 273.1398, subdivision 1, paragraph (i), is eliminated;

(b) pay the costs of principal and interest on bonded indebtedness except on bonded indebtedness issued under section 471.981, subdivisions 4 to 4c, or to reimburse for the amount of liquor store revenues used to pay the principal and interest due in the year preceding the year for which the levy limit is calculated on municipal liquor store bonds;

(c) pay the costs of principal and interest on certificates of indebtedness, except tax anticipation or aid anticipation certificates of indebtedness, issued for any corporate purpose except current expenses or funding an insufficiency in receipts from taxes or other sources or funding extraordinary expenditures resulting from a public emergency; and to pay the cost for certificates of indebtedness issued pursuant to sections 298.28 and 298.282;

(d) fund the payments made to the Minnesota state armory building commission pursuant to section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(e) provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(f) pay the amounts required, in accordance with section 275.075, to correct for a county auditor's error of omission but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(g) pay amounts required to correct for an error of omission in the levy certified to the appropriate county auditor or auditors by the governing body of a city or town with statutory city powers in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.50 to 275.56 in the preceding levy year;

(h) pay amounts required by law to be paid to pay the interest on and to reduce the unfunded accrued liability of public pension funds in accordance with the actuarial standards and guidelines specified in sections 356.215 and 356.216 reduced by 106 percent of the amount levied for that purpose in 1976, payable in 1977. For the purpose of this special levy, the estimated receipts expected from the state of Minnesota pursuant to sections 69.011 to 69.031 or any other state aid expressly intended for the support of public pension funds shall be considered as a deduction in determining the required levy for the normal costs of the public pension funds. No amount of these aids shall be considered as a deduction in determining the governmental subdivision's required levy for the reduction of the unfunded accrued liability of public pension funds;

(i) to compensate the state for the cost of a reassessment ordered by the commissioner of revenue pursuant to section 270.16;

(j) pay the debt service on tax increment financing revenue bonds to the extent that revenue to pay the bonds or to maintain reserves for the bonds is insufficient as a result of the provisions of Laws 1988, chapter 719, article 5;

(k) pay the cost of hospital care under section 261.21;

(l) pay the unreimbursed costs incurred in the previous year to satisfy judgments rendered against the governmental subdivision by a court of competent jurisdiction in any tort action, or to pay the costs of settlements out of court against the governmental subdivision in a tort action when substantiated by a stipulation for the dismissal of the action filed with the court of competent jurisdiction and signed by both the plaintiff and the legal representative of the governmental subdivision, provided that an appeal for the unreimbursed costs under this clause was approved by the commissioner of revenue under section 275.51, subdivision 3;

(m) pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes such as earthquake, fire, flood, wind storm, wave action, oil spill, water contamination, air contamination, or drought in accordance with standards formulated by the emergency services division of the state department of public safety, provided that an appeal for the expenses incurred under this clause were approved by the commissioner of revenue under section 275.51, subdivision 3;

(n) pay a portion of the losses in tax receipts to a city due to tax abatements or court actions in the year preceding the current levy year, provided that an appeal for the tax losses was approved by the commissioner of revenue under section 275.51, subdivision 3. This special levy is limited to the amount of the losses times the ratio of the nonspecial levies to total levies for taxes payable in the year the abatements were granted. County governments are not authorized to claim this special levy;

(o) pay the operating cost of regional library services authorized under section 134.34, subject to a maximum increase over the previous year of the greater of (1) 103 percent multiplied by one plus the percentage increase determined for the governmental subdivision under section 275.51, subdivision 3h, clause (b), or (2) six percent. If a governmental subdivision elected to include some or all of its levy for libraries within its adjusted levy limit base in the prior year, but elects to claim the levy as a special levy in the current levy year, the allowable increase is determined by applying the greater percentage determined under clause (1) or (2) to the total amount levied for libraries in the prior levy year. After levy year 1989, the increase must not be determined using a base amount other than the amount that could have been levied as a special levy in the prior year. In no event shall the special levy be less than the minimum levy required under sections 134.33 and 134.34, subdivisions 1 and 2;

(p) pay the amount of the county building fund levy permitted under section 373.40, subdivision 6;

(q) pay the county's share of the costs levied in 1989, 1990, and 1991 for the Minnesota cooperative soil survey under Minnesota Statutes 1988, section 40.07, subdivision 15;

(r) for taxes levied in 1989, payable in 1990 only, pay the cost incurred for the minimum share required by counties levying for the first time under section 134.34 as required under section 134.341. For taxes levied in 1990, and thereafter, counties levying under this provision must levy under clause (o), and their allowable increase must be determined with reference to the amount levied in 1989 under this paragraph;

(s) for taxes levied in 1989, payable in 1990 only, provide an amount equal to 50 percent of the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990;

(t) for taxes levied in 1990 only by a county in the eighth judicial district, provide an amount equal to the amount of the levy, if any, that is required under Laws 1989, chapter 335, article 3, section 54, subdivision 8;

(u) for taxes levied in 1989, payable in 1990 only, pay the costs not reimbursed by the state or federal government:

(i) for the costs of purchase or delivery of social services. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent for counties within the metropolitan area as defined in section 473.121, subdivision 2, or counties outside the metropolitan area but containing a city of the first class, and 15 percent for other counties.

(ii) for payments made to or on behalf of recipients of aid under any public assistance program authorized by law. The aggregate amounts levied under this item are subject to a maximum increase over the amount levied in the previous year of 12 percent and must be used only for the public assistance programs; ~~and~~.

If the amount levied under this paragraph (u) in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference

between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991; and

(v) pay an amount of up to 25 percent of the money sought for distribution and approved under section 115A.557, subdivision 3, paragraph (b), clause (3).

If the amount levied in 1989 is less than the actual expenditures needed for these programs for 1990, the difference between the actual expenditures and the amount levied may be levied in 1990 as a special levy. If the amount levied in 1989 is greater than the actual expenditures needed for these programs for 1990, the difference between the amount levied and the actual expenditures shall be deducted from the 1990 levy limit, payable in 1991.

Sec. 20. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 3h, is amended to read:

Subd. 3h. [ADJUSTED LEVY LIMIT BASE.] For taxes levied in 1989 and thereafter, the adjusted levy limit base is equal to the levy limit base computed pursuant to subdivision 3f, increased by:

(a) three percent for taxes levied in 1989 and subsequent years;

(b) a percentage equal to (1) one-half of the greater of the percentage increases in population or in number of households, if any, for cities and towns and (2) the lesser of the percentage increase in population or the number of households, if any, for counties, using figures derived pursuant to subdivision 6;

(c) the amount of a permanent increase in the levy limit base approved at a general or special election held during the 12-month period ending ~~September 30~~ *four working days after December 20* of the levy year under section 275.58, subdivisions 1 and 2;

(d) for levy year 1989, for a county which incurred costs since October 1978, for the litigation of federal land claims under United States Code, title 18, section 1162; United States Code, title 25, section 331; and United States Code, title 28, section 1360; an amount of up to the actual costs incurred by the county for this purpose. This adjustment shall not exceed \$250,000;

(e) for levy year 1989, an amount of \$1,724,000 for Ramsey county for implementing the local government pay equity act under sections 471.991 to 471.999. Furthermore, in levy years 1990 and 1991, an additional amount of \$862,000 shall be added to Ramsey county's adjusted levy limit base under this clause for each of the two years; and

(f) for levy year 1989, an amount equal to the decrease in a county's 50 percent share of the powerline taxes extended between taxes payable years 1988 and 1989 under section 273.42, subdivision 1. The adjustment shall be determined by the department of revenue.

For taxes levied in 1989, the adjusted levy limit base is reduced by an amount equal to the estimated amount of the reduction in aids to a county under sections 273.1398, subdivision 2, paragraph (d), and 477A.012, subdivision 3, for aids payable in 1990.

Sec. 21. Minnesota Statutes Second 1989 Supplement, section 275.51, subdivision 6, is amended to read:

Subd. 6. [POPULATION AND HOUSEHOLD ESTIMATES.] For the purpose of determining the amount of tax that a governmental subdivision may levy in accordance with limitation established by this chapter, the population or the number of households of the governmental subdivision shall be that established by the last federal census, by a census taken pursuant to section 275.14, or by an estimate made by the metropolitan council, or by the state demographer made pursuant to section 116K.04, subdivision 4, whichever is the most recent as to the stated date of count or estimate, for the calendar year preceding the current levy year. *If the area included in a governmental subdivision has increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the adjusted levy limit base is modified under section 275.54, subdivision 3, the percentage increases in population and households determined in subdivision 3h are to be based on the change in population and number of households in the area included in the governmental subdivision before the annexation.*

Sec. 22. Minnesota Statutes 1988, section 275.54, is amended by adding a subdivision to read:

Subd. 3. [ADJUSTMENTS AFTER ANNEXATION.] *If the area included within the governmental subdivision is increased due to annexation in the 12 months prior to the most recent population estimate for the calendar year preceding the current levy year and the department of revenue makes an adjustment to the amount of aid received by the governmental subdivision under chapter 477A due to the annexation, the adjusted levy limit base of the governmental subdivision under section 275.51, subdivision 3h, will be adjusted in the following manner:*

(a) *A percentage will be calculated equal to the percentage increase in population in the governmental subdivision due to annexation determined by dividing the population of the annexed area by the population of the governmental subdivision excluding the annexed area, using population estimates for the calendar year preceding the current levy year.*

(b) *The adjusted levy limit base of the governmental subdivision under section 275.51, subdivision 3h, after giving effect to paragraphs (a) and (b) but before application of any other paragraphs in subdivision 3h, shall be increased by the percentage calculated in paragraph (a) of this subdivision.*

For purposes of section 275.51, subdivision 3f, the term "adjusted levy limit base" includes the adjustment made under this subdivision for the preceding year.

Sec. 23. Minnesota Statutes Second 1989 Supplement, section 277.01, subdivision 1, is amended to read:

Subdivision 1. *Except as provided in this subdivision, all unpaid personal property taxes shall be deemed delinquent on May 16 next after they become due or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach and be charged upon all such taxes. In the case of unpaid personal property taxes due and owing under section 272.01, subdivision 2, or section 273.19 the first half shall become delinquent if not paid before May 16 or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later, and thereupon a penalty of eight percent shall attach on the unpaid first half; and the second half shall become delinquent if not paid before October 16, and thereupon*

a penalty of eight percent shall attach on the unpaid second half. This section shall not apply to Class 2a property.

A county may provide by resolution that in the case of a property owner that has multiple personal property tax statements with the aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 277.011 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 24. Minnesota Statutes Second 1989 Supplement, section 277.02, is amended to read:

277.02 [DELINQUENT LIST FILED IN COURT.]

By June 15 of each year, the county treasurer shall make a list of all personal property taxes remaining delinquent May 16; *and by November 15 of each year the county treasurer shall make a list of all personal property taxable under section 272.01, subdivision 2, or section 273.19 remaining delinquent October 16. The county treasurer shall immediately certify to and file the same each list with the court administrator of the district court of the county; and. Upon such filing, the list shall be prima facie evidence that all of the provisions of law in relation to the assessment and levy of such taxes have been complied with.*

Sec. 25. Minnesota Statutes Second 1989 Supplement, section 277.05, is amended to read:

277.05 [SHERIFF TO FILE LIST OF UNCOLLECTED TAXES.]

If the sheriff is unable, for want of goods and chattels whereon to levy, to collect by a distress, or otherwise, the taxes, or any part thereof, assessed upon the personal property of any persons, the sheriff shall file with the court administrator of the district court, on July 15 following, a list of such taxes; *The list shall be filed with an affidavit of the sheriff, or of the deputy sheriff entrusted with the collection thereof, stating that the affiant has made diligent search and inquiry for goods and chattels from which to collect such taxes, and is unable to collect the same. The list of such taxes as they apply to manufactured homes shall be filed on December 1 and the list of such taxes as they apply to property taxable under section 272.01, subdivision 2, or section 273.19 shall be filed on December 15.* The sheriff shall note on the margin of such list the place to which any delinquent taxpayer may have removed, with the date of removal, if known. At the time of filing the list the sheriff shall also return all the warrants with endorsements thereon showing the doings of the sheriff or deputy in the premises, and the court administrator shall file and preserve the same. On or before ~~September tenth~~ July 25 thereafter, the court administrator shall deliver such list and affidavit to the county treasurer, who shall, by comparison of such list with the tax duplicates in the treasurer's office, ascertain whether or not all personal property taxes reported by the treasurer to the court administrator as delinquent, except those included in such list, have been paid into the treasurer's office, and shall attach to the list a certificate stating whether or not all taxes reported by the treasurer to the court

administrator as delinquent and not included in the list have been received, and stating the items of such taxes, if any, as have been received. The court administrator shall deliver such list and affidavit as they apply to manufactured homes on or before December 10 *and as they apply to property taxable under section 272.01, subdivision 2, or section 273.19 on or before December 24*. The treasurer shall deliver such list and affidavit, with the certificate attached, to the county board at its first session thereafter, which shall cancel such taxes as it is satisfied cannot be collected. A copy of the tax list so revised, and also a separate list of the taxes so canceled, shall be included in the records of the proceedings of the board, and published in full, as a part of the proceedings.

Sec. 26. Minnesota Statutes Second 1989 Supplement, section 277.06, is amended to read:

277.06 [CITATION TO DELINQUENTS; DEFAULT JUDGMENT.]

On September 5, or within ten days after the adjournment of the county board, whichever occurs first, the county auditor shall file a copy of such revised list with the court administrator of the district court. The county auditor shall file a copy of the revised list as it applies to manufactured homes on January 20 *and a copy of the revised list as it applies to property taxable under section 272.01, subdivision 2, or section 273.19 on February 15*. Within ten days after the list has been filed, the court administrator shall issue a citation to each delinquent named in the list, stating the amount of tax and penalty, and requiring such delinquent to appear on a day to be set by the district court in the county, appointed to be held at a time not less than 30 days after the issuance of such citation, and show cause, if any there be, why the delinquent should not pay the tax and penalty. The citation shall be delivered for service to the sheriff of the county where such person may at the time reside or be. If such person, after service of the citation, fails to pay such tax, penalty, and costs to the sheriff before the first day of the term, or on such day to show cause as aforesaid, the court shall direct judgment against the person for the amount of such tax, penalty, and costs. When unable to serve the citation, the sheriff shall return the same to the court administrator, with a return thereto to that effect, and thereupon, or if the court decides that the service of such citation made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation, requiring such delinquent to appear on the first day of the next general term to be held in the county, and show cause as aforesaid, and if the delinquent fails to pay or to show cause, the court shall direct judgment as aforesaid. Whenever the sheriff has been unable to serve any such citation theretofore issued in any year or years, or whenever the court decides that the service of any such citation theretofore made or attempted to be made, or the issuance thereof by the court administrator, was illegal, the court administrator shall issue another like citation requiring such delinquent to appear, as in the case last provided, and with like effect; provided, that all citations other than the first shall be issued only on the request of the county attorney.

Sec. 27. Minnesota Statutes 1988, section 277.15, is amended to read:

277.15 [INTEREST.]

When a judgment has heretofore been entered and docketed, or shall hereafter be entered and docketed, for the recovery of taxes, except in the case of real estate tax judgments provided for in section 279.19, the same

shall bear interest until paid at the rate of six percent per annum until January 1, 1981, and at the rate determined under section 549.09 ~~thereafter until January 1, 1991. Thereafter interest will be payable at the rate provided in section 279.03, subdivision 1a.~~

Sec. 28. Minnesota Statutes 1989 Supplement, section 279.01, subdivision 1, is amended to read:

Subdivision 1. Except as provided in subdivision 3, on May 16, ~~of each year, with respect to property actually occupied and used as a homestead by the owner of the property, or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later;~~ a penalty ~~of three percent~~ shall accrue and thereafter be charged upon all unpaid taxes on real estate on the current lists in the hands of the county treasurer, ~~and a penalty of. The penalty shall be at a rate of three percent on homestead property and seven percent on nonhomestead property; except that.~~ This penalty shall not accrue until June 1 of each year on commercial use real property used for seasonal residential recreational purposes and classified as class 1c or 4c, and on other commercial use real property classified as class 3a, provided that over 60 percent of the gross income earned by the enterprise on the class 3a property is earned during the months of May, June, July, and August. Any property owner of such class 3a property who pays the first half of the tax due on the property after May 15 and before June 1 shall attach an affidavit to the payment attesting to compliance with the income provision of this subdivision. Thereafter, for both homestead and nonhomestead property, on the first day of each month, up to and including October 1 following, an additional penalty of one percent for each month shall accrue and be charged on all such unpaid taxes. When the taxes against any tract or lot exceed \$50, one-half thereof may be paid prior to May 16 ~~or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later;~~ and, if so paid, no penalty shall attach; the remaining one-half shall be paid at any time prior to October 16 following, without penalty; but, if not so paid, then a penalty of four percent shall accrue thereon for homestead property and a penalty of four percent on nonhomestead property. Thereafter, for homestead property, on the first day of November and December following, an additional penalty of two percent for each month shall accrue and be charged on all such unpaid taxes. Thereafter, for nonhomestead property, on the first day of November and December following, an additional penalty of four percent for each month shall accrue and be charged on all such unpaid taxes. If one-half of such taxes shall not be paid prior to May 16 ~~or 21 days after the postmark date on the envelope containing the property tax statement, whichever is later,~~ the same may be paid at any time prior to October 16, with accrued penalties to the date of payment added, and thereupon no penalty shall attach to the remaining one-half until October 16 following.

A county may provide by resolution that in the case of a property owner that has multiple tracts or parcels with aggregate taxes exceeding \$50, payments may be made in installments as provided in this subdivision.

The county treasurer may accept payments of more or less than the exact amount of a tax installment due. If the accepted payment is less than the amount due, payments must be applied first to the penalty accrued for the year the payment is made. Acceptance of partial payment of tax does not constitute a waiver of the minimum payment required as a condition for filing an appeal under section 278.03 or any other law, nor does it affect the order of payment of delinquent taxes under section 280.39.

Sec. 29. Minnesota Statutes 1988, section 279.03, is amended by adding a subdivision to read:

Subd. 1a. [RATE AFTER DECEMBER 31, 1990.] Interest on delinquent property taxes, penalties, and costs unpaid on or after January 1, 1991, shall be payable at the per annum rate determined in section 270.75, subdivision 5. If the rate so determined is less than ten percent, the rate of interest shall be ten percent. The maximum per annum rate shall be 14 percent if the rate per section 270.75, subdivision 5, exceeds 14 percent. The rate shall be subject to change on January 1 of each year.

Sec. 30. Minnesota Statutes 1988, section 279.03, subdivision 2, is amended to read:

Subd. 2. [COMPOSITE JUDGMENT.] Amounts included in composite judgment, as judgments authorized by section 279.37, subdivision 1, and confessed on or after July 1, 1982, are subject to interest at the rate determined pursuant to section 549.09. Amounts confessed under this authority after December 31, 1990, are subject to interest at the rate calculated under subdivision 1a. During each calendar year, interest shall accrue on the unpaid balance of the composite judgment from the time it is confessed until it is paid. The rate of interest is subject to change each year in the same manner that section 549.09 provides or subdivision 1a, whichever is applicable, for rate changes on judgments. Interest on the unpaid contract balance on judgments confessed before July 1, 1982, is payable at the rate applicable to the judgment at the time that it was confessed.

Sec. 31. Minnesota Statutes 1988, section 279.37, subdivision 1a, is amended to read:

Subd. 1a. The delinquent taxes upon a parcel of property which was classified class 4c pursuant to section 273.13, subdivision 9, or for taxes assessed in 1986 and thereafter, classified class 3a, for the previous year's assessment and had a total market value of less than \$100,000 for that same assessment shall be eligible to be composed into a confession of judgment. Property qualifying under this subdivision shall be subject to the same provisions as provided in this section except as herein provided.

(a) The down payment shall include all special assessments due in the current tax year, all delinquent special assessments, and 20 percent of the ad valorem tax, penalties, and interest accrued against the parcel. The balance remaining shall be payable in four equal annual installments; and

(b) The amounts entered in judgment shall bear interest at the rate provided in section 270.75, subdivision 5, commencing with the date the judgment is entered. The interest rate is subject to change each year on the unpaid balance in the manner provided in section 270.75, subdivision 5, except that the interest change will be implemented on January 1 of each year.

If the rate so determined is less than ten percent, the rate of interest shall be ten percent. The maximum per annum rate shall be 14 percent if the rate in section 270.75, subdivision 5, exceeds 14 percent.

Sec. 32. Minnesota Statutes 1989 Supplement, section 282.01, subdivision 1, is amended to read:

Subdivision 1. [CLASSIFICATION; USE; EXCHANGE.] It is the general policy of this state to encourage the best use of tax-forfeited lands, recognizing that some lands in public ownership should be retained and

managed for public benefits while other lands should be returned to private ownership. All Parcels of land becoming the property of the state in trust under the provisions of any law now existing or hereafter enacted declaring the forfeiture of lands to the state for taxes, shall be classified by the county board of the county ~~wherein such in which the parcels lie as conservation or nonconservation. Such~~ In making the classification ~~shall be made with consideration, among other things, to the board shall consider~~ the present use of adjacent lands, the productivity of the soil, the character of forest or other growth, accessibility of lands to established roads, schools, and other public services, their peculiar suitability or desirability for particular uses and the suitability of the forest resources on the land for multiple use, sustained yield management. ~~Such~~ The classification, furthermore, ~~shall aid to must~~ encourage and foster a mode of land utilization that will facilitate the economical and adequate provision of transportation, roads, water supply, drainage, sanitation, education, and recreation; ~~to facilitate~~ reduction of governmental expenditures; ~~to conserve and develop the natural resources; and to foster and develop agriculture and other industries in the districts and places best suited thereto to them.~~

In making ~~such the~~ classification the county board may ~~make use of such data and information as may be made available by any office or department of the federal, state, or local governments, or by any other person or agency possessing pertinent information pertinent thereto at the time such the~~ classification is made. ~~Such~~ The lands may be reclassified from time to time as the county board may ~~deem~~ consider necessary or desirable, except ~~as to for~~ conservation lands held by the state free from any trust in favor of any taxing district.

If ~~any such the~~ lands are located within the boundaries of ~~any an~~ organized town, with taxable valuation in excess of \$20,000, or incorporated municipality, the classification or reclassification and sale ~~shall must~~ first be approved by the town board of ~~such the~~ town or the governing body of ~~such the~~ municipality ~~insofar as in which the lands are located therein are concerned.~~ The town board of the town or the governing body of the municipality ~~will be deemed is considered~~ to have approved the classification or reclassification and sale if the county board is not notified of the disapproval of the classification or reclassification and sale within 90 days of the date the request for approval was transmitted to the town board of the town or governing body of the municipality. If the town board or governing body desires to acquire any parcel lying in the town or municipality by procedures authorized in this subdivision, it ~~shall, within 90 days of the request for classification or reclassification and sale, must~~ file a written application with the county board to withhold the parcel from public sale. ~~The application must be filed within 90 days of the request for classification or reclassification and sale.~~ The county board shall then withhold the parcel from public sale for one year.

Subd. 1a. [CONVEYANCE; GENERALLY.] ~~Any~~ Tax-forfeited lands may be sold by the county board to ~~any an~~ organized or incorporated governmental subdivision of the state for any public purpose for which ~~such the~~ subdivision is authorized to acquire property or may be released from the trust in favor of the taxing districts ~~upon on~~ application of ~~any a~~ state agency for ~~any an~~ authorized use at not less than their value as determined by the county board. The commissioner of revenue may convey by deed in the name of the state ~~any a~~ tract of tax-forfeited land held in trust in favor of the taxing districts, to ~~any a~~ governmental subdivision for ~~any an~~

authorized public use, ~~provided that if~~ an application is submitted to the commissioner ~~with which includes~~ a statement of facts as to the use to be made of the tract and the need therefor and the recommendation of the county board. ~~The commissioner of revenue shall convey by deed in the name of the state any tract of tax-forfeited land held in trust in favor of the taxing districts, to a political subdivision that submits an application to the commissioner of revenue and the county board. The application must include a resolution, adopted by the governing body of the political subdivision, finding that the conveyance of a tract of tax-forfeited land to the political subdivision is necessary to provide for the redevelopment of land as productive taxable property.~~

Subd. 1b. [DEED OF CONVEYANCE.] The deed of conveyance ~~shall~~ must be ~~upon~~ on a form approved by the attorney general and ~~shall~~ must be conditioned ~~upon~~ on continued use for the purpose stated in the application; ~~provided, however, that.~~ If, ~~however,~~ the governing body of ~~such~~ the governmental subdivision by resolution determines that some other public use ~~shall~~ should be made of ~~such~~ the lands, and ~~such~~ the change of use is approved by the county board and an application for ~~such~~ change of use is made to, and approved by, the commissioner, ~~such~~ the changed use may be made of ~~such~~ lands without the necessity of the governing body conveying the lands back to the state and securing a new conveyance from the state to the governmental subdivision for ~~such~~ the new public use.

Subd. 1c. [FAILURE TO USE; CONVEYANCE TO STATE.] ~~Whenever~~ ~~any~~ When a governmental subdivision to which ~~any~~ tax-forfeited land has been conveyed for a specified public use as provided in this section ~~shall~~ fail fails to put ~~such~~ the land to ~~such~~ that use, or to some other authorized public use as provided ~~herein in this section,~~ or ~~shall~~ abandon ~~such~~ abandons that use, the governing body of the subdivision shall authorize the proper officers to convey the ~~same~~ land, or ~~such~~ portion thereof the part of the land not required for an authorized public use, to the state of Minnesota; ~~and~~ ~~such~~. The officers shall execute a deed of ~~such~~ conveyance ~~forthwith, which immediately.~~ The conveyance ~~shall~~ be is subject to the approval of the commissioner and ~~in its form must be~~ approved by the attorney general; ~~provided, however, that.~~ A sale, lease, transfer or other conveyance of ~~such~~ tax-forfeited lands by a housing and redevelopment authority, a port authority, an economic development authority, or a city as authorized by chapter 469 ~~shall not be~~ is not an abandonment of ~~such~~ use and ~~such~~ the lands shall not be reconveyed to the state nor shall they revert to the state. A certificate made by a housing and redevelopment authority, a port authority, an economic development authority, or a city referring to a conveyance by it and stating that the conveyance has been made as authorized by chapter 469 may be filed with the county recorder or registrar of titles, and the rights of reverter in favor of the state provided by this subdivision ~~1e~~ will then terminate. No vote of the people ~~shall~~ be is required for ~~such~~ the conveyance.

Subd. 1d. [REVERSION.] ~~In case any~~ ~~such~~ If the tax-forfeited land ~~shall~~ is not ~~be~~ so conveyed to the state in accordance with subdivision 1c, the commissioner of revenue shall by written instrument, in form approved by the attorney general, declare the ~~same~~ land to have reverted to the state, and shall serve a notice ~~thereof~~ of reversion, with a copy of the declaration, by certified mail upon the clerk or recorder of the governmental subdivision concerned; ~~provided, that.~~ No declaration of reversion shall be made earlier than five years from the date of conveyance for failure to put ~~such~~ land to

~~such the use specified~~ or from the date of abandonment of ~~such that use~~ if ~~such the lands~~ have been put to ~~such that use~~. The commissioner shall file the original declaration in the commissioner's office, with verified proof of service ~~as herein required~~. The governmental subdivision may appeal to the district court of the county in which the land lies by filing with the court administrator a notice of appeal, specifying the grounds of appeal and the description of the land involved, mailing a copy ~~thereof of the notice of appeal~~ by certified mail to the commissioner of revenue, and filing a copy ~~thereof~~ for record with the county recorder or registrar of titles, all within 30 days after the mailing of the notice of reversion. The appeal shall be tried by the court in like manner as a civil action. If no appeal is taken as herein provided ~~in this subdivision~~, the declaration of reversion ~~shall be~~ *is* final. The commissioner of revenue shall file for record with the county recorder or registrar of titles, of the county within which the land lies, a certified copy of the declaration of reversion and proof of service.

Subd. 1e. [EXCHANGE.] ~~Any~~ A city of the first class ~~now or hereafter having with~~ a population of 450,000, or over, or its board of park commissioners, which has acquired tax-forfeited land for a specified public use ~~pursuant to the terms of under~~ this section, may convey ~~said the~~ land in exchange for other land of substantially equal worth located in ~~said the~~ city of the first class; ~~provided that~~. The land conveyed to ~~said the~~ city of the first class ~~now or hereafter having~~ a population of 450,000, or over, or its board of park commissioners, in exchange ~~shall be~~ *is* subject to the public use and reversionary provisions of this section; The tax-forfeited land so conveyed ~~shall is~~ thereafter be free and discharged from the public use and reversionary provisions of this section; ~~provided that said~~. The exchange shall in no way affect the ~~mineral or~~ mineral rights of the state of Minnesota, if any, in the lands so exchanged.

Sec. 33. Minnesota Statutes 1988, section 282.01, subdivision 4, is amended to read:

Subd. 4. [CONDUCT OF SALE.] The sale shall be conducted by the county auditor at the county seat of the county in which the parcels lie, provided that, in St. Louis and Koochiching counties, the sale may be conducted in any county facility within the county, and the parcels shall be sold for cash only and at not less than the appraised value, unless the county board of the county shall have adopted a resolution providing for their sale on terms, in which event the resolution shall control with respect thereto. When the sale is made on terms other than for cash only a payment of at least ten percent of the purchase price must be made at the time of purchase, thereupon the balance shall be paid in no more than ten equal annual installments. No standing timber or timber products shall be removed from these lands until an amount equal to the appraised value of all standing timber or timber products on the lands at the time of purchase has been paid by the purchaser; provided, that in case any parcel of land bearing standing timber or timber products is sold at public auction for more than the appraised value, the amount bid in excess of the appraised value shall be allocated between the land and the timber in proportion to the respective appraised values thereof, and no standing timber or timber products shall be removed from the land until the amount of the excess bid allocated to timber or timber products has been paid in addition to the appraised value thereof. The purchaser is entitled to immediate possession, subject to the provisions of any existing valid lease made in behalf of the state.

For sales occurring on or after July 1, 1982, the unpaid balance of the purchase price is subject to interest at the rate determined pursuant to section 549.09. *The unpaid balance of the purchase price for sales occurring after December 31, 1990, is subject to interest at the rate determined in section 279.03, subdivision 1a.* The interest rate is subject to change each year on the unpaid balance in the manner provided for rate changes in section 549.09 ~~for rate changes on judgments or section 279.03, subdivision 1a, whichever is applicable.~~ Interest on the unpaid contract balance on sales occurring before July 1, 1982, is payable at the rate applicable to the sale at the time that the sale occurred.

Sec. 34. Minnesota Statutes 1988, section 282.261, subdivision 2, is amended to read:

Subd. 2. [INTEREST RATE.] The unpaid balance on any repurchase contract approved by the county board on or after July 1, 1982, is subject to interest at the rate determined pursuant to section 549.09. *Repurchase contracts approved after December 31, 1990, are subject to interest at the rate determined in section 279.03, subdivision 1a.* The interest rate is subject to change each year on the unpaid balance in the manner provided for rate changes in section 549.09 ~~for rate changes on judgments or section 279.03, subdivision 1a, whichever is applicable.~~ Interest on the unpaid contract balance on repurchases approved before July 1, 1982, is payable at the rate applicable to the repurchase contract at the time that it was approved.

Sec. 35. Minnesota Statutes 1988, section 287.21, subdivision 2, is amended to read:

Subd. 2. The proceeds of the taxes levied and collected under sections 287.21 to 287.36 ~~on or after July 1, 1985,~~ shall be ~~credited apportioned, 97 percent to the county revenue~~ general fund of the state, and three percent to the county revenue fund.

Sec. 36. Minnesota Statutes Second 1989 Supplement, section 287.29, subdivision 1, is amended to read:

Subdivision 1. On or before the tenth day of each month, the county treasurer shall determine and pay to the commissioner of revenue for deposit in the state treasury and credit to the general fund *the state's portion of* the receipts from the sale of documentary stamps during the preceding month. The county treasurer shall provide any related reports requested by the commissioner of revenue.

Sec. 37. Minnesota Statutes Second 1989 Supplement, section 290A.045, subdivision 6, is amended to read:

Subd. 6. [ADMINISTRATION.] Sections 290A.10, 290A.11, 290A.111, 290A.112, 290A.12, 290A.14, 290A.15, 290A.17, 290A.18, and 290A.20, including the penalties imposed on the claimants and tax return preparers in those sections, apply to claims allowed under this section. The commissioner of revenue has the powers granted in those sections to administer the refund under this section.

Sec. 38. Minnesota Statutes 1988, section 290A.10, is amended to read:

290A.10 [PROOF OF TAXES PAID.]

Every claimant who files a claim for relief for property taxes payable shall include with the claim a property tax statement or a reproduction

thereof in a form deemed satisfactory by the commissioner of revenue indicating that there are no delinquent property taxes on the ~~homestead~~ *property*. Indication on the property tax statement from the county treasurer that there are no delinquent taxes on the ~~homestead~~ *property* shall be sufficient proof. Taxes included in a confession of judgment under section 279.37 shall not constitute delinquent taxes as long as the claimant is current on the payments required to be made under section 279.37. *For the commercial industrial equalization refund payable under section 290A.045, the notice of eligibility from the county treasurer shall be sufficient proof that the tax on the property has been paid.*

Sec. 39. Minnesota Statutes 1989 Supplement, section 298.28, subdivision 4, is amended to read:

Subd. 4. [SCHOOL DISTRICTS.] (a) 27.5 cents per taxable ton plus the increase provided in paragraph (d) must be allocated to qualifying school districts to be distributed, based upon the certification of the commissioner of revenue, under paragraphs (b) and (c).

(b) 5.5 cents per taxable ton must be distributed to the school districts in which the lands from which taconite was mined or quarried were located or within which the concentrate was produced. The distribution must be based on the apportionment formula prescribed in subdivision 2.

(c)(i) 22 cents per taxable ton, less any amount distributed under paragraph (e), shall be distributed to a group of school districts comprised of those school districts in which the taconite was mined or quarried or the concentrate produced or in which there is a qualifying municipality as defined by section 273.134 in direct proportion to school district indexes as follows: for each school district, its pupil units determined under section 124.17 for the prior school year shall be multiplied by the ratio of the average adjusted net tax capacity per pupil unit for school districts receiving aid under this clause as calculated pursuant to chapter 124A for the school year ending prior to distribution to the adjusted net tax capacity per pupil unit of the district. Each district shall receive that portion of the distribution which its index bears to the sum of the indices for all school districts that receive the distributions.

(ii) Notwithstanding clause (i), each school district that receives a distribution under sections 298.018; 298.23 to 298.28, exclusive of any amount received under this clause; 298.34 to 298.39; 298.391 to 298.396; 298.405; or any law imposing a tax on severed mineral values that is less than the amount of its levy reduction under section 275.125, subdivision 9, for the second year prior to the year of the distribution shall receive a distribution equal to the difference; the amount necessary to make this payment shall be derived from proportionate reductions in the initial distribution to other school districts under clause (i).

(d) On July 15, in years prior to 1988, an amount equal to the increase derived by increasing the amount determined by paragraph (c) in the same proportion as the increase in the steel mill products index over the base year of 1977 as provided in section 298.24, subdivision 1, clause (a), shall be distributed to any school district described in paragraph (c) where a levy increase pursuant to section 124A.03, subdivision 2, is authorized by referendum, according to the following formula. On July 15, 1988, the increase over the amount established for 1987 shall be determined as if there had been an increase in the tax rate under section 298.24, subdivision 1, paragraph (b), according to the increase in the implicit price deflator.

On July 15, 1989, and subsequent years, the increase over the amount established for the prior year shall be determined according to the increase in the implicit price deflator as provided in section 298.24, subdivision 1, paragraph (a). Each district shall receive the product of:

(i) \$150 times the pupil units identified in section 124.17, subdivision 1, enrolled in the second previous year or the 1983-1984 school year, whichever is greater, less the product of ~~0.04234~~ 1.8 percent times the district's taxable ~~market value~~ *net tax capacity* in the second previous year; times

(ii) the lesser of:

(A) one, or

(B) the ratio of the amount certified pursuant to section 124A.03, subdivision 2, in the previous year, to the product of ~~0.04234~~ 1.8 percent times the district's taxable ~~market value~~ *net tax capacity* in the second previous year.

If the total amount provided by paragraph (d) is insufficient to make the payments herein required then the entitlement of \$150 per pupil unit shall be reduced uniformly so as not to exceed the funds available. Any amounts received by a qualifying school district in any fiscal year pursuant to paragraph (d) shall not be applied to reduce general education aid which the district receives pursuant to section 124A.23 or the permissible levies of the district. Any amount remaining after the payments provided in this paragraph shall be paid to the commissioner of iron range resources and rehabilitation who shall deposit the same in the taconite environmental protection fund and the northeast Minnesota economic protection trust fund as provided in subdivision 11.

(e) There shall be distributed to any school district the amount which the school district was entitled to receive under section 298.32 in 1975.

Sec. 40. Minnesota Statutes 1988, section 469.043, subdivision 5, is amended to read:

Subd. 5. [CONTINUATION OF REDEVELOPMENT COMPANY PROJECT PROVISIONS.] The provisions of Minnesota Statutes 1986, sections 462.591 to 462.705, shall continue in effect with respect to any ~~redevelopment company project~~ to which a tax exemption had been granted under Minnesota Statutes 1986, section 462.651, prior to August 1, 1987.

Sec. 41. Minnesota Statutes 1988, section 469.059, subdivision 11, is amended to read:

Subd. 11. [PROCEDURE.] Tax-forfeited lands in an industrial development district that are vested in the state shall be conveyed to the port authority that is developing the district for one dollar per tract. The port authority may use and later resell the land for purposes of sections 469.048 to 469.068.

In conveying tax-forfeited land to a port authority, the state may not retain a possibility of reverter or right of reentry as it does under section 282.01, subdivision 1d.

The commissioner of revenue shall convey tax-forfeited parcels in an industrial development district to the port authority, if the authority petitions for conveyance under sections 469.048 to 469.068 and pays one dollar per tract.

The attorney general shall approve the form of the deed of conveyance. The port authority shall receive absolute title to the tract, subject only to a reservation of minerals and mineral rights, under section 282.12. The deed of conveyance must not contain a restriction on the use of the premises. The conveyance divests the state of all further right, title, claim or interest in the tracts, except for the reservation of minerals and mineral rights.

Sec. 42. Minnesota Statutes 1989 Supplement, section 469.177, subdivision 1a, is amended to read:

Subd. 1a. [ORIGINAL TAX CAPACITY RATE.] At the time of the initial certification of the original net tax capacity for a tax increment financing district, the county auditor shall certify the original tax capacity rate that applies to the district. The original tax capacity rate is the sum of all the tax capacity rates that apply to a property in the district ~~for the taxes payable in the calendar year in which the initial certification of. The tax capacity rate to be certified is the rate in effect for the same taxes payable year applicable to the tax capacity values certified as the district's original net~~ tax capacity is requested under subdivision 1. If the total tax capacity rate applicable to properties in the tax increment financing district varies, the tax capacity rate must be computed by determining the average total tax capacity rate in the district, weighted on the basis of net tax capacity. The resulting tax capacity rate is the original tax capacity rate for the life of the district.

Sec. 43. Minnesota Statutes Second 1989 Supplement, section 473F08, subdivision 8a, is amended to read:

Subd. 8a. [FISCAL DISPARITIES ADJUSTMENT.] In any year in which the highest class rate for class 3a property changes from the rate in the previous year, the following adjustments shall be made to the procedures described in sections 473F06 to 473F08.

(1) An initial contribution tax capacity shall be determined for each municipality based on the previous year's class rates.

(2) Each jurisdiction's distribution tax capacity shall be determined based upon the areawide tax base determined by summing the tax capacities computed under clause (1) for all municipalities and apportioning the resulting sum pursuant to section 473F07, subdivision 5.

(3) Each jurisdiction's distribution levy shall be determined by applying the procedures described in subdivision 3, clause (a), to the distribution tax capacity determined pursuant to clause (2).

(4) Each municipality's final contribution tax capacity shall be determined equal to its initial contribution tax capacity multiplied by the ratio of the new highest class rate for class 3a property to the previous year's highest class rate for class 3a property.

(5) *For the purposes of computing education aids and any other state aids requiring the addition of the fiscal disparities distribution tax capacity to the local tax capacity, each municipality's final distribution tax capacity shall be determined equal to its initial distribution tax capacity multiplied by the ratio of the new highest class rate for class 3a property to the previous year's highest class rate for class 3a property.*

(6) The areawide tax capacity rate shall be determined by dividing the sum of the amounts determined in clause (3) by the sum of the values determined in clause (4).

(6) (7) The final contribution tax capacity determined in clause (4) shall also be used to determine the portion of each commercial/industrial property's tax capacity subject to the areawide tax capacity rate pursuant to subdivision 6.

Sec. 44. Minnesota Statutes 1989 Supplement, section 477A.011, subdivision 15, is amended to read:

Subd. 15. [CITY REVENUE.] "City revenue" equals the sum of (i) the city's aid payable under section 477A.013, *except for aid payable under section 477A.013, subdivision 5*, in the year prior to that for which aids are being calculated, and (ii) its levy for taxes payable in the year prior to that for which aids are being calculated.

Sec. 45. Minnesota Statutes 1988, section 477A.011, is amended by adding a subdivision to read:

Subd. 26. [LEVY.] "*Levy*" means the levy as defined in section 275.07, subdivision 1, including the fiscal disparities distribution levy.

Sec. 46. Minnesota Statutes Second 1989 Supplement, section 477A.013, subdivision 3, is amended to read:

Subd. 3. [CITY AID DISTRIBUTION.] In 1989, a city whose initial aid is greater than \$0 will receive the following aid increases in addition to an amount equal to the local government aid it received in 1988 under Minnesota Statutes 1987 Supplement, section 477A.013:

(1) for a city whose expenditure/unlimited aid ratio is at least 1.5, two percent of city revenue;

(2) for a city whose expenditure/unlimited aid ratio is at least 1.4 but less than 1.5, 2.5 percent of city revenue;

(3) for a city whose expenditure/unlimited aid ratio is at least 1.3 but less than 1.4, three percent of city revenue;

(4) for a city whose expenditure/unlimited aid ratio is at least 1.2 but less than 1.3, four percent of city revenue;

(5) for a city whose expenditure/unlimited aid ratio is at least 1.1 but less than 1.2, five percent of city revenue;

(6) for a city whose expenditure/unlimited aid ratio is at least 1.05 but less than 1.1, six percent of city revenue;

(7) for a city whose expenditure/unlimited aid ratio is at least 1.0 but less than 1.05, seven percent of city revenue;

(8) for a city whose expenditure/unlimited aid ratio is at least .95 but less than 1.0, 7.5 percent of city revenue;

(9) for a city whose expenditure/unlimited aid ratio is at least .75 but less than .95, 8.5 percent of city revenue; and

(10) for a city whose expenditure/unlimited aid ratio is less than .75, nine percent of city revenue.

In 1990, a city whose initial aid is greater than \$0 will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 50 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

In 1991 and subsequent years, a city whose initial aid is greater than \$0

will receive an amount equal to the aid it received under this section in the year prior to that for which aids are being calculated plus an aid increase equal to 25 percent of the rates listed in clauses (1) to (10) multiplied by city revenue.

A city's aid increase under this subdivision is limited to the lesser of (1) 20 percent of its levy for taxes payable in the year prior to that for which aids are being calculated ~~after the adjustments provided in section 273.1398, subdivision 2,~~ or (2) its initial aid amount, or (3) 15 percent of the total amount received under this section in the previous year, provided that no city will receive an increase that is less than two percent of its 1989 local government aid for aids payable in 1990.

A city whose initial aid is \$0 will receive in 1990 an amount equal to 102 percent of the local government aid it received in 1989 under Minnesota Statutes 1988, section 477A.013. A city whose initial aid is \$0 will receive in 1991 and subsequent years an amount equal to the aid it received in the previous year under this section. For purposes of this subdivision, the term "local government aid" includes equalization aid for aids payable in 1991 and thereafter.

Sec. 47. Laws 1989, First Special Session chapter 1, article 3, section 35, is amended to read:

Sec. 35. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and is intended to confirm and clarify the original intent of the legislature in the taxation and equalization of state-assessed public utility property.

Sections 2 ~~and~~, 7, ~~and~~ 23 are effective for taxes payable in 1991 and thereafter.

Sections 3, 5, 8, 11, 12, ~~23~~, 26, and 28 are effective for taxes payable in 1990 and thereafter.

Section 4 is effective January 1, 1989.

Sections 6, 9, 21, 29 to 32, and 34 are effective the day following final enactment.

Section 10 is effective for taxes levied in 1989, payable in 1990 and thereafter, provided that cooperatives that qualified under Minnesota Statutes, section 273.124, subdivision 6, on January 2, 1989, shall meet the board membership requirements of paragraph (a) by December 1, 1989, and shall meet the requirements of section 501(c)(3) or 501(c)(4) status under the Internal Revenue Code in the first paragraph and in paragraph (e) by January 1, 1990, and that the notice and filing requirements of paragraphs (f) and (g) shall apply only to leasehold cooperatives created later than 60 days after the date of enactment of this act.

Sections 13, 19, and 20 are effective January 1, 1991.

Section 14, paragraph (i), clauses (1) to (12), are effective for aids paid in 1991 and thereafter. The rest of section 14 and sections 15, 17, 18, and 22 are effective for aids paid in 1990 and thereafter, except as otherwise provided in those sections.

Section 16 is effective for aids payable in 1991 and thereafter.

Sections 24 and 25 are effective for mortgage registration and deed taxes collected after November 30, 1990.

Section 27 is effective for taconite produced in 1989, proceeds distributed in 1990, and thereafter.

Section 33 is effective July 1, 1991.

Sec. 48. Laws 1989, First Special Session chapter 1, article 9, section 86, is amended to read:

Sec. 86. [EFFECTIVE DATES.]

Section 5 is effective for school district referenda held after July 15, 1990, for property taxes levied in 1990, payable in 1991, and thereafter.

Sections 1 to 4, 6 to 8, 10 to 12, 17, 19 to 21, 26 to 30, 41 to 46, 48, 50 to 52, 51, and 66 to 77 are effective for taxes levied in 1990, payable in 1991, and thereafter.

The part of section 9 changing the meeting date of the state board of equalization is effective for taxes levied in 1990, payable in 1991, and thereafter. The rest of section 9 and sections 13 to 16, 22 to 25, 78, and 82, 84, and 85 are effective the day following final enactment.

Section 18 is effective for sales after January 1, 1990.

Sections 31 to 38 and 40 are effective for taxes levied in 1990, payable in 1991, and thereafter, except as otherwise provided.

Sections 39, 47, 49, 52, 54 to 64, 79, and 80 are effective for property taxes levied in 1989, payable in 1990, and thereafter.

Section 53 is effective for property taxes levied in 1989, payable in 1990, and thereafter, except that the provision requiring certification of aids by September 1, is effective for taxes levied in 1990, payable in 1991, and thereafter.

Sections 65 and 81 are effective July 1, 1990.

Section 83 is effective only for taxes levied in 1989, payable in 1990.

Sec. 49. [1990 TAX PAYMENTS.]

The amendment of Minnesota Statutes Second 1989 Supplement, section 277.01, subdivision 1, in section 23 does not require sending of revised tax statements for taxes payable in 1990 by the county auditor, but payments of taxes by the dates provided in that section shall be accepted as timely paid.

Sec. 50. [REPEALER.]

Minnesota Statutes 1988, section 272.70, is repealed.

Sec. 51. [EFFECTIVE DATE.]

Sections 1, 4, 6, 15 to 17, 32, 40, 41, and 47 to 49 are effective the day following final enactment.

Sections 2, 5, 7 to 10, 13, 14, 18 to 20, 23 to 26, 28, 37, 38, and 42 to 46 are effective for taxes levied in 1989 and thereafter, payable in 1990 and thereafter.

Sections 11, 12, 27, 29 to 31, 33, and 34 are effective January 1, 1991.

Sections 3, 21, and 22 are effective for taxes levied in 1990 and thereafter, payable in 1991 and thereafter.

Sections 35 and 36 are effective for deed taxes collected after November

30, 1990.

Section 39 is effective for production years 1989 and thereafter, taxes payable in 1990 and thereafter.

ARTICLE 2

PROPERTY TAX SYSTEM CONVERSIONS

Section 1. Minnesota Statutes 1989 Supplement, section 38.18, is amended to read:

38.18 [COUNTY FAIRGROUNDS, IMPROVEMENT AIDED.]

Any town, statutory city, or school district in this state, now or hereafter having a ~~net tax capacity~~ *market value* of all its taxable property, exclusive of money and credits, of more than ~~\$25,000,000~~ *\$105,000,000*, and having a county fair located within its corporate limits, is hereby authorized to aid in defraying part of the expense of improving any such fairground, by appropriating and paying over to the treasurer of the county owning the fairground such sum of money, not exceeding \$10,000, for each of the political subdivisions, as the governing body of the town, statutory city, or school district may, by resolution, determine to be for the best interest of the political subdivision, the sums so appropriated to be used solely for the purpose of aiding in the improvement of the fairground in such manner as the county board of the county shall determine to be for the best interest of the county.

Sec. 2. Minnesota Statutes 1989 Supplement, section 50.14, subdivision 4, is amended to read:

Subd. 4. Class three shall be:

(a) The bonds, certificates of indebtedness, or other interest bearing obligations, payable out of a levy of ad valorem taxes, of any county, city, town, or any school district, drainage district, or other district, or of any board of any municipality, or of any public authority, created pursuant to law for public purposes in Minnesota, without regard to any debt limits other than those in section 475.53;

(b) The bonds, certificates of indebtedness or other interest bearing obligations, payable out of a levy of ad valorem taxes, of any county, city, town, or school, drainage or other district, or public authority, created pursuant to law for public purposes in any state of the United States other than Minnesota, provided that the total bonded indebtedness of the county, municipality, district or authority, after deducting the amount of all sinking funds and of all revenue bonds or certificates (including among revenue bonds and certificates those which pledge the full faith and credit of the issuer, if the net revenues applicable to the payment of the bonds or certificates during the three fiscal years immediately preceding the date of purchase exceeded by at least five percent the amount required to pay principal and interest on those bonds or certificates during that period), shall not exceed ten percent of its ~~net tax capacity~~ *assessed value*; and provided further that if the county, municipality, district or authority is of any state other than Iowa, Wisconsin, North Dakota, or South Dakota, it contains at least 3,500 inhabitants;

(c) The bonds, certificates or other interest bearing obligations, payable out of special revenues, of any county, city, town, or school, drainage, or other district, or public authority, created pursuant to law for public purposes

in any state of the United States, provided that:

(aa) If the county, municipality, district or authority is of any state other than Minnesota, it contains at least 3,500 inhabitants;

(bb) The obligations were issued to finance the purpose of construction of or addition to a public enterprise furnishing water, sewer, lighting, power, gas, or road facilities, from which revenue is to be derived;

(cc) The governing body or other legally constituted authority has covenanted or is required by law to establish and maintain rates to yield sufficient revenue for the payment of operating expenses, maintenance expenses, and principal and interest on the revenue obligations and to pledge that revenue irrevocably for those purposes;

(dd) At the date of investment the public enterprise has been in operation for at least three years; and

(ee) During the preceding three fiscal years its annual net earnings, after payment of operating expenses and maintenance expenses, have been on the average at least 1-1/4 times the average annual interest, principal and sinking fund requirements on the revenue obligations during the period from the end of its most recent fiscal year to the final maturity of the obligations; and

(d) The bonds or other interest bearing obligations, payable from revenues other than ad valorem taxes as contemplated in clause (a), validly issued by any state or insular possession of the United States, or by any agency, instrumentality, municipality, or governmental or public subdivision, district, corporation, commission, board, council, or authority of whatsoever kind, created for public purposes by or pursuant to the laws of any state, provided that the bonds or other interest bearing obligations are at the time of purchase rated among the highest three quality categories, not applicable to bonds or other interest bearing obligations in default as to principal, used by a nationally recognized rating agency for rating the quality of similar bonds or other interest bearing obligations, and are not rated lower by any other such agency.

Sec. 3. Minnesota Statutes 1989 Supplement, section 110.70, is amended to read:

110.70 [APPLICATION.]

Nothing in sections 110.55 to 110.69 shall amend, alter, supersede, or otherwise change the provisions set forth in section 110.13. The provisions of sections 110.55 to 110.69 shall in no manner apply to public waters of an area of more than 10,000 acres, situated wholly or partially within counties now or hereafter having a population of more than 450,000 and a ~~net tax capacity~~ *market value* of more than ~~\$450,000,000~~ \$1,860,000,000, including money and credits, and in which is situated a city of the first class within a distance of 20 miles from the body of public water; and, as to such public waters, nothing contained in sections 110.55 to 110.69 shall be construed to authorize the diversion of any water from any stream, river, or lake located in any county adjoining or abutting in part upon the county wherein a major portion of such public waters is located.

Sec. 4. Minnesota Statutes 1989 Supplement, section 118.12, is amended to read:

118.12 [INVESTMENT OF TOWN FUNDS.]

When the town board of any town in this state, by a unanimous resolution, deem it advisable, such town board may invest such amount of funds in such town treasury as will not, in the opinion of such board, be needed by such town during the fiscal year, in any of the bonds of any county, city, town, school district, drainage or other district created pursuant to law for public purposes in Minnesota, Iowa, Wisconsin, and North and South Dakota, or in bonds of the United States of America, or in the bonds of any city, county, town, school district, drainage or other district created pursuant to law for public purposes in the United States, containing at least 3,500 inhabitants, provided that the total bonded indebtedness of any such municipality or district shall not exceed ten percent of its ~~net tax capacity~~ *assessed value, if not located in Minnesota, or 2.5 percent of its taxable market value, if located in Minnesota.*

Sec. 5. Minnesota Statutes 1989 Supplement, section 163.04, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES ON BRIDGES WITHIN CERTAIN CITIES.] When the council of any statutory city or city of the third or fourth class may determine that it is necessary to build or improve any bridge or bridges, including approaches thereto, and any dam or retaining works connected therewith, upon or forming a part of streets or highways either wholly or partly within its limits, the county board shall appropriate one-half of the money as may be necessary therefor from the county road and bridge fund, not exceeding during any year one-half the amount of taxes paid into the county road and bridge fund during the preceding year, on property within the corporate limits of the city. The appropriation shall be made upon the petition of the council, which petition shall be filed by the council with the county board prior to the fixing by the board of the annual county tax levy. The county board shall determine the plans and specifications, shall let all necessary contracts, shall have charge of construction, and upon its request, warrants in payment thereof shall be issued by the county auditor, from time to time, as the construction work proceeds. Any unpaid balance may be paid or advanced by the city. On petition of the council, the appropriations of the county board, during not to exceed three successive years, may be made to apply on the construction of the same items and to repay any money advanced by the city in the construction thereof. None of the provisions of this section shall be construed to be mandatory as applied to any city whose ~~net tax capacity~~ *market value* exceeds ~~\$500~~ *\$2,100* per capita of its population.

Sec. 6. Minnesota Statutes 1989 Supplement, section 163.06, subdivision 6, is amended to read:

Subd. 6. [EXPENDITURE IN CERTAIN COUNTIES.] In any county having not less than 95 nor more than 105 full and fractional townships, and having a ~~net tax capacity~~ *market value* of not less than ~~\$3,000,000~~ *\$12,000,000* nor more ~~\$5,000,000~~ *than \$21,000,000*, exclusive of money and credits, the county board, by resolution, may expend the funds provided in subdivision 4 in any organized or unorganized township or portion thereof in such county.

Sec. 7. Minnesota Statutes 1989 Supplement, section 165.10, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN COUNTIES MAY ISSUE AND SELL.] The county board of any county having no outstanding road and bridge bonds may issue and sell county road bonds in an amount not exceeding ~~one-half~~

of ~~one 0.12089~~ percent of the ~~net tax capacity~~ market value of the taxable property within the county exclusive of money and credits, for the purpose of constructing, reconstructing, improving, or maintaining any bridge or bridges on any highway under its jurisdiction, without submitting the matter to a vote of the electors of the county.

Sec. 8. Minnesota Statutes 1989 Supplement, section 365.025, subdivision 4, is amended to read:

Subd. 4. [~~BIG BUYS~~ MAJOR PURCHASES: NOTICE, PETITION, ELECTION.] Before buying anything under subdivision 2 that costs more than ~~one 0.24177~~ percent of the ~~net tax capacity~~ market value of the town, the town must follow this subdivision.

The town must publish in its official newspaper the board's resolution to pay for the property over time. Then a petition for an election on the contract may be filed with the clerk. The petition must be filed within ten days after the resolution is published. To require the election the petition must be signed by a number of voters equal to ten percent of the voters at the last regular town election. The contract then must be approved by a majority of those voting on the question. The question may be voted on at a regular or special election.

Sec. 9. Minnesota Statutes 1989 Supplement, section 368.01, subdivision 23, is amended to read:

Subd. 23. [FINANCING PURCHASE OF CERTAIN EQUIPMENT.] The town board of supervisors may issue certificates of indebtedness within existing debt limits for the purpose of purchasing fire or police equipment or ambulance equipment or street construction or maintenance equipment. Such certificates shall be payable in not more than five years and shall be issued on such terms and in such manner as the board may determine. If the amount of the certificates to be issued to finance any such purchase exceeds ~~one 0.24177~~ percent of the ~~net tax capacity~~ market value of the town, excluding money and credits, they shall not be issued for at least ten days after publication in the official newspaper of a town board resolution determining to issue them; and if before the end of that time, a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular town election is filed with the clerk, such certificates shall not be issued until the proposition of their issuance has been approved by a majority of the votes cast on the question at a regular or special election. A tax levy shall be made for the payment of the principal and interest on such certificates as in the case of bonds.

Sec. 10. Minnesota Statutes 1989 Supplement, section 368.44, is amended to read:

368.44 [DISSOLUTION OF CERTAIN TOWNS; GROUNDS.]

When the voters residing within a duly organized town in any county in this state having more than 85 congressional townships of land and having a ~~net tax capacity~~ market value of not less than ~~\$5,000,000~~ \$21,000,000 nor more than ~~\$12,000,000~~ \$50,000,000 have failed to elect any town officials for more than three years continuously, or the town has failed and omitted to exercise any of the powers and functions of a town, as provided by law, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the auditor of the county,

the county board by resolution duly adopted may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town.

Sec. 11. Minnesota Statutes 1989 Supplement, section 368.47, is amended to read:

368.47 [TOWNS MAY BE DISSOLVED.]

When the voters residing within a town in this state have failed to elect any town officials for more than ten years continuously, or the town has failed and omitted for a period of ten years to exercise any of the powers and functions of a town, as provided by law, or when the ~~net tax capacity~~ *market value* of any town drops to less than ~~\$40,000~~ *\$165,000*, or when the tax delinquency of any such town, exclusive of taxes that are delinquent or unpaid by reason of taxes being contested in proceedings for the enforcement of taxes, amounts to ~~50~~ *12* percent of its ~~net tax capacity~~ *market value*, or where the state or federal government has acquired title to 50 percent of the real estate of such town, which facts, or any of them, may be found and determined by the resolution of the county board of the county in which the town is located, according to the official records in the office of the county auditor, the county board by resolution may declare any such town, naming it, duly dissolved and no longer entitled to exercise any of the powers or functions of a town. In counties having a population according to the 1930 federal census of not more than 16,000 nor less than 15,000 and having not more than 77 nor less than 75 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 28,000 nor less than 27,000 and having not more than 91 nor less than 90 full or fractional congressional townships, and in counties having a population according to the 1930 federal census of not more than 210,000 nor less than 200,000 and having not more than 202 nor less than 200 full or fractional congressional townships, before any such dissolution shall become effective the voters of the town shall express their approval or disapproval of such dissolution. The clerk of the town shall, upon a petition signed by a majority of the registered voters of the town, filed with the clerk at least 60 days before any regular or special town election thereof, give notice at the same time and in the same manner of such election that the question of dissolution of such town will be submitted for determination at such election. At such election when so petitioned for the question shall be voted upon by a separate ballot, the terms of which shall be either "for dissolution" or "against dissolution," which ballot shall be deposited in a separate ballot box to be provided and the result of such voting shall be duly canvassed, certified, and returned in the same manner and at the same time as other facts and returns of the election. If a majority of the votes cast at the election shall be for dissolution, such town shall be dissolved; and, if a majority of the votes cast at the election shall be against dissolution, the town shall not be dissolved.

When a town is dissolved under the provisions of sections 368.47 to 368.49 the county shall acquire title to any telephone company or any other business being conducted by such town and such business shall be operated by the board of county commissioners until such time as a sale thereof can be made; provided that the subscribers or patrons of such businesses shall have the first opportunity of purchase. If such dissolved town has any outstanding indebtedness chargeable to such business, the auditor of the county wherein such dissolved town is located shall levy a tax against the

property situated in the dissolved town for the purpose of paying the indebtedness as it becomes due.

Sec. 12. Minnesota Statutes 1989 Supplement, section 370.01, is amended to read:

370.01 [CHANGE OF BOUNDARIES; CREATION OF NEW COUNTIES.]

The boundaries of counties may be changed by taking territory from a county and attaching it to an adjoining county, and new counties may be established out of territory of one or more existing counties. A new county shall contain at least 400 square miles, have at least 2,000 inhabitants, and have a ~~net tax capacity~~ *market value* of at least ~~\$4,000,000~~ *\$17,000,000*. An existing county shall not be reduced in area below 400 square miles, have less than 2,000 inhabitants, or have a ~~net tax capacity~~ *market value* of less than ~~\$4,000,000~~ *\$17,000,000*.

In existing counties having an area of more than 3,500 and less than 6,000 square miles, boundaries may be changed and new counties established having a ~~net tax capacity~~ *market value* of at least ~~\$2,500,000~~ *\$10,000,000*.

No change in the boundaries of any county having an area of more than 2,500 square miles, whether by the creation of a new county, or otherwise, shall detach from the existing county any territory within 12 miles of the county seat.

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 373.40, subdivision 1, is amended to read:

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

(a) "Bonds" means an obligation as defined under section 475.51.

(b) "Capital improvement" means acquisition or betterment of public lands, buildings, or other improvements within the county for the purpose of a county courthouse, administrative building, health or social service facility, correctional facility, jail, law enforcement center, hospital, morgue, library, park, and roads and bridges. An improvement must have an expected useful life of five years or more to qualify. "Capital improvement" does not include light rail transit or any activity related to it or a recreation or sports facility building (such as, but not limited to, a gymnasium, ice arena, racquet sports facility, swimming pool, exercise room or health spa), unless the building is part of an outdoor park facility and is incidental to the primary purpose of outdoor recreation.

(c) "Commissioner" means the commissioner of trade and economic development.

(d) "Metropolitan county" means a county located in the seven-county metropolitan area as defined in section 473.121 or a county with a population of 90,000 or more.

(e) "Population" means the population established by the most recent of the following (determined as of the date the resolution authorizing the bonds was adopted):

(1) the federal decennial census,

(2) a special census conducted under contract by the United States Bureau

of the Census, or

(3) a population estimate made either by the metropolitan council or by the state demographer under section 116K.04, subdivision 4, clause (10).

(f) "Tax capacity" means total taxable ~~tax capacity~~ market value, but does not include captured ~~tax capacity~~ market value.

Sec. 14. Minnesota Statutes 1989 Supplement, section 383.06, is amended to read:

383.06 [PAYMENT OF WARRANTS; ACCOUNTS; HOW KEPT; CERTIFICATES OF INDEBTEDNESS TO RETIRE OUTSTANDING WARRANTS.]

The county treasurer shall pay warrants only from the fund from which they are legally payable. Payments under any special contract shall be kept separate under the name of such contract, and under the general title of the fund from which such payment may be legally made. The treasurer need not keep a specific appropriations account separately, but shall keep a general appropriations account.

~~In any county having a net tax capacity of not less than \$150,000,000, exclusive of money and credits, the A county board may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not at any time exceed 50 percent of the amount of taxes previously levied for such fund remaining uncollected, and no certificate shall be issued to become due and payable later than December 31 of the year succeeding the year in which the tax levy was made, and the certificates shall not be sold for less than par and accrued interest and shall not bear a greater rate of interest than six percent per annum. No such certificates shall be issued prior to the beginning of the fiscal year for which the taxes so anticipated were intended, except that when taxes shall have been levied for the purpose of paying a deficit in any such fund carried over from any previous year or years certificates of indebtedness in anticipation of collection of the taxes levied for such deficit may be issued at any time after such levy shall have been finally made and certified to the county auditor. Each certificate shall state upon its face for which fund the proceeds thereof shall be used, the total amount of certificates so issued, and the whole amount embraced in the levy for that particular purpose. They shall be numbered consecutively, be in denominations of \$100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Moneys derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.~~

Sec. 15. Minnesota Statutes 1989 Supplement, section 385.31, is amended to read:

385.31 [PAYMENT OF COUNTY ORDERS OR WARRANTS.]

When any order or warrant drawn on the treasurer is presented for payment, if there is money in the treasury for that purpose, the county treasurer shall redeem the same, and write across the entire face thereof the word "redeemed," the date of the redemption, and the treasurer's official signature. If there is not sufficient funds in the proper accounts to pay such orders they shall be numbered and registered in their order of presentation, and proper endorsement thereof shall be made on such orders and they shall be entitled to payment in like order. Such orders shall bear interest at not to exceed the rate of six percent per annum from such date of presentment. The treasurer, as soon as there is sufficient money in the treasury, shall appropriate and set apart a sum sufficient for the payment of the orders so presented and registered, and, if entitled to interest, issue to the original holder a notice that interest will cease in 30 days from the date of such notice; and, if orders thus entitled to priority of payment are not then presented, the next in order of registry may be paid until such orders are presented. No interest shall be paid on any order, except upon a warrant drawn by the county auditor for that purpose, giving the number and the date of the order on account of which the interest warrant is drawn. In any county in this state now or hereafter having a ~~net tax capacity~~ *market value* of all taxable property, exclusive of money and credits, of not less than ~~\$250,000,000~~ *\$1,033,000,000*, the county treasurer, in order to save payment of interest on county warrants drawn upon a fund in which there shall be temporarily insufficient money in the treasury to redeem the same, may borrow temporarily from any other fund in the county treasury in which there is a sufficient balance to care for the needs of such fund and allow a temporary loan or transfer to any other fund, and may pay such warrants out of such funds. Any such money so transferred and used in redeeming such county warrants shall be returned to the fund from which drawn as soon as money shall come in to the credit of such fund on which any such warrant was drawn and paid as aforesaid. Any county operating on a cash basis may use a combined form of warrant or order and check, which, when signed by the chair of the county board and by the auditor, is an order or warrant for the payment of the claim, and, when countersigned by the county treasurer, is a check for the payment of the amount thereof.

Sec. 16. Minnesota Statutes 1989 Supplement, section 386.34, is amended to read:

386.34 [DEPUTIES, SALARIES.]

The county board of each county having a population of less than 75,000, may by written order to be filed in the office of the county auditor allow one deputy county recorder in such county compensation for services as such deputy, to be fixed by the board and specified in said order. In each county containing less than 15 full and fractional congressional townships, and having more than 16,000 and less than 19,000 inhabitants according to the 1940 federal census, and having a ~~net tax capacity~~ *market value* of less than ~~\$7,000,000~~ *\$29,000,000*, exclusive of moneys and credits, the county board may by written order to be filed in the office of the county auditor allow one deputy county recorder in such county compensation for services as such deputy not exceeding \$1,800 per year.

Sec. 17. Minnesota Statutes 1989 Supplement, section 412.081, subdivision 1, is amended to read:

412.081 [SEPARATION FROM TOWN.]

Subdivision 1. [ELECTION, ASSESSMENT DISTRICTS.] Any statutory city hereafter organized shall be constituted an election and assessment district separate from the town in which it lies immediately upon incorporation, except that if the incorporation occurs between March 15 and July 1 the town assessor shall assess the property in the city that year and the city assessor shall not assume duties until the following year. Where the town assessor makes the assessment, the city shall pay such proportion of the cost of the assessment as its net tax capacity bears to the ~~assessed valuation~~ *net tax capacity* of the town, including the city.

Sec. 18. Minnesota Statutes 1989 Supplement, section 412.221, subdivision 2, is amended to read:

Subd. 2. [CONTRACTS.] The council shall have power to make such contracts as may be deemed necessary or desirable to make effective any power possessed by the council. The city may purchase personal property through a conditional sales contract and real property through a contract for deed under which contracts the seller is confined to the remedy of recovery of the property in case of nonpayment of all or part of the purchase price, which shall be payable over a period of not to exceed five years. When the contract price of property to be purchased by contract for deed or conditional sales contract exceeds ~~one 0.24177~~ percent of the ~~net tax capacity~~ *market value* of the city, the city may not enter into such a contract for at least ten days after publication in the official newspaper of a council resolution determining to purchase property by such a contract; and, if before the end of that time a petition asking for an election on the proposition signed by voters equal to ten percent of the number of voters at the last regular city election is filed with the clerk, the city may not enter into such a contract until the proposition has been approved by a majority of the votes cast on the question at a regular or special election.

Sec. 19. Minnesota Statutes 1989 Supplement, section 430.102, subdivision 2, is amended to read:

Subd. 2. [COUNCIL APPROVAL; SPECIAL TAX LEVY LIMITATION.] The council shall receive and consider the estimate required in subdivision 1 and the items of cost after notice and hearing before it or its appropriate committee as it considers necessary or expedient, and shall approve the estimate, with necessary amendments. The amounts of each item of cost estimated are then appropriated to operate, maintain, and improve the pedestrian mall during the next fiscal year. The amount of the special tax to be charged under subdivision 1, clause (3), must not, however, exceed ~~50 cents per \$100~~ *0.12089 percent of net tax capacity market value* of taxable property in the district. The council shall make any necessary adjustment in costs of operating and maintaining the district to keep the amount of the tax within this limitation.

Sec. 20. Minnesota Statutes 1989 Supplement, section 465.04, is amended to read:

465.04 [ACCEPTANCE OF GIFTS.]

Cities of the second, third, or fourth class, having at any time a ~~net tax capacity market value~~ of not more than ~~\$10,000,000~~ *\$41,000,000*, exclusive of money and credits, as officially equalized by the commissioner of revenue, either under home rule charter or under the laws of this state, in addition to all other powers possessed by them, hereby are authorized and empowered to receive and accept gifts and donations for the use and benefit

of such cities and the inhabitants thereof upon terms and conditions to be approved by the governing bodies of such cities; and such cities are authorized to comply with and perform such terms and conditions, which may include payment to the donor or donors of interest on the value of the gift at not exceeding five percent per annum payable annually or semiannually, during the remainder of the natural life or lives of such donor or donors.

Sec. 21. Minnesota Statutes 1989 Supplement, section 471.24, is amended to read:

471.24 [STATUTORY CITIES AND TOWNS MAY JOIN IN MAINTAINING CEMETERIES.]

Where a statutory city or town owns and maintains an established cemetery or burial ground, either within or without the municipal limits, the statutory city or town may, by mutual agreement with contiguous statutory cities and towns, each having a ~~net tax capacity~~ *market value* of not less than ~~\$500,000~~ \$2,000,000, join together in the maintenance of such public cemetery or burial ground for the use of the inhabitants of each of such municipalities; and each such municipality is hereby authorized, by action of its council or governing body, to levy a tax or make an appropriation for the support and maintenance of such cemetery or burial ground; provided, the amount thus levied or appropriated by each municipality shall not exceed a total of \$10,000 in any one year.

Sec. 22. Minnesota Statutes 1989 Supplement, section 471.73, is amended to read:

471.73 [ACCEPTANCE OF PROVISIONS.]

In the case of any city within the class specified in 471.72 having a ~~net tax capacity~~ *market value*, as defined in section 471.72, in excess of ~~\$9,000,000~~ \$37,000,000; and in the case of any statutory city within such class having a ~~net tax capacity~~ *market value*, as defined in section 471.72, of less than ~~\$1,100,000~~ \$5,000,000; and in the case of any statutory city within such class which is governed by Laws 1933, chapter 211, or Laws 1937, chapter 356; and in the case of any statutory city within such class which is governed by Laws 1929, chapter 208, and has a ~~net tax capacity~~ *market value* of less than ~~\$20,000,000~~ \$83,000,000; and in the case of any school district within such class having a ~~net tax capacity~~ *market value*, as defined in section 471.72, of more than ~~\$13,000,000~~ \$54,000,000; and in the case of all towns within said class; sections 471.71 to 471.83 apply only if the governing body of the city or statutory city, the board of the school district, or the town board of the town shall have adopted a resolution determining to issue bonds under the provisions of sections 471.71 to 471.83 or to go upon a cash basis in accordance with the provisions thereof.

Sec. 23. Minnesota Statutes 1989 Supplement, section 475.58, subdivision 2, is amended to read:

Subd. 2. [FUNDING, REFUNDING.] Any city, town or school district whose outstanding gross debt, including all items referred to in section 475.51, subdivision 4, exceed in amount ~~6-2/3~~ 1.75 percent of its ~~net tax capacity~~ *market value* may issue bonds under this subdivision for the purpose of funding or refunding such indebtedness or any part thereof. A list of the items of indebtedness to be funded or refunded shall be made by the recording officer and treasurer and filed in the office of the recording officer. The initial resolution of the governing body shall refer to this subdivision as authority for the issue, state the amount of bonds to be issued

and refer to the list of indebtedness to be funded or refunded. This resolution shall be published once each week for two successive weeks in a legal newspaper published in the municipality or if there be no such newspaper, in a legal newspaper published in the county seat. Such bonds may be issued without the submission of the question of their issue to the electors unless within ten days after the second publication of the resolution a petition requesting such election signed by ten or more voters who are taxpayers of the municipality, shall be filed with the recording officer. In event such petition is filed, no bonds shall be issued hereunder unless authorized by a majority of the electors voting on the question.

Sec. 24. Minnesota Statutes 1989 Supplement, section 475.73, subdivision 1, is amended to read:

Subdivision 1. Obligations sold under the provisions of section 475.60 may be purchased by the state board of investment if the obligations meet the requirements of section 11A.24, subdivision 2, upon the approval of the attorney general as to form and execution of the application therefor, and under rules as the board may specify, and the state board shall have authority to purchase the same to an amount not exceeding ~~45~~ 3.62662 percent of the ~~net tax capacity~~ market value of the taxable property of the municipality, according to the last preceding assessment. The obligations shall not run for a shorter period than one year, nor for a longer period than 30 years and shall bear interest at a rate to be fixed by the state board but not less than two percent per annum. Forthwith upon the delivery to the state of Minnesota of any obligations issued by virtue thereof, the commissioner of finance shall certify to the respective auditors of the various counties wherein are situated the municipalities issuing the same, the number, denomination, amount, rate of interest and date of maturity of each obligation.

Sec. 25. Minnesota Statutes 1989 Supplement, section 505.173, subdivision 1, is amended to read:

Subdivision 1. [CERTAIN DEFECTS.] In all cases where the plats, or what purports to be plats, of any portion of the lands contained within any additions to or subdivisions of any town or city, situated in any county having less than 15 full and fractional congressional townships, having less than 15,000 inhabitants according to the 1940 federal census, and having an ~~net tax capacity~~ assessed value of more than \$7,500,000 and less than \$8,500,000, exclusive of money and credits which have been executed and filed in an office of any county recorder previous to January 1, 1915, (1) fail to identify or correctly describe the land to be so platted or to show correctly upon their face the tract of land intended or purported to be platted thereby, or (2) are defective by reason of the plat and the description of the land purported to be so platted thereby being inconsistent or incorrect, or (3) there exists a defect in the execution of said plats on the part of the grantors thereof, the governing board or council of the municipality containing land so platted or purported to be so platted may authorize, within two years from April 21, 1951, referring by the record book and page of such plat or plats in the office of the county recorder to the plat or plats to be corrected, the making of one or more plats which shall correctly show on the face thereof and by description of the land intended to be platted, which plat or plats may vary from the original plats in description as to lots and blocks to suit the best purpose and secure the best results. Such plat or plats, in a declaration thereon, shall recite such resolution and shall identify each separate tract of land described therein

with such tract of land in the purported plat or plats intended to be corrected thereby, and shall be certified by the proper officers of the municipality as to authorization and by an engineer or surveyor as to correctness, and the signatures of such persons shall be acknowledged in like manner as a deed.

Sec. 26. [EFFECTIVE DATE.]

Section 23 is effective for bonds issued after the date of enactment of this act. The remainder of this article is effective the day following final enactment of this act."

Delete the title and insert:

"A bill for an act relating to taxation; property; making technical corrections and administrative changes; amending Minnesota Statutes 1988, sections 116K.04, subdivision 4; 273.42, subdivision 1; 274.01, subdivision 1; 275.54, by adding a subdivision; 277.15; 279.03, subdivision 2, and by adding a subdivision; 279.37, subdivision 1a; 282.01, subdivision 4; 282.261, subdivision 2; 287.21, subdivision 2; 290A.10; 469.043, subdivision 5; 469.059, subdivision 11; 477A.011, by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 38.18; 50.14, subdivision 4; 110.70; 118.12; 163.04, subdivision 3; 163.06, subdivision 6; 165.10, subdivision 1; 168.013, subdivision 5; 272.16; 273.01; 273.11, subdivision 1; 279.01, subdivision 1; 282.01, subdivision 1; 298.28, subdivision 4; 365.025, subdivision 4; 368.01, subdivision 23; 368.44; 368.47; 370.01; 383.06; 385.31; 386.34; 412.081, subdivision 1; 412.221, subdivision 2; 430.102, subdivision 2; 465.04; 469.177, subdivision 1a; 471.24; 471.73; 475.58, subdivision 2; 475.73, subdivision 1; 477A.011, subdivision 15; 505.173, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 273.124, subdivision 6; 273.13, subdivision 25; 273.1391, subdivision 2; 273.1398, subdivisions 1, 2, 5, 5a, and 6; 274.14; 274.175; 275.07, subdivision 3; 275.50, subdivision 5; 275.51, subdivisions 3h and 6; 277.01, subdivision 1; 277.02; 277.05; 277.06; 287.29, subdivision 1; 290A.045, subdivision 6; 373.40, subdivision 1; 473F08, subdivision 8a; and 477A.013, subdivision 3; Laws 1989, First Special Session chapter 1, articles 3, section 35; and 9, section 86; repealing Minnesota Statutes 1988, section 272.70."

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

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

S.F. No. 2490: A bill for an act relating to workers' compensation; including mentally retarded persons and those with related conditions to the list of registrable conditions for the subsequent disability special fund; amending Minnesota Statutes 1988, section 176.131, subdivision 8.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1988, section 176.102, is amended by adding a subdivision to read:

Subd. 7a. [FUNCTIONAL CAPACITIES EVALUATION.] In any form

developed by the commissioner for use in evaluating functional capacities there shall be included a question asking whether any physical restrictions are permanent and, if not, when an employee's physical capacities will be reevaluated.

Sec. 2. Minnesota Statutes 1988, section 176.131, subdivision 8, is amended to read:

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

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

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

“Compensation” has the meaning defined in section 176.011.

"Employer" includes insurer.

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

"Mental retardation" means significantly subaverage intellectual functioning existing concurrently with demonstrated deficits in adaptive behavior that require supervision and protection for the person's welfare or the public welfare.

"Other related conditions" means severe chronic disabilities that are (i) attributable to cerebral palsy, epilepsy, autism, or any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation or requires treatment or services similar to those required for persons with mental retardation; (ii) likely to continue indefinitely; and (iii) result in substantial functional limitations in three or more of the following areas of major life activity: self-care, understanding and use of language, learning, mobility, self-direction, or capacity for independent living.

Sec. 3. Minnesota Statutes 1989 Supplement, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, PSYCHOLOGICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, psychological, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. This treatment shall include treatments necessary to physical rehabilitation. *Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.* The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to do so the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7, and attorney fees incurred by the employee. No action to recover the cost of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.

(b) Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with sections 176.106 and 176.305.

Sec. 4. [176.1351] [RAPID RESPONSE TO INJURED EMPLOYEE.]

Subdivision 1. [HEALTH CARE PROVIDER NOTICE TO EMPLOYER.] A health care provider treating an employee for an injury that the provider anticipates will cause the employee to be absent from work for more than five working days must notify the employer by telephone and in writing of the anticipated work loss. The notices must include the employee's name, address, telephone number, and where, if different, the employee can be reached.

Subd. 2. [EMPLOYER RESPONSE; INJURY ADJUSTER.] An employer must, within 24 hours of receiving the telephone notice under subdivision 1, send a company employee who is to function as an injury adjuster and who is to personally contact the injured employee.

The adjuster must determine the nature of the injury, the employee's current physical capabilities, and what the physical capabilities will be at maximum medical improvement. The adjuster must compare those physical capabilities with the capabilities required for the employee's current job.

The adjuster must ask the employee at least the following questions:

- (1) doctor's name;*
- (2) what hospitals are involved;*
- (3) the employee's physical complaint;*
- (4) the injury diagnosis;*
- (5) what tests have been done and their results;*
- (6) what treatment has been prescribed;*
- (7) what medications have been prescribed;*
- (8) what are the possible complications;*
- (9) is the doctor pleased with the employee's progress;*
- (10) when is the next doctor visit;*
- (11) is the employee pleased with the doctor, treatment, and progress;*
and
- (12) what can the employee do regarding a return to work.*

Subd. 3. [REHABILITATION.] The injury adjuster shall confer with the treating health care provider about proven rehabilitation methods to reach maximum medical improvement as soon as possible.

Sec. 5. Minnesota Statutes 1988, section 176.138, is amended to read:
176.138 [MEDICAL DATA; ACCESS.]

(a) Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release in writing, by telephone discussion, or otherwise of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. This section does not preclude the release of medical data under section 175.10 or 176.231, subdivision 9. Requests for pertinent data shall be made, and the date of discussions with medical providers about medical data shall be confirmed, in writing to the person or organization that collected or

currently possesses the data. ~~The Written medical data that exists at the time the request is made~~ shall be provided by the collector or possessor within seven working days of receiving the request. ~~All other medical data described above may be provided, but are not required to be provided, by the collector or possessor.~~ In all cases of a request for the data or discussion with a medical provider about the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made ~~or a written confirmation of the discussion.~~ This data shall be treated as private data by the party who requests or receives the data and the party receiving the data shall provide the employee or the employee's attorney with a copy of all data requested by the requester.

(b) Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.

(c) The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not ~~timely release the data in a timely manner as required in this section.~~ A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor. ~~This section applies only to written medical data which exists at the time the request is made.~~

(d) *Workers' compensation insurers and self-insured employers may, for the sole purpose of identifying duplicate billings submitted to more than one insurer, disclose to health insurers, including all insurers writing insurance described in section 60A.06, subdivision 1, clause (5)(a), nonprofit health service plan corporations subject to chapter 62C, health maintenance organizations subject to chapter 62D, and joint self-insurance employee health plans subject to chapter 62H, computerized information about dates, coded items, and charges for medical treatment of employees and other medical billing information submitted to them by an employee, employer, health care provider, or other insurer in connection with a current claim for compensation under this chapter, without prior approval of any party to the claim and notwithstanding anything to the contrary in this section or in any other state law related to privacy of medical data or any private agreements to the contrary. The data may not be used by the health insurer for any other purpose whatsoever.*

Sec. 6. Minnesota Statutes 1988, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] Within ten days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by an insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner under rules and on forms prescribed by the commissioner. No policy shall be canceled by the insurer within the policy period nor terminated upon its expiration date until a notice in writing is delivered or mailed to the insured and filed with the commissioner, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration date. *If the insurer or its agent has delivered or mailed a written certificate of insurance, certifying that a policy in the name of the insured is in force, then the insurer shall deliver or mail written notice of the cancellation or termination to the recipient of the certificate of insurance.* A cancellation or termination is not effective until 30 days after written

notice has been filed with the commissioner in a manner prescribed by the commissioner unless prior to the expiration of the 30-day period the employer obtains other insurance coverage or an order exempting the employer from carrying insurance as provided in section 176.181. Upon receipt of the notice the commissioner notify the insured that the insured must obtain coverage from some other licensed carrier and that, if unable to do so, the insured shall request the commissioner of commerce to require the issuance of a policy as provided in section 79.251, subdivision 4. Upon a cancellation or termination of a policy by the insurer the employer is entitled to be assigned a policy in accordance with sections 79.251 and 79.252. Notice of cancellation or termination by the insured shall be served upon the insurer by written statement mailed or delivered to the insurer. Upon receipt of the notice the insurer shall notify the commissioner of the cancellation or termination and the commissioner shall ask the employer for the reasons for the cancellation or termination and notify the employer of the duty under this chapter to insure the employer's employees. *If the insurer or its agent has delivered or mailed a written certificate of insurance, certifying that a policy in the name of the insured is in force, then the insurer shall deliver or mail written notice of cancellation or termination to the recipient of the certificate of insurance. If an insurer fails to mail or deliver notice of cancellation or termination of an insured's policy to the recipient of a certificate of insurance, then the insurer shall indemnify and hold harmless the recipient from any award of benefits or other damages under this chapter resulting from the failure to give notice.*

Sec. 7. Minnesota Statutes 1988, section 176.231, is amended by adding a subdivision to read:

Subd. 1a. [JOB DESCRIPTION, INITIAL REPORT OF INJURY.] An employer shall complete or have available a job description of an injured employee's job within 48 hours of the first report of that employee's injury required under subdivision 1."

Delete the title and insert:

"A bill for an act relating to workers' compensation; including mentally retarded persons and those with related conditions to the list of registrable conditions for the subsequent disability special fund; providing rapid response to injured employees; regulating medical data access; providing for preventative treatment to employees exposed to rabies; regulating notice of insurance coverage and cancellation; amending Minnesota Statutes 1988, sections 176.102, by adding a subdivision; 176.131, subdivision 8; 176.138; 176.185, subdivision 1; 176.231, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 176.135, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 176."

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. 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 1, line 14, delete "*classified as*" and after "*private*" insert "*data*"

Page 1, line 19, delete "*subdivision*" and insert "*chapter*"

Page 2, strike lines 19 to 31

Page 2, line 35, delete everything after the headnote and insert "*An employee, eligible dependent, or any other person eligible for continuation pursuant to Minnesota statute who is a Minnesota resident eligible to enroll in the comprehensive health plan and is unable to exercise continuation rights may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in subdivision 3, if that person applies for coverage within 90 days of termination of prior coverage from a policy or plan.*

A person whose group coverage provided through a nonprofit organization under chapter 129A is terminated and who meets all other eligibility requirements, may enroll in the comprehensive health plan with a waiver of the preexisting condition limitation described in subdivision 3, if that person applies for coverage within 90 days of termination of previous coverage."

Page 2, delete line 36

Page 3, delete lines 1 to 3

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. 1749: A bill for an act relating to appropriations; appropriating money for a grant to cover costs of the investigation of the Jacob Wetterling kidnapping.

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

Delete everything after the enacting clause and insert:

"Section 1. [STEARNS COUNTY; SPECIAL LEVY.]

For taxes levied in 1990, payable in 1991 only, Stearns county may levy a tax in an amount not to exceed \$208,000 to cover the cost of the investigation of criminal activity connected with the kidnapping of Jacob Wetterling. The levy under this section is not subject to the limitations of Minnesota Statutes, sections 275.50 to 275.56."

Amend the title as follows:

Page 1, lines 2 and 3, delete "appropriations; appropriating money for a grant" and insert "taxation; authorizing a special levy"

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. Hughes from the Committee on Elections and Ethics, to which was referred

S.F. No. 1944: A bill for an act relating to elections; requiring the designation of a local government election for election of county, municipal, and school district officers, and officers of all other political subdivisions except certain towns; requiring that certain questions be voted on only at the local government election for the political subdivision; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; superseding certain inconsistent general and special laws and home rule charter provisions; appropriating money; amending Minnesota Statutes 1988, sections 40.05, subdivisions 1, 3, and 4; 40.06, subdivision 1; 122.23, subdivisions 12 and 17; 122.25, subdivision 2; 123.12, subdivision 1; 123.33, subdivision 1; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 123.51; 124.43, subdivision 3b; 200.02, by adding a subdivision; 201.071, subdivisions 1, 3, and 8; 203B.06, subdivision 3; 204B.14, by adding a subdivision; 204B.16, subdivision 1; 204B.18, subdivision 2, and by adding a subdivision; 204C.10, subdivision 1; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5; 204D.16; 205.02, subdivision 2; 205.10, subdivision 1; 205.13, subdivisions 1 and 6; 205.185, subdivisions 2, 3, and by adding a subdivision; 205A.02; 205A.05, subdivision 1; 205A.06, subdivision 5; 365.51, subdivision 3; 367.03; 375.03; 375.101, by adding a subdivision; 375.20; 375A.12, subdivision 4; 382.01; 383A.06, subdivision 2; 397.06; 397.07; 398.04; 410.12, subdivision 4; 410.21; 412.02, subdivision 2; 412.571, subdivision 5; 426.19, subdivision 2; 447.32, subdivisions 1 and 2; 447.48; 469.0724; 469.190, subdivision 5; and 475.58, subdivision 1a; Minnesota Statutes 1989 Supplement, sections 122.23, subdivision 18; 124.82, subdivision 3; 128.01, subdivision 3; 129B.73, subdivision 4; 136D.741, subdivision 4; 375.18, subdivision 3; 412.021, subdivision 2; and 471.191, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 275.58, subdivision 1; and 373.40, subdivision 2; proposing coding for new law in chapter 205; repealing Minnesota Statutes 1988, sections 123.015; 123.11, subdivisions 2, 3, 4, 5, and 6; 123.32, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 11, 22, 24, 25, 26, and 27; 200.015; 201.095; 204D.28, subdivision 5; 205.02; 205.065, subdivisions 2, 3, 4, 5, 6, and 7; 205.07; 205.10; 205.121; 205.175; 205.18, subdivision 1; 205.20; 206.76; 375.101, subdivisions 1 and 2; and 447.32, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 205.065, subdivision 1; and 205.18, subdivision 2.

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

Page 2, line 9, delete "DAY"

Page 2, line 16, delete "certain"

Page 3, line 11, delete "those" and delete "not included in section 368.01,"

Page 3, line 12, delete "subdivision 1 or 1a"

Page 3, delete lines 15 to 24 and insert:

"Subd. 3. [BOND ISSUE QUESTIONS.] *Notwithstanding any other law, a referendum authorizing the issuance of bonds must be held the first Tuesday after the first Monday in November, but a political subdivision may hold a bond issue referendum on another date if an emergency situation exists that requires immediate action.*"

Page 4, line 29, delete everything after "2"

Page 4, line 30, delete everything before "must"

Page 5, line 2, delete everything after "2"

Page 5, line 3, delete everything before "be"

Page 10, line 10, after "and" insert "the"

Page 10, line 11, delete "elections" and insert "election"

Page 11, line 20, delete everything after "towns"

Page 11, line 21, delete "I or Ia"

Page 16, line 34, delete everything after "except" and insert "towns"

Page 16, line 35, delete "I or Ia"

Page 19, line 24, reinstate the stricken "at the" and reinstate the stricken "place of holding the state general"

Page 19, line 25, reinstate the stricken "election,"

Page 28, lines 35 and 36, delete "and article 5, section 1, control and supersede" and insert "controls and supersedes"

Pages 29 and 30, delete sections 16 and 17

Page 34, lines 6 and 7, delete "and article 5, section 1,"

Renumber the sections of article 4 in sequence

Pages 37 to 49, delete article 5

Page 49, line 7, delete "6" and insert "5"

Page 49, after line 26, insert:

"The governing body of each political subdivision subject to article 1, section 2, subdivisions 2 and 3, shall designate in ordinance or resolution adopted by December 1, 1992, either the odd-numbered or even-numbered year for its local government election."

Page 54, line 6, delete "123.015;"

Page 54, line 7, delete everything after the semicolon

Page 54, line 8, delete everything before "200.015" and delete "201.095;"

Page 54, line 14, delete "6" and insert "5"

Page 54, line 17, after "2;" insert "and"

Page 54, line 18, delete "; and article 5, sections 2 and 3"

Amend the title as follows:

Page 1, line 5, delete "certain"

Page 1, line 18, delete "124.43, subdivision 3b;"

Page 1, delete lines 24 to 46 and insert:

"subdivision 5; 204D.16; 205.02, subdivision 2; 205.13, subdivisions 1 and 6; 205.185, subdivisions 2, 3, and by adding a subdivision; 205A.02; 205A.06, subdivision 5; 375.03; 375.101, by adding a subdivision; 382.01;

397.06; 397.07; 398.04; 410.21; 412.02, subdivision 2; 412.571, subdivision 5; 447.32, subdivisions 1 and 2; Minnesota Statutes 1989 Supplement, sections 122.23, subdivision 18; 128.01, subdivision 3; 412.021, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 205; repealing Minnesota Statutes 1988, sections 123.11, subdivisions 2, 3, 4, 5, and 6; 200.015; 204D.28, subdivision 5; 205.02;"

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

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

S.F. No. 2317: A bill for an act relating to utilities; providing for the assessment of expenses for adjudicating service area disputes to municipal electric utilities; amending Minnesota Statutes 1988, section 216B.62, subdivision 5.

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 216B.62, subdivision 5, is amended to read:

Subd. 5. The commission and department ~~shall be authorized to may~~ charge cooperative electric associations *and municipal electric utilities* their proportionate share of the expenses incurred in the adjudication of service area disputes and all of the costs incurred in the adjudication of complaints over service standards and practices. *The commission and department may also charge cooperative electric associations and municipal electric utilities their proportionate shares of the costs incurred in the adjudication of complaints over rates when the complaints involve* cooperative electric associations electing to become subject to rate regulation by the commission ~~pursuant to under section 216B.02 216B.026,~~ subdivision 4, ~~shall be subject to this or are brought against a municipal electric utility under section 216B.17, subdivision 6.~~ *The department shall bill a cooperative electric association or municipal electric utility for costs under this subdivision, but the association or municipal utility need pay no more than two-fifths of one percent of the gross operating revenue from retail sales of electricity within the state in the last calendar year.*

Sec. 2. [237.461] [ENFORCEMENT.]

Subdivision 1. [ACTIONS.] This chapter and rules and orders of the commission adopted under this chapter may be enforced by any one or combination of: criminal prosecution, action to recover civil penalties, injunction, action to compel performance, and other appropriate action.

Subd. 2. [CIVIL PENALTY.] A person who violates a provision of this chapter or rule or order of the commission adopted under this chapter shall forfeit and pay to the state a penalty, in an amount to be determined by the court, of at least \$100 and not more than \$1,000 for each day of each violation. The civil penalties provided for in this section may be recovered by a civil action brought by the attorney general in the name of the state. Amounts recovered under this section must be paid into the state treasury.

Sec. 3. Minnesota Statutes 1988, section 237.51, subdivision 5, is amended to read:

Subd. 5. [DUTIES.] In addition to any duties specified elsewhere in sections 237.51 to 237.56, the board shall:

(1) define economic hardship, special needs, and household criteria so as to determine the priority of eligible applicants for initial distribution of devices and to determine circumstances necessitating provision of more than one communication device per household;

(2) establish a method to verify eligibility requirements;

(3) establish specifications for communication devices to be purchased under section 237.53, subdivision 3;

(4) enter contracts for the establishment and operation of the message relay service pursuant to section 237.54;

(5) inform the public and specifically the community of communication-impaired persons of the program;

(6) prepare the reports required by section 237.55;

(7) administer the fund created in section 237.52;

(8) ~~retain the services~~ reestablish and fill the position of a program administrator in the unclassified service;

(9) adopt rules, including emergency rules, under chapter 14 to implement the provisions of sections 237.50 to 237.56; and

(10) study the potential economic impact of the program on local communication device retailers and dispensers. Notwithstanding any provision of chapter 16B, the board shall develop guidelines for the purchase of some communication devices from local retailers and dispensers if the study determines that otherwise they will be economically harmed by implementation of sections 237.50 to 237.56.

Sec. 4. [TASK FORCE.]

The task force established by Laws 1989, chapter 309, is continued until January 31, 1992. The speaker of the house of representatives and the subcommittee on committees of the senate committee on rules and administration shall each appoint five members of their respective houses to the task force. At least one member from each house of the legislature must be a member of the minority caucus. The task force shall consider the results of the study required by section 5 and report its recommendations to the legislature by February 1, 1992.

Sec. 5. [STUDY.]

The department of public service shall employ the services of a consultant to study issues raised in the report required by Laws 1989, chapter 309, section 1. The study must focus on the effect of utility capacity on rates, and must attempt to identify procedures and processes to review and coordinate capacity planning by regulated and unregulated utilities so that adequate attention is given not only to ways to meet future demand, but also to forecast and find efficient use for surplus capacity. The public utilities commission shall cooperate with the department on the study. The commission may assess the costs of the study to the affected utilities, but

not more than \$200,000 less any amount assessed under Laws 1989, chapter 309, section 1, subdivision 6. The commission shall use the proceeds of any assessment under this section to cover its own costs and those incurred by the department, including the cost of employing a consultant and staff time.

Sec. 6. [APPROPRIATION.]

Assessments collected under section 5 are appropriated to the department of public service to cover the costs associated with the study required by section 5. The money is available until March 1, 1992. Any money from assessments unexpended on that date remains in the general fund."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing for civil penalties for violations of chapter 237; reestablishing the position of program administrator of the telecommunications access for communication-impaired persons board; extending the electric utility service area task force until 1992; requiring a study; appropriating money;"

Page 1, line 5, delete "section" and insert "sections" and before the period, insert "; and 237.51, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 237"

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 re-referred

S.F. No. 2478: A bill for an act relating to human services; clarifying medical assistance payment rate procedures for hospitals; allowing case management for certain recipients of medical assistance; amending verification of pregnancy requirements for medical assistance eligibility; clarifying eligibility requirements for medical assistance and general assistance medical care; clarifying asset and income allowances for institutionalized spouses; clarifying services to be covered by medical assistance; establishing requirements for a relative's responsibility; expanding the homestead exclusion for medical assistance eligibility; establishing procedures for a vendor's request for a contested case proceeding; establishing requirements for claims against the estate of a recipient; clarifying procedures for enforcement of medical support; amending Minnesota Statutes 1988, sections 13.46, subdivision 5; 256B.04, subdivision 15; 256B.055, subdivisions 3, 5, and 6; 256B.056, subdivisions 2, 7, and by adding a subdivision; 256B.0625, subdivisions 4, 5, 9, and by adding subdivisions; 256B.15; 256B.19, by adding a subdivision; 256B.69, subdivision 3; 256D.03, subdivision 7; 518.171, subdivisions 1, 3, 4, and 7; Minnesota Statutes 1989 Supplement, sections 256.969, subdivisions 2c and 6a; 256.9695, subdivisions 1 and 3; 256B.055, subdivision 7; 256B.056, subdivisions 3 and 4; 256B.057, subdivisions 1, 2, and by adding subdivisions; 256B.0575; 256B.059, subdivisions 4 and 5; 256B.0595, subdivisions 1, 2, and 4; 256B.14; 256B.69, subdivision 16; 256D.03, subdivisions 3 and 4; 256D.425, subdivision 3; Laws 1989, chapter 282, article 3, section 98, subdivisions 4 and 5; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 1989 Supplement, section 256B.055, subdivision 8.

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

Page 2, after line 19, insert:

"Sec. 2. Minnesota Statutes 1989 Supplement, section 144.50, subdivision 6, is amended to read:

Subd. 6. [SUPERVISED LIVING FACILITY LICENSES.] (a) The commissioner may license as a supervised living facility a facility seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions for four or more persons as authorized under section 252.291.

(b) Class B supervised living facilities for six or less persons seeking medical assistance certification as an intermediate care facility for persons with mental retardation or related conditions shall be classified as follows for purposes of the state building code:

(1) Class B supervised living facilities for six or less persons must meet Group R, Division 3, occupancy requirements; and

(2) Class B supervised living facilities for seven to 16 persons must meet Group R, Division 1, occupancy requirements.

(c) Class B facilities classified under paragraph (b), clauses (1) and (2), must meet Group R, Division 3, occupancy requirements of the state building code, the fire protection provisions of chapter 21 of the 1985 life safety code, NFPA 101, for facilities housing persons with impractical evacuation capabilities, and except that Class B facilities licensed prior to the effective date of this enactment need only continue to meet institutional fire safety provisions. Class B supervised living facilities shall provide the necessary physical plant accommodations to meet the needs and functional disabilities of the residents. For Class B supervised living facilities licensed after the effective date of this enactment and housing nonambulatory or nonmobile persons, the corridor access to bedrooms, common spaces, and other resident use spaces must be at least five feet in clear width, except that a waiver may be requested in accordance with Minnesota Rules, part 4665.0600.

Sec. 3. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 1, is amended to read:

Subdivision 1. [RATES FOR CALENDAR YEARS 1989 AND 1990.] Payment rates to vendors, except regional centers, for county-funded day training and habilitation services and transportation provided to persons receiving day training and habilitation services established by a county board for calendar years 1989 and 1990 are governed by subdivisions 2 to 40 11.

"Payment rate" as used in subdivisions 2 to 40 11 refers to three kinds of payment rates: a full-day service rate for persons who receive at least six service hours a day, including the time it takes to transport the person to and from the service site; a partial-day service rate that must not exceed 75 percent of the full-day service rate for persons who receive less than a full day of service; and a transportation rate for providing, or arranging and paying for, transportation of a person to and from the person's residence to the service site.

Sec. 4. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 2, is amended to read:

Subd. 2. ~~[1989 AND 1990 RATE MINIMUM.] Unless a variance is granted under subdivision 6, the minimum payment rates set by a county board for each vendor for calendar years 1989 and 1990 must be equal to the payment rates approved by the commissioner for that vendor in effect January 1, 1988, and January 1, 1989, respectively of the previous calendar year.~~

Sec. 5. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 3, is amended to read:

Subd. 3. ~~[1989 AND 1990 RATE MAXIMUM.] Unless a variance is granted under subdivision 6, the maximum payment rates for each vendor for calendar years 1989 and 1990 a calendar year must be equal to the payment rates approved by the commissioner for that vendor in effect December 1, 1988, and December 1, 1989, respectively, of the previous calendar year increased by no more than the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the upcoming calendar year over the current calendar year.~~

Sec. 6. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 4, is amended to read:

Subd. 4. ~~[NEW VENDORS.] Payment rates established by a county for calendar years 1989 and 1990, for a new vendor for which there were no previous rates must not exceed 125 percent of the average payment rates in the regional development commission district under sections 462.381 to 462.396 in which the new vendor is located. When at least 50 percent of the persons to be served by the new vendor are persons discharged from a regional treatment center on or after January 1, 1990, the recommended payment rates for the new vendor shall not exceed twice the current state-wide average payment rates.~~

For purposes of this subdivision, persons discharged from the regional treatment center do not include persons who received temporary care under section 252A.111, subdivision 3.

Sec. 7. Minnesota Statutes 1989 Supplement, section 252.46, subdivision 12, is amended to read:

Subd. 12. ~~[RATES ESTABLISHED AFTER 1990.] Unless a variance is granted under subdivision 6, payment rates established by a county for calendar year 1990 and which are in effect December 31, 1990, remain in effect until June 30, 1991. Payment rates established by a county board to be paid to a vendor on or after January July 1, 1991, must be determined under permanent rules adopted by the commissioner. Until permanent rules are adopted, the payment rates must be determined according to subdivisions 1 to 11 except for the period from July 1, 1991, through December 31, 1991, when the increase determined under subdivision 3 must not exceed the projected percentage change in the urban consumer price index, all items, published by the United States Department of Labor, for the current calendar year over the previous calendar year. No county shall pay a rate that is less than the minimum rate determined by the commissioner.~~

In developing procedures for setting minimum payment rates and procedures for establishing payment rates, the commissioner shall consider the

following factors:

- (1) a vendor's payment rate and historical cost in the previous year;
- (2) current economic trends and conditions;
- (3) costs that a vendor must incur to operate efficiently, effectively and economically and still provide training and habilitation services that comply with quality standards required by state and federal regulations;
- (4) increased liability insurance costs;
- (5) costs incurred for the development and continuation of supported employment services;
- (6) cost variations in providing services to people with different needs;
- (7) the adequacy of reimbursement rates that are more than 15 percent below the statewide average; and
- (8) other appropriate factors.

The commissioner may develop procedures to establish differing hourly rates that take into account variations in the number of clients per staff hour, to assess the need for day training and habilitation services, and to control the utilization of services.

In developing procedures for setting transportation rates, the commissioner may consider allowing the county board to set those rates or may consider developing a uniform standard.

Medical assistance rates for home and community-based services provided under section 256B.501 by licensed vendors of day training and habilitation services must not be greater than the rates for the same services established by counties under sections 252.40 to 252.47.

Sec. 8. [252.60] [METRO TRANSPORTATION SUPPORT GRANTS PROGRAM.]

Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The commissioner shall establish and operate a metro transportation support grants program to reimburse metro mobility for transporting clients to day training and habilitation services for which client transportation is a required and funded component. The commissioner shall maximize the use of federal funds for this reimbursement. The commissioner shall establish a metro transportation support grants account in the department's chart of accounts.

Subd. 2. [RATES.] The payment rate established for each day training and habilitation services agency must include the costs of transportation to and from the agency. The commissioner may approve payment rates for day training and habilitation services that exceed the limits in section 252.46, subdivision 3, for vendors whose transportation costs increase as a result of action taken by the regional transit board under Laws 1988, chapter 684, article 2, section 3, or Laws 1989, chapter 269, section 35, or section 473.386, subdivision 4.

Subd. 3. [COUNTY SHARE FUNDING.] The commissioner shall distribute the county share of the metro transportation support grants program costs to all metropolitan counties from the metro transportation support grants account. For fiscal year 1991, money in the account shall be allocated as follows: Ramsey county, 48 percent; Hennepin county, 46 percent; Dakota county, five percent; and Anoka county, one percent. For

each fiscal year subsequent to fiscal 1991, the commissioner shall distribute money in the account annually based on each county's percentage of total expenses incurred for trips provided by metro mobility to and from day training and habilitation services during the preceding 12-month period. Counties must credit money received to the program accounts that incur the transportation expenses."

Page 9, after line 18, insert:

"(i) Admissions occurring on or after July 1, 1990, that are classified to a diagnostic category of mental health or chemical dependency must be paid at the rates established according to the methods in paragraph (8)."

Page 11, after line 26, insert:

"Sec. 13. [256B.035] [MANAGED CARE.]

The commissioner of human services may contract with public or private entities for case management services for medical assistance and general assistance medical care recipients identified by the commissioner as inappropriately using health care services. The commissioner may enter into risk-based and nonrisk-based contracts. Contracts may be for the full range of health services, or a portion thereof, for medical assistance and general assistance medical care populations to determine the effectiveness of various provider reimbursement and care delivery mechanisms. The commissioner may seek necessary federal waivers and implement projects when approval of the waivers is obtained from the Health Care Financing Administration of the United States Department of Health and Human Services."

Page 26, after line 11, insert:

"Sec. 37. Minnesota Statutes 1989 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs if prescribed by a licensed practitioner. The commissioner shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two-year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the administrative procedure act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over-the-counter drugs,

except for antacids, acetaminophen, family planning products, aspirin, insulin, and vitamins for children under the age of seven and pregnant or nursing women; or any other over-the-counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the administrative procedure act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and the commissioner's determination shall not be subject to chapter 14, the administrative procedure act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(b) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug may be estimated by the commissioner. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. ~~An additional dispensing fee of \$-.30 may be added to the dispensing fee paid to pharmacists for prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used.~~ Under this a unit dose type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. *Over-the-counter medications must be dispensed in the manufacturer's unopened package.* Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is

limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act."

Page 28, line 4, strike everything after the period

Page 28, strike lines 5 to 15

Page 28, line 16, strike everything before the third "The"

Page 28, after line 35, insert:

"Subd. 3. [PARENTAL CONTRIBUTION.] (a) The parents of a minor child must contribute monthly to the cost of health care if the child is determined eligible for medical assistance without consideration of parental income, unless the child is married or has been married, parental rights have been terminated, or the child's adoption is subsidized according to section 259.40 or through title IV-E of the Social Security Act.

(b) The parental contribution equals 15 percent of the parent's income that exceeds 200 percent of the federal poverty guidelines for the applicable household size including the child receiving medical assistance, reduced by the following amounts:

(1) \$200 if the child lives with the parent;

(2) the personal needs allowance under section 256B.35 if the child resides in an institution specified in that section;

(3) any contribution required under section 252.27, subdivision 2, for the cost of foster care or social services; and

(4) any amount required to be paid directly to the child pursuant to a court order, and only if actually paid.

(c) The contribution amount shall be reviewed upon eligibility redetermination or upon request of the responsible relative. The contribution shall be made on a monthly basis beginning with the first month in which the child receives medical assistance. If the parental contribution paid during a state fiscal year exceeds the actual cost of care to the medical assistance program for that year, the state shall reimburse the parent within 18 months from the end of the fiscal year, either by direct reimbursement if the parent is no longer required to pay a contribution, or by a reduction in or waiver of parental fees until the excess amount is exhausted.

(d) For purposes of paragraph (b), "income" means the amount reported as adjusted gross income on the most recent federal income tax return.

(e) Divorced parents of a minor child shall each pay the contribution required under paragraph (a), except that a court-ordered child support payment actually paid on behalf of the child receiving medical assistance shall be deducted from the contribution of the parent making the payment.

(f) The contribution under paragraph (b) shall be increased to 20 percent if the local agency determines that insurance coverage is available but not obtained for the child. For purposes of this section, "available" means the insurance is a benefit of employment for a family member at an annual cost of no more than five percent of the family's annual income. For purposes of this section, insurance means health and accident insurance coverage, enrollment in a nonprofit health service plan, health maintenance organization, self-insured plan, or preferred provider organization.

(g) For parents with more than one child for whom they are responsible

for a contribution under this section, the total contribution shall not exceed the contribution required for the child with the highest health care expenditures eligible for medical assistance payment."

Page 28, line 36, delete "Subd. 3." and insert "Subd. 4."

Page 29, line 6, delete "Subd. 4." and insert "Subd. 5."

Page 31, lines 12 and 14, before "demonstration" insert "pilot or"

Page 31, after line 15, insert:

"Sec. 45. Minnesota Statutes 1988, section 256B.431, is amended by adding a subdivision to read:

Subd. 11. [SPECIAL PROPERTY RATE SETTING PROCEDURES FOR CERTAIN NURSING HOMES.] Notwithstanding Minnesota Rules, part 9549.0060, subpart 13, item H, to the contrary, for the rate year beginning July 1, 1990, a nursing home leased prior to January 1, 1986, and currently subject to adverse licensure action under section 144A.04, subdivision 4, paragraph (a), or 144A.11, subdivision 2, and whose ownership changes prior to July 1, 1990, shall be allowed a property related payment equal to the lesser of its current lease obligation divided by its capacity days as determined in Minnesota Rules, part 9549.0060, subpart 11, as modified by subdivision 3f, paragraph (c), or the frozen property related payment rate in effect for the rate year beginning July 1, 1989. For rate years beginning on or after July 1, 1991, the property related payment rate shall be its rental rate computed using the previous owner's allowable principal and interest expense as allowed by the department prior to that prior owner's sale and lease-back transaction of December 1985.

Sec. 46. Minnesota Statutes 1988, section 256B.501, subdivision 3e, is amended to read:

Subd. 3e. [INCREASE IN LIMITS.] For rate years beginning on or after October 1, 1990, the commissioner shall increase the administrative cost per licensed bed limit in subdivision 3d, paragraph (c), and the maintenance operating cost limit in Minnesota Rules, part 9553.0050, subpart 1, item A, subitem (2), by multiplying the administrative operating cost per bed limit and the maintenance operating cost limit by the composite forecasted index in subdivision 3c except that the index shall be based on the 12 months between the midpoints of the two preceding reporting years."

Page 37, after line 36, insert:

"Sec. 51. Minnesota Statutes 1989 Supplement, section 256D.03, subdivision 6, is amended to read:

Subd. 6. [DIVISION OF COSTS.] The state share of local agency expenditures for general assistance medical care shall be 90 percent and the county share shall be ten percent. Payments made under this subdivision shall be made in accordance with sections 256B.041, subdivision 5 and 256B.19, subdivision 1. In counties where a pilot or demonstration project is operated for general assistance medical care services, the state may pay 100 percent of the costs of administering the pilot or demonstration project. Reimbursement for these costs is subject to section 256.025.

Beginning July 1, 1991, the state will reimburse counties according to the payment schedule in section 256.025 for the county share of costs incurred under this subdivision from January 1, 1991, on. Payment to counties under this subdivision is subject to the provisions of section 256.017.

Notwithstanding any provision to the contrary, beginning July 1, 1991, the state shall pay 100 percent of the costs for centralized claims processing by the department of administration relative to claims beginning January 1, 1991, and submitted on behalf of general assistance medical care recipients by vendors in the general assistance medical care program.

Beginning July 1, 1991, the state shall reimburse counties up to the limit of state appropriations for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes after December 31, 1990. Reimbursement shall be provided according to the payment schedule set forth in section 256.025. For purposes of this subdivision, transportation shall have the meaning given it in Code of Federal Regulations, title 42, section 440.170(a), as amended through October 1, 1987, and travel expenses shall have the meaning given in Code of Federal Regulations, title 42, section 440.170(a)(3), as amended through October 1, 1987.

The county shall ensure that only the least costly most appropriate transportation and travel expenses are used. The state may enter into volume purchase contracts, or use a competitive bidding process, whenever feasible, to minimize the costs of transportation services. If the state has entered into a volume purchase contract or used the competitive bidding procedures of chapter 16B to arrange for transportation services, the county may be required to use such arrangements to be eligible for state reimbursement for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes.

In counties where prepaid health plans are under contract to the commissioner to provide services to general assistance medical care recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility."

Page 42, after line 11, insert:

"Sec. 61. [INFLATION ADJUSTMENT FOR PAYMENTS FOR CERTAIN HOME AND COMMUNITY-BASED MEDICAL CARE AND NURSING HOME SCREENINGS.]

Until June 30, 1993, the commissioner of human services shall provide an annual adjustment of not more than four percent for payment rates for private duty nursing services, personal care services, home and community-based waived services, and alternative care grant services for persons classified as 180-day eligible.

Sec. 62. [INFLATION ADJUSTMENT FOR LONG-TERM CARE FACILITIES.]

Subdivision 1. [NURSING HOMES.] Notwithstanding contrary provisions of Minnesota Statutes, section 256B.431, and Minnesota Rules, part 9549.0055, for the rate year beginning July 1, 1990, only, the forecasted composite price index for a nursing home's allowable operating cost per diems shall be determined using Data Resources, Inc., forecast for change in the Nursing Home Market Basket. The commissioner of human services shall use the indices as forecasted by Data Resources, Inc., in the fourth quarter of the calendar year preceding the rate year.

Subd. 2. [ICF-MR FACILITIES.] Notwithstanding Minnesota Statutes, section 256B.501, subdivision 3c, and rules adopted under it, for rate years

beginning on or after October 1, 1990, but before October 1, 1991, only, the commissioner shall index a facility's allowable operating costs in the program, maintenance, and administrative operating cost categories by using Data Resources, Inc., forecast for change in the Consumer Price Index-All Items (U.S. city average) (CPI-U). The commissioner shall use the indices as forecasted by Data Resources, Inc., in the first quarter of the calendar year in which the rate year begins.

Sec. 63. [TRANSFER OF APPROPRIATIONS.]

For fiscal year 1991, the appropriation to the regional transit board for metro mobility in Laws 1989, chapter 269, section 3, subdivision 3, is reduced by \$1,996,000, and the appropriation to the department of human services in Laws 1989, chapter 282, article 1, section 2, is increased by \$1,996,000 to provide fiscal year 1991 funding for the metro transportation support grants program. Of this amount, \$937,000 is added to the appropriation for the medical assistance program in Laws 1989, chapter 282, article 1, section 2, subdivision 7, and \$1,059,000 must be deposited in the metro transportation support grants account. For subsequent fiscal years, the commissioner of human services shall include a request for money for the metro transportation support grants program in the department's biennial budget."

Page 42, line 16, delete "34" and insert "43"

Page 42, line 19, delete "23" and insert "31"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 18, after the semicolon, insert "changing rates for day training and habilitation services for persons with mental retardation and related conditions; authorizing managed care contracts for medical assistance recipients using medical care inappropriately; limiting the use of unit-dose dispensing of drugs in long-term care facilities; changing parental contribution requirements for children on medical assistance; revising inflation indices for long-term care facilities; authorizing general assistance medical care demonstration projects; limiting inflation adjustments for rates for home and community-based medical care; establishing a metro transportation support grants program; authorizing special property rate payments for certain nursing homes; modifying life safety requirements for supervised living facilities; transferring money;"

Page 1, line 24, after the first semicolon, insert "256B.431, by adding a subdivision; 256B.501, subdivision 3e;"

Page 1, line 26, after "sections" insert "144.50, subdivision 6; 252.46, subdivisions 1, 2, 3, 4, and 12;"

Page 1, line 31, after "4;" insert "256B.0625, subdivision 13;"

Page 1, lines 32 and 33, delete "and 4" and insert ", 4, and 6"

Page 1, line 35, delete "chapter" and insert "chapters 252; and"

And when so amended the bill be re-referred to the Committee on Finance without recommendation. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2242 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.
				2242	2264

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2242 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2242 and insert the language after the enacting clause of S.F. No. 2264, the first engrossment; further, delete the title of H.F. No. 2242 and insert the title of S.F. No. 2264, the first engrossment.

And when so amended H.F. No. 2242 will be identical to S.F. No. 2264, and further recommends that H.F. No. 2242 be given its second reading and substituted for S.F. No. 2264, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1067 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.
				1067	1551

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1067 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1067 and insert the language after the enacting clause of S.F. No. 1551, the first engrossment; further, delete the title of H.F. No. 1067 and insert the title of S.F. No. 1551, the first engrossment.

And when so amended H.F. No. 1067 will be identical to S.F. No. 1551, and further recommends that H.F. No. 1067 be given its second reading and substituted for S.F. No. 1551, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2135 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.
				2135	2024

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2135 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2135 and insert the language after the enacting clause of S.F. No. 2024, the first engrossment; further, delete the title of H.F. No. 2135 and insert the title of S.F. No. 2024, the first engrossment.

And when so amended H.F. No. 2135 will be identical to S.F. No. 2024, and further recommends that H.F. No. 2135 be given its second reading and substituted for S.F. No. 2024, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2204 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.
				2204	2153

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2204 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2204 and insert the language after the enacting clause of S.F. No. 2153, the second engrossment; further, delete the title of H.F. No. 2204 and insert the title of S.F. No. 2153, the second engrossment.

And when so amended H.F. No. 2204 will be identical to S.F. No. 2153, and further recommends that H.F. No. 2204 be given its second reading and substituted for S.F. No. 2153, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1981 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.
1981	2084				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1981 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1981 and insert the language after the enacting clause of S.F. No. 2084, the first engrossment; further, delete the title of H.F. No. 1981 and insert the title of S.F. No. 2084, the first engrossment.

And when so amended H.F. No. 1981 will be identical to S.F. No. 2084, and further recommends that H.F. No. 1981 be given its second reading and substituted for S.F. No. 2084, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1921 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.
1921	1784				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1921 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1921 and insert the language after the enacting clause of S.F. No. 1784, the first engrossment; further, delete the title of H.F. No. 1921 and insert the title of S.F. No. 1784, the first engrossment.

And when so amended H.F. No. 1921 will be identical to S.F. No. 1784, and further recommends that H.F. No. 1921 be given its second reading and substituted for S.F. No. 1784, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1983 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.
1983	2384				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1983 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1983 and insert the language after the enacting clause of S.F. No. 2384, the first engrossment; further, delete the title of H.F. No. 1983 and insert the title of S.F. No. 2384, the first engrossment.

And when so amended H.F. No. 1983 will be identical to S.F. No. 2384, and further recommends that H.F. No. 1983 be given its second reading and substituted for S.F. No. 2384, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2062 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.
2062	1936				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2062 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2062 and insert the language after the enacting clause of S.F. No. 1936; further, delete the title of H.F. No. 2062 and insert the title of S.F. No. 1936.

And when so amended H.F. No. 2062 will be identical to S.F. No. 1936, and further recommends that H.F. No. 2062 be given its second reading and substituted for S.F. No. 1936, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1987 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.
1987	1850				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1987 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1987 and insert the language after the enacting clause of S.F. No. 1850, the first engrossment; further, delete the title of H.F. No. 1987 and insert the title of S.F. No. 1850, the first engrossment.

And when so amended H.F. No. 1987 will be identical to S.F. No. 1850, and further recommends that H.F. No. 1987 be given its second reading and substituted for S.F. No. 1850, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2012 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.
2012	1902				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2012 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2012 and insert the language after the enacting clause of S.F. No. 1902, the first engrossment; further, delete the title of H.F. No. 2012 and insert the title of S.F. No. 1902, the first engrossment.

And when so amended H.F. No. 2012 will be identical to S.F. No. 1902, and further recommends that H.F. No. 2012 be given its second reading and substituted for S.F. No. 1902, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1841 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.
1841	1770				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1841 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1841 and insert the language after the enacting clause of S.F. No. 1770; further, delete the title of H.F. No. 1841 and insert the title of S.F. No. 1770.

And when so amended H.F. No. 1841 will be identical to S.F. No. 1770, and further recommends that H.F. No. 1841 be given its second reading and substituted for S.F. No. 1770, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 1857 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.
1857	2356				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1857 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1857 and insert the language after the enacting clause of S.F. No. 2356, the first engrossment; further, delete the title of H.F. No. 1857 and insert the title of S.F. No. 2356, the first engrossment.

And when so amended H.F. No. 1857 will be identical to S.F. No. 2356, and further recommends that H.F. No. 1857 be given its second reading and substituted for S.F. No. 2356, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2294 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.
2294	2212				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2294 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2294 and insert the language after the enacting clause of S.F. No. 2212, the first engrossment; further, delete the title of H.F. No. 2294 and insert the title of S.F. No. 2212, the first engrossment.

And when so amended H.F. No. 2294 will be identical to S.F. No. 2212, and further recommends that H.F. No. 2294 be given its second reading and substituted for S.F. No. 2212, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2521 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2521	2286				

and that the above Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred

H.F. No. 2212 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.
2212	2310				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2212 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2212 and insert the language after the enacting clause of S.F. No. 2310, the first engrossment; further, delete the title of H.F. No. 2212 and insert the title of S.F. No. 2310, the first engrossment.

And when so amended H.F. No. 2212 will be identical to S.F. No. 2310,

and further recommends that H.F. No. 2212 be given its second reading and substituted for S.F. No. 2310, 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. Hughes from the Committee on Elections and Ethics, to which was referred the following appointment as reported in the Journal for March 1, 1990:

STATE ETHICAL PRACTICES BOARD

Vanne Hayes

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Hughes from the Committee on Elections and Ethics, to which was referred the following appointment as reported in the Journal for March 19, 1990:

STATE ETHICAL PRACTICES BOARD

Bruce Willis

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 22, 1990:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

William Jones

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Mark Bergmann

Duane Scribner

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 5, 1990:

STATE BOARD OF EDUCATION

Erling O. Johnson
Alan T. Zdon

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Pehler from the Committee on Education, to which were referred the following appointments as reported in the Journal for February 12, 1990:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Philip Brunelle
Joe Duffy
Garland Wright

**DEPARTMENT OF EDUCATION
COMMISSIONER**

Tom Nelson

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Marilyn Bryant
Paul Day
Roger Nierengarten

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Jack Amundson
Carol Blomberg

STATE BOARD FOR COMMUNITY COLLEGES

James B. Collier
Pierre Mattei

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 1769, 2566, 1706, 2105, 2564, 2477, 2318, 2195, 2034, 2490, 2536 and 2317 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2242, 1067, 2135, 2204, 1981, 1921, 1983, 2062, 1987, 2012, 1841, 1857, 2294, 2521 and 2212 were read the second time.

MOTIONS AND RESOLUTIONS

S.F. No. 60 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

March 14, 1990

The Honorable Jerome M. Hughes
President of the Senate

The Honorable Robert Vanasek
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 60, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 60 be further amended as follows:

Page 2, line 30, delete "is" and insert "are"

Page 3, line 11, delete "111.72" and insert "110.72"

Page 4, line 2, after "enforce" insert a comma

Page 4, after line 34, insert:

"Subd. 2. [AGENCY.] 'Agency' means a state officer, board, commission, bureau, division, or agency, other than a court, exercising duty or authority under laws listed in section 12. [105.73 s. 4]"

Page 4, line 35, delete "2" and insert "3"

Page 5, delete lines 1 to 7

Page 5, line 8, delete "5" and insert "4"

Page 5, after line 10, insert:

"Subd. 5. [PROCEEDING.] "Proceeding" means a procedure under any of the laws listed in section 12 that involves administrative discretion or duty. [105.73 s. 3]"

Page 5, line 26, after "under" insert "section 22;"

Page 5, line 27, delete "26," and insert "22; 25; 27; 28; 29; 32, subdivisions 1 and 2; 33 to 36; 37, subdivisions 1, 10, 11, and 12; 38; 39;"

Page 5, delete line 28

Page 5, line 29, delete everything before "sections"

Page 6, line 30, delete "will" and insert "shall"

Page 11, line 3, delete "agencies"

Page 11, line 6, delete "and"

Page 11, line 7, after "agency" insert "; and

(5) University of Minnesota"

Page 12, line 28, delete "section 26" and insert "sections 11" and after "9" insert ", and 26"

Page 13, line 16, before the semicolon insert "including a new plan and strategy by November 15, 1990, and each five-year interval afterwards"

Page 13, line 19, delete "and"

Page 13, line 20, after "(4)" insert "coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;

(5) in cooperation with state agencies participating in the monitoring of water resources, develop a plan for monitoring the state's water resources;

(6)"

Page 13, line 21, after "interests" insert ";

(7) ensure that groundwater quality monitoring and related data is provided and integrated into the Minnesota land management information system according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data;

(8) identify water resources information and education needs, priorities, and goals and prepare an implementation plan to guide state activities relating to water resources information and education;

(9) coordinate the development and evaluation of water information and education materials and resources; and

(10) coordinate the dissemination of water information and education through existing delivery systems"

Page 13, after line 24, insert:

"Subd. 3. [CONSISTENCY OF STATE INFORMATION ACTIVITIES.] State agency information and education activities must be consistent with the implementation plan required under subdivision 1, clause (8)."

Page 17, line 23, delete "45" and insert "49"

Page 18, after line 30, insert:

"Subd. 4. [APPROPRIATIONS FROM SMALL WATERCOURSES.] (a) This subdivision applies in Hennepin and Ramsey counties to the following public waters:

(1) a public water basin or wetland wholly within the county that is less than 500 acres; or

(2) a protected watercourse that has a drainage area of less than 50 square miles.

(b) An appropriation of water that is below the minimum established in article 7, section 27, subdivision 4, for a nonessential use, as defined under article 7, section 31, is prohibited unless a permit is obtained from the watershed district or watershed management organization having jurisdiction over the public water basin, wetland, or watercourse. The watershed district or watershed management organization may impose a fee to cover the cost of issuing the permit. This subdivision must be enforced by the home rule charter or statutory city where the appropriation occurs. Violation of this subdivision is a petty misdemeanor, except that a second violation within a year is a misdemeanor. Affected cities shall mail notice of this law to affected riparian landowners. [473.877 s. 4]

Subd. 5. [APPROPRIATIONS FROM SMALL WATERCOURSES.] This subdivision applies in Hennepin and Ramsey counties to the following public waters:

(1) a public water basin or wetland wholly within the county that is less than 500 acres; or

(2) a protected watercourse that has a drainage area of less than 50 square miles.

An appropriation of water that is below the minimum established in article 7, section 27, subdivision 4, for a nonessential use, as defined in article 7, section 31, is prohibited unless a permit is obtained from the watershed district or watershed management organization having jurisdiction over the public water basin, wetland, or watercourse. The watershed district or watershed management organization may impose a fee to cover the cost of issuing the permit. This subdivision must be enforced by the home rule charter or statutory city where the appropriation occurs. Violation of this subdivision is a petty misdemeanor, except that a second violation within a year is a misdemeanor. Affected cities shall mail notice of this law to adjoining landowners. [473.877 s. 5]"

Page 18, line 35, delete "subdivision" and insert "section"

Page 20, line 27, delete "subdivision" and insert "section"

Page 21, line 35, delete "subdivision" and insert "section"

Page 30, line 31, delete "levied"

Page 30, line 32, delete everything after "exceed"

Page 30, delete line 33

Page 30, line 34, delete everything before "on" and insert " 0.02418 percent of market value" and after "on" insert "taxable"

Page 31, line 6, delete everything after the period

Page 31, delete lines 7 and 8

Page 31, line 9, delete the new language

Page 32, line 27, delete "*Within*" and insert "*At least*"

Page 34, line 2, delete "*an ad valorem*" and insert "*a*"

Page 34, line 14, delete everything after "*exceed*"

Page 34, delete line 15

Page 34, line 16, delete everything before the comma and insert "*0.02418 percent of taxable market value*"

Page 38, lines 13 and 35, delete "*section 30*" and insert "*sections 30 and 31*"

Page 39, line 10, delete "*soil and*" and after "*water*" insert "*and soil*"

Page 40, line 20, delete "*12*" and insert "*13*"

Page 42, line 35, after "*quantity*" insert "*, and sensitive areas, wellhead protection areas,*"

Page 46, line 4, delete "*the comprehensive*" and insert "*sections 17 to 28*"

Page 46, line 5, delete "*local water management act*"

Page 46, line 10, delete "*Minnesota future resources*" and insert "*legislative*" and after "*commission*" insert "*on Minnesota resources*"

Page 46, line 13, delete "*the comprehensive local water management act*" and insert "*sections 17 to 28*"

Page 48, line 15, delete "*the comprehensive*" and insert "*sections 17 to 28*"

Page 48, line 16, delete "*local water management act*"

Page 48, line 23, delete "*the comprehensive local water management act*" and insert "*sections 17 to 28*"

Page 49, line 9, delete everything after the period

Page 49, delete lines 10 to 12

Page 50, lines 3 and 4, delete "*the comprehensive local water management act*" and insert "*sections 17 to 28*" and delete everything after the period

Page 50, delete lines 5 to 7

Page 50, line 8, delete everything before "*The*" and delete everything after "*of*" and insert "*the levy up to 0.01813 percent of taxable market value*"

Page 50, delete lines 9 and 10

Page 50, line 11, delete everything before "*is*"

Page 50, line 17, delete "*the comprehensive local water management act*" and insert "*sections 17 to 28*"

Page 51, line 29, delete "*Minnesota future resources*" and insert "*legislative*" and after "*commission*" insert "*on Minnesota resources*"

Page 51, lines 30 and 31, delete "*the comprehensive local water management act*" and insert "*sections 17 to 28*"

Page 51, line 34, delete "*the comprehensive local water management act*" and insert "*sections 17 to 28*"

Page 52, line 5, delete "*The comprehensive local water management act does*" and insert "*Sections 17 to 28 do*"

Page 58, line 17, delete "*boards*" and insert "*board*"

Page 58, line 24, after "*held*" insert a comma

Page 61, lines 21 and 24, delete "*21*" and insert "*22*"

Page 62, line 19, delete "*59 and 62*" and insert "*60 and 63*"

Page 65, line 13, after "*terminated*" insert "*under subdivision 2*"

Page 65, line 30, delete "*The term*"

Page 65, line 31, delete "*and*" and insert "*or*" and delete "*cities*" and insert "*city*"

Page 65, line 34, delete "*and*" and insert "*or*" and after the period insert "[MN L 1967, c 907, sec 1, 12]"

Page 66, line 29, delete everything after "*115,*"

Page 66, line 30, delete everything before the second "*and*"

Page 67, line 5, delete "*initiation of*"

Page 68, line 3, delete "*for which*" and insert "*, section 54;*"

Page 71, line 4, delete everything after "*exceed*" and insert "*.00242 percent of taxable market value*"

Page 71, delete line 5

Page 71, line 6, delete everything before "*on*"

Page 71, line 15, delete "*lake*"

Page 71, line 16, delete "*conservation*"

Page 71, line 24, after the period insert "[MN L 1969, c 272, sec 6]"

Page 72, line 4, after the period insert "[MN L 1969, c 272, sec 6]"

Page 72, lines 8 and 15, delete "*lake conservation*"

Page 73, line 5, after the second comma insert "*as amended by Laws 1974, chapter 111, and Laws 1977, chapter 322,*"

Page 73, line 27, delete "*one member*" and insert "*two members*"

Page 73, line 29, after the second "*2*" insert "*; MN L 1977, c 322, sec 2*"

Page 73, line 36, after "*(2)*" insert "*limit the use of motors, including their types and horsepower, on the lake;*

(3)"

Renumber the clauses in article 2, section 59, subdivision 2, accordingly

Page 74, line 33, delete "and"

Page 75, line 1, delete "lake conservation" and before the period insert "and"

(14) to require the submission of all plans pertaining to or affecting construction or other lakeshore use on any lot or parcel of land abutting the shoreline including: length of setback from the shoreline, adjoining property, or any street or highway; problems of population density; possible water, air or visual pollution; or height of construction. The board shall have 60 days after submission of plans or any part thereof for review. If, within 60 days of submission the board finds the plan or any part is inconsistent with its plans or ordinances, it may recommend that the plan or any part be revised and resubmitted"

Page 75, line 2, after "3" insert "; MN L 1974, c 111, sec 1"

Page 75, line 9, delete everything after "membership" and insert "the following officers to serve for a period of one year: chair, vice-chair, secretary, and treasurer. The offices of secretary and treasurer shall be combined unless a resolution is adopted to the contrary by the board prior to the election."

Page 75, delete line 10

Page 75, line 12, after "1" insert "; MN L 1977, c 322, sec 3"

Page 76, line 31, delete "governing" and delete "of the district"

Page 78, lines 1 and 8, delete "lake conservation"

Page 78, line 27, delete everything after "except"

Page 78, line 28, delete everything before "a"

Page 78, line 29, after "4" insert "; MN L 1974, c 111, sec 2"

Page 79, line 12, delete everything after "exceed" and insert ".02418 percent of taxable market value"

Page 79, delete line 13

Page 79, line 14, delete everything before "on"

Page 80, line 15, delete "each" and delete "agency" and insert "agencies" and delete "possesses" and insert "possess"

Page 80, line 17, delete "a"

Page 80, line 18, delete "district" and insert "districts"

Page 81, line 2, after "state" insert "or the United States" and after the comma insert "or"

Page 81, line 3, after "agency" insert "or instrumentality" and delete "and" and insert "or"

Page 88, line 14, delete "has" and insert "is considered to have"

Page 90, line 34, delete "The" and insert "Only"

Page 92, line 26, after the period insert "[40.14]"

Page 93, line 14, delete "will" and insert "shall"

Page 93, line 17, delete "will" in both places and insert "shall"

Page 94, line 36, delete "*the successors of the*"

Page 95, line 8, delete everything after "*(a)*"

Page 95, line 9, delete "*before the general election,*" and after "*shall*" insert "*immediately*"

Page 100, line 31, after "*land*" insert "*specified in section 2*"

Page 102, line 21, after "*succession*" insert "*unless terminated as provided in section 10*"

Page 104, line 15, delete everything after "*offices*"

Page 104, line 16, delete everything before the first comma

Page 112, line 2, delete "*and 2*" and insert "*to 3*"

Page 114, line 36, delete "*subdivision*" and insert "*section*"

Page 118, line 16, delete "*sections 24 to 30*" and insert "*section 26 or 27*"

Page 119, line 24, delete the first comma and insert "*or*" and delete everything after "*subdivision*"

Page 119, line 25, delete "*state*" and after the first period insert "*Interested party includes the director or any agency of government.*"

Page 119, line 30, delete "*determined by inquiry*" and insert "*obtained*"

Page 120, line 20, delete "*includes*" and insert "*means*"

Page 120, line 25, delete "*includes*" and insert "*mean*"

Page 120, line 35, after "*authority*" insert "*after the filing of an establishment petition*"

Page 123, line 5, delete "*or all*"

Page 123, line 31, delete "*groundwater*" and insert "*it*"

Page 124, line 20, delete "*may*" and insert "*must*"

Page 129, line 12, delete "*and a*"

Page 129, line 13, delete "*public corporation*"

Page 129, line 27, after "*mailed*" insert "*immediately*"

Page 129, line 33, delete "*a*"

Page 129, line 34, delete "*area*" and insert "*areas*"

Page 136, line 18, after "*not*" insert "*make determinations or*"

Page 136, line 19, delete everything before "*more*" and insert "*accept termination petitions for watershed districts*"

Page 136, line 34, delete "*112.41*" and insert "*112.411*"

Page 136, line 36, delete "*that*" and insert "*who*"

Page 137, line 9, delete "*be conditioned*" and insert "*state*"

Page 137, line 11, delete everything after "*dismissed*" and insert "*or denied.*"

Page 137, line 12, delete "*not terminated.*"

Page 137, line 28, delete the second "*statement*" and insert "*petition*"

Page 138, line 20, delete "*of the state*"

Page 143, line 31, delete "; 112.43 s. 1c"

Page 145, line 24, delete "122.44" and insert "112.44"

Page 146, line 25, after "*agency*" insert a comma and delete the second "*or*" and delete "*or public*" and after "*corporation*" insert ", *political subdivision*,"

Page 148, line 34, delete "*public corporations*" and insert " *political subdivisions*"

Page 151, line 19, delete "*revolving*" and insert "*general*" and delete everything after "*fund*" and insert "*must*"

Page 160, line 6, delete "*public corporation*" and insert "*political subdivision*"

Page 160, line 9, delete "*public corporation's*" and insert " *political subdivision's*"

Page 164, line 36, delete "59" and insert "68"

Page 167, line 19, delete "*freeholders*" and insert "*resident owners*"

Page 168, line 23, delete "*public corporations*" and insert " *political subdivisions*"

Page 169, line 20, delete "1" and insert "4"

Page 169, line 26, delete "2" and insert "5"

Page 171, line 6, delete "11" and insert "12"

Page 173, line 12, delete "*shall*" and insert "*must*"

Page 175, line 33, after "*a*" insert "*new*"

Page 175, line 34, delete "11" and insert "12"

Page 176, line 1, before "*drainage*" insert "*new*"

Page 176, line 2, delete "11" and insert "12" and delete "*resident*"

Page 176, line 8, delete "*resident*"

Page 176, line 22, delete "*resident*" and delete "*or owners*"

Page 180, line 12, delete "*freeholders*" and insert "*owners*"

Page 184, line 34, delete "*shall*" and insert "*must*"

Page 185, line 1, delete "*in lieu*" and insert "*instead*"

Page 185, line 10, delete "*relative to*" and insert "*about*"

Page 185, line 36, delete everything after "*with*"

Page 186, line 15, delete the second "*section 63*" and insert "*it*"

Page 186, line 27, delete "*shall*" and insert "*must immediately*"

Page 186, line 28, delete "*shall*" and insert "*must*"

Page 187, line 14, delete everything after "*(b)*" and insert "*Bids must not be considered which in the aggregate exceed by more than 30 percent the total estimated cost of construction.*"

Page 187, delete lines 15 and 16

Page 191, line 32, delete everything after "*exceed*"

Page 191, delete lines 33 and 34

Page 191, line 35, delete everything before "*or*" and insert "*0.01596 percent of taxable market value,*"

Page 192, line 19, delete "*a gross tax*"

Page 192, delete lines 20 to 22

Page 192, line 23, delete "*district*" and insert "*0.02418 percent of taxable market value*"

Page 192, line 29, delete everything after "*exceed*"

Page 192, delete line 30

Page 192, line 31, delete everything before the second "*for*" and insert "*0.00798 percent of taxable market value*"

Page 193, line 33, delete "*an ad*"

Page 193, line 34, delete "*valorem levy*" and insert "*the proceeds of a property tax*"

Page 193, line 35, delete everything after "*exceed*" and insert "*0.02418 percent of taxable market value.*"

Page 193, delete line 36

Page 194, delete lines 1 and 2

Page 194, line 9, delete "*7*" and insert "*8*"

Page 199, line 27, delete "*21*" and insert "*22*"

Page 239, line 16, delete "*16*" and insert "*22*"

Page 240, line 32, delete "*16*" and insert "*22*"

Page 268, lines 23 and 24, delete "*wildlife acquisition*" and insert "*game and fish*"

Page 271, line 34, delete "*name and address*" and insert "*names and addresses*"

Page 277, line 22, delete "*revolving*" and insert "*general*" and delete "*of the state*"

Page 277, line 23, delete "*auditor*"

Page 298, lines 17 and 18, delete "*the floodplain management law*" and insert "*sections 2 to 13*"

Page 299, lines 2 and 25, delete "*the floodplain management law*" and insert "*sections 2 to 13*"

Page 300, lines 29 and 30, delete "*the floodplain management law*" and insert "*sections 2 to 13*"

Page 301, line 22, delete "*the floodplain management law*" and insert "*sections 2 to 13*"

Page 302, line 14, after "*conduct*" insert "*, whenever possible,*"

Page 302, line 21, delete "*the floodplain management law*" and insert

"sections 2 to 13"

Page 303, lines 6 and 7, delete *"or not in compliance with"*

Page 303, line 10, delete *"subdivision"* and insert *"section"*

Page 303, line 11, delete *"subdivision"* and insert *"section"*

Page 310, after line 16, insert:

"Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of natural resources."

Page 310, line 17, delete *"2"* and insert *"3"*

Page 310, line 19, delete *"3"* and insert *"4"*

Page 311, line 14, delete *"105.482"* and insert *"105.485"*

Page 311, line 27, delete *"this"* and after *"section"* insert *"27"*

Page 315, lines 4 and 5, delete *"the Minnesota wild and scenic rivers act"* and insert *"sections 30 to 39"*

Page 319, line 35, delete *"the Minnesota wild and scenic rivers act"* and insert *"sections 30 to 39"*

Page 322, line 11, delete *"are"*

Page 329, lines 13 and 20, delete *"project riverbend"* and insert *"Project Riverbend"*

Page 333, line 6, delete *"to which"* and insert *"that"*

Page 335, line 14, before the period insert *"as provided by sections 57 to 68"*

Page 340, line 24, delete *"5"* and insert *"4"*

Page 341, line 20, delete *"57"* and insert *"60"*

Page 341, after line 25, insert:

"Sec. 69. [103F460] [ENVIRONMENTAL AGRICULTURAL EDUCATION PROGRAM.]

Subdivision 1. [PROGRAM.] An environmental agricultural program is established:

(1) to work with agricultural producers;

(2) to advise and inform agricultural producers on the impact of certain farming practices on water quality;

(3) to promote sustainable agriculture through use of best management practices and integrated pest management;

(4) to demonstrate and evaluate alternative pesticide practices; and

(5) to develop and promote farm profitability through a reduction in farm inputs.

Subd. 2. [CONTRACTS.] Contracts to carry out the program must be awarded by the board of water and soil resources following review by the legislative water commission. [40.31]"

Page 342, line 4, delete *"75"* and insert *"78"*

Page 342, line 5, delete *"COMMISSIONER"* and insert *"BOARD"* and

delete "Commissioner" and insert "Board"

Page 342, line 6, delete "commissioner of agriculture" and insert "board of water and soil resources"

Page 342, line 13, after "Subd. 5." insert "[DRAINED WETLAND.] "Drained wetland" means a former natural wetland that has been altered by draining, dredging, filling, leveling, or other manipulation sufficient to render the land suitable for agricultural crop production. The alteration must have occurred before December 23, 1985, and must be a legal alteration as determined by the commissioner of natural resources.

Subd. 6."

Page 342, line 14, after the comma insert "family farm partnerships, authorized farm partnerships," and delete "as defined under section"

Page 342, line 15, delete everything before "and"

Page 342, line 17, delete "paragraph (d)," and insert "and estates and testamentary trusts."

Page 342, line 19, delete "6" and insert "7"

Page 342, line 26, delete "commissioner" and insert "board"

Page 342, after line 26, insert:

"Subd. 8. [PUBLIC WATERS.] "Public waters" means waters and wetlands as defined in article 7, section 2, and inventoried under article 7, section 13. [40.42 s. 8]

Subd. 9. [SENSITIVE GROUNDWATER AREA.] "Sensitive groundwater area" means a geographic area defined by natural features where there is a significant risk of groundwater degradation from activities conducted at or near the land surface. These areas may be identified by mapping or other appropriate methods determined by the commissioner of natural resources and the board of water and soil resources. Wellhead protection areas may be designated as a sensitive groundwater area. [40.42 s. 6a, 9]"

Page 342, line 27, delete "7" and insert "10"

Page 342, line 33, delete "8" and insert "11"

Page 343, line 1, after "The" insert "board, in consultation with the"

Page 343, line 2, delete ", in consultation with" and insert "and"

Page 343, line 4, delete "commissioner of"

Page 343, line 5, delete "agriculture shall contract with the" and delete "of water and soil"

Page 343, line 6, delete "resources to" and insert "shall" and delete "75" and insert "77"

Page 343, line 11, delete the colon and insert "meets the requirements of paragraphs (b) and (c)."

Page 343, after line 11, insert:

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

Page 343, line 12, delete ", or" and insert ";

(2)”

Page 343, line 15, delete everything after “*description*” and insert “;

(3) *consists of a drained wetland;*

(4) *is land that*”

Page 343, line 16, delete the period and insert “;

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

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

(7) *is*”

Page 343, line 17, delete “*the*” and delete “*wetland may also be enrolled*” and insert “*wetlands*”

Page 343, after line 19, insert:

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

(9) *is abandoned building site on agricultural land, provided that funds are not used for compensation of the value of the buildings; or*

(10) *is land on a hillside used for pasture.*

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

Page 343, line 20, delete “(2) *was*” and insert “(1) *have been*” and after “*or*” delete “*was*” and insert “*be*”

Page 343, line 22, delete “*three years*” and insert “*one year*”

Page 343, line 24, delete “(3) *is*” and insert “(2) *be*” and after the second comma insert “*woodlot, or abandoned building site,*”

Page 343, line 25, delete “*is*” and insert “*be*”

Page 343, line 27, delete “(4) *is*” and insert “(3)” and after “*not*” insert “*be*”

Page 343, line 29, delete “(5) *was*” and insert “(4) *have been*”

Page 343, line 30, before the period insert “*except drained wetlands, woodlots, abandoned building sites, or land on a hillside used for pasture*”

Page 343, delete lines 31 to 36

Page 344, delete lines 1 to 5 and insert:

“(d) *The enrolled land of a landowner may not exceed 20 percent of the average farm size in the county where the land is being enrolled according to the average farm size determined by the United States Department of Agriculture, Census of Agriculture.*

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

Page 344, line 6, delete “(d)” and insert “(f)”

Page 344, line 9, delete “*commissioner*” and insert “*board*”

Page 344, line 11, after the period insert “*An easement acquired on land for windbreak purposes, under subdivision 2, may be only of permanent duration.*”

Page 344, lines 19 and 21, delete "commissioner" and insert "board"

Page 344, line 22, delete "unless" and insert "except, for agreements entered before the effective date of this act, grazing of livestock may be allowed only if"

Page 344, line 23, delete the first "commissioner" and insert "board"

Page 344, line 36, delete "commissioner" and insert "board"

Page 345, lines 10 and 12, delete "commissioner" and insert "board"

Page 345, line 14, delete "to restore any drained wetland and"

Page 345, line 15, after "wetland" insert "restoration"

Page 345, line 20, after the semicolon insert "and"

Page 345, line 21, delete everything after "(5)"

Page 345, delete lines 22 to 26

Page 345, line 27, delete "(6)"

Page 345, line 28, after "the" insert "board in consultation with the"

Page 345, line 30, delete "to facilitate" and insert "facilitate"

Page 345, line 33, delete "commissioner" and insert "board"

Page 346, line 3, delete "and"

Page 346, line 4, before the semicolon insert ", and 100 percent of the total eligible cost of wetland restoration not to exceed \$300 per acre"

Page 346, line 21, delete "commissioner" and insert "board"

Page 346, line 22, delete everything after "(b)"

Page 346, delete line 23

Page 346, line 24, delete everything before "[40.43 s. 6]" and insert "For hillside pasture conservation easements, the payments to the landowner in paragraph (a) for the conservation easement and agreement must be reduced to reflect the value of similar property."

Page 346, line 28, delete "commissioner" and insert "board"

Page 346, line 29, delete "commissioner" and insert "board"

Page 347, line 1, delete "commissioner" and insert "board"

Page 347, after line 6, insert:

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

(b) Upon the request of the board, the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney's fees, and any other appropriate relief to enforce sections 71 to 77 in district court in the county where all or part of the violation is

alleged to been committed, or where the landowner resides or has a principal place of business. [40.43 s. 9]"

Page 347, line 10, delete "75" and insert "77" and delete "commissioner" and insert "board"

Page 347, line 11, after the first "the" insert "department of agriculture, the"

Page 347, line 18, after "The" insert "board and the"

Page 347, lines 22 and 23, delete "commissioner of agriculture" and insert "board"

Page 347, line 31, delete "commissioners" and insert "board and the commissioner"

Page 347, line 32, delete "agriculture and"

Page 347, line 34, after "The" insert "board and the"

Page 348, line 6, delete "commissioner" and insert "board"

Page 348, line 11, delete "commissioner" and insert "board"

Page 348, after line 13, insert:

"Sec. 76. [103F526] [FOOD PLOTS IN WINDBREAKS.]

The board, in cooperation with the commissioner of natural resources, may authorize wildlife food plots on land with windbreaks. [40.44 s. 4]"

Page 348, line 15, delete "commissioner" and insert "board" and delete "emergency"

Page 348, delete lines 16 and 17

Page 348, line 18, delete everything before the period and insert "sections 71 to 77"

Page 348, after line 21, insert:

"Sec. 78. [103F535] [RESERVATION OF MARGINAL LAND AND WETLANDS.]

Subdivision 1. [RESERVATION OF MARGINAL LAND AND WETLANDS.] Notwithstanding any other law, marginal land and wetlands are withdrawn from sale by the state unless use of the marginal land or wetland is restricted by a conservation easement as provided in this section. This section does not apply to transfers of land by the board of water and soil resources to correct errors in legal descriptions under section 73, subdivision 8, or to transfers by the commissioner of natural resources for:

(1) land that is currently in nonagricultural commercial use if a conservation easement would interfere with the commercial use;

(2) land in platted subdivisions;

(3) conveyances of land to correct errors in legal descriptions under section 84.0273;

(4) exchanges of nonagricultural land with the federal government, or exchanges of Class A, Class B, and Class C nonagricultural land with local units of government under sections 94.342, 94.343, 94.344, and 94.349;

(5) land transferred to political subdivisions for public purposes under sections 84.027, subdivision 10, and 94.10; and

(6) land not needed for trail purposes that is sold to adjacent property owners and lease holders under section 85.015, subdivision 1, paragraph (b).

Subd. 2. [DELINEATION OF WETLAND OR MARGINAL LAND.] (a) Before state land is sold, the land must be submitted to the board of water and soil resources to determine and delineate the marginal land and wetlands to be reserved or restricted by a conservation easement. The delineation of the reservation or conservation easement need not be by legal description and may be a description in general terms that identifies the marginal land or wetlands.

(b) Marginal land and wetlands may not be sold unless restricted by a conservation easement with the restrictions provided in section 73, subdivision 4, paragraphs (a) and (c), and other restrictions determined necessary by the board of water and soil resources.

Subd. 3. [SCHOOL TRUST LAND.] If the sale of school trust land as defined in section 92.025 is restricted by a conservation easement and the restriction results in a reduction of the amount received from the sale, the commissioner of natural resources must determine the amount of the reduction. The amount of the reduction in sale price must be paid from appropriations to acquire conservation easements and shall be credited to the account to which the proceeds from the sale are credited.

Subd. 4. [RELEASE AND ALTERATION OF CONSERVATION EASEMENT.] The board may alter, release, or terminate a conservation easement created under this section after consultation with the commissioners of agriculture and natural resources. The board may alter, release, or terminate a conservation easement only if the board determines the public interests and general welfare are better served by the alteration, release, or termination. [40.46]"

Page 348, line 24, after "commissioner" insert "of natural resources"

Page 351, line 15, delete "115A.091" and insert "115.091"

Page 351, lines 17 and 18, delete "the clean water partnership law" and insert "sections 82 to 94"

Page 354, lines 27 and 28, delete "the comprehensive local water management act" and insert "article 2, sections 17 to 28"

Page 354, line 30, delete "12" and insert "11"

Page 355, line 17, delete "s. 1"

Page 355, line 33, delete "s. 2"

Page 359, line 24, delete "21 and 38" and insert "22 and 39"

Page 360, line 21, delete "21 and 38" and insert "22 and 39"

Page 362, line 6, delete "and" and insert "or"

Page 364, line 4, after "commissioner" insert "as trout streams"

Page 365, line 8, delete "the water law" and insert "this chapter"

Page 366, lines 14 and 22, delete "the water law" and insert "this chapter"

Page 367, line 7, delete "*the water law*" and insert "*this chapter*"

Page 367, line 18, delete "*for an*" and insert "*. This section applies*"

Page 367, line 19, delete "*action*" and insert "*to actions*"

Page 367, line 36, delete "*those sections*" and insert "*this chapter*"

Page 368, after line 21, insert:

"Sec. 12. [103G.145] [APPLICATION.]

Nothing in this chapter supersedes or amends section 92.45."

Page 372, line 14, delete the first "*subdivision*" and insert "*subdivisions*" and after the first comma insert "*11, and 12,*"

Page 374, line 28, delete "*conservation*" and insert "*zoning*"

Page 375, line 5, delete "*this*" and after "*subdivision*" insert "*I*"

Page 376, line 28, after "*for*" insert "*the consumptive*"

Page 376, line 31, after "*supply*" insert "*, and use for power production that meets the contingency planning provisions of section 30, subdivision 6*"

Page 376, line 32, delete "*any*" and insert "*a*"

Page 376, line 33, delete everything after "*day*" and insert a semicolon

Page 376, delete lines 34 and 35

Page 376, line 36, after "*irrigation,*" insert "*and processing of agricultural products*"

Page 377, line 1, delete "*a*" and insert "*per*" and delete everything after "*day*" and insert a semicolon

Page 377, delete line 2

Page 377, line 3, delete "*, involving*"

Page 377, line 4, delete everything before the semicolon and insert "*in excess of the use provided for in the contingency plan developed under section 30, subdivision 6*"

Page 377, after line 6, insert:

"(b) *For the purposes of this section, "consumption" means water withdrawn from a supply that is lost for immediate further use in the area."*

Page 377, line 7, delete "*(b)*" and insert "*(c)*"

Page 377, line 12, delete "*(c)*" and insert "*(d)*"

Page 377, after line 13, insert:

"(e) *The treatment and reuse of water for nonconsumptive uses shall be discouraged."*

Page 377, line 14, delete "*(d)*" and insert "*(f)*"

Page 379, line 27, delete everything after "*plans*"

Page 379, line 28, delete everything before the period and delete "*1a*" and insert "*1*"

Page 379, line 32, after "*land*" insert "*under section 32, subdivision*

2.”

Page 379, line 35, delete “1a” and insert “1”

Page 380, line 1, after “(a)” insert “*Except for local permits under article 2, section 7, subdivision 4,*”

Page 380, line 1, delete “A” and insert “a”

Page 380, after line 10, insert:

“*Subd. 5. [CERTAIN COOLING SYSTEM PERMITS PROHIBITED.] (a) The commissioner may not issue a water use permit from a groundwater source for a once-through cooling system using in excess of 5,000,000 gallons annually.*

(b) For purposes of this subdivision, a once-through cooling system means a cooling or heating system for human comfort that draws a continuous stream of water from a groundwater source to remove or add heat for cooling, heating, or refrigeration.”

Page 380, line 11, delete “5” and insert “6” and after “(a)” insert “*Except as described in paragraph (b),*”

Page 380, line 11, delete “A” and insert “a”

Page 380, line 12, after “*fee*” insert “*not to exceed \$2,000*”

Page 380, line 15, delete everything after “(1)” and insert “*0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year; and*”

Page 380, delete lines 16 and 17

Page 380, line 18, delete everything after “(2)” and insert “*0.1 cents per 1,000 gallons for amounts greater than 50,000,000 gallons per year.*”

Page 380, delete line 19

Page 380, line 20, delete everything after “(b)” and insert “*For once-through cooling systems as defined in subdivision 5, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:*

(1) 5.0 cents per 1,000 gallons until December 31, 1991;

(2) 10.0 cents for 1,000 gallons from January 1, 1992, until December 31, 1996; and

(3) 15.0 cents per 1,000 gallons after January 1, 1997.”

Page 380, line 21, delete “*regardless of*” and insert “*based on*”

Page 380, line 22, delete “*appropriated*” and insert “*permitted*” and after “*and*” insert “*in no case may the fee be less than \$25.*

(d)”

Page 380, line 23, after the period insert “[105.41 s. 5a]”

Page 380, delete lines 24 to 26

Page 380, line 27, delete “6” and insert “7”

Page 381, line 23, delete “*this*” and after “*section*” insert “*27 or 28*”

Page 382, line 2, after “*fee*” insert “*in section 27*”

Page 383, line 33, after "is" insert "adequate"

Page 383, line 34, delete "appropriation" and insert "water use"

Page 385, line 31, delete "156A.07" and insert "103I.205, subdivision 9"

Page 385, line 36, after "of" insert "paragraph (a)," and after "(6)" insert "or paragraph (c)"

Page 395, delete lines 5 to 11

Page 395, line 16, delete everything after the headnote and insert "*The commissioner shall make findings of fact on issues necessary for determination of the applications considered. Orders made by the commissioner must be based upon findings of fact made on substantial evidence. The commissioner may have investigations made. The facts disclosed by investigation must be put in evidence at the hearing.* [105.45]"

Page 395, delete lines 17 to 22

Page 395, delete lines 23 to 36, and insert:

"Subd. 3. [ISSUANCE OF PERMIT.] *If the commissioner concludes that the plans of the applicant are reasonable, practical, and will adequately protect public safety and promote the public welfare, the commissioner shall grant the permit.* [105.45]"

Subd. 4. [CONTROL LEVELS.] *If they are in issue, the commissioner shall also fix the control levels of public waters accordingly.* [105.45]"

Subd. 5. [DENIAL; MODIFICATIONS.] *Otherwise the commissioner shall reject the application or may require modification of the plan as the commissioner finds proper to protect the public interest.* [105.45]"

Subd. 6. [BURDEN OF PROOF; CONDITIONS.] (a) *In permit applications the applicant has the burden of proving that the proposed project is reasonable, practical, and will adequately protect public safety and promote the public welfare.*

(b) *In granting a permit, the commissioner may include in it terms and reservations about the amount and manner of the use or appropriation or method of construction or operation of controls as appear reasonably necessary for the safety and welfare of the people of the state.* [105.45]"

Page 396, delete lines 1 to 10

Page 396, delete lines 23 to 31 and insert:

"Subd. 8. [NOTICE OF PERMIT ORDER.] *Notice of orders made after hearing must be given by publication of the order once a week for two successive weeks in a legal newspaper in the county where the hearing was held and by mailing copies of the order to parties who entered an appearance at the hearing.* [105.45]"

Subd. 9. [TIME FOR ISSUANCE OF ORDER.] *The commissioner shall make an order within 60 days after the completion of the hearing.* [105.45]"

Page 399, line 18, after "If" insert "the stipulation is"

Page 400, line 21, delete "department" and insert "Department" and delete "army" and insert "Army"

Page 400, lines 29 and 30, delete "corps of army engineers" and insert

"United States Department of the Army Corps of Engineers"

Page 402, line 5, delete "*corps of army engineers*" and insert "*United States Department of the Army Corps of Engineers*"

Page 402, line 22, delete ". *The attorney general*" and insert "*who*"

Page 403, line 7, after "3," insert "*paragraph (a),*"

Page 404, line 3, delete "1" and insert "3"

Page 405, line 13, delete "4" and insert "3"

Page 408, line 6, delete "*commissioner*" and insert "*commissioners*" and after "*and*" insert "*the*"

Page 412, line 7, after "*agreement*" insert "*for the development or redevelopment of a hydropower sight*"

Page 412, line 10, delete everything after "*agreement*"

Page 412, line 11, delete "*hydropower site*"

Page 413, line 13, delete "46" and delete "*Statutes*" and insert "*Code, title 46, section*"

Page 414, line 23, delete "*Sections 52*" and insert "*This section*" and after "*and*" insert "*section*"

Page 415, line 11, after "*dam*" insert "*are considered to*"

Page 416, line 19, delete "*sections 52*" and insert "*this section*" and after "*and*" insert "*section*"

Page 417, line 27, delete "*of natural resources may*"

Page 417, line 28, after "(1)" insert "*shall*"

Page 418, line 36, delete "*sections*" and insert "*section*" and delete "53" and insert "*this section*"

Page 419, line 9, after the comma insert "*subdivision 2,*"

Page 419, line 16, after "52" insert ", *subdivision 5*"

Page 420, line 35, delete "*of natural resources*"

Page 421, lines 5, 17, 20, 29, and 33, delete "*of natural resources*"

Page 421, lines 35 and 36, delete "*of natural resources*"

Page 422, line 30, delete "\$100" and insert "\$200"

Page 423, after line 8, insert:

"Sec. 62. [103G.617] [EURASIAN WATER MILFOIL EDUCATION AND MANAGEMENT.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "Eurasian water milfoil" means myriophyllum spicatum.

Subd. 2. [INVENTORY.] The commissioner shall inventory and monitor the growth of Eurasian water milfoil on lakes in the state. The commissioner may use volunteers to aid in the inventory effort.

Subd. 3. [EDUCATION.] The commissioner shall publish and distribute informational materials to lakeshore owners and boaters on the control problems of Eurasian water milfoil.

Subd. 4. [MANAGEMENT.] The commissioner shall coordinate a control program to manage the growth of Eurasian water milfoil with appropriate local units of government, special purpose districts, and lakeshore associations. Technical assistance may be provided by the commissioner upon request.

Subd. 5. [RESEARCH.] The commissioner shall initiate cooperative research with the Freshwater Foundation and the University of Minnesota freshwater biological institute to study the use of nonchemical methods, including biological control agents, for control of Eurasian water milfoil. [84.0921]"

Page 423, line 15, delete "*of natural resources*"

Page 423, lines 24, 29, and 36, delete "111.81" and insert "110.71"

Page 423, line 27, delete "*of natural*"

Page 423, line 28, delete "*resources*" and delete "84.092" and insert "61"

Page 423, line 33, delete everything after "*exceed*"

Page 423, delete line 34

Page 423, line 35, delete everything before "50" and insert "*the lesser of (1) 0.01596 percent of taxable market value, or (2)*"

Page 424, lines 11, 17, and 23, delete "111.81" and insert "110.71"

Page 424, line 28, delete "105.471" and insert "105.475"

Page 425, delete section 65

Page 426, line 27, before "RELOCATION" insert "RECODIFICATION AND"

Page 427, line 17, delete "51" and insert "52"

Page 429, lines 14, 19, and 23, delete "12" and insert "13"

Page 430, after line 25, insert:

"Sec. 6. Minnesota Statutes 1988, section 41.65, subdivision 3, is amended to read:

Subd. 3. [RESTRICTED AGRICULTURAL USE.] (a) Acquired property that has marginal land as defined in *article 6*, section ~~40.42~~ 72, subdivision 6, or wetlands must be restricted from agricultural use on the marginal land or wetlands.

(b) If the commissioner determines that all or a portion of acquired property should be taken out of agricultural use or particular agricultural uses should be restricted, the commissioner shall have the attorney general prepare an easement restricting the agricultural use and file the easement with the county recorder where the property is located."

Page 430, delete section 6

Page 433, line 25, after the first "*of*" insert "*the division of*"

Page 433, line 35, delete "8" and insert "9"

Page 435, line 26, delete the second "9" and insert "10"

Page 435, line 28, delete the first "9" and insert "10"

Page 438, line 3, delete "51" and insert "52"

Page 438, line 34, delete "43, subdivisions 1, 2, and 3," and insert "44"

Page 438, after line 35, insert:

"Sec. 24. Minnesota Statutes 1988, section 97A.211, subdivision 1, is amended to read:

Subdivision 1. [NOTICE TO APPEAR IN COURT.] (a) A person must be given notice to appear in court for a misdemeanor violation of the game and fish laws, chapter 84, ~~105, or 106A~~, or section 609.68 or article 5, article 6, sections 25 to 29 or section 79, or article 7, if:

(1) the person is arrested and is released from custody prior to appearing before a court; or

(2) the person is subject to a lawful arrest and is not arrested because it reasonably appears to the enforcement officer that arrest is unnecessary to prevent further criminal conduct and that there is a substantial likelihood that the person will respond to a notice.

(b) The enforcement officer shall prepare, in quadruplicate, a written notice to appear in court. The notice must be in the form and has the effect of a summons and complaint. The notice must contain the name and address of the person charged, the offense, and the time and the place to appear in court. The court must have jurisdiction within the county where the offense is alleged to have been committed.

Sec. 25. Minnesota Statutes 1988, section 97A.211, subdivision 2, is amended to read:

Subd. 2. [RELEASE AFTER ARREST.] A person arrested for a misdemeanor violation of the game and fish laws, chapter 84, ~~105, or 106A~~ or section 609.68 or article 5, article 6, sections 25 to 29 or section 79, or article 7, may obtain release by signing the written notice prepared by the arresting officer promising to appear in court. The officer shall deliver a copy marked "SUMMONS" to the person arrested. The officer must then release the person from custody."

Page 439, delete section 25

Page 440, after line 10, insert:

"Sec. 27. Minnesota Statutes 1988, section 116D.04, subdivision 1a, is amended to read:

Subd. 1a. For the purposes of sections 116D.01 to 116D.07, the following terms have the meanings given to them in this subdivision.

(a) "Natural resources" has the meaning given it in section 116B.02, subdivision 4.

(b) "Pollution, impairment or destruction" has the meaning given it in section 116B.02, subdivision 5.

(c) "Environmental assessment worksheet" means a brief document which is designed to set out the basic facts necessary to determine whether an environmental impact statement is required for a proposed action.

(d) "Governmental action" means activities, including projects wholly or partially conducted, permitted, assisted, financed, regulated or approved

by units of government including the federal government.

(e) "Governmental unit" means any state agency and any general or special purpose unit of government in the state including, but not limited to, watershed districts organized under ~~chapter 412~~ *article 4*, counties, towns, cities, port authorities, housing authorities, and economic development authorities established under sections 458C.01 to 458C.23, but not including courts, school districts and regional development commissions other than the metropolitan council.

Sec. 28. Minnesota Statutes 1988, section 116J.70, subdivision 2a, is amended to read:

Subd. 2a. [LICENSE; EXCEPTIONS.] "Business license" or "license" does not include the following:

(1) Any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

(2) Any license issued by a county, home rule charter city, statutory city, township or other political subdivision;

(3) Any license required to practice the following occupation regulated by the following sections:

- (a) Abstracters regulated pursuant to chapter 386;
- (b) Accountants regulated pursuant to chapter 326;
- (c) Adjusters regulated pursuant to chapter 72B;
- (d) Architects regulated pursuant to chapter 326;
- (e) Assessors regulated pursuant to chapter 270;
- (f) Attorneys regulated pursuant to chapter 481;
- (g) Auctioneers regulated pursuant to chapter 330;
- (h) Barbers regulated pursuant to chapter 154;
- (i) Beauticians regulated pursuant to chapter 155A;
- (j) Boiler operators regulated pursuant to chapter 183;
- (k) Chiropractors regulated pursuant to chapter 148;
- (l) Collection agencies regulated pursuant to chapter 332;
- (m) Cosmetologists regulated pursuant to chapter 155A;
- (n) Dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
- (o) Detectives regulated pursuant to chapter 326;
- (p) Electricians regulated pursuant to chapter 326;
- (q) Embalmers regulated pursuant to chapter 149;
- (r) Engineers regulated pursuant to chapter 326;
- (s) Insurance brokers and salespersons regulated pursuant to chapter 60A;
- (t) Midwives regulated pursuant to chapter 148;
- (u) Morticians regulated pursuant to chapter 149;

- (v) Nursing home administrators regulated pursuant to chapter 144A;
- (w) Optometrists regulated pursuant to chapter 148;
- (x) Osteopathic physicians regulated pursuant to chapter 147;
- (y) Pharmacists regulated pursuant to chapter 151;
- (z) Physical therapists regulated pursuant to chapter 148;
- (aa) Physicians and surgeons regulated pursuant to chapter 147;
- (bb) Plumbers regulated pursuant to chapter 326;
- (cc) Podiatrists regulated pursuant to chapter 153;
- (dd) Practical nurses regulated pursuant to chapter 148;
- (ee) Professional fundraisers regulated pursuant to chapter 309;
- (ff) Psychologists regulated pursuant to chapter 148;
- (gg) Real estate brokers, salespersons and others regulated pursuant to chapters 82 and 83;
- (hh) Registered nurses regulated pursuant to chapter 148;
- (ii) Securities brokers, dealers, agents and investment advisers regulated pursuant to chapter 80A;
- (jj) Steamfitters regulated pursuant to chapter 326;
- (kk) Teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (ll) Veterinarians regulated pursuant to chapter 156;
- (mm) Watchmakers regulated pursuant to chapter 326;
- (nn) Water conditioning contractors and installers regulated pursuant to chapter 326;
- (oo) Water well contractors regulated pursuant to chapter 156A;
- (pp) Water and waste treatment operators regulated pursuant to chapter 115;
- (qq) Motor carriers regulated pursuant to chapter 221;
- (rr) Professional corporations regulated pursuant to chapter 319A;
- (4) Any driver's license required pursuant to chapter 171;
- (5) Any aircraft license required pursuant to chapter 360;
- (6) Any watercraft license required pursuant to ~~chapter 364~~ article 9;
- (7) Any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air or water, which is required to be obtained from a state agency or instrumentality; and
- (8) Any pollution control rule or standard established by the pollution control agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services."

Page 440, line 17, strike the first comma and before "article" insert a

semicolon and delete the third comma and insert a semicolon

Page 440, line 18, after "*sections*" insert "*23 and sections 27 to 29*" and delete "*26 to 28, and article 7, section 22*"

Page 440, delete sections 27 to 30

Page 447, line 4, delete "49" and insert "50"

Page 449, lines 12 and 24, delete "49" and insert "50"

Page 450, lines 2 and 6, delete "49" and insert "50"

Page 450, after line 6, insert:

"Sec. 36. Minnesota Statutes 1988, section 355.11, subdivision 4, is amended to read:

Subd. 4. "Employee" means any employee, other than elected officials, of municipal housing and redevelopment authorities or of any soil and water conservation district organized pursuant to ~~chapter 40~~ *article 3*, or any port authority organized pursuant to chapter 458, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37.

Sec. 37. Minnesota Statutes 1988, section 355.11, subdivision 5, is amended to read:

Subd. 5. "Employing unit" means any municipal housing and redevelopment authorities organized pursuant to sections 469.001 to 469.047 and any soil and water conservation district organized pursuant to ~~chapter 40~~ *article 3* or any port authority organized pursuant to sections 469.048 to 469.068, or any economic development authority organized pursuant to sections 469.090 to 469.108, or any hospital district organized or reorganized pursuant to sections 447.31 to 447.37."

Page 452, line 7, delete "27" and insert "28"

Page 452, line 8, strike "3" and insert "2"

Page 452, after line 9, insert:

"Sec. 40. Minnesota Statutes 1988, section 383A.602, subdivision 3, is amended to read:

Subd. 3. [DISTRICT.] "District" means the soil and water conservation district operating under ~~chapter 40~~ *article 3*."

Page 454, after line 16, insert:

"Sec. 45. Minnesota Statutes 1988, section 444.075, subdivision 1a, is amended to read:

Subd. 1a. [AUTHORIZATION.] Any municipality may build, construct, reconstruct, repair, enlarge, improve, or in any other manner obtain

(i) waterworks systems, including mains, valves, hydrants, service connections, wells, pumps, reservoirs, tanks, treatment plants, and other appurtenances of a waterworks system,

(ii) sewer systems, sewage treatment works, disposal systems, and other facilities for disposing of sewage, industrial waste, or other wastes, and

(iii) storm sewer systems, including mains, holding areas and ponds, and other appurtenances and related facilities for the collection and disposal of storm water, all hereinafter called facilities, and maintain and operate the

facilities inside or outside its corporate limits, and acquire by gift, purchase, lease, condemnation or otherwise any and all land and easements required for that purpose. The authority hereby granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by the charter of any municipality. The authority granted in clause (iii) to municipalities which have territory within a watershed which has adopted a watershed plan pursuant to *article 2*, section ~~473-878~~ *11*, shall be exercised, with respect to facilities acquired following the adoption of the watershed plan, only for facilities which are not inconsistent with the watershed plan. The authority granted in clause (iii) to municipalities which have adopted local water management plans pursuant to *article 2*, section ~~473-879~~ *12*, shall be exercised, with respect to facilities acquired following the adoption of a local plan, only for facilities which are not inconsistent with the local plan. Counties, except counties in the seven county metropolitan area, shall have the same authority granted to municipalities by this subdivision except for areas of the county organized into cities and areas of the county incorporated within a sanitary district established by special act of the legislature."

Page 454, line 24, after "9" insert ", section 10, subdivision 6"

Page 458, line 12, strike "4," and strike "and" and after "6" insert ", and 7"

Page 459, after line 7, insert:

"Sec. 55. Minnesota Statutes 1988, section 500.24, subdivision 3b, is amended to read:

Subd. 3b. [PROTECTION OF CONSERVATION PRACTICES.] If a corporation, pension or investment fund, or limited partnership, other than a family farm corporation, an authorized farm corporation, a family farm partnership, or authorized farm partnership, during the period of time it holds agricultural land under subdivision 3, clause (i), intentionally destroys a conservation practice as defined in *article 6*, section ~~40-49~~ *57*, subdivision *§ 3*, to which the state has made a financial contribution, the corporation, pension or investment fund, or limited partnership must pay the commissioner of agriculture, for deposit in the general fund, an amount equal to the state's total contributions to that conservation practice plus interest from the time of investment in the conservation practice. Interest must be calculated at an annual percentage rate of 12 percent."

Page 459, after line 23, insert:

"Sec. 58. Laws 1987, chapter 404, section 22, subdivision 7, is amended to read:

Subd. 7. Fish and Wildlife
Management

	\$25,734,700	\$25,985,500
	Summary by Fund	
General	\$ 788,600	\$ 795,900
Nongame Wildlife	\$ 1,179,800	\$ 1,183,600
Water Recreation	\$ 150,000	\$ 150,000
Wildlife Acquis.	\$ 961,500	\$ 836,500
Game and Fish	\$22,624,800	\$22,989,500

Wild Rice Management	\$ 30,000	\$ 30,000
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\$685,700 in the first year and \$685,700 the second year are appropriated from the game and fish fund for payments to counties in lieu of taxes on acquired wildlife lands and is not subject to transfer.

\$1,179,800 the first year and \$1,183,600 the second year are from the nongame wildlife management account in the special revenue fund for the purpose of nongame wildlife management. Any unencumbered balance remaining in the first year does not cancel but is available the second year.

\$54,400 in the first year and \$54,200 the second year are for acid rain research.

\$40,000 the first year and \$40,000 the second year is from the general fund for one complement position to serve as a native prairie biologist.

\$127,900 the first year and \$127,900 the second year are for emergency deer feeding. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$30,000 is appropriated each year from the wild rice management account project to improve natural wild rice production on public waters pursuant to Minnesota Statutes, section 97A.065, subdivision 4.

\$40,000 for the first year and \$40,000 for the second year is from the general fund to be transferred to the commissioner of agriculture to compensate landowners for agricultural crops damaged by elk.

\$10,000 each year is appropriated from the general fund to be used as an additional payment to the Leech Lake Indian Reservation for enforcement activities. The reservation may also use \$40,000 of the increased annual payment that it receives as a result of the fee increases in this act for enforcement. The department of natural resources shall also make surplus equipment available to the reservation.

~~Effective July 1, 1987, aquatic plant control permit fees established under Minnesota Statutes, section 84.092, subdivision 1, are doubled. Notice of the revised fees must be published in the State Register as soon as practical."~~

Page 459, line 25, before "RELOCATION" insert "RECODIFICATION"

AND"

Page 462, line 10, before "WATERCRAFT" insert "YOUTH"

Page 462, line 20, delete "YOUTH"

Page 463, line 25, after the period insert "[361.07]"

Page 470, line 23, after "12" insert "; 361.02 s. 7"

Page 470, line 27, delete "361.02" and insert "361.03"

Page 477, line 4, delete "40" and insert "39"

Page 485, line 23, delete "name and address" and insert "names and addresses"

Page 489, after line 5, insert:

"Subd. 7. [WATERCRAFT SURCHARGE.] A surcharge of \$2 is placed on each watercraft licensed under subdivisions 1 to 6, that is 17 feet in length or longer, for management of purple loosestrife and Eurasian water milfoil according to law."

Page 489, line 6, delete "7" and insert "8"

Page 489, line 12, delete "8" and insert "9"

Page 489, line 15, delete "9" and insert "10"

Page 490, line 8, delete "monohulled"

Page 490, line 9, delete "less than" and after "feet" insert "or less"

Page 496, line 2, delete the first "subdivision" and insert "subdivisions 1 and" and delete "this subdivision"

Page 498, line 22, delete "or"

Page 498, line 23, after the comma insert "or section 20,"

Page 499, line 7, delete "1990" and insert "1991"

Page 499, line 11, delete "water law" and insert "laws affecting water"

Page 499, line 12, after "alter" insert "the laws affecting water" and delete "the water law"

Page 499, line 13, after "authority" insert a comma

Page 499, line 14, after the period insert "It is intended that decisions construing laws that are recodified by articles 1 to 10 are not affected by the recodification. The revisor of statutes shall publish the statutory derivation of the laws recodified by articles 1 to 10 in Laws of Minnesota but may omit them from Minnesota Statutes."

Sec. 2. [EFFECT ON ADMINISTRATIVE RULES.]

Notwithstanding the provisions of Minnesota Statutes, section 14.05, subdivision 1, or other law to the contrary, the repeal in this article of a law authorizing an agency to adopt administrative rules, does not repeal the rules authorized. The revisor need not recodify administrative rules solely because of the enactment of articles 1 to 10."

Page 499, line 16, before "The" insert "(a)"

Page 499, after line 21, insert:

“(b) In the next edition of Minnesota Statutes, the revisor of statutes shall renumber the sections in Column A with the numbers in Column B.

<i>Column A</i>	<i>Column B</i>
361A.01	86B.820
361A.02	86B.825
361A.03	86B.830
361A.04	86B.835
361A.05	86B.840
361A.06	86B.845
361A.07	86B.850
361A.08	86B.855
361A.09	86B.860
361A.10	86B.865
361A.11	86B.870
361A.12	86B.875
361A.13	86B.880
361A.14	86B.885
361A.15	86B.890
361A.16	86B.895
361A.17	86B.900
361A.18	86B.905
361A.19	86B.910
361A.20	86B.915
361A.21	86B.920”

Page 499, line 17, after “and” insert “, if amendments are passed by the 1990 legislature using coding that is made obsolete by articles 1 to 10, shall” and after “codify” insert “the” and delete “to”

Page 499, delete line 18

Page 499, line 19, delete “legislature”

Page 499, line 28, after “40.28;” insert “40.31;” and after “40.45;” insert “40.46;” and after “84.032;” insert “84.092; 84.0921;”

Page 500, line 33, after “114B.07;” insert “115.091; 115.092; 115.093; 115.094; 115.095; 115.096; 115.097; 115.098; 115.099; 115.10; 115.101; 115.102; 115.103; 116C.40;”

Page 501, line 8, delete “and” and after the second semicolon insert “Laws 1967, chapter 907; Laws 1969, chapter 272; Laws 1971, chapter 355; Laws 1974, chapter 111; Laws 1977, chapter 322; and Laws 1982, chapter 627”

Renumber the sections in sequence

Correct internal references

Insert derivations from chapter 106A into article 5, as appropriate

Update from the appropriate 1989 Supplement, sections of 1988 Minnesota Statutes that were amended by the 1989 regular or special session

Amend the title accordingly

We request adoption of this report and repassage of the bill.

Senate Conferees: (Signed) Gary M. DeCramer, Gene Merriam, Dennis R. Frederickson

House Conferees: (Signed) Steve Dille, Len Price, Loren G. Jennings

Mr. DeCramer moved that the foregoing recommendations and Conference Committee Report on S.F. No. 60 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Mr. DeCramer moved that S.F. No. 60 and the Conference Committee Report thereon, be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mrs. Lantry in the chair.

After some time spent therein, the committee arose, and Mrs. Lantry reported that the committee had considered the following:

S.F. Nos. 1937, 2297, 1703, 1966, 1976, 1975, 1681, 2129, 2541 and H.F. Nos. 2149, 1989, 2508, which the committee recommends to pass.

S.F. No. 1869, which the committee recommends to pass with the following amendment offered by Mr. Gustafson:

Page 2, line 14, after the period, insert "*An employer must comply with subdivision 8 six months following the date the standard industrial classification that applies to the employee is placed on the list.*"

Page 2, after line 15, insert:

"Sec. 3. Minnesota Statutes 1988, section 182.653, is amended by adding a subdivision to read:

Subd. 8b. [RULEMAKING AUTHORITY.] The commissioner's rule-making authority for the purpose of implementing subdivision 8 is limited to specifying the list of standard industrial classifications as provided in subdivision 8a."

Page 2, delete section 4

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

S.F. No. 2156: A bill for an act relating to local government; allowing municipalities to enter into certain contracts to reduce energy and operating

costs; amending Minnesota Statutes 1988, section 471.345, by adding a subdivision; repealing Minnesota Statutes 1988, section 471.345, subdivision 9.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 56 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1999: A bill for an act relating to agriculture; changing certain duties, procedures, and requirements related to organic food; amending Minnesota Statutes 1988, sections 31.92, by adding subdivisions; 31.94; and 31.95.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2061: A bill for an act relating to privacy of communications; including cordless telephones in the privacy of communications act; amending Minnesota Statutes 1988, sections 626A.01, subdivisions 3 and 14; and 626A.02, subdivisions 2 and 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2213: A bill for an act relating to traffic regulations; regulating wheel flaps and covered loads; imposing a penalty; amending Minnesota Statutes 1988, sections 169.733; and 169.81, subdivision 5, and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Knaak	Moe, D.M.	Ramstad
Beckman	Diessner	Knutson	Moe, R.D.	Reichgott
Belanger	Flynn	Kroening	Morse	Samuelson
Berglin	Frank	Lantry	Novak	Spear
Brandl	Frederick	Lessard	Olson	Storm
Brataas	Frederickson, D.J.	Luther	Pariseau	Stumpf
Cohen	Freeman	Marty	Pehler	Vickerman
Dahl	Gustafson	McGowan	Peterson, R.W.	Waldorf
Davis	Hughes	McQuaid	Piper	
Decker	Johnson, D.E.	Mehrkens	Pogemiller	
DeCramer	Johnson, D.J.	Merriam	Purfurst	

Those who voted in the negative were:

Anderson	Bernhagen	Chmielewski	Larson	Renneke
Benson	Bertram	Frederickson, D.R.	Piepho	Schmitz
Berg				

So the bill passed and its title was agreed to.

S.F. No. 2136: A bill for an act relating to education; changing the duration and membership of the task force on education organization; amending Laws 1988, chapter 718, article 6, section 23, subdivisions 1, 2, and 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1958: A bill for an act relating to education; changing school consolidation election procedures; amending Minnesota Statutes 1988, section 122.23, subdivisions 9, 11, 12, and 13.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1400: A bill for an act relating to probate; providing right to counsel in certain guardianship and conservatorship proceedings; proposing coding for new law in Minnesota Statutes, chapter 525.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1827: A bill for an act relating to civil actions; providing for immunity from liability for unpaid members of county agricultural society boards; addressing reduction of damages in an action under no-fault automobile insurance; preserving common law tort law claims against adults who knowingly provide alcoholic beverages to minors; increasing the amount of claims that may be settled without court approval under the municipal compromise of claims statute; changing the standard for awarding punitive damages; addressing when a principal may be held liable for punitive damages for an act of the principal's agent; requiring a separate trial to address punitive damages; requiring the court to review a punitive damages award; making the contributory negligence rule apply to damages resulting from economic loss; redefining fault; abolishing the doctrine of last clear chance; providing immunity from liability for volunteer ski patrollers; allowing recovery of attorney fees by good faith reporters under the child abuse reporting act; repealing the limit on intangible loss damages and the requirement that a jury specify amounts for past, future, and intangible loss damages; amending Minnesota Statutes 1988, sections 38.013; 65B.51, subdivision 1; 340A.801, by adding a subdivision; 466.08; 541.051, subdivision 1; 548.36, subdivision 3; 549.20, subdivisions 1, 2, and by adding subdivisions; 604.01, subdivisions 1, 1a, and 3; 604.05, subdivision 2; 626.556, subdivision 4; repealing Minnesota Statutes 1988, sections 549.23 and 549.24.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2299: A bill for an act relating to agriculture; establishing the Minnesota natural wild rice promotion advisory council; proposing coding for new law in Minnesota Statutes, chapter 30.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2207: A bill for an act relating to agriculture; requiring cash discounts on agricultural production inputs if there are interest discounts on credit terms for seller-financed sales; proposing coding for new law in Minnesota Statutes, chapter 325E.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Brandl and Frederickson, D.J. voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1940: A bill for an act relating to health; specifying requirements for a health maintenance organization application for a certificate; establishing protections against conflicts of interest; establishing requirements for a guaranteeing organization; including certain investments as admitted assets; requiring an expedited resolution of disputes about coverage of immediately and urgently needed service; allowing replacement coverage by other health maintenance organizations; allowing appointment of a special examiner; amending Minnesota Statutes 1988, sections 62D.02, subdivision 15; 62D.03, subdivision 4; 62D.04, subdivision 1; 62D.041, subdivision 2; 62D.044; 62D.08, subdivisions 1, 2, and 6; 62D.11, subdivisions 1a, 4, and by adding a subdivision; 62D.121, by adding a subdivision; 62D.17, subdivisions 1 and 4; 62D.18, subdivision 1; 62D.211; Minnesota Statutes 1989 Supplement, sections 62D.121, subdivision 3; 72A.491, by adding a subdivision; Laws 1988, chapter 434, section 24; proposing coding for new law in Minnesota Statutes, chapter 62D; repealing Minnesota Statutes 1988, sections 62D.12, subdivisions 14 and 16; 62D.18, subdivisions 2 to 5; and 62D.20, subdivision 2.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2051: A bill for an act relating to health; allowing a waiver of restrictions that may be placed upon controlling persons of a nursing home; amending Minnesota Statutes 1988, section 144A.04, subdivision 4; and by adding a subdivision.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2370: A bill for an act relating to human services; revising and clarifying the duties and powers of the ombudsman for mental health and mental retardation; amending Minnesota Statutes 1989 Supplement, section 245.94, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1831: A bill for an act relating to health and human services; stating policy and requiring a plan relating to rules and regulations affecting services to persons with mental retardation and related conditions; proposing coding for new law in Minnesota Statutes, chapter 245A.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Benson, Frederick and Knutson voted in the negative.

So the bill passed and its title was agreed to.

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, section 128B.03, subdivision 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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; Minnesota Statutes 1989 Supplement, section 13.82, subdivision 10.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1848: 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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1838: A bill for an act relating to health; requiring a surcharge fee for hearing instrument sellers; 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, section 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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 2407: A bill for an act relating to health; requiring an asbestos abatement rule change.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1942: A bill for an act relating to insurance; making changes in arbitration proceedings concerning no-fault automobile insurance; amending Minnesota Statutes 1988, section 65B.525, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 72A.327.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1821: A bill for an act relating to nursing; allowing nurse practitioners to prescribe and administer drugs and therapeutic devices; authorizing the board of nursing to adopt rules; establishing an interim filing requirement; amending Minnesota Statutes 1989 Supplement, section 148.171; proposing coding for new law in Minnesota Statutes, chapter 148.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1952: A bill for an act relating to health; requiring a study of methods of improving systems for regulating social work and mental health occupations and professions; exempting the board of unlicensed mental health service providers from certain license fee requirements.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Consent Calendar. The motion prevailed.

CONSENT CALENDAR

H.F. No. 1893: A bill for an act relating to local government; authorizing certain towns to contribute to economic development organizations.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. DeCramer moved that S.F. No. 60 and the Conference Committee Report thereon be taken from the table. The motion prevailed.

Mr. DeCramer moved that the foregoing recommendations and Conference Committee Report on S.F. No. 60 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 60 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Knutson in the chair.

After some time spent therein, the committee arose, and Mr. Knutson reported that the committee had considered the following:

S.F. No. 2063, which the committee recommends to pass, after the following motion:

Mr. Pogemiller moved to amend S.F. No. 2063 as follows:

Page 1, line 19, delete "*all human health*"

Page 1, line 20, delete everything before "*facilities*"

Page 1, line 21, delete "*in sparsely*" and insert a period

Page 1, delete lines 22 and 23

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 45, as follows:

Those who voted in the affirmative were:

Berglin	Gustafson	Luther	Peterson, R.W.	Stumpf
Cohen	Hughes	McQuaid	Pogemiller	Waldorf
Flynn	Knutson	Novak	Ramstad	
Freeman	Kroening	Pehler	Spear	

Those who voted in the negative were:

Adkins	Brataas	Frederick	Marty	Piepho
Anderson	Chmielewski	Frederickson, D.J.	McGowan	Piper
Beckman	Dahl	Frederickson, D.R.	Mehrkens	Purfeerst
Belanger	Davis	Johnson, D.E.	Merriam	Reichgott
Benson	Decker	Johnson, D.J.	Metzen	Renneke
Berg	DeCramer	Knaak	Moe, R.D.	Samuelson
Bernhagen	Dicklich	Lantry	Morse	Schmitz
Bertram	Diessner	Larson	Olson	Storm
Brandl	Frank	Lessard	Pariseau	Vickerman

The motion did not prevail. So the amendment was not adopted.

S.F. No. 1675, which the committee recommends to pass, subject to the following motions:

Mr. Berg moved to amend S.F. No. 1675 as follows:

Page 2, after line 5, insert:

"Sec. 3. [17.493] [UNIFORM REGULATION OF AQUICULTURE.]

Subdivision 1. [UNIFORMITY REQUIRED.] A state agency must regulate all aquiculture activities in the state uniformly, including aquiculture activities conducted by the state, to protect against adverse effects on health, natural resources, and the environment. The uniformity must apply to discharges into the waters of the state where the aquiculture is being conducted, discharges to other bodies of water, permits required, standards for waters of the state where the aquiculture is being conducted, and monitoring required for permits or otherwise. Aquiculture activities must be regulated uniformly regardless of the size of the aquiculture activity.

Subd. 2. [RULES.] The commissioners of agriculture, the pollution control agency, and natural resources jointly in consultation with the University of Minnesota shall adopt rules consistent with subdivision 1 to regulate aquiculture by September 1, 1990. Rules may be adopted after that date in the same manner."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Frederickson moved to amend the Berg amendment to S.F. No. 1675 as follows:

Page 1, line 8, delete "*The uniformity*" and insert "*These uniform regulations*" and after "*to*" insert a colon

Page 1, line 13, delete "*or otherwise*"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Berg amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 1743, which the committee reports progress, subject to the following motions:

Mr. Schmitz moved to amend S.F. No. 1743 as follows:

Page 1, line 11, after the comma, insert "*and after the commission has determined that a majority of customers in the petitioning exchange favor the installation of extended area telephone service,*"

Page 2, line 4, after the period, insert "*The rate to the petitioning*

exchange must be available to its customers before the commission determines whether a majority of them favor the installation of extended area telephone service."

Mr. Schmitz then moved to amend the Schmitz amendment to S.F. No. 1743 as follows:

Page 1, line 6, delete "*The rate*" and insert "*An estimate of the rate*"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Schmitz amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

S.F. No. 1743 was then progressed.

S.F. No. 1499, which the committee recommends to pass with the following amendments offered by Messrs. Dahl, Laidig and Ms. Reichgott:

Mr. Dahl moved to amend S.F. No. 1499 as follows:

Page 1, delete lines 17 to 20 and insert:

"Subd. 3. [CASH PRICE.] "Cash price" means an amount equal to the equivalent fair market value for goods offered under a consumer credit sale as provided under section 325G.15."

Page 8, line 35, before "*This*" insert "*To the extent that this subdivision is not inconsistent with Minnesota Statutes 1988, sections 325G.15 and 325G.16,*"

Page 15, delete lines 2 to 5 and insert "*Minnesota Statutes 1988, sections 325G.15 and 325G.16, apply to the price at which the lessor may offer rental property to the lessee under a rental-purchase agreement entered before the rules adopted under section 8 are effective. Section 15 does not affect the price at which the lessor may offer rental property to the lessee under a rental-purchase agreement entered before rules adopted under section 8 are effective."*

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend S.F. No. 1499 as follows:

Page 2, delete lines 20 to 30

Page 2, line 31, delete "*Subd. 2. [APPLICABLE LAWS.]*"

The motion prevailed. So the amendment was adopted.

Mr. Laidig then moved to amend S.F. No. 1499 as follows:

Page 8, delete lines 35 and 36

Page 9, delete lines 1 to 7

Page 9, line 8, delete "*3*" and insert "*2*"

Page 9, line 13, delete "*4*" and insert "*3*"

Pages 14 and 15, delete section 17

The motion prevailed. So the amendment was adopted.

Ms. Reichgott moved to amend S.F. No. 1499 as follows:

Pages 2 and 3, delete section 2 and insert:

"Sec. 2. [325F83] [APPLICATION OF OTHER LAW.]

If the consumer protection provisions of sections 1 to 14 conflict with sections 325G.15 and 325G.16, sections 1 to 14 apply to a rental-purchase agreement and supersede sections 325G.15 and 325G.16."

Page 14, delete section 15

Page 15, delete lines 2 to 5

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, delete "amending"

Page 1, delete line 6

Page 1, line 7, delete "5;"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate proceed to the Order of Business of Introduction and First Reading of Senate Bills. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Anderson and Decker introduced—

S.F. No. 2604: A bill for an act relating to taxation; property; changing the class rate applied to noncommercial seasonal recreational property; amending Minnesota Statutes Second 1989 Supplement, section 273.13, subdivision 25.

Referred to the Committee on Taxes and Tax Laws.

Messrs. DeCramer, Mehrkens, Metzen, Frederick and Vickerman introduced—

S.F. No. 2605: A resolution memorializing the congressional delegation from Minnesota to advocate certain positions regarding the development of the next Federal Highway Program.

Referred to the Committee on Transportation.

Mses. Flynn, Berglin, Messrs. Brandl, Marty and Ms. Piper introduced—

S.F. No. 2606: A bill for an act relating to health; amending the clean indoor air act; amending Minnesota Statutes 1988, sections 144.413, subdivision 2, and by adding subdivisions; 144.414, subdivisions 1, 3, and by adding a subdivision; 144.415; 144.416; and 144.417, subdivision 2.

Referred to the Committee on Health and Human Services.

Messrs. Novak; Metzen; Frank; Peterson, R.W. and Ms. Olson introduced—

S.F. No. 2607: A bill for an act relating to taxation; property; providing for valuation of manufactured home parks; classifying manufactured home parks; limiting valuation increases for manufactured home parks; requiring a notice to park residents; amending Minnesota Statutes 1988, section 273.11, by adding subdivisions; Minnesota Statutes 1989 Supplement, section 273.11, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 273.13, subdivision 23; and 273.1398, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 2608: A bill for an act relating to education; approving a capital loan to the Finlayson school district.

Referred to the Committee on Education.

Messrs. Novak; Johnson, D.J. and Gustafson introduced—

S.F. No. 2609: A bill for an act relating to the environment; providing for the management and cleanup of tax-forfeited lands; requiring a report by the pollution control agency; amending Minnesota Statutes 1988, sections 115B.02, subdivision 11; 115B.03, by adding a subdivision; 115C.02, subdivision 8; 115C.021, by adding a subdivision; 116.49, by adding a subdivision; and 282.08; proposing coding for new law in Minnesota Statutes, chapter 282.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

Mrs. Lantry moved that her name be stricken as chief author, shown as a co-author, and the name of Mr. Cohen be added as chief author to S.F. No. 1777. The motion prevailed.

Mr. Merriam moved that his name be stricken as a co-author to S.F. No. 1715. The motion prevailed.

MEMBERS EXCUSED

Mr. Langseth was excused from the Session of today. Mr. Metzen was excused from the Session of today from 2:00 to 2:30 p.m. and at 5:00 p.m. Mr. Pogemiller was excused from the Session of today from 4:30 to 5:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Thursday, March 22, 1990. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate