

## SEVENTY-EIGHTH DAY

St. Paul, Minnesota, Tuesday, March 27, 1990

The Senate met at 12:30 p.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Bill Mulligan.

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	Kroening	Moe, R.D.	Samuelson
Belanger	Dicklich	Laidig	Morse	Schmitz
Benson	Diessner	Langseth	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.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F Nos. 2651 and 2199.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 26, 1990

### FIRST READING OF HOUSE BILLS

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

H.F. No. 2651: A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature, with certain conditions; authorizing issuance of state bonds; authorizing the commissioner of finance to make certain covenants to the purchasers of certain bonds or certificates of indebtedness; requiring identification of certain accounts; providing for the reduction and cancellation of certain bond sale authorizations; approving capital loans to certain school districts; not approving capital loans to certain school districts; authorizing certain lease-purchase, lease with option to buy, and rental arrangements by the commissioner of administration; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; 16A.672, by adding a subdivision; 16B.24, subdivisions 5 and 6; 116.18, subdivision 3d; 136.62, by adding a subdivision; 136A.28, subdivisions 3 and 7; 136C.04, subdivision 4; Minnesota Statutes 1989 Supplement, sections 16A.631; 16A.641, subdivision 7; 16A.69, subdivision 1; 16B.335, subdivision 2; Laws 1979, chapter 280, section 2, as amended; Laws 1989, chapter 329, article 5, section 21, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1988, section 16A.651.

Mr. Moe, R.D. moved that H.F. No. 2651 be laid on the table. The motion prevailed.

H.F. No. 2199: A bill for an act relating to retirement; making a variety of technical changes in the laws governing benefits and administration of various statewide and local public pension plans; authorizing certain purchases of prior service credit; forbidding certain reductions in retirement benefits; providing that certain persons are members of the state troopers retirement plan; changing the effective date of a provision governing surviving spouse benefits from the public employees retirement association; providing survivor benefits to certain spouses of deceased former corrections employees; clarifying the status of certain volunteer firefighter relief associations; increasing maximum service pension for the Minnetonka volunteer firefighter relief association; amending Minnesota Statutes 1988, sections 3A.03, subdivision 2; 352.73, by adding a subdivision; 352B.01, subdivision 2; 352B.11, subdivision 4; 352C.09, subdivision 2; 352D.05, subdivision 3; 354.05, subdivision 13; 354.07, subdivision 4; 354.146, subdivision 1; 354.42, subdivisions 2 and 3; 354.46, subdivision 1; 354.52, subdivision 2; 354.55, subdivision 19; 356.302, subdivisions 3 and 4; Minnesota Statutes 1989 Supplement, sections 352.01, subdivision 25; 352.031, subdivisions 2, 3, and by adding a subdivision; 352.115, subdivision 3; 352.116, subdivisions 1, 1a, and by adding a subdivision; 352.93, subdivisions 2a and 3; 352B.08, subdivisions 2a and 3; 352B.11, subdivision 2; 353.01, subdivision 37; 353.29, subdivision 3; 353.30; 353.651, subdivision 4; 354.05, subdivision 38; 354.071, subdivisions 2, 3, and by adding a subdivision; 354.44, subdivision 6; 354.45, subdivision 1a; 354.46, subdivision 2; 354.47, subdivision 1; 354.48, subdivision 3; 354.49, subdivisions 2 and 3; 354.50, subdivision 5; 354.55, subdivision 11; 354.65; 354.66, subdivision 2; 354A.011, subdivision 15a; 354A.095; 354A.31, subdivisions 4, 6, and 7; 354A.32, subdivisions 1 and 1a; 354B.02, subdivisions 2 and 3; 354B.03, subdivisions 1 and 3; 356.371, subdivision 3; 356.86, subdivisions 2, 4, 5, and 6; Laws 1989, chapter 319, article 17, section 18; Laws 1989, chapter 319, article 19, section 7, subdivision 4; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 354.05, subdivisions 23, 24, 33, and 34; 354.146, subdivision 2; and

354.62, subdivisions 1, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; 353.87, subdivision 5; 354.44, subdivision 7; and 354.62, subdivisions 2 and 7.

Referred to the Committee on Governmental Operations.

### REPORTS OF COMMITTEES

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

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

H.F. No. 2457: A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; restricting loans from proceeds of mortgage revenue bonds under certain circumstances; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.091, subdivisions 1, 4, and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes 1989 Supplement, section 290.01, subdivision 19a; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, sections 474A.081, subdivisions 1, 2, and 4; and 474A.091, subdivision 4a; Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2.

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

Delete everything after the enacting clause and insert:

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

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

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

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

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

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

Sec. 4. Minnesota Statutes 1988, section 474A.03, is amended to read:  
474A.03 [~~DETERMINATION OF ANNUAL VOLUME CAP~~]

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The community unemployment rate used in determining the points under clause (5) must be the rate for the county in which the proposed project is located unless an accurate rate may be estimated for a smaller geographic area or census tract. The commissioner of jobs and training must approve the rate used when an unemployment rate other than that for a county is used.

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

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

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

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

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

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

Subd. 2. [15-YEAR AGREEMENT.] Prior to the issuance of residential rental bonds, the developer of the project for which the bond proceeds will

be used must enter into a 15-year agreement with the issuer that specifies the maximum rental rates of the units in the project and the income levels of the residents of the project. The rental rates and income levels must be within the limitations established under subdivision 1. The developer must annually certify to the issuer over the term of the agreement that the rental rates are within the limitations under subdivision 1. The issuer may request individual certification of the income of all residents of the project.

**Sec. 7. [474A.048] [SINGLE FAMILY MORTGAGE BONDS; LIMITATIONS.]**

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

*(b) "City" means a city as defined in section 462C.02, subdivision 6.*

*(c) "Existing housing" means single family housing that (i) has been previously occupied prior to the first day of the origination period; or (ii) has been available for occupancy for at least 12 months but has not been previously occupied prior to the first day of the origination period.*

*(d) "Metropolitan area" means a metropolitan statistical area as defined by the United States Department of Commerce's Bureau of the Census.*

*(e) "New housing" means single family housing that has not been previously occupied and has become initially available within sixty days or less of the first day of the origination period.*

*(f) "Origination period" means the period that loans financed with the proceeds of qualified mortgage revenue bonds are available for the purchase of single family housing. The origination period begins when financing actually becomes available to the borrowers for loans.*

*(g) "Redevelopment area" means a compact and contiguous area within which the city finds by resolution that 70 percent of the parcels in the area are occupied by buildings, streets, utilities, or other improvements and more than 25 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance.*

*(h) "Single family housing" means dwelling units eligible to be financed from the proceeds of qualified mortgage revenue bonds under federal law.*

*(i) "Structurally substandard" means containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light, ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.*

*Subd. 2. [LIMITATION; ORIGINATION PERIOD.] During the first ten months of an origination period, the Minnesota housing finance agency or a city may make loans financed with proceeds of mortgage bonds for the purchase of existing housing. Loans financed with the proceeds of mortgage bonds for new housing in the metropolitan area may be made during the first ten months of an origination period only if at least one of the following conditions is met:*

*(1) the new housing is located in a redevelopment area, and is replacing a structurally substandard structure or structures; or*

(2) *the new housing is located on a parcel purchased by the city or conveyed to the city under section 282.01, subdivision 1; or*

(3) *the new housing is part of a housing affordability initiative, other than those financed with the proceeds from the sale of bonds, in which federal, state, or local assistance is used to substantially improve the terms of the financing or to substantially write down the purchase price of the new housing.*

*Upon expiration of the first ten-month period, the agency or a city may make loans financed with the proceeds of mortgage bonds for the purchase of new and existing housing.*

*Subd. 3. [REDEVELOPMENT AREA.] A city must submit to the Minnesota housing finance agency the resolution adopted by the governing body of the city finding an area to be a redevelopment area, and a map of the redevelopment area.*

*Subd. 4. [LIMITATION; COMMITMENTS AND LOANS TO BUILDERS AND DEVELOPERS.] The Minnesota housing finance agency or a city may not make available, provide set-asides, or commit to make available proceeds of mortgage bonds for the exclusive use of builders or developers for loans to eligible purchasers for new housing except for new housing described in subdivision 2, clauses (1) to (3). This prohibition is in effect for the total origination period.*

*Subd. 5. [REPORTING REQUIREMENT.] The Minnesota housing finance agency and any city that provides loans for new housing financed with the proceeds of mortgage bonds shall report to the chairs of the appropriate housing related standing committees or divisions of the state senate and house of representatives by January 1 of each year detailing new housing activity financed with the proceeds of mortgage bonds, including a description of affordable housing initiatives, the number of loans, the average purchase price, and average borrower income.*

Sec. 8. Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 1, is amended to read:

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

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

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

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

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

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

*(2) the adjusted income of home buyers cannot exceed the agency's income limits except in a metropolitan statistical area, where the adjusted income of home buyers cannot exceed the greater of the agency's income limits and in no case can the income limit exceed that for the Twin Cities metropolitan statistical area, or 80 percent of the area median income as published by the Department of Housing and Urban Development;*

*(3) house price limits may not exceed the greater of agency house price limits or 90 percent of the median purchase price in the city for which the bonds are to be sold up to a maximum of 90 percent of the safe harbor limitations for existing housing provided under section 143(e) of the Internal Revenue Code of 1986, as amended through December 31, 1989, except that house price limits may be 90 percent of the safe harbor limitation for existing housing if subsidy is used to reduce the effective purchase price of the property to the above levels. Data establishing the median purchase price in the city must be included in the application by a city requesting house price limits higher than the housing finance agency's house price limits; and*

*(4) the housing program meets the requirements of section 7.*

*The Minnesota housing finance agency may accept applications from July 1 to July 15 from cities for single-family housing programs which meet program requirements specified under clauses (1) to (4) if bonding authority is available in the housing pool. The agency and a representative for each applicant shall negotiate the terms of an agreement regarding the allocation of available authority among the applicants. The agreement must allot available bonding authority among the applicants. For purposes of paragraphs (a) to (d), "city" has the meaning given it in section 462C.02, subdivision 6, and "agency" means the Minnesota housing finance agency.*

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

*(c) A city may choose to issue bonds on its own behalf or through a joint powers agreement and may request an allocation from the commissioner. The commissioner shall allocate the requested amount if sufficient bonding authority is available in the housing pool. If the total amount requested by all applicants exceeds the amount available in the pool, the city may not receive a greater allocation than the amount it would have received under the agreement forwarded by the Minnesota housing finance agency to the commissioner. No city may request or receive an allocation from the commissioner until the agreement under paragraph (b) has been forwarded to the commissioner. Between the first Monday in April and the last Monday in August, no city may receive an allocation from the housing pool which has not first applied to the Minnesota housing finance agency.*

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

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

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

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

*If there are two or more applications for manufacturing projects from the manufacturing pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding*

*authority has been transferred as provided in section 474A.081, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.*

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

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

Sec. 12. Minnesota Statutes 1988, section 474A.061, subdivision 3, is amended to read:

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

Sec. 13. Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 4, is amended to read:

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

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

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

30 days of receiving allocation;

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

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

No refund shall be available for allocations returned ~~on or after the last Monday in November~~ 90 or more days after receiving the allocation. This subdivision does not apply to the Minnesota housing finance agency.

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

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

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

Subd. 2. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, ~~and~~ (4) an application deposit in the amount of two percent of the requested allocation, ~~and (5) a public purpose scoring worksheet for small issue applications. An issuer applying for an allocation for residential rental project bonds who does not sign an agreement requiring that the project comply with the gross rent restrictions of the low-income housing credit program under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1988, must submit an additional application deposit in the amount of one percent of the requested allocation. The issuer must pay the application deposit by check.~~ An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

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

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

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

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

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

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

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

(4) applications for redevelopment bonds;

(5) applications for mortgage bonds; and

(6) applications for governmental bonds.

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

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

reserved for small issue bonds and ~~one-fourth~~ *one-eighth* of the remaining available bonding authority is reserved for public facility bonds.

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

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

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

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

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

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

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

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

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

last Monday in November, the amount of allocation *is canceled and returned must be reallocated* for reallocation through the unified pool.

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

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

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

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

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

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

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

Sec. 20. Minnesota Statutes 1988, section 474A.14, is amended to read:  
474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

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

Sec. 21. [SUNSET OF QUALIFIED BONDS.]

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

*Subd. 2. [APPLICATION.] An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be*

issued, and (4) an application deposit in the amount of two percent of the requested allocation. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under Minnesota Statutes, section 474A.04, subdivision 6.

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

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

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

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

*Allocations for residential rental projects may only be made during the first allocation in June and must meet the eligibility requirements of section 6. If an application is rejected, the commissioner must notify the applicant and return the application deposit to the applicant within 30 days unless the applicant requests in writing that the application be resubmitted. The granting of an allocation of bonding authority under this section must be evidenced by issuance of a certificate of allocation.*

*(c)(1) On the first Monday in July, \$20,000,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the manufacturing pool under Minnesota Statutes, section 474A.03, subdivision 1, less the amount allocated to issuers from the manufacturing pool for that year, whichever is less, is reserved within the unified pool for small issue bonds. On the first Monday in July, \$2,500,000 of bonding authority or an amount equal to the total annual amount of bonding authority allocated to the public facilities pool under section 474A.03, subdivision 1, less the amount allocated to issuers from the public facilities pool for*

that year, whichever is less, is reserved within the unified pool for public facility bonds. If sufficient bonding authority is not available to reserve the required amounts for both small issue bonds and public facility bonds, seven-eighths of the remaining available bonding authority is reserved for small issue bonds and one-eighth of the remaining available bonding authority is reserved for public facility bonds.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 22. [REPEALER.]

*Minnesota Statutes 1988, sections 474A.081, as amended by Laws 1989, chapter 328, article 1, section 21; 474A.091, subdivision 4a; and Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2, are repealed. Section 21 is repealed January 1, 1991.*

Sec. 23. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to public financing; allocating authority to issue tax exempt revenue bonds; restricting loans from proceeds of mortgage revenue bonds under certain circumstances; amending Minnesota Statutes 1988, sections 474A.02, subdivisions 6, 8, and by adding a subdivision; 474A.03; 474A.061, subdivision 3, and by adding subdivisions; 474A.091, subdivisions 1, 4, and 5; 474A.131, subdivision 2; and 474A.14; Minnesota Statutes Second 1989 Supplement, sections 474A.061, subdivisions 1 and 4; and 474A.091, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapter 474A; repealing Minnesota Statutes 1988, sections 474A.081, as amended; 474A.091, subdivision 4a; Minnesota Statutes Second 1989 Supplement, section 474A.061, subdivision 2."

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

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

S.F. No. 1894: A bill for an act relating to environment and natural resources; amending provisions relating to water management organizations; providing legislative commission oversight of the metropolitan water management act; authorizing management and financing of drainage systems under certain laws; exempting certain water planning and implementation costs in the metropolitan area from levy limits; clarifying water management purposes; authorizing counties to remove watershed district managers for just cause; authorizing a technical advisory committee; requiring watershed management organizations to prepare newsletters, annual reports, and audits; providing for preparation of watershed plans and implementation of plans; providing penalties for not implementing plans; authorizing and directing the board of water and soil resources to adopt rules; providing for appeal of plan failures; providing for requests for proposals for certain services; authorizing accumulation of levy proceeds; authorizing establishment of a special tax district in certain areas; requiring a draining system report; appropriating money; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, by adding a subdivision; 473.875; 473.876, by adding a subdivision; 473.877, subdivision 1; 473.878, subdivisions 1, 1a, 2, 3, 4, 8, and by adding subdivisions; 473.879, subdivision 2; 473.881; 473.882, subdivision 1; and 473.883, subdivisions 3 and 7; Minnesota Statutes 1989 Supplement, section 473.883, subdivision 6; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 112 and 473.

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

Pages 2 to 8, delete section 5

Page 19, delete lines 25 to 30

Page 21, after line 25, insert:

“Sec. 27. [EFFECTIVE DATE.]

*Section 8, subdivisions 2 and 3, and section 17 are effective July 1, 1992.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, delete “exempting certain water”

Page 1, delete line 8

Page 1, line 9, delete “area from levy limits;”

Page 1, line 21, delete everything after the semicolon

Page 1, line 22, delete “district in certain areas;”

Page 1, line 31, delete “Minnesota Statutes Second 1989”

Page 1, line 32, delete everything before “proposing”

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

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

S.F. No. 2612: A bill for an act relating to taxation; providing for valuation and property taxation of certain minerals and mining property; exempting clay from the net proceeds tax; providing for the deduction from the net proceeds tax of certain reclamation costs; changing the computation of the production tax for concentrates produced in 1990; amending Minnesota Statutes 1988, sections 272.03, subdivision 1; 273.1104, subdivision 1; 298.015, subdivision 1; 298.017; 298.05; and 298.24, subdivision 1; repealing Minnesota Statutes 1988, section 273.02, subdivision 4; Minnesota Statutes 1989 Supplement, section 273.02, subdivisions 5 and 6.

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

Page 3, line 22, delete “including kaolin”

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

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

S.F. No. 1896: A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; authorizing an emergency medical services advisory committee; exempting ambulances from vehicle license fees, registration, and excise taxes; regulating the provision of special transportation services; providing

a tax credit; requiring studies; increasing medical assistance rates for ambulance services; creating a loan forgiveness program for medical students; providing nursing scholarships; creating a loan forgiveness program for advanced practice nurses; providing funding for summer medical interns; encouraging rural medical school applicants; requiring a study of medical assistance reimbursement for physicians; increasing participation in the rural physicians associates program; creating a rural hospital planning and transition grant program; creating a rural hospital subsidy fund; requiring a study of rural health professionals; allowing counties authority to exceed levy limits; appropriating money and increasing the complement; amending Minnesota Statutes 1989 Supplement, sections 116.76, subdivision 9; 116.78, by adding subdivisions; 144.804, subdivisions 1 and 7; 144.809; 144.8091; 168.012, subdivision 1; 168.013, subdivision 1a; and 297B.03; Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 136A; 144; 147; 174; and 290.

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

Page 11, delete section 12

Page 15, line 22, delete "20" and insert "19"

Renumber the sections of article 1 in sequence

Amend the title as follows:

Page 1, line 13, delete "providing a tax credit;"

Page 1, line 34, after "147;" insert "and" and delete "; and" and insert a period

Page 1, delete line 35

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

## **SECOND READING OF SENATE BILLS**

S.F. No. 2612 was read the second time.

## **SECOND READING OF HOUSE BILLS**

H.F. No. 2457 was read the second time.

## **MOTIONS AND RESOLUTIONS**

Mr. Lessard introduced—

Senate Resolution No. 172: A Senate resolution congratulating the Grand Rapids High School Hockey Team for winning Second Place in the 1990 State High School Hockey Tournament.

Referred to the Committee on Rules and Administration.

Mr. Lessard introduced—

Senate Resolution No. 173: A Senate resolution congratulating the International Falls High School Girls Basketball Team on participating in the Class AA Girls State Basketball Tournament.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 354 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 354: A bill for an act relating to trusts; permitting the creation of custodial trusts; adopting the uniform custodial trust act; proposing coding for new law as Minnesota Statutes, chapter 529.

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 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2124 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 2124: A bill for an act relating to traffic regulations; changing allowed dimensions of travel trailers; requiring brakes on certain vehicles weighing 3,000 pounds or more; amending Minnesota Statutes 1988, section 169.67, subdivision 3; Minnesota Statutes 1989 Supplement, sections 168.011, subdivision 8; and 169.67, 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 56 and nays 2, as follows:

Those who voted in the affirmative were:

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

Mrs. Adkins and Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2393 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 2393: A bill for an act relating to consumer protection; regulating automatic garage door systems in residential buildings; providing standards; providing penalties and remedies; amending Minnesota Statutes 1989 Supplement, section 16B.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 325F.

Mr. Solon moved that the amendment made to H.F. No. 2393 by the Committee on Rules and Administration in the report adopted March 26, 1990, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

Mr. Solon moved to amend H.F. No. 2393 as follows:

Page 4, line 2, delete "*repair*,"

Page 4, line 29, delete "*stamp, stencil, mark, or brand*" and insert "*clearly identify*"

Page 4, line 30, delete "*in a clear and conspicuous manner*,"

Page 5, line 18, delete "*January 1, 1991*" and insert "*July 1, 1990*"

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend H.F. No. 2393 as follows:

Page 5, delete lines 15 to 18

The motion prevailed. So the amendment was adopted.

H.F. No. 2393 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1758 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 1758: A bill for an act relating to health; requiring the licensing of wholesale drug distributors; providing penalties; amending Minnesota Statutes 1988, sections 151.06, subdivision 1; and 151.25; proposing coding for new law in Minnesota Statutes, chapter 151.

Mr. Morse moved to amend S.F. No. 1758 as follows:

Page 1, after line 7, insert:

“Section 1. [PURPOSE.]

*The legislature finds that biosynthetic bovine somatotropin has not been fully researched to provide conclusive evidence about the human and animal health effects. In the public interest, the legislature intends biosynthetic bovine somatotropin to be closely regulated and administered only in research or necessary medical circumstances for three years after the effective date of sections 2 to 4.*

Sec. 2. Minnesota Statutes 1988, section 151.01, subdivision 28, is amended to read:

Subd. 28. [VETERINARY LEGEND DRUG.] “Veterinary legend drug” means *biosynthetic bovine somatotropin (BST) until three years after the effective date of section or a drug that is required by federal law to bear the following statement: “Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian.”*”

Page 3, after line 21, insert:

“Sec. 4. Minnesota Statutes 1988, section 151.15, subdivision 3, is amended to read:

Subd. 3. [UNLICENSED PERSONS; VETERINARY LEGEND DRUGS.] It shall be unlawful for any person other than a licensed veterinarian or pharmacist to compound or dispense veterinary legend drugs except as provided in this chapter. *Until three years after the effective date of this section, a veterinarian or veterinarian's assistant may use biosynthetic bovine somatotropin (BST) for medical or research purposes only. Biosynthetic bovine somatotropin (BST) may not be dispensed to, used by, or administered by a person who is not a licensed veterinarian or a veterinarian's assistant under the veterinarian's supervision.*”

Page 4, line 6, after "drugs" insert "*or biosynthetic bovine somatotropin (BST) until three years after the effective date of this section*"

Page 10, line 2, delete "1 to 11" and insert "3, and 5 to 14"

Page 10, after line 2, insert:

*"Sections 2 and 4 and the portion of section 5 that relates to biosynthetic bovine somatotropin (BST) are effective 30 days after the commissioner of agriculture publishes notice in the State Register that states having 20 percent or more of milk production as determined by the United States Department of Agriculture statistics for 1987 have adopted provisions that restrict general use of biosynthetic bovine somatotropin (BST)."*

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Knaak questioned whether the amendment was germane. The President ruled that the amendment was germane.

Mr. DeCramer moved to amend the Morse amendment to S.F. No. 1758 as follows:

Page 1, delete lines 3 to 10

Page 1, line 11, delete "Sec. 2." and insert "'Section 1."

Page 1, line 20, delete "4" and insert "3"

Page 1, line 36, delete "3" and insert "2" and delete "5" and insert "4"

Page 2, line 1, delete "14" and insert "13"

Page 2, line 3, delete "2 and 4" and insert "1 and 3" and delete "5" and insert "4"

Page 2, line 6, delete "20" and insert "40"

The motion did not prevail. So the amendment to the amendment was not adopted.

Mr. Morse moved to amend the Morse amendment to S.F. No. 1758 as follows:

Page 2, line 18, delete "1987" and insert "1988"

Page 2, line 19, after the period, insert "*Notwithstanding this section and sections 2 and 4 and the portion of section 5 that relates to biosynthetic bovine somatotropin, if the commissioner of agriculture publishes notice in the State Register that states having less than 20 percent of milk production as determined by the United States Department of Agriculture statistics for 1988 have adopted provisions that restrict general use of biosynthetic bovine somatotropin, sections 2 and 4 and the portion of section 5 that relates to biosynthetic bovine somatotropin have no effect and biosynthetic bovine somatotropin may be sold for general use.*"

The motion prevailed. So the amendment to the amendment was adopted.

Mr. Merriam moved to amend the Morse amendment to S.F. No. 1758 as follows:

Page 1, line 10, after "4" insert "*of this act*"

Page 1, line 15, after "section" insert "*4 of this act*"

Page 1, line 26, delete "this" and after "section" insert "4 of this act"

Page 1, line 35, delete "this" and after "section" insert "2 of this act"

The motion prevailed. So the amendment to the amendment was adopted.

The question recurred on the Morse amendment, as amended.

The roll was called, and there were yeas 35 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Luther	Pogemiller
Anderson	DeCramer	Johnson, D.J.	Marty	Reichgott
Beckman	Dicklich	Kroening	Merriam	Schmitz
Berglin	Flynn	Laidig	Moe, D.M.	Solon
Bertram	Frank	Langseth	Moe, R. D.	Spear
Chmielewski	Frederickson, D.J.	Lantry	Morse	Stumpf
Cohen	Freeman	Larson	Pehler	Vickerman

Those who voted in the negative were:

Belanger	Dahl	Johnson, D.E.	Metzen	Purfeerst
Benson	Decker	Knaak	Novak	Ramstad
Berg	Diessner	Lessard	Olson	Renneke
Bernhagen	Frederick	McGowan	Pariseau	Samuelson
Brandl	Frederickson, D.R.	McQuaid	Peterson, R. W.	Storm
Brataas	Gustafson	Mehrken	Piepho	

The motion prevailed. So the Morse amendment, as amended, was adopted.

S.F. No. 1758 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 48 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Laidig	Metzen	Samuelson
Anderson	Dicklich	Langseth	Moe, D.M.	Schmitz
Beckman	Flynn	Lantry	Moe, R. D.	Solon
Belanger	Frank	Larson	Morse	Spear
Berglin	Frederickson, D.J.	Lessard	Novak	Storm
Bertram	Freeman	Luther	Pehler	Stumpf
Chmielewski	Hughes	Marty	Peterson, R. W.	Vickerman
Cohen	Johnson, D.J.	McGowan	Pogemiller	Waldorf
Dahl	Knaak	McQuaid	Ramstad	
Davis	Kroening	Merriam	Reichgott	

Those who voted in the negative were:

Benson	Brataas	Frederick	Mehrken	Piepho
Berg	Decker	Frederickson, D.R.	Olson	Purfeerst
Bernhagen	Diessner	Johnson, D.E.	Pariseau	Renneke
Brandl				

So the bill, as amended, 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 revert to the Orders of Business of Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

**REPORTS OF COMMITTEES**

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

Mr. Moe, R.D. from the Committee on Rules and Administration, pursuant to Rule 40 and on request of Mr. Waldorf, first author, recommends that

S.F. No. 1688: A bill for an act relating to health; preventing abortions for birth control purposes; requiring informed consent for abortions; proposing coding for new law in Minnesota Statutes, chapter 145.

be withdrawn from the Committee on Health and Human Services and be re-referred to the Committee on Judiciary. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 2282: A bill for an act relating to contracts; providing for enforcement of certain contracts; proposing coding for new law as Minnesota Statutes, chapter 338.

Reports the same back with the recommendation that the report from the Committee on Employment, shown in the Journal for March 20, 1990, be adopted; that committee recommendation being:

“the bill do pass”. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred for proper reference under Rule 35:

S.F. No. 2320 reports the same back with the recommendation that the bill be re-referred as follows:

S.F. No. 2320 to the Committee on Health and Human Services.

Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Rule 35, together with the committee report thereon,

S.F. No. 1847: A bill for an act relating to human rights; amending definitions of public accommodation, age, and familial status; clarifying medical information obtainable from prospective employees; clarifying protection for pregnant employees; prohibiting threats against home owners and renters; adding familial status as a protected class in employment; prohibiting discriminatory business practices; clarifying the meaning of business necessity and continuing violations; renumbering definitions; amending Minnesota Statutes 1988, sections 363.01, subdivisions 18 and 28; 363.03, subdivisions 2, 8a, and by adding a subdivision; 363.06, subdivision 1, and by adding a subdivision; 363.11; and 363.116; Minnesota Statutes 1989 Supplement, sections 363.01, subdivision 31; 363.02, subdivision 1; and 363.03, subdivision 1.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 22, 1990, be

adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

## SECOND READING OF SENATE BILLS

S.F. Nos. 2282 and 1847 were read the second time.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

## INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time and referred to the committee indicated.

Mr. Piepho introduced—

S.F. No. 2616: A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 1; providing that state spending may not increase at a greater rate than allowed by the constitution.

Referred to the Committee on Finance.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2012 a Special Order to be heard immediately.

## SPECIAL ORDER

S.F. No. 2012: A bill for an act relating to agriculture; providing that checkoff fees from certain potato producers are not refundable; amending Minnesota Statutes 1988, section 17.63.

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 51 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	McQuaid	Samuelson
Beckman	Dicklich	Knaak	Mehrkens	Schmitz
Belanger	Diessner	Kroening	Metzen	Solon
Berglin	Flynn	Laidig	Moe, R.D.	Storm
Bernhagen	Frank	Langseth	Novak	Stumpf
Bertram	Frederick	Lantry	Pehler	Vickerman
Brandl	Frederickson, D.J.	Larson	Peterson, R.W.	Waldorf
Brataas	Frederickson, D.R.	Lessard	Piper	
Chmielewski	Gustafson	Luther	Ramstad	
Cohen	Hughes	Marty	Reichgott	
Decker	Johnson, D.E.	McGowan	Renneke	

Those who voted in the negative were:

Anderson	Berg	Merriam	Pariseau	Piepho
Benson	Davis	Olson		

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2374 a Special Order to be heard

immediately.

### SPECIAL ORDER

H.F. No. 2374: A bill for an act relating to agriculture; changing the makeup of potato research and promotion councils; providing for the certification of seed potatoes; amending Minnesota Statutes 1988, section 17.54, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 21.

Mr. Moe, R.D. moved to amend H.F. No. 2374, as amended pursuant to Rule 49, adopted by the Senate March 23, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 1889.)

Page 1, line 15, strike "Hubbard," and insert "and" and strike ", and Ottertail"

Page 2, after line 7, insert:

"Sec. 2. [EFFECTIVE DATE.]

*Section 1 relating to the removal of Hubbard and Ottertail counties from area one is effective July 1, 1991."*

The motion prevailed. So the amendment was adopted.

Mr. Frederick moved to amend H.F. No. 2374, as amended pursuant to Rule 49, adopted by the Senate March 23, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 1889.)

Page 2, after line 7, insert:

"Sec. 2. [21.1196] ["GROWER'S OWN" SEED POTATOES.]

*Subdivision 1. [CERTIFICATION OF SEED POTATOES AND PLOT.] A potato grower in Freeborn, Steele, or Mower county may seek certification of seed potatoes grown by the potato grower exclusively for the grower's own use and not for sale.*

*A seed plot used to produce potatoes under this subdivision must pass all the requirements for certification of seed potatoes under section 21.1195 and rules adopted by the commissioner.*

*Subd. 2. ["GROWER'S OWN."] Seed potatoes produced on seed plots certified under subdivision 1 are "grower's own" seed potatoes and must not be sold or exchanged as seed.*

*Subd. 3. [LIMITATION.] "Grower's own" seed potatoes may not represent more than 15 percent of the acreage a grower plants in potatoes in a year. "Grower's own" seed potatoes may be used to plant all of the grower's potato crop the following year except the following year's "grower's own" seed potato plot."*

Renumber the sections in sequence

Amend the title accordingly

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2374 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Frederick voted in the negative.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2084 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 2084: A bill for an act relating to statutes; revising the text of certain laws to remove redundant and obsolete language, to simplify grammar and syntax, and to improve the style of language without causing changes in the meaning of the laws; amending Minnesota Statutes 1988, chapters 367, as amended; and 368, as amended.

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 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2493 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 2493: A bill for an act relating to insurance; promoting availability of automobile insurance for family or group family day care providers; amending Minnesota Statutes 1988, sections 65B.47, subdivision 1; and 65B.49, by adding a subdivision.

Mr. Merriam moved to amend S.F. No. 2493 as follows:

Page 1, delete section 1 and insert:

“Section 1. Minnesota Statutes 1988, section 65B.47, subdivision 1, is amended to read:

Subdivision 1. In case of injury to the driver or other occupant of a motor vehicle ~~other than a commuter van, or other than a vehicle being used to transport children to school or to a school sponsored activity or other bus while it is in operation within the state of Minnesota as to any Minnesota resident who is an insured as defined in section 65B.43, subdivision 5,~~ if the accident causing the injury occurs while the vehicle is being used in the business of transporting persons or property, the security for payment of basic economic loss benefits is the security covering the vehicle or, if none, the security under which the injured person is an insured.

Sec. 2. Minnesota Statutes 1988, section 65B.47, is amended by adding a subdivision to read:

*Subd. 1a. [EXEMPTIONS.] Subdivision 1 does not apply to:*

*(1) a commuter van;*

*(2) a vehicle being used to transport children as part of a family or group family day care program;*

*(3) a vehicle being used to transport children to school or to a school-sponsored activity; or*

*(4) a bus while it is in operation within the state of Minnesota as to any Minnesota resident who is an insured as defined in section 65B.43, subdivision 5.”*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after “1” insert “, and by adding a subdivision”

The motion prevailed. So the amendment was adopted.

S.F. No. 2493 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2637 a Special Order to be heard

immediately.

### SPECIAL ORDER

H.F. No. 2637: A bill for an act relating to insurance; clarifying the law prohibiting insurers from maintaining subrogation actions against insureds; amending Minnesota Statutes 1989 Supplement, section 60A.41.

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2386 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 2386: A bill for an act relating to solid waste management; granting authority to St. Louis county; providing an exemption from the bond requirement for a contract for the construction of a solid waste facility in Kanabec county under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 383C.

Mr. Dicklich moved that the amendment made to H.F. No. 2386 by the Committee on Rules and Administration in the report adopted March 26, 1990, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2386 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 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2433 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 2433: A bill for an act relating to metropolitan government; authorizing certain investments by the metropolitan airports commission; authorizing the metropolitan council to review and approve changes in certain land uses relating to metropolitan airport development; amending Minnesota Statutes 1988, section 473.606, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 473.

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 51 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Gustafson	McQuaid	Samuelson
Anderson	Davis	Hughes	Mehrkens	Schmitz
Beckman	Decker	Johnson, D.E.	Metzen	Spear
Belanger	DeCramer	Johnson, D.J.	Moe, R.D.	Storm
Benson	Diessner	Kroening	Morse	Stumpf
Berg	Flynn	Langseth	Pehler	Vickerman
Berglin	Frank	Lantry	Peterson, R.W.	Waldorf
Bernhagen	Frederick	Larson	Piepho	
Bertram	Frederickson, D.J.	Luther	Pogemiller	
Brandl	Frederickson, D.R.	Marty	Reichgott	
Chmielewski	Freeman	McGowan	Renneke	

Those who voted in the negative were:

Knaak	Novak	Olson	Pariseau	Ramstad
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So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2462 a Special Order to be heard immediately.

### SPECIAL ORDER

H.F. No. 2462: A bill for an act relating to state government; regulating administrative procedures; including a statement of purpose; requiring agencies to send the LCRAR copies of statements of need and reasonableness; requiring an agency to provide notice of the hearing to those who requested it; making various technical changes; amending Minnesota Statutes 1988, sections 14.03; 14.131; 14.23; and 14.25; Minnesota Statutes

1989 Supplement, section 14.02, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 14.

Mr. Belanger moved to amend H.F. No. 2462, as amended pursuant to Rule 49, adopted by the Senate March 26, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2252.)

Page 2, line 11, reinstate the stricken language

The motion prevailed. So the amendment was adopted.

H.F. No. 2462 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1874 a Special Order to be heard immediately.

**SPECIAL ORDER**

S.F. No. 1874: A bill for an act relating to meetings of public bodies; government data practices; defining final disposition of a disciplinary action regarding personnel records; making clear that meetings may not be closed on the basis of data classification statutes; providing an exception to the open meeting law for preliminary discussions concerning allegations of misconduct against government employees or evaluations of government employees; amending Minnesota Statutes 1988, sections 13.43, subdivision 2; and 471.705, by adding subdivisions.

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 0, as follows:

Those who voted in the affirmative were:

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

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 revert to the Orders of Business of Reports of Committees and Second Reading of Senate Bills. The motion prevailed.

### REPORTS OF COMMITTEES

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 1790: A bill for an act relating to health; establishing a legislative task force to study the regulation of health insurance premium rates and health care costs.

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,

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 report from the Committee on Agriculture and Rural Development, shown in the Journal for March 21, 1990, be adopted; that committee recommendation being:

“the bill be amended and when so amended the bill do pass”. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which was re-referred

S.F. No. 2188: A bill for an act relating to children; creating a legislative commission on children; providing improved procedures to protect the safety and welfare of abused and neglected children; improving data practices; including mental injuries and threatened injuries as abuse to be reported as maltreatment of minors; increasing penalties for assault against a child when there is a past pattern of child abuse; increasing the penalty for

malicious child punishment resulting in great bodily harm; excluding persons convicted of child abuse or criminal sexual conduct seeking employment in juvenile corrections from certain protections for criminal offenders; appropriating money; amending Minnesota Statutes 1988, sections 147.09; 260.011, subdivision 2; 260.155, subdivision 1; 609.379, subdivision 2; 626.556, subdivisions 1, 3, and by adding a subdivision; 626.559, subdivision 2; Minnesota Statutes 1989 Supplement, sections 245A.04, subdivision 3; 260.161, subdivision 2; 260.171, subdivision 4; 260.221, subdivision 1; 364.09; 609.223; 609.377; 626.556, subdivisions 2, 10e, and 11; and 626.558, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 3; 144; 245; and 626.

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

### **SECOND READING OF SENATE BILLS**

S.F. Nos. 1790 and 2468 were read the second time.

### **MEMBERS EXCUSED**

Ms. Piper was excused from the Session of today from 3:00 to 3:45 p.m. Mr. Moe, D.M. was excused from the Session of today at 3:00 p.m. Messrs. Purfeerst and Solon were excused from the Session of today at 4:00 p.m. Mr. Gustafson was excused from the Session of today from 1:30 to 3:15 p.m. Mr. Lessard was excused from the Session of today from 4:15 to 4:50 p.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, March 28, 1990. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate