

EIGHTY-FOURTH DAY

St. Paul, Minnesota, Wednesday, April 4, 1990

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

CALL OF THE SENATE

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

Prayer was offered by Jerry and Patty Wetterling.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

April 2, 1990

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1990 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1990	Date Filed 1990
1922		364	1900 hours March 30	April 2
	2609	365	1400 hours March 30	April 2
	2143	371	1902 hours March 30	April 2
	2521	373	1859 hours March 30	April 2
	2336	374	1858 hours March 30	April 2
	2058	375	1855 hours March 30	April 2
	2212	376	2232 hours March 29	March 30
	2062	377	1904 hours March 30	April 2
	2045	378	1905 hours March 30	April 2

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 1727, 2360 and 2072.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1990

Mr. President:

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

S.F. No. 1848: A bill for an act relating to housing; making changes in the home equity conversion loan program, authorizing manufactured home park loan assistance, requiring limits, and regulating securities relating to certain home loans; amending Minnesota Statutes 1988, sections 462A.05, by adding a subdivision; 462A.21, subdivision 9; 475.66, subdivision 3; Minnesota Statutes 1989 Supplement, sections 462A.05, subdivision 34; 462A.057, subdivision 7; 462A.21, subdivisions 8b and 8c; and Laws 1989, chapter 335, article 1, section 27, subdivision 1.

Senate File No. 1848 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1990

Mr. Merriam moved that S.F. No. 1848 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 1971: A bill for an act relating to education; establishing an automobile safety awareness week; proposing coding for new law in Minnesota Statutes, chapter 126.

Senate File No. 1971 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1990

CONCURRENCE AND REPASSAGE

Mr. Knutson moved that the Senate concur in the amendments by the House to S.F. No. 1971 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1971 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam and Peterson, R.W. voted in the negative.

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

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

Senate File No. 1743 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 3, 1990

Mr. Schmitz moved that the Senate do not concur in the amendments by the House to S.F. No. 1743, and that a Conference Committee of 3 members

be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the adoption by the House of the following House Concurrent Resolution, herewith transmitted:

House Concurrent Resolution No. 4: A House concurrent resolution relating to local government packaging ordinances.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 3, 1990

Mr. Moe, R.D. moved that House Concurrent Resolution No. 4 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2230 and 1843.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 3, 1990

FIRST READING OF HOUSE BILLS

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

H.F. No. 2230: A bill for an act relating to public purchasing; establishing programs for purchasing from certain small targeted group businesses and businesses located in economically disadvantaged areas; requiring prompt payment to subcontractors; providing penalties; amending Minnesota Statutes 1988, sections 16B.07, by adding a subdivision; 16B.20, subdivisions 1 and 3; 161.321, subdivisions 1, 4, 5, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 16B.19; 16B.20, subdivision 2; 16B.21; 16B.22; 16B.226; 116J.68; 136.27; 136.72; 137.31, subdivision 6; 161.321, subdivisions 2, 3, and 6; 161.3211; 241.27, subdivision 2; 471.345, subdivision 8; and 473.142; Laws 1989, chapter 352, section 25; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; and 137; repealing Minnesota Statutes 1989 Supplement, sections 16B.189; 137.31, subdivision 3a; and 645.445, subdivision 5.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2075, now on General Orders.

H.F. No. 1843: A bill for an act relating to crime; changing the scope of certain controlled substance offenses; allowing prosecution in any county of controlled substance offenses involving sales of amounts aggregated over a 90-day period; providing that cocaine base is weighed as a mixture for purposes of first, second, and third degree controlled substance crimes; prohibiting the importing of controlled substances into the state; requiring the reporting of transactions involving substances that are precursors to

controlled substances; providing for the distribution of forfeiture proceeds; defining controlled substances for purposes of reporting prenatal exposure to controlled substances; clarifying these reporting provisions; providing for maternal and child health services in chemical abuse situations; clarifying habitual DWI offender sanctions; requiring adoption of day-fine systems by each judicial district; creating intensive community supervision programs for certain prison inmates and offenders; creating pilot programs to require drug and alcohol testing as a condition of probation; creating pilot programs to provide chemical dependency treatment services in juvenile and adult jails and correctional facilities; creating pilot programs to require chemical dependency assessments for drug offenders; requiring a chemical use assessment to be conducted when a child is found delinquent of a drug offense; requiring chemical dependency treatment for certain offenders; providing an affirmative defense for certain liquor offenses; authorizing the court to order intermediate sanctions as a condition of probation; defining intermediate sanctions; appropriating money; amending Minnesota Statutes 1988, sections 90.301, subdivision 6; 145.88; 169.121, subdivisions 3a and 5; 169.124, subdivisions 1 and 2; 169.126, subdivisions 1, 4b, and 6; 244.05, by adding a subdivision; 256.98, subdivision 1; 256B.35, subdivision 5; 260.151, subdivision 1; 268.18, subdivision 3; 340A.503, subdivisions 1 and 3; 473.608, subdivision 17; 609.135, subdivisions 1, 6, and by adding a subdivision; 609.14; 631.40; and 631.48; Minnesota Statutes 1989 Supplement, sections 145.882, subdivision 7; 152.021; 152.022; 152.023, subdivisions 1 and 2; 152.024, subdivisions 1 and 2; 152.025, subdivision 1; 152.027, subdivision 4; 152.028, subdivision 2; 169.121, subdivision 3b; 169.126, subdivision 4; 244.05, subdivision 4; 260.193, subdivision 8; 299A.34, subdivision 1; 299A.35, subdivision 2; 299C.155, subdivisions 2 and 3; 340A.503, subdivision 2; 609.5315, subdivision 5; 626.556, subdivision 2; 626.5561, subdivisions 1, 3, 4, and by adding a subdivision; and 626.5562, subdivisions 1, 2, and 4; Laws 1989, chapter 290, article 1, section 6; proposing coding for new law in Minnesota Statutes, chapters 152; 214; 244; 299A; and 481; repealing Minnesota Statutes 1988, sections 169.124, subdivision 3; 169.126, subdivisions 2 and 3; Minnesota Statutes 1989 Supplement, section 169.126, subdivision 4a.

Mr. Moe, R.D. moved that H.F. No. 1843 be laid on the table. 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. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2075: A bill for an act relating to public purchasing; establishing programs for purchasing from certain small targeted group businesses and businesses located in economically disadvantaged areas; requiring prompt payment to subcontractors; providing penalties; amending Minnesota Statutes 1988, sections 16A.124, subdivision 1; 16B.07, by adding a subdivision; 16B.20, subdivisions 1 and 3; 161.321, subdivisions 1, 4, 5, and by adding a subdivision; Minnesota Statutes 1989 Supplement, sections 16B.19; 16B.20, subdivision 2; 16B.21; 16B.22; 16B.226; 116J.68; 136.27; 136.72; 137.31, subdivision 6; 161.321, subdivisions 2, 3, and 6; 161.3211; 241.27, subdivision 2; 471.345, subdivision 8; and 473.142; Laws 1989,

chapter 352, section 25; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; and 137; repealing Minnesota Statutes 1989 Supplement, sections 16B.189; 137.31, subdivision 3a; and 645.445, subdivision 5.

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 824: A bill for an act relating to environment; requiring recycling of CFCs under certain conditions; providing an exemption for medical devices; prohibiting the sale of certain motor vehicle coolants and certain solvents; providing a sales tax exemption; requiring facilities to file reports on certain CFCs to the emergency response commission; requiring capture and recycling of halons from fire extinguishers; amending Minnesota Statutes 1988, sections 116.70, subdivision 1; 297A.25, by adding a subdivision; Minnesota Statutes 1989 Supplement, section 299K.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116 and 325E.

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

Page 2, line 22, delete "*shall*" and insert "*may*"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2483: A bill for an act relating to corporations; clarifying and modifying provisions relating to the organization and operation of nonprofit corporations; amending Minnesota Statutes 1989 Supplement, sections 317A.011, subdivision 15; 317A.021, subdivisions 1, 2, 4, and 7; 317A.111, subdivisions 3 and 4; 317A.115, subdivision 2; 317A.133, subdivisions 1, 2, 3, and 4; 317A.181, subdivision 2; 317A.201; 317A.205; 317A.207, subdivision 1; 317A.213; 317A.225; 317A.237; 317A.251, subdivision 3; 317A.301; 317A.311; 317A.321; 317A.341, subdivision 2; 317A.401, subdivision 4; 317A.403; 317A.431; 317A.435, subdivision 2; 317A.443, subdivision 1; 317A.453, subdivision 3; 317A.455, subdivision 3; 317A.615, subdivision 1; 317A.711, subdivision 2; 317A.735, subdivisions 1 and 2; 317A.811, subdivisions 1, 4, and 6; 317A.821, subdivisions 1 and 2; 317A.823, subdivisions 2 and 3; and 354A.021, subdivision 2.

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

Page 2, delete section 4

Page 3, after line 13, insert:

"Sec. 5. Minnesota Statutes 1989 Supplement, section 317A.021, subdivision 7, is amended to read:

Subd. 7. [NONELECTING NONPROFIT CORPORATIONS SUBJECT TO THIS CHAPTER AS OF JANUARY 1, 1991.] (u) A corporation in existence on January 1, 1991, that is within the scope of this chapter and incorporated under another statute of this state, other than a corporation incorporated under chapter 300, 309, or 315 that has not later become

governed by chapter 317, is governed by this chapter as of January 1, 1991, as though the corporation had been incorporated under this chapter. The provisions of the articles and bylaws of the corporation that may be included in the articles or bylaws under this chapter remain in effect. The provisions of the articles and bylaws of the corporation that are inconsistent with this chapter are not effective as of January 1, 1991. Provisions required by this chapter to be contained in the articles that do not appear in the articles are read into them as a matter of law.

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

Page 21, after line 11, insert:

"Sec. 44. [EFFECTIVE DATE.]

Sections 1 to 31 and 37 to 43 are effective the day following final enactment."

Renumber the sections in sequence

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 2081: A bill for an act relating to state government; regulating certain employment practices; permitting the transfer of vacation and sick leave for certain gubernatorial appointees; permitting employees on permanent layoff to test into new state positions; authorizing the donation of the value accrued vacation leave to other state employees under certain circumstances; making technical changes in the public employees insurance program; eliminating the authority of the board of medical examiners and the board of dentistry to set the salaries of their executive directors; designating certain positions in the unclassified service; eliminating obsolete language; appropriating money; amending Minnesota Statutes 1988, sections 15A.081, subdivision 7b, and by adding a subdivision; 15A.083, subdivisions 5 and 7; 43A.04, subdivisions 1 and 3, and by adding a subdivision; 43A.10, subdivisions 7 and 8; 43A.12, subdivision 5; 43A.13, subdivisions 2, 3, 4, 5, 6, and 7; 43A.15, subdivision 10; 43A.17, subdivisions 1 and 8; 43.18, subdivisions 4 and 5; 43A.191, subdivisions 2 and 3; 43A.23, subdivision 1; 43A.27, subdivision 4; 43A.316, subdivisions 2, 3, 5, 7, and 8; 43A.37, subdivision 1; 176.421, by adding a subdivision; 176B.02; 237.51, subdivision 5; 473.405, subdivision 12; Minnesota Statutes 1989 Supplement, section 43A.08, subdivision 1; 43A.316, subdivisions 9 and 10; 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5.

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

Page 3, after line 9, insert:

"Sec. 4. Minnesota Statutes 1988, section 15A.083, is amended by adding a subdivision to read:

Subd. 6a. [ADMINISTRATIVE LAW JUDGE; MAXIMUM SALARY.]

The maximum salary of an administrative law judge in the classified service employed by the office of administrative hearings is 90 percent of the salary of district court judges as set under section 15A.082, subdivision 3."

Page 3, line 14, delete "are" and strike "90 percent of" and insert "are the same as"

Page 5, lines 27 and 28, delete "section 43A.04,"

Pages 6 and 7, delete section 8

Pages 11 and 12, delete section 20

Page 13, after line 12, insert:

"(e) Total compensation for employees of the state agricultural society, the world trade center corporation, the Greater Minnesota Corporation, and the Minnesota state high school league must be set by the state agricultural society, the world trade center corporation board of directors, the Greater Minnesota Corporation board of directors, and the governing board of the Minnesota state high school league, respectively."

Page 13, line 27, delete "shall" and strike "take into account" and insert "the"

Page 25, line 9, delete "police" and insert "peace"

Pages 26 to 28, delete sections 39 to 41 and insert:

"Sec. 38. Minnesota Statutes 1988, section 487.13, is amended to read:
487.13 [BUDGET.]

The county board by resolution shall provide the budget for (1) the salaries of deputies, clerks and other employees in the office of the court administrator of county court; (2) other expenses necessary in the performance of the duties of said office and (3) the payment of premiums of any bonds required of the court administrator of county court or any deputy, clerk or employee in said office and the board is authorized to appropriate funds therefor and for the salary of the court administrator of county court. ~~Appeal from this resolution of the county board may be made in the manner prescribed in section 485.018, subdivision 7."~~

Page 31, line 16, after "awards" insert a comma

Page 31, delete section 44 and insert:

"Sec. 41. [RETIRED JUDGES; OPTION TO PURCHASE INSURANCE.]

The following judges may exercise the option provided in section 26 within 30 days after the effective date of that section:

(1) judges who retired before July 1, 1981; and

(2) judges who retired after July 1, 1981, but who were not notified of the option available under Minnesota Statutes, section 43A.27, subdivision 4."

Page 31, line 23, after "5" insert "; and Minnesota Statutes 1989 Supplement, section 485.018, subdivision 7"

Page 31, delete section 46 and insert:

"Sec. 43. [EFFECTIVE DATES.]

Sections 1, 3, 4, 5, 19, 21, and 25 are effective July 1, 1990. Sections 8, 13, 14, 15, 17, 18, 26, 39, and 40 are effective the day following final enactment. Section 2 is effective the day following final enactment and applies to appointments made after June 30, 1989. Section 35 is effective August 1, 1991."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to state government; regulating state employment practices; regulating the setting of certain salaries; ratifying certain salaries; amending Minnesota Statutes 1988, sections 15A.081, subdivision 7b, and by adding a subdivision; 15A.083, subdivisions 5, 7, and by adding a subdivision; 43A.04, subdivisions 1, 3, and by adding a subdivision; 43A.10, subdivisions 7 and 8; 43A.12, subdivision 5; 43A.13, subdivisions 2, 3, 4, 5, 6, and 7; 43A.15, subdivision 10; 43A.17, subdivision 1; 43A.18, subdivisions 4 and 5; 43A.191, subdivisions 2 and 3; 43A.23, subdivision 1; 43A.27, subdivision 4; 43A.316, subdivisions 2, 3, 5, 7, and 8; 43A.37, subdivision 1; 176.421, by adding a subdivision; 176B.02; and 487.13; Minnesota Statutes 1989 Supplement, sections 43A.316, subdivisions 9 and 10; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 43A; repealing Minnesota Statutes 1988, section 43A.081, subdivisions 1, 2, and 5; and Minnesota Statutes 1989 Supplement, section 485.018, subdivision 7."

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 2419: A bill for an act relating to human services; clarifying requirements for employment and training programs for recipients of AFDC; allowing county agencies to implement grant diversion programs; clarifying eligibility and payment requirements for general assistance and work readiness; clarifying requirements for child care programs; establishing criteria to certify employment and training service provider; requiring a two-year plan from the local service unit; amending Minnesota Statutes 1988, sections 256.73, subdivision 2; 256.736, subdivisions 1a and 3a; 256.7365, subdivision 2; 256D.01, by adding a subdivision; 256D.02, subdivisions 5, 8, and 12; 256D.052, subdivision 5; 256D.06, subdivision 2; 256H.01, by adding subdivisions; 256H.10, subdivisions 1 and 4; 256H.17; 268.673, subdivisions 3 and 5; 268.6751, subdivision 1; 268.676, subdivision 2; 268.677, subdivisions 2 and 3; 268.678; 268.681, subdivisions 1, 2, and 3; 268.86, subdivision 8; 268.871, subdivisions 1, 2, and by adding a subdivision; 268.90, subdivisions 1, 3, and 4; Minnesota Statutes 1989 Supplement, sections 256.73, subdivision 3a; 256.736, subdivisions 3, 3b, 4, 10, 10a, 11, 14, 16, and 18; 256.737, subdivisions 1 and 2; 256D.01, subdivision 1a; 256D.051, subdivisions 1a, 1b, 2, 3, and 8; 256H.01, subdivisions 7, 8, and 12; 256H.03, subdivisions 2, 2a, and 2b; 256H.05, subdivisions 1b, 1c, 2, and 5; 256H.08; 256H.09, subdivision 1; 256H.10, subdivision 3; 256H.11, subdivision 1; 256H.15, subdivisions 1 and 2; 256H.21, subdivision 9; 256H.22, subdivisions 2, 3, and 10; 268.0111, subdivision 4; 268.86, subdivision 2; 268.88; 268.881; Minnesota Statutes Second 1989 Supplement, section 256D.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1988, sections 256.736, subdivisions 1b, 2a, 8, and 17; 256.7365,

subdivision 8; 256D.06, subdivision 1c; 256H.01, subdivision 14; 256H.16; 268.672, subdivision 12; 268.86, subdivision 9; 268.872, subdivision 3; and Minnesota Statutes 1989 Supplement, section 256H.05, subdivisions 1, 1a, and 3a.

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

Pages 7 to 9, delete section 5

Page 20, line 17, delete "section" and insert "chapter"

Pages 26 to 29, delete section 12

Page 31, line 36, reinstate the stricken language

Page 32, lines 1 to 3, reinstate the stricken language

Page 32, lines 6 and 7, delete the new language and reinstate the stricken language

Page 32, after line 9, insert:

"Sec. 14. Minnesota Statutes 1989 Supplement, section 256.737, subdivision 1a, is amended to read:

Subd. 1a. [COMMISSIONER'S DUTIES.] The commissioner shall: (a) assist counties in the design and implementation of these programs; (b) promulgate, in accordance with chapter 14, emergency rules necessary for the implementation of this section, except that the time restrictions of section 14.35 shall not apply and the rules may be in effect until June 30, ~~1990~~ 1993, unless superseded by permanent rules; (c) seek any federal waivers necessary for proper implementation of this section in accordance with federal law; and (d) prohibit the use of participants in the programs to do work that was part or all of the duties or responsibilities of an authorized public employee position established as of January 1, 1989. The exclusive bargaining representative shall be notified no less than 14 days in advance of any placement by the community work experience program. Concurrence with respect to job duties of persons placed under the community work experience program shall be obtained from the appropriate exclusive bargaining representative. The appropriate oversight committee shall be given monthly lists of all job placements under a community work experience program."

Page 40, line 36, after the period, insert "*However, the registrant must be sent a notice on or before the date eligibility ends that informs the registrant that work readiness eligibility is terminated for failure to comply with work readiness requirements, sets forth the factual basis for the determination, and advises the registrant of the right to have eligibility reinstated upon a showing that the registrant had good cause for failing to meet the requirements.*"

Page 41, line 25, after the period, insert "*However, the registrant must be sent a notice on or before the date eligibility ends that informs the registrant that work readiness eligibility is terminated for failure to comply with work readiness requirements, sets forth the factual basis for the determination, and advises the registrant of the right to have eligibility reinstated upon a showing that the registrant had good cause for failing to meet the requirements.*"

Pages 46 to 51, delete sections 34 to 43

Pages 54 and 55, delete sections 49 and 50

Page 55, line 21, delete "nd" and insert "and"

Page 73, delete section 77

Page 74, line 11, delete "8,"

Page 74, line 23, delete "17; 31 to 78; and 79" and insert "16; 30 to 64; and 65"

Page 74, line 25, delete "23" and insert "22"

Page 74, line 26, delete "18 to 22; 24 to 30; and 79" and insert "17 to 21; 23 to 29; and 65"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 12, delete "subdivisions" and insert "subdivision" and delete "and 3a"

Page 1, lines 15 and 16, delete "256H.01, by adding subdivisions;"

Page 1, line 24, delete "16,"

Page 1, line 25, after "1" insert ", 1a,"

Page 1, line 27, delete everything after the semicolon

Page 1, delete line 28

Page 1, line 29, delete "256H.08;"

Page 1, lines 30 and 31, delete "256H.15, subdivisions 1 and 2;"

Page 1, line 37, delete "8,"

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

Mr. Merriam from the Committee on Finance, to which was re-referred

S.F. No. 1759: A bill for an act relating to controlled substances; allowing prosecution in any county of controlled substance offenses involving sales of amounts aggregated over a 120-day period; providing that cocaine base is weighed as a mixture for purposes of first, second, and third degree controlled substance crimes; prohibiting the importing of controlled substances into the state; requiring the reporting of transactions involving substances that are precursors to controlled substances; providing for administrative forfeiture of dangerous weapons found in proximity to controlled substances; providing for representation by the public defender of persons filing for judicial review of a forfeiture; providing that period for filing for judicial review of a forfeiture begins when an interpreter is provided for persons handicapped in communication; defining controlled substances for purposes of reporting prenatal exposure to controlled substances; requiring adoption of day-fine system by each judicial district; providing for an intensive supervision program; creating pilot programs to require drug and alcohol testing as a condition of probation; creating pilot programs to provide chemical dependency treatment services in juvenile and adult jails and correctional facilities; creating pilot programs to require chemical dependency assessments for drug offenders; prohibiting possession of controlled substances in motor vehicles; appropriating money; amending Minnesota

Statutes 1988, sections 169.122; 241.26, subdivision 2; 244.05, by adding a subdivision; 260.151, subdivision 1; 609.035; 609.10; 609.135, subdivision 1, and by adding a subdivision; 609.5314, subdivisions 2 and 3; 611.14; 611.32; 626.556, subdivision 4; 631.40; Minnesota Statutes 1989 Supplement, sections 152.021; 152.022; 152.023, subdivision 2; 152.028, subdivision 2, and by adding a subdivision; 609.115, subdivision 1; 609.5314, subdivision 1; 626.556, subdivision 2; 626.5561, subdivisions 1, 3, 4, and by adding a subdivision; and 626.5562, subdivisions 1, 2, and 4; proposing coding for new law in Minnesota Statutes, chapters 152; 244; and 299A; repealing Minnesota Statutes 1989 Supplement, section 152.027, subdivision 3.

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

Page 35, delete lines 14 to 20

Page 35, line 25, delete "\$500,000" and insert "\$83,000"

Page 35, delete lines 29 to 31

Page 35, line 32, delete "\$18,750" and insert "\$19,000"

Page 35, line 35, delete "*pretrial*" and insert "*supervised*" and delete "*defendants and*" and delete the comma

Page 35, line 36, delete "*respectively,*"

Page 36, line 1, delete "\$31,250" and insert "\$31,000"

Page 36, delete lines 6 to 18

Reletter the paragraphs in sequence

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

Mr. Merriam from the Committee on Finance, to which was referred

H.F. No. 1855: A bill for an act relating to family law; modifying dissolution statistical report requirements; regulating child custody and visitation in dissolution and other proceedings; modifying standards for joint legal custody; providing for the award of temporary attorney fees; providing standards for visitation and custody rights when a parent has been convicted of certain crimes; providing funding for legal representation in family law matters; amending Minnesota Statutes 1988, sections 144.224; 257.025; 257.541, subdivision 2; 518.003, subdivision 3, and by adding a subdivision; 518.131, subdivisions 1 and 7; 518.14; 518.156; 518.167, subdivision 2; 518.175, by adding a subdivision; 518.551, subdivision 5; and 518.619; Minnesota Statutes 1989 Supplement, sections 518.17, subdivision 2; 518.175, subdivisions 1 and 5; and 518.64, subdivision 2; proposing coding for new law in chapter 518.

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

Page 2, line 18, before "In" insert "{a}"

Page 2, line 21, delete "*the*" and insert "*the*"

Page 2, line 22, delete "*child,*" and insert "*child,*"

Page 4, line 3, before the first "The" insert "{b}"

Page 4, line 6, before "*The*" insert "(c)"

Page 4, line 9, before "*The*" insert "(d)"

Page 4, line 11, before the first "A" insert "(e)"

Page 4, line 13, delete "*The provisions of*" and insert "(f)" and delete "*, shall be applicable*" and insert "*applies*"

Page 4, after line 26, insert:

"Sec. 4. Minnesota Statutes 1989 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$55, except that in an action for marriage dissolution, the fee is ~~\$75~~ \$85.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$55, except that in an action for marriage dissolution, the fee for the respondent is ~~\$75~~ \$85.

The party requesting a trial by jury shall pay \$30.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under sections 106A.005 to 106A.811, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding \$5, plus 25 cents per page after the first page and \$3.50, plus 25 cents per page after the first page for an uncertified copy.

(3) Issuing a subpoena \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$5.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$5.

(6) Filing and entering a satisfaction of judgment, partial satisfaction or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$1 for each name certified to and \$3 for each judgment certified to.

(8) Filing and indexing trade name; or recording notary commission; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) All other services required by law for which no fee is provided such

fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

Sec. 5. Minnesota Statutes 1989 Supplement, section 480.241, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF SURCHARGE: COLLECTION BY COURT ADMINISTRATORS.] A plaintiff, petitioner, defendant, respondent, intervenor or moving party in any trial court civil action or civil proceeding in which an initial filing fee is payable by that party, except a marriage dissolution or conciliation court action, shall pay to the court administrator a surcharge of ~~\$25~~ \$30 in addition to the initial filing fee otherwise prescribed. A plaintiff, defendant, or moving party in any conciliation court action in which an initial filing fee is payable shall pay to the court administrator of conciliation court a surcharge of \$3 in addition to the initial filing fee otherwise prescribed. Notwithstanding any other law or rule to the contrary, no surcharge shall be paid by any governmental unit of the state of Minnesota, any local unit of government, or agency thereof."

Page 5, delete lines 18 and 19 and insert "*proceedings involving children who are in need of protection or services, domestic abuse, and paternity.*"

Page 5, line 22, after "4." insert "[MEDIATION.]" and delete "is" and insert "means"

Page 6, line 2, delete "*and reasonable*" and insert "*or*"

Page 7, line 7, delete "*temporary*" and before "*will*" insert "*shows that it*"

Page 7, line 8, after "*effectively*" insert "*in good faith*"

Page 9, lines 18 to 21, delete the new language and insert "*If the court awards joint legal or physical custody over the objection of a party, the court shall make detailed findings on each of the factors in this subdivision and explain how the factors led to its determination that joint custody would be in the best interests of the child.*"

Page 11, line 2, after the period, insert "*The objection must include a certified copy of the conviction.*"

Page 11, line 4, delete "*written*"

Page 11, line 10, delete "*who has been*"

Page 11, line 11, delete everything before "*has*"

Pages 12 to 17, delete sections 15 and 16 and insert:

"Sec. 17. Minnesota Statutes 1988, section 518.18, is amended to read:
518.18 [MODIFICATION OF ORDER.]

(a) Unless agreed to in writing by the parties, no motion to modify a custody order may be made earlier than one year after the date of the entry of a decree of dissolution or legal separation containing a provision dealing with custody, except in accordance with clause (c) *or* (e).

(b) If a motion for modification has been heard, whether or not it was granted, unless agreed to in writing by the parties no subsequent motion may be filed within two years after disposition of the prior motion on its merits, except in accordance with clause (c) *or* (e).

(c) The time limitations prescribed in clauses (a) and (b) shall not prohibit

a motion to modify a custody order if the court finds that there is persistent and willful denial or interference with visitation, or has reason to believe that the child's present environment may endanger the child's physical or emotional health or impair the child's emotional development.

(d) If the court has jurisdiction to determine child custody matters, the court shall not modify a prior custody order unless it finds, upon the basis of facts that have arisen since the prior order or that were unknown to the court at the time of the prior order, that a change has occurred in the circumstances of the child or the custodian and that the modification is necessary to serve the best interests of the child. In applying these standards the court shall retain the custodian established by the prior order unless:

- (i) The custodian agrees to the modification;
- (ii) The child has been integrated into the family of the petitioner with the consent of the custodian; or
- (iii) The child's present environment endangers the child's physical or emotional health or impairs the child's emotional development and the harm likely to be caused by a change of environment is outweighed by the advantage of a change to the child.

(e) If a person who has custody of a child has been convicted of a crime listed in section 518.175, subdivision 8, paragraph (d), the noncustodial parent or other person seeking custody may file a motion for a change of custody with the court. The motion must include a certified copy of the conviction. The noncustodial parent or person seeking custody must give notice of the motion to the person who has custody and that person has 20 days from the notice to respond. If the person fails to respond within 20 days, the court shall grant custody to the noncustodial parent or other person in accordance with section 518.17. If the person with custody responds and objects, a hearing must be held within 30 days of the response. The person with custody has the burden at the hearing to prove that custody by the person is in the best interests of the child. The court shall grant custody to the noncustodial parent or other person in accordance with section 518.17 unless it finds that the current custodial arrangement is in the best interests of the child. If the victim of the crime was a family or household member as defined in section 518B.01, subdivision 2, the standard of proof for maintaining the current custodial arrangement is clear and convincing evidence.

Sec. 18. [518.583] [NOTICE OF TAX EFFECT ON PRINCIPAL RESIDENCE.]

In an action for dissolution involving a principal residence, the court must make express findings of fact that the parties have been advised as to the income tax laws respecting the capital gain tax exclusion available on the sale of a principal residence for those over a certain age under section 121 of the Internal Revenue Code of 1986, or other applicable law. The order must expressly provide for the use of that exclusion unless the court otherwise orders. This section applies only if the court determines at least one of the parties may qualify for the exclusion."

Page 17, line 32, after the second "custody" insert "or visitation"

Page 17, line 34, after "rights" insert a comma

Page 17, line 35, strike "or" and insert a comma

Page 18, lines 4 and 12, delete "which" and insert "that"

Page 19, line 8, after "may" insert "not"

Page 19, line 9, delete "not"

Page 19, line 18, delete "shall" and insert "may"

Pages 19 and 20, delete section 18 and insert:

"Sec. 20. [APPROPRIATION.]

\$890,000 is appropriated from the general fund to the supreme court to be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in section 480.242, subdivision 2, paragraph (a), to improve the access of low-income clients to legal representation in family law matters."

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to family law; regulating child custody and visitation in dissolution and other proceedings; providing for suspension of visitation rights or change of custody when a parent has been convicted of certain crimes; requiring expedited hearings of visitation motions alleging that a child is in danger of harm and providing for supervised or restricted visitation; modifying dissolution statistical reporting requirements; modifying standards for joint legal custody; requiring specific findings supporting joint custody in certain cases; requiring certain findings about taxes; providing for the award of temporary attorney fees; providing for funding of legal representation in family law matters; increasing marriage dissolution filing fees and civil filing fees surcharge; appropriating money; amending Minnesota Statutes 1988, sections 144.224; 257.025; 257.541, subdivision 2; 518.003, subdivision 3, and by adding a subdivision; 518.131, subdivisions 1 and 7; 518.14; 518.156; 518.167, subdivision 2; 518.175, by adding a subdivision; 518.18; 518.619; Minnesota Statutes 1989 Supplement, sections 357.021, subdivision 2; 480.241, subdivision 1; 518.17, subdivision 2; and 518.175, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapter 518."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2075, 824, 2483, 2419 and 1759 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2081 and 1855 were read the second time.

MOTIONS AND RESOLUTIONS

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

Mr. Metzen introduced—

S.F. No. 2630: A bill for an act relating to taxation; repealing the lawful gambling combined receipts tax; providing for refunds; appropriating money; repealing Minnesota Statutes Second 1989 Supplement, section 349.212, subdivision 6.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2631: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; reducing appropriations for the biennium ending June 30, 1991, with certain conditions; imposing various cost-saving measures; creating, modifying, transferring, and abolishing agencies and functions; providing for the transfer of money in the state treasury; appropriating money with certain conditions; amending Minnesota Statutes 1988, sections 2.722, subdivision 4; 3.736, subdivision 7; 116D.045, subdivision 3; 178.03, by adding a subdivision; and 197.75, subdivision 2; Minnesota Statutes 1989 Supplement, section 105.41, subdivision 5a; proposing coding for new law as Minnesota Statutes, chapter 116Q; repealing Minnesota Statutes 1988, sections 16A.123, as amended; 116L.01; 116L.03, subdivisions 1, 3, 4, 5, and 6; 116L.04, subdivision 2; and 116L.05; Minnesota Statutes 1989 Supplement, sections 116L.02; 116L.03, subdivisions 2 and 7; and 116L.04, subdivision 1.

Mr. Moe, R.D. moved that S.F. No. 2631 be laid on the table. The motion prevailed.

Mr. Merriam, for the Committee on Finance, introduced—

S.F. No. 2632: 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; proposing an amendment to the Minnesota Constitution, article XI, section 14; providing for the relocation of certain state agencies; appropriating money; amending Minnesota Statutes 1988, sections 16A.641, subdivision 6; 16A.672, by adding a subdivision; 116Q.12; 116P.04, subdivision 3; 136C.05, subdivision 5; and 349A.10, subdivision 5; Minnesota Statutes 1989 Supplement, sections 16A.631; 16A.641, subdivision 7; 16A.69, subdivision 1; and 16B.335, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 174; and 462A; repealing Minnesota Statutes 1988, sections 16A.651; 16A.661, subdivision 6; and 116P.04, subdivision 2.

Mr. Moe, R.D. moved that S.F. No. 2632 be laid on the table. The motion prevailed.

RECONSIDERATION

Mr. Langseth moved that the vote whereby S.F. No. 1871 was passed by the Senate on April 3, 1990, be now reconsidered. The motion prevailed.

S.F. No. 1871: A bill for an act relating to the city of Detroit Lakes; authorizing the establishment of a detached banking facility under certain conditions.

Mr. Langseth moved that S.F. No. 1871 be laid on the table. The motion prevailed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Morse moved that S.F. No. 1848 be taken from the table. The motion prevailed.

S.F. No. 1848: A bill for an act relating to housing; making changes in the home equity conversion loan program, authorizing manufactured home park loan assistance, requiring limits, and regulating securities relating to certain home loans; amending Minnesota Statutes 1988, sections 462A.05, by adding a subdivision; 462A.21, subdivision 9; 475.66, subdivision 3; Minnesota Statutes 1989 Supplement, sections 462A.05, subdivision 34; 462A.057, subdivision 7; 462A.21, subdivisions 8b and 8c; and Laws 1989, chapter 335, article 1, section 27, subdivision 1.

CONCURRENCE AND REPASSAGE

Mr. Morse moved that the Senate concur in the amendments by the House to S.F. No. 1848 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1848 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Morse moved that S.F. No. 1844, No. 12 on General Orders, be stricken and returned to its author. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Waldorf moved that the following members be excused for a Conference Committee on S.F. No. 2618 at 1:30 p.m.:

Messrs. Dicklich; Hughes; Johnson, D.E.; Waldorf and Mrs. Brataas. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Johnson, D.J. moved that the following members be excused for a Conference Committee on H.F. No. 2478 at 1:30 p.m.:

Messrs. Pogemiller, Novak, Stumpf, Belanger and Johnson, D.J. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2704 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2704: A bill for an act relating to commerce; removing a real estate licensing prohibition; amending Minnesota Statutes 1988, section 82.20, subdivision 4.

Mr. Knaak moved to amend H.F. No. 2704 as follows:

Page 2, after line 23, insert:

"Sec. 2. Minnesota Statutes 1988, section 507.45, subdivision 4, is amended to read:

Subd. 4. No financial institution or other person making a mortgage loan may require a borrower *and no real estate broker may require a buyer or seller* to use any particular licensed attorney, real estate broker, real estate salesperson, or real estate closing agent in connection with a residential real estate closing."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "placing restrictions on residential real estate closings;" and delete "section" and insert "sections"

Page 1, line 4, before the period, insert "; and 507.45, subdivision 4"

The motion prevailed. So the amendment was adopted.

Mr. Freeman moved to amend H.F. No. 2704 as follows:

Page 1, after line 5, insert:

"Section 1. [57.01] [SHORT TITLE.]

This chapter may be cited as the "home buyers' bill of rights."

Sec. 2. [57.02] [SCOPE.]

Subdivision 1. [RESIDENTIAL MORTGAGE LOANS.] Except as provided in subdivision 2, this chapter applies to any entity that engages in the business of making, brokering, or servicing mortgage loans.

Subd. 2. [EXEMPTION.] This chapter does not apply to:

(1) persons making or negotiating five or fewer mortgage loans in a

period of 12 consecutive months;

(2) charitable or nonprofit corporations making mortgage loans to promote home ownership or improvements for the disadvantaged;

(3) agencies of the federal government, or a state government, or a quasi-governmental agency making mortgage loans under the specific authority of the laws of a state or the United States;

(4) persons acting as fiduciaries with respect to an employee pension benefit plan qualified under the Internal Revenue Code who make mortgage loans solely to plan participants from plan assets;

(5) persons licensed by the state of Minnesota as real estate brokers or salespersons who, in the course of representing a purchaser or seller of real estate, incidentally assist the purchaser or seller in obtaining financing for the real property in question if the licensee does not receive a separate commission, fee, or other valuable consideration including a referral fee for this service;

(6) an attorney authorized to practice law in this state, who incidentally acts as a mortgage broker in negotiating or placing a first mortgage loan in the normal course of legal practice if the attorney does not receive a separate commission, fee, or other valuable consideration including a referral fee for the service; or

(7) persons acting in a fiduciary capacity conferred by authority of a court.

Sec. 3. [57.03] [DEFINITIONS.]

Subdivision 1. [TERMS.] For purposes of this chapter, the terms in this section have the meanings given them unless the context requires a different meaning.

Subd. 2. [ADVERTISEMENT.] "Advertisement" means an oral, written, graphic, or pictorial statement made in the course of solicitation of business. Advertisement includes, without limitation, a statement or representation made in a newspaper, magazine, or other publication, or contained in a notice, sign, billboard, poster, display, circular, pamphlet, or letter, or on radio or television.

Subd. 3. [AGRICULTURAL PROPERTY.] "Agricultural property" has the meaning given the term in section 583.22.

Subd. 4. [BORROWER.] "Borrower" means a natural person who has submitted an application for a loan to a mortgage lender or has obtained a mortgage loan.

Subd. 5. [BUSINESS.] "Business" means a commercial or industrial enterprise that is carried on for the purpose of active or passive investment or profit.

Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of commerce.

Subd. 7. [ENTITY.] "Entity" means an individual acting as a sole proprietorship, corporation, partnership, association, trust, or any other commercial organization or group of individuals, however organized.

Subd. 8. [EQUAL CREDIT OPPORTUNITY ACT.] "Equal Credit Opportunity Act" means United States Code, title 15, sections 1691 to

1691f, and any regulations adopted under those sections.

Subd. 9. [ESCROW ACCOUNT.] "Escrow account" means an escrow, agency, or similar account for the payment of taxes or insurance premiums with respect to a mortgaged one- to four-family, owner-occupied residence located in this state.

Subd. 10. [GENERAL MORTGAGE BROKER.] "General mortgage broker" means an entity other than a mortgage lender who for a fee directly or indirectly offers to find or finds mortgage loans for another.

Subd. 11. [INDIVIDUAL MORTGAGE BROKER.] "Individual mortgage broker" means one who acts on behalf of a general mortgage loan broker with respect to offering to find or finding mortgage loans for another.

Subd. 12. [LOAN OFFICER.] "Loan officer" means a person who acts on behalf of a mortgage lender with respect to soliciting or negotiating a mortgage loan with a borrower. The term includes both an officer or employee of a mortgage lender who is authorized to solicit or negotiate loans and who regularly solicits or negotiates loans, and a person who is responsible for the day-to-day management of a branch office or offices of a mortgage lender.

Subd. 13. [MORTGAGE LENDER.] "Mortgage lender" means an entity making or servicing a mortgage loan.

Subd. 14. [MORTGAGE LOAN OR LOAN.] "Mortgage loan" or "loan" means a loan or advance of credit to an individual secured by a mortgage or other encumbrance upon real property of less than ten acres located in the state and containing one to four residential units or upon which at the time the loan is made it is intended that one to four residential units are to be constructed. The term does not include:

(1) a loan or advance of credit that is made primarily for a business or commercial purpose;

(2) a loan for which less than 50 percent of the proceeds are intended to be used to acquire legal title to the property or used to refinance the balance due on a contract for deed; or

(3) a loan or extension of credit made by the seller of real property for the purchase of the property or the refinancing of a contract for deed on the property.

Subd. 15. [MORTGAGE LOAN SERVICER.] "Mortgage loan servicer" means an entity that is servicing a mortgage loan.

Subd. 16. [REAL ESTATE SETTLEMENT PROCEDURES ACT.] "Real Estate Settlement Procedures Act" means United States Code, title 12, sections 2601 to 2617, and any regulations adopted under those sections.

Subd. 17. [REFERRAL FEE.] "Referral fee" means the types of payments under the Real Estate Settlement Procedures Act.

Subd. 18. [SERVICING.] "Servicing" means the collection for any mortgage lender, noteowner, noteholder, or for the mortgage lender's own account, of payments, interest, principal, and escrow items such as hazard insurance and taxes on a residential mortgage loan in accordance with the terms of the residential mortgage loan. Servicing includes loan payment follow-up, delinquency loan follow-up, loan analysis, any notifications to the borrower that are necessary to enable the borrower to keep the loan current

and in good standing, and the administration of escrow accounts for payment of items such as hazard insurance premiums and taxes on a residential mortgage loan.

Subd. 19. [SETTLEMENT SERVICES.] "Settlement services" includes any service provided in connection with a real estate settlement including, but not limited to, title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of credit reports or appraisals, pest and fungus inspections, services rendered by a real estate agent or broker, and the handling of the processing, and closing or settlement.

Subd. 20. [TRUTH-IN-LENDING ACT.] "Truth-in-Lending Act" means United States Code, title 15, sections 1601 to 1666j, and any regulations adopted under those sections.

Sec. 4. [57.04] [LICENSE REQUIREMENT; APPLICATION.]

Subdivision 1. [GENERALLY.] A person may not engage in business as a mortgage lender, loan officer, general mortgage broker, or individual mortgage broker unless that person has first obtained a license under this chapter or is exempt from the licensing requirements of this chapter.

Subd. 2. [EXEMPTIONS.] The following persons are exempt from the licensing requirements of this section:

(1) a person whose primary responsibility is to process loan applications, unless the person is authorized to solicit or negotiate loans;

(2) banks, savings banks, savings associations, and credit unions organized under the laws of this state, and banks, savings banks, savings associations, and credit unions organized under the laws of the United States that have offices in this state from which deposits are accepted under the laws of this state or the United States, and their employees; provided, however, that subsidiaries and service corporations of these institutions are not exempt from the requirements of this chapter;

(3) regulated lenders licensed under chapter 56, and industrial loan and thrift companies licensed under chapter 53;

(4) insurance companies licensed to do business in this state; and

(5) persons licensed by the state of Minnesota as real estate brokers or salespersons;

(6) employees of a mortgage lender who only solicit refinance loans, through the mail or by use of the telephone, from mortgagors whose loans the mortgage lender is servicing at the time of the solicitation, if the persons making the solicitations are not residents of this state, and if the solicitations originate from outside this state; and

(7) a person who only negotiates assumptions, workouts, or conversions of existing loans.

Subd. 3. [MORTGAGE LENDERS.] A mortgage lender or loan officer licensed under this section who brokers mortgage loans is not required to obtain a license as a mortgage broker.

Subd. 4. [FORM.] An application for a license under this section must be made in writing, and on a form approved by the commissioner.

Subd. 5. [CONTENTS.] The application for a mortgage lender or general mortgage broker must set forth:

- (1) the name and address of the applicant;*
- (2) if the applicant is a firm or partnership, the name and address of each member of the firm or partnership;*
- (3) if the applicant is a Minnesota corporation, the name and address of its officers and directors;*
- (4) if the applicant is a foreign corporation, a copy of its certificate of authority to transact business in this state and the name and address of its registered agent and each officer and director;*
- (5) the addresses of all offices in this state where business will be conducted by the applicant; and*
- (6) other information concerning the financial responsibility, background, experience, and activities of the applicant and its officers, directors, employees, and principal stockholders as the commissioner requires.*

Subd. 6. [FINANCIAL RESPONSIBILITY FOR MORTGAGE LENDERS.] (a) An applicant for a mortgage lender license shall:

(1) demonstrate evidence of approval or certification by the United States Secretary of Housing and Urban Development, including as a loan correspondent mortgagee, or approval or certification of the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association;

(2) certify to the commissioner a bond; or

(3) provide evidence of, and continuously maintain, a line of credit for the funding of mortgage loans.

(b) If the applicant for a mortgage lender license provides a bond, it must be in the amount of \$100,000, issued by an insurer authorized to transact business in this state and covered by the Minnesota insurance guaranty association, with the state as obligee, conditioned for the prompt payment to a person entitled to it, other than an officer, partner, or employee of the licensee, from loss resulting from fraud, dishonesty, forgery, or theft in connection with a residential mortgage loan transaction by the licensee or an officer, agent, or employee. The aggregate liability of the surety to all persons for all losses is limited to the amount of the bond. The bond must remain operative for the term of the license.

(c) If the applicant for a mortgage lender license provides a line of credit, it must be for at least \$250,000 with a lending institution whose deposits are insured by the Federal Savings and Loan Insurance Corporation or the Federal Deposit Insurance Corporation, or with a person who is otherwise acceptable to the commissioner.

The requirement of a line of credit may be waived by the commissioner if all loans originated by the applicant are either closed in the name of a licensed lender or other financial institution or entity approved by the commissioner under an agreement between the mortgage lender or other financial institution and the applicant, or assigned, under an agreement, to a licensed mortgage lender or other financial institution or entity approved by the commissioner, simultaneously with the closing.

The applicant shall provide the commissioner with a copy of the agreement, which must state the circumstances under which the mortgage lender

or financial institution will be obligated to fund closings or purchase loans from the applicant. The licensee shall notify the commissioner of any modifications to the agreement.

(d) If there is any material change in any of the financial conditions upon which a license was granted under this section, the mortgage lender must notify the commissioner of that change within five business days of the change.

Subd. 7. [EXPERIENCE.] An entity applying for a mortgage lender's license must have at least one partner or employee, in a position to supervise the work of the entity, who must have at least two years of mortgage origination experience within the previous four years. The experience requirement may be waived if the applicant is, in the opinion of the commissioner, otherwise qualified by reason of education or practical experience.

Subd. 8. [APPLICATIONS FOR LOAN OFFICER OR INDIVIDUAL MORTGAGE BROKER LICENSE.] The application for a loan officer or individual mortgage broker license must set forth the name and address of the applicant and other information concerning the financial responsibility, background, experience, and activities of the applicant as the commissioner requires.

Subd. 9. [FEES.] (a) An application must be accompanied by the following fees:

(1) for a mortgage lender with less than five employees, the license fee is \$250;

(2) for a mortgage lender with five or more employees, the license fee is \$750;

(3) for a general mortgage broker, the license fee is \$250; and

(4) \$125 for each loan officer or individual mortgage broker.

(b) Fees collected under this subdivision must be deposited in the state treasury and credited to the general fund.

All fees are nonreturnable, except that an overpayment of a fee must be refunded upon proper application to the commissioner.

Subd. 10. [DENIAL OF LICENSE.] The commissioner may deny a license under this section if the applicant:

(1) fails to meet the criteria described under subdivisions 6 and 7;

(2) had an entry of a federal or state administrative order against the mortgage lender or mortgage broker for violation of any law or regulation applicable to the conduct of the licensed business; or

(3) had an entry of a judgment against the mortgage lender or mortgage broker involving fraud, misrepresentation, or deceit.

Subd. 11. [ANNUAL REPORT.] The commissioner may require a licensee to file an annual report with the commissioner that sets forth the information and is in the form the commissioner requires regarding the business conducted by the licensee during the preceding calendar year.

Sec. 5. [57.05] [RETENTION OF BOOKS, ACCOUNTS, AND RECORDS.]

Subdivision 1. [RECORDS MAINTAINED.] Each mortgage lender and

mortgage broker shall maintain in the licensee's offices any books, accounts, and records the commissioner reasonably requires in order to determine whether the licensee is in compliance with this chapter and the rules adopted under it. The books, accounts, and records must be maintained separately from any other business of the mortgage lender or mortgage broker.

Subd. 2. [RECORDS RETAINED.] *A mortgage lender shall retain for at least two years after settlement of a mortgage loan, copies of the note, settlement statement, truth-in-lending disclosure, and other papers or records relating to the loan as may be required by rule. A mortgage broker must retain for at least two years after a mortgage loan is made the original contract for the individual mortgage broker's compensation, a copy of the settlement statement, and an account of fees received in connection with the loan, and other papers or records as may be required by rule.*

Subd. 3. [OUT-OF-STATE LICENSEE.] *A mortgage lender or mortgage broker may maintain the records required under this section in offices outside of this state if the licensee agrees to pay in advance for the cost of examination of those records by the commissioner.*

Sec. 6. [57.06] [PROHIBITED PRACTICES; GENERAL.]

A mortgage lender or mortgage broker may not violate any provision of the Equal Credit Opportunity Act, Real Estate Settlement Procedures Act, or the Truth-in-Lending Act in the making or brokering of mortgage loans.

Sec. 7. [57.07] [ADVERTISING PRACTICES.]

Subdivision 1. [PROHIBITION.] *Advertisements by mortgage lenders or mortgage brokers may not:*

- (1) state or imply that the advertised loan interest rates, points, terms, charges, or the contracts or services of the mortgage lender or mortgage broker are approved, recommended, or established by the state; or*
- (2) contain any statement that is false, misleading, or deceptive.*

Subd. 2. [MORTGAGE BROKERS.] *Advertisements by a mortgage broker must disclose that the mortgage broker does not make loans and that loan money, if available, is provided by other entities to qualified borrowers.*

Sec. 8. [57.08] [LOAN APPLICATION PRACTICES.]

Subdivision 1. [BORROWER INFORMATION DOCUMENT.] *At the time of the loan application but before the borrower signs the application or pays any consideration to a mortgage lender, the mortgage lender must provide the borrower with a "borrower information document" which must contain, in plain language, the following:*

- (1) the statement: "This document is being provided to you as required under Minnesota law. Its purpose is to tell you about the documents you should be receiving in connection with your mortgage loan application.";*
- (2) an itemized list of all fees the borrower will be required to pay at the time of application, and a statement of those fees which will or will not be refunded if the application is withdrawn or denied;*
- (3) a copy of the blank application;*
- (4) a description of the types of documents the borrower is usually*

requested to provide in order for the mortgage lender to provide the loan;

(5) a general description of the underwriting and other eligibility standards customarily used in determining whether a loan will be provided;

(6) a statement that the borrower may request the mortgage lender to provide the borrower:

(i) a copy of a sample blank mortgage note and mortgage contract of the type of mortgage applied for;

(ii) a copy of a sample commitment letter, if offered by the mortgage lender; and

(iii) a sample interest rate or discount point agreement, if offered by the mortgage lender; and

(7) a statement that the mortgage lender may not require the borrower to contract with any specific person for any settlement services, although the lender may require that a person providing settlement services be acceptable to the lender.

Subd. 2. [COPIES; SIGNED DOCUMENTS.] A copy of each document signed by the borrower must be provided to the borrower at the time of signing of the document, except for releases for credit information and verifications of employment, bank accounts, and current mortgage history.

Subd. 3. [CLOSING COSTS.] The mortgage lender must inform the borrower in a separate written document that the borrower may inspect the completed uniform settlement statement containing the information required under section 9, subdivision 4, one day prior to the settlement of the loan, excluding Saturdays, Sundays, and legal holidays.

Subd. 4. [CHANGING TERMS; PROHIBITED.] A mortgage lender may not obtain any agreement or instrument in which blanks are left to be filled in after execution by the parties, except for verifications of employment, bank accounts, and other credit verifications, or fill in or change the loan amount, interest rate, number of discount points, or other terms contained in an interest rate or discount point agreement after the interest rate or discount point agreement is executed by the parties.

Subd. 5. [SECURITY INTEREST; PERSONAL PROPERTY.] A mortgage lender may not accept in connection with a mortgage loan a security interest in the borrower's personal property as described under the Code of Federal Regulations, title 16, section 444.2(4).

Subd. 6. [REFERRAL FEES.] (a) A mortgage lender may not pay or accept a referral fee in connection with making or processing a mortgage loan to the extent prohibited under the Real Estate Settlement Procedures Act.

(b) Any payments permitted under the Real Estate Settlement Procedures Act for services performed may not be paid to or accepted by a real estate broker or real estate salesperson unless written disclosure is made to and acknowledged by the borrower before the services are to be performed.

Subd. 7. [SETTLEMENT SERVICES.] A mortgage lender may not require a borrower to contract with any specific person for real estate settlement services other than credit reports, although the lender may require that a person providing settlement services be acceptable to the lender.

Subd. 8. [INSURANCE.] (a) A mortgage lender may not require a

borrower to purchase insurance from a designated company, agent, or agency. This does not prohibit a lender from requiring that insurance coverage be provided by companies with a certificate of authority to do business in the state of Minnesota or that meet financial criteria under section 72A.31, subdivision 1.

(b) A mortgage lender may not require a borrower to obtain a policy of insurance covering the property in an amount exceeding the amount of the mortgage.

Subd. 9. [COPIES OF REPORTS.] A mortgage lender must make available to the borrower, or send or transmit to another person as directed by the borrower, within two business days of a request, a copy of an appraisal report for which the borrower has paid, or other documents necessary to process the loan that the mortgage lender possesses, excluding verifications of employment and other financial information and the mortgage lender's working papers. If a credit report is requested by the borrower, the lender must disclose the name, address, and telephone number of the entity who prepared the credit report and that the borrower has the right to receive a copy from the entity. If a lender does not possess a document or report that has been requested, the lender must inform the borrower where the document may be obtained.

Sec. 9. [57.09] [CLOSING PRACTICES.]

Subdivision 1. [ACCEPTANCE OF MORTGAGE LENDER FEES NOT DISCLOSED; PROHIBITED.] (a) A mortgage lender may not charge a lender-imposed fee, and a borrower may not be required to pay a lender-imposed fee at settlement if the fee was not previously disclosed on the settlement statement as required under subdivision 4.

(b) The requirement of this subdivision may be specifically waived by the borrower in writing at the time of the settlement, only if the lender demonstrates that, acting in good faith and due to circumstances beyond its control, compliance with this subdivision is not feasible.

Subd. 2. [DISBURSAL OF FUNDS.] A mortgage lender must promptly upon closing disburse, or hold in an escrow account, all funds in accordance with the agreement, taking into account any applicable right of rescission.

Subd. 3. [CONFESSION OF JUDGMENT.] A mortgage lender may not take a confession of judgment or a power of attorney to confess judgment or appear for the borrower in any judicial proceeding.

Subd. 4. [SETTLEMENT STATEMENT.] (a) The mortgage lender and the real estate closing agent must make available to the borrower at least one day prior to settlement, excluding Saturdays, Sundays, and legal holidays, the uniform settlement statement containing the information required under the Real Estate Settlement Procedures Act including a final listing of all items and fees to be charged at settlement.

(b) The mortgage lender must notify the borrower, five business days prior to settlement or when the loan is approved, of the borrower's right to inspect the completed uniform settlement statement under this subdivision. The notice must state that the lender may not charge a fee not disclosed to the borrower 24 hours prior to the settlement, excluding Saturdays, Sundays, and legal holidays, unless specifically waived by the borrower at settlement. The notice must also inform the borrower of the

name, address, and telephone number of the entity closing the loan and the individual who should be contacted if the borrower desires to inspect the completed settlement statement.

Sec. 10. [57.10] [REFUNDS.]

Subdivision 1. [THIRD-PARTY SERVICES.] If a mortgage loan fails to close, the mortgage lender shall refund to the borrower the unused or unearned portion of any fees paid by the borrower to the mortgage lender for third-party services including, but not limited to, credit reports and appraisal fees.

Subd. 2. [LOCK-IN FEES.] If a borrower fails to qualify for the mortgage loan, the mortgage lender must refund any fee, including any discount points, paid by the borrower to the mortgage lender for entering into an interest rate or discount point agreement as defined under section 47.206. This subdivision does not apply to fees negotiated between the borrower and the lender for a period of price protection in excess of 90 days.

Sec. 11. [57.11] [LOAN SERVICING PRACTICES.]

Subdivision 1. [PROMPT CREDITING OF PAYMENTS.] In servicing a mortgage loan, a mortgage lender or mortgage loan servicer shall process and properly credit any regularly scheduled payment from the borrower to the borrower's mortgage loan account no later than one business day after receipt by the lender or servicer of the payment.

Subd. 2. [LATE PAYMENTS.] A mortgage lender or loan servicer shall not impose or collect any fee for late payments of principal, interest, or other sums due under a note, unless the late fee is authorized by the note and payment is not actually received by the lender by the due date stated in the mortgage instrument.

Subd. 3. [COMMUNICATIONS WITH BORROWER.] In servicing a mortgage loan, a mortgage lender or mortgage loan servicer shall make a good faith effort to respond within ten business days to oral or written communications from a borrower about the borrower's loan that reasonably indicate to the mortgage lender or loan servicer that a response is requested or needed.

Subd. 4. [TOLL-FREE NUMBER.] In servicing a mortgage loan, a mortgage lender or mortgage loan servicer shall establish a toll-free telephone number or provide an alternative toll-free telephone arrangement for receiving telephone calls from a Minnesota resident borrower calling from Minnesota to the mortgage lender or mortgage loan servicer, if the mortgage lender's or mortgage loan servicer's office is located in an area code different from the borrower's Minnesota residence.

Subd. 5. [PAYOFF REQUESTS.] A mortgage lender or mortgage servicer shall, within five business days of receipt of a written request from the borrower, provide a payoff amount for the principal and interest owed as of a specific date.

Sec. 12. [57.12] [ESCROW ANALYSIS.]

A mortgage lender or mortgage loan servicer administering an escrow account shall:

(1) perform an annual analysis of the escrow account except for the first analysis relating to loans for new construction, which may be made up to 18 months after settlement; and

(2) *provide the borrower a statement of the annual escrow account listing the date and amount of each payment to and from the account and the balance of the account.*

Sec. 13. [57.13] [MORTGAGE BROKERS.]

Subdivision 1. [WRITTEN AGREEMENT REQUIRED.] A mortgage broker may not receive compensation from a person for acting as a mortgage broker without first entering into a written contract with the person. The written contract must:

- (1) be in plain language;*
- (2) identify the trust account into which the fees or consideration will be deposited;*
- (3) state the circumstances under which the mortgage broker will be entitled to disbursement from the trust account;*
- (4) state the circumstances under which a person will be entitled to a refund of all or part of the fee;*
- (5) specifically describe the services to be provided by the mortgage broker and the dates by which the services will be performed;*
- (6) state the maximum rate of interest to be charged on any loan obtained;*
- (7) state that the state of Minnesota does not recommend or approve mortgage broker contracts, fees, or charges;*
- (8) disclose the length of time the entity has been engaged in business as a mortgage broker;*
- (9) disclose with respect to the previous calendar year the percentage of the mortgage broker's customers for whom loans have actually been funded as a result of the mortgage broker's services; and*
- (10) disclose the cancellation rights and procedures set forth in subdivision 6.*

Subd. 2. [TRUST ACCOUNT.] A mortgage broker must maintain a trust account in a depository financial institution located within Minnesota for deposit of fees collected and must deposit into that trust account within 48 hours of receipt all fees received before a loan is funded.

Subd. 3. [COMPENSATION BEFORE COMMITMENT.] A mortgage broker may not receive compensation from a person until a written commitment to make a mortgage loan is given to the person by a mortgage lender, except for documented out-of-pocket expenses paid to third parties and necessary to obtain a loan commitment.

Subd. 4. [COMPENSATION OUTSIDE AGREEMENT.] A mortgage broker may not receive compensation from a person relating to a mortgage loan, other than that specified in the written agreement signed by the person.

Subd. 5. [PROHIBITED PRACTICE.] A mortgage broker may not receive compensation from a person in connection with a mortgage loan transaction in which the mortgage broker is the mortgage lender, or a principal stockholder, partner, trustee, director, or officer of the mortgage lender.

Subd. 6. [CANCELLATION OF MORTGAGE BROKER CONTRACTS.] A customer of a mortgage broker who pays a fee before the loan is funded

has an unconditioned right to rescind the contract for mortgage brokerage services at any time until midnight of the third business day after the day the contract is signed. Cancellation is evidenced by the customer giving written notice of cancellation to the mortgage broker at the address stated in the contract. Notice of cancellation, if given by mail, is effective upon deposit in a mailbox properly addressed to the mortgage broker with postage prepaid. Notice of cancellation need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the customer not to be bound by the contract.

Sec. 14. [57.14] [WAIVER PROHIBITED.]

Any waiver, modification, or attempt to waive or modify any of the borrower's rights secured by this chapter is void as contrary to public policy.

Sec. 15. [57.15] [MISREPRESENTATION.]

A mortgage lender or mortgage broker may not:

(1) engage in any act or practice constituting consumer fraud, false promise, misrepresentation, misleading statement, or deceptive practice, as prohibited under sections 325D.44 and 325F.69, subdivision 1; or

(2) fail to state a material fact if the failure has the effect of misrepresenting the terms or conditions of a mortgage loan.

Sec. 16. [57.16] [ENFORCEMENT.]

For the purposes of the commissioner's authority to enforce this chapter, an act of an officer, employee, director, partner, or principal stockholder, if performed in connection with the operation of the lender's or broker's business, is considered an act of the mortgage lender or mortgage broker.

Sec. 17. [57.17] [PRIVATE REMEDY.]

A cause of action for violation of sections 2 to 18 does not arise unless the person has made a written demand to the mortgage lender or mortgage broker for damages and the lender or broker has not responded to the demand within ten days after the demand or has denied paying the full amount of damages demanded, and the person can show that actual damages have been sustained as a direct result of the violation. If actual damages have been sustained, the mortgage lender or mortgage broker is liable to the person for actual damages, plus reasonable attorney fees. A mortgage lender or mortgage broker is not liable under this section for a disclosure made in a form approved by the commissioner under section 19, or for a violation that the lender shows by a preponderance of the evidence was not intentional and resulted from a bona fide error under United States Code, title 15, section 1640.

Sec. 18. [57.18] [RULES.]

The commissioner may adopt rules to administer this chapter.

Sec. 19. [57.19] [APPROVAL OF FORMS.]

A mortgage lender or mortgage broker may request the commissioner to approve a disclosure governed by this chapter. A request for approval of a disclosure must be accompanied by a fee of \$100, or a fee of \$50 for an amendment to a disclosure that had been previously approved. The fee must be deposited in the state treasury and credited to the general fund. The commissioner must approve or disapprove the disclosure within 60

days after receipt.

Sec. 20. Minnesota Statutes 1988, section 82.17, subdivision 4, is amended to read:

Subd. 4. "Real estate broker" or "broker" means any person who:

(a) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys or rents, manages, or offers or attempts to negotiate a sale, option, exchange, purchase or rental of an interest or estate in real estate, or advertises or holds out as engaged in these activities;

~~(b) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly negotiates or offers or attempts to negotiate a loan, secured or to be secured by a mortgage or other encumbrance on real estate;~~

~~(c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly lists, sells, exchanges, buys, rents, manages, offers or attempts to negotiate a sale, option, exchange, purchase or rental of any business opportunity or business, or its good will, inventory, or fixtures, or any interest therein;~~

~~(d) (c) for another and for commission, fee or other valuable consideration or with the intention or expectation of receiving the same directly or indirectly offers, sells or attempts to negotiate the sale of property that is subject to the registration requirements of chapter 83, concerning subdivided land;~~

~~(e) (d) engages in the business of charging an advance fee or contracting for collection of a fee in connection with any contract whereby the person undertakes to promote the sale of real estate through its listing in a publication issued primarily for this purpose;~~

~~(f) (e) engages wholly or in part in the business of selling real estate to the extent that a pattern of real estate sales is established, whether or not the real estate is owned by the person. A person shall be presumed to be engaged in the business of selling real estate if the person engages as principal in five or more transactions during any 12-month period, unless the person is represented by a licensed real estate broker or salesperson;~~

~~(g) offers or makes more than five loans secured by real estate during any 12-month period and who is not a bank, savings bank, mutual savings bank, building and loan association, or savings and loan association organized under the laws of this state or the United States; trust company; trust company acting as a fiduciary; or other financial institution subject to the supervision of the commissioner of commerce; or mortgagee or lender approved or certified by the secretary of housing and urban development or approved or certified by the administrator of veterans affairs; or approved or certified by the administrator of the Farmers Home Administration; or approved or certified by the Federal Home Loan Mortgage Corporation; or approved or certified by the Federal National Mortgage Association.~~

Sec. 21. Minnesota Statutes 1989 Supplement, section 82.18, is amended to read:

82.18 [EXCEPTIONS.]

Unless a person is licensed or otherwise required to be licensed under this chapter, the term real estate broker does not include:

(a) a licensed practicing attorney if the attorney complies in all respects with the trust account provisions of this chapter;

(b) a receiver, trustee, administrator, guardian, executor, or other person appointed by or acting under the judgment or order of any court;

(c) any person owning and operating a cemetery and selling lots therein solely for use as burial plots;

(d) any custodian, janitor, or employee of the owner or manager of a residential building who leases residential units in the building;

(e) any bank, trust company, savings and loan association, industrial loan and thrift company, regulated lender under chapter 56, public utility, or land mortgage or farm loan association organized under the laws of this state or the United States, when engaged in the transaction of business within the scope of its corporate powers as provided by law;

(f) public officers while performing their official duties;

(g) employees of persons enumerated in clauses (b), (e), and (f), when engaged in the specific performance of their duties;

(h) any person who acts as an auctioneer bonded in conformity with section 330.02, when that person is engaged in the specific performance of duties as an auctioneer, and when that person has been employed to auction real estate by a person licensed under this chapter or when the auctioneer has engaged a licensed attorney to supervise the real estate transaction;

(i) any person who acquires real estate for the purpose of engaging in and does engage in, or who is engaged in the business of constructing residential, commercial or industrial buildings for the purpose of resale if no more than 25 such transactions occur in any 12-month period and the person complies with section 82.24;

(j) any person who offers to sell or sells an interest or estate in real estate which is a security registered pursuant to chapter 80A, when acting solely as an incident to the sale of these securities;

(k) any person who offers to sell or sells a business opportunity which is a franchise registered pursuant to chapter 80C, when acting solely to sell the franchise;

(l) any person who contracts with or solicits on behalf of a provider a contract with a resident or prospective resident to provide continuing care in a facility, pursuant to the Continuing Care Facility Disclosure and Rehabilitation Act (chapter 80D), when acting solely as incident to the contract;

(m) any broker-dealer or agent of a broker-dealer when participating in a transaction in which all or part of a business opportunity or business, including any interest therein, is conveyed or acquired pursuant to an asset purchase, merger, exchange of securities, or other business combination, if the agent or broker-dealer is licensed pursuant to chapter 80A;

(n) an accountant acting incident to the practice of the accounting profession if the accountant complies in all respects with the trust account provisions of this chapter; and

(o) any mortgage lender or mortgage broker licensed under sections 1 to 19 while engaged in the activities for which the license is required."

Page 2, after line 23, insert:

“Sec. 23. [APPROPRIATION.]

\$109,000 is appropriated from the general fund to the commissioner of commerce to administer sections 1 to 19. \$67,000 is for fiscal year 1991 and \$42,000 is for fiscal year 1992. The approved complement of the department of commerce is increased by one position.

Sec. 24. [REPEALER.]

Minnesota Statutes 1988, section 82.175, is repealed.

Sec. 25. [EFFECTIVE DATE.]

Sections 1 to 21 and 23 are effective January 1, 1991. Section 22 is effective July 1, 1990.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “regulating mortgage lenders and mortgage bankers;”

Page 1, line 3, after the semicolon, insert “appropriating money;” and delete “section” and insert “sections 82.17, subdivision 4; and”

Page 1, line 4, after “4” insert “; Minnesota Statutes 1989 Supplement, section 82.18; proposing coding for new law as Minnesota Statutes, chapter 57; repealing Minnesota Statutes 1988, section 82.175”

The motion prevailed. So the amendment was adopted.

H.F. No. 2704 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 54 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 1807 a Special Order to be heard immediately.

SPECIAL ORDER

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

Mrs. Pariseau moved to amend S.F. No. 1807 as follows:

Page 2, after line 25, insert:

"Sec. 2. [ROSEMOUNT; ARMORY LEVY.]

Subdivision 1. [ARMORY LEVY.] The city of Rosemount may levy not more than \$95,000 per year and otherwise incur debt under Minnesota Statutes, chapter 193 or 475 or both, to acquire and better an armory and to be serviced by the levy without regard to the limits on debt service and debt otherwise provided by chapter 193 or 475.

Subd. 2. [REVERSE REFERENDUM.] If the city council proposes to make a levy pursuant to subdivision 1, it shall pass a resolution stating that fact. Thereafter, the resolution shall be published for two successive weeks in the official newspaper of the city or, if there is no official newspaper, in a newspaper of general circulation in the city, together with a notice fixing a date for a public hearing on the matter. The hearing shall be held not less than two weeks nor more than four weeks after the first publication of the resolution. Following the public hearing, the city may determine to take no further action or adopt a resolution confirming its intention to exercise the authority. That resolution shall also be published in the official newspaper or, if there is no official newspaper, in a newspaper of general circulation in the city. If within 30 days thereafter a petition signed by voters equal in number to ten percent of the votes cast in the city in the last general election requesting a referendum on the proposed resolution is filed with the county auditor, the resolution shall not be effective until it has been submitted to the voters at a general or special election and a majority of votes cast on the question of approving the resolution are in the affirmative. The commissioner of revenue shall prepare a suggested form of question to be presented at the referendum. The referendum must be held at a special or general election prior to January 1, 1992.

Subd. 3. [LOCAL APPROVAL.] This section takes effect the day after the governing body of the city of Rosemount complies with Minnesota Statutes, section 645.021, subdivision 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 1807 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 59 and nays 0, as follows:

Those who voted in the affirmative were:

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

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. 2018 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2018: A bill for an act relating to lawful gambling; defining lawful purposes for expenditures of gambling profits; establishing licensing qualifications for organizations and manufacturers; requiring organizations to report monthly on expenditures and contributions of gambling profits; authorizing the gambling control board to require recipients of contributions of gambling profits to register with the board; authorizing summary suspension of gambling licenses for failure to file tax returns; authorizing a limited number of video pull-tab devices and establishing standards and requirements for them; requiring inspection and testing of gambling equipment; requiring permits for gambling premises; requiring gambling managers to be licensed; requiring that employees of organizations conducting lawful gambling be registered with the board; requiring local gambling taxes and prescribing uses for revenue therefrom; abolishing lawful gambling on July 1, 1993; appropriating money; amending Minnesota Statutes 1988, sections 349.12, subdivisions 10, 18, and by adding subdivisions; 349.16, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211, by adding a subdivision; 349.212, subdivision 5; 349.2121, subdivisions 1 and 4a; 349.2123; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 340A.410, subdivision 5; 349.12, subdivisions 12 and 15; 349.151, subdivision 4, and by adding a subdivision; 349.152, subdivision 2, and by adding subdivisions; 349.161, as amended; 349.162; 349.163, as amended; 349.164; 349.2121, subdivision 2; 349.2122; 349.213, subdivision 2; 609.75, subdivision 3; 609.761, subdivision 1; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; 349.212, subdivisions 1, 2, and 4; Laws 1989, First Special Session chapter 1, article 13, section 27; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 1988, sections 349.11, as amended; 349.12, as amended; 349.13; 349.14; 349.15, as amended; 349.16, as amended; 349.161, as amended; 349.162, as amended; 349.163, as amended; 349.164, as amended; 349.17, as amended; 349.18, as amended; 349.19, as amended; 349.211; 349.212, as amended; 349.2121, as amended; 349.2122, as amended; 349.2123; 349.2124; 349.2125, as amended; 349.2127, as amended; 349.213, as amended; 349.214, subdivisions 1, 1a, 3, and 4; 349.22, as amended; 349.23; Minnesota Statutes 1989 Supplement, sections 349.151, subdivisions 1, 2, 4, 4a, and 5; 349.152; 349.153; 349.20; 349.21; 349.215; 349.2151; 349.2152; 349.216; 349.217; 349.2171; 349.218; 349.219; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

Ms. Reichgott moved to amend S.F. No. 2018 as follows:

Page 2, after line 11, insert:

"ARTICLE 1
REGULATORY PROVISIONS"

Page 63, after line 30, insert:

"ARTICLE 2
PENALTY PROVISIONS"

Section 1. Minnesota Statutes 1989 Supplement, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab ~~or~~ and tipboard deals, and video pull-tab devices and memory chips, that do not have stamps affixed to them as provided in section 349.162;

(2) all pull-tab ~~or~~ and tipboard deals, and video pull-tab devices and memory chips, in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals or video pull-tab devices or memory chips as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard or video pull-tab transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard or video pull-tab transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of a video pull-tab device or memory chip or more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and, tipboards, or video pull-tab devices or memory chips are being transported in the course of interstate commerce, or from one distributor to another, the pull-tab and tipboard deals and video pull-tab devices or memory chips are not contraband, notwithstanding the provisions of clause (1);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket, video pull-tab device prize voucher or video pull-tab device or memory chip;

(9) any unregistered gambling equipment except as permitted by this chapter; and

(10) any gambling equipment kept in violation of section 349.18; and

(11) any gambling equipment not in conformity with law or board rule.

Sec. 2. Minnesota Statutes 1989 Supplement, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within ~~two~~ ten days after the seizure of any alleged contraband, the person making the seizure shall ~~deliver~~ make available an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner of revenue or the director of gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within ~~30~~ 60 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced by the seizing authority as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the ~~state~~ seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 349.2121, subdivision 4, the seizing authority shall release the property seized without further legal proceedings.

Sec. 3. Minnesota Statutes 1988, section 349.2125, subdivision 4, is amended to read:

Subd. 4. [DISPOSAL.] (a) The property described in subdivision 1, clauses (4) and (5), must be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right, title or interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order, and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as

in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. ~~Seventy percent of the proceeds of the sale, after deducting the expense of keeping the property and fees and costs of sale, must be paid into the state treasury and credited to the general fund of forfeited property, after payment of seizure, storage, forfeiture and sale expenses, must be forwarded to the seizing authority for deposit as a supplement to its operating fund or similar fund for official use, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the proceeds must be forwarded within 60 days after resolution of the forfeiture to the department of human services to fund programs for the treatment of compulsive gamblers.~~ If answer is filed within the time provided, the court shall fix a time for a hearing, which shall be not less than ten nor more than 30 days after the time for filing answer expires. At the time fixed for hearing, unless continued for cause, the matter shall be heard and determined by the court, without a jury, as in other civil actions.

(b) If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the property unlawfully used, sold as provided by law, unless the owner shows to the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds ~~into the state treasury to be credited to the general fund to the seizing authority for official use and sharing in the manner provided in paragraph (a).~~ A sale under this section shall free the property sold from any and all liens on it. Appeal from the order of the district court will lie as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property must be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of not less than \$100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the ~~best interests of the state public interest~~ to do so.

Sec. 4. Minnesota Statutes 1988, section 349.2127, subdivision 1, is amended to read:

Subdivision 1. [COUNTERFEITING.] ~~No~~ (a) A person ~~shall is~~ guilty of a felony who, with intent to defraud the state, ~~make makes, alter alters, forge forges, or counterfeit counterfeits~~ any license or stamp provided for in this chapter, or ~~have has~~ in possession any forged, spurious, or altered stamps, with the intent, or with the result of, depriving the state of the tax

imposed by this chapter.

(b) *A person is guilty of a felony who alters, modifies, or counterfeits a video pull-tab device or memory chip.*

Sec. 5. Minnesota Statutes 1989 Supplement, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) ~~No~~ A person, other than a licensed distributor, ~~shall sell, offer is guilty of a crime who sells, offers for sale, or have in possession with intent to sell or offer for sale,~~ possesses a pull-tab or tipboard deal, ~~or a video pull-tab device or memory chip, that is~~ not stamped in accordance with the provisions of this chapter. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals or any amount of video pull-tab devices or memory chips.

(b) ~~No~~ A person, other than a licensed distributor or ~~licensed or exempt~~ an organization under section 349.214 ~~may possess with the intent to sell or offer licensed or exempt or excluded from licensing under this chapter,~~ is guilty of a crime who sells, offers to sell, or possesses gambling equipment; ~~except (1) equipment exempt from taxation, or (2) equipment put into play by a licensed or exempt organization.~~ A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals or any amount of video pull-tab devices or memory chips.

(c) ~~No~~ A person, firm, or organization ~~may possess~~ is guilty of a crime who alters, modifies, or counterfeits pull-tabs, tipboards, tipboard tickets, or video pull-tab device prize vouchers, or possesses altered, modified, or counterfeit pull-tabs ~~or, tipboards, tipboard tickets with intent to sell, redeem, or exchange them,~~ or video pull-tab device prize vouchers. A violation of this paragraph is a felony if the total face value for all such pull-tabs, tipboards, tipboard tickets, or video pull-tab prize vouchers exceeds \$200. For purposes of this paragraph, the face value of all pull-tabs, tipboards, tipboard tickets, and video pull-tab prize vouchers altered, modified, or counterfeited within a six-month period may be aggregated and the defendant charged accordingly.

Sec. 6. Minnesota Statutes 1988, section 349.2127, subdivision 3, is amended to read:

Subd. 3. [FALSIFICATION OF RECORDS FALSE INFORMATION.] ~~No~~ (a) A person is guilty of a gross misdemeanor if the person is required by section 349.2121, subdivision 2, to keep records or to make returns ~~shall falsify or fail and falsifies or fails to keep the records or falsify or fail falsifies or fails to make the returns.~~

(b) A person is guilty of a felony who:

(1) knowingly submits false information in any license application or other document or communication submitted to the board; or

(2) knowingly submits false information in any report, document, or other communication submitted to the commissioner of revenue in connection with lawful gambling or with any provision of this chapter.

Sec. 7. Minnesota Statutes Second 1989 Supplement, section 349.2127, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTING UNSTAMPED DEALS.] ~~No~~ A person ~~shall transport~~ is guilty of a gross misdemeanor who transports into, or receive

receives, carry carries, or move moves from place to place in this state, any deals of pull-tabs or tipboards not stamped in accordance with this chapter or any video pull-tab device or memory chip except in the course of interstate commerce. A person is guilty of a felony who violates this subdivision after a previous conviction under this subdivision, or with respect to more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

Sec. 8. Minnesota Statutes Second 1989 Supplement, section 349.2127, subdivision 5, is amended to read:

Subd. 5. [PROVIDING INFORMATION.] *No An employee of an organization shall provide is guilty of a felony if the employee provides any information to a player that would provide an unfair advantage to the player related to the potential winnings of any lawful gambling activity. For purposes of this subdivision, "employee" includes a volunteer.*

Sec. 9. Minnesota Statutes 1988, section 349.2127, is amended by adding a subdivision to read:

Subd. 6. [CHECKS FOR GAMBLING PURCHASES.] *An organization may not accept checks in payment for the purchase of any gambling equipment or for the chance to participate in any form of lawful gambling. A person who violates this subdivision is guilty of a misdemeanor.*

Sec. 10. Minnesota Statutes 1989 Supplement, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANOR.] *(a) A person who commits any violation of sections 349.11 to 349.23 for which another penalty is not provided is guilty of a gross misdemeanor.*

(b) A person who in any manner violates sections 349.11 to 349.23 to evade a tax imposed by a provision of this chapter, or who aids and abets the evasion of a tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 11. Minnesota Statutes 1989 Supplement, section 349.501, subdivision 1, is amended to read:

Subdivision 1. [TO THE PUBLIC.] *An operator must prominently post in the owner's business premises a brief description of the legal consequences of awarding or receiving cash instead of game credits or replays on video games of chance in violation of section sections 349.502 and 609.76, subdivision 1.*

The information is prominently posted if it can be readily seen by a player immediately before the player participates in the video game of chance.

Sec. 12. Minnesota Statutes 1989 Supplement, section 349.502, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR.] *A person who awards or receives cash instead of game credits or anything of value other than replays on a video game of chance is guilty of a misdemeanor. An owner who directs an employee to violate this section is also considered to have violated this section. For purposes of this subdivision "cash" includes checks.*

Sec. 13. Minnesota Statutes 1988, section 349.52, is amended by adding

a subdivision to read:

Subd. 5. [LOCAL REGULATION.] A statutory or home rule charter city or county has the authority to adopt more stringent regulations concerning video games of chance, including regulations prohibiting video games of chance within its jurisdiction.

Sec. 14. Minnesota Statutes 1988, section 349.59, subdivision 1, is amended to read:

Subdivision 1. [PACKAGES DECLARED TO BE CONTRABAND.] The following are declared to be contraband:

(1) all video games of chance which do not have a licensing stamp affixed to them and all containers that contain contraband video games of chance;

(2) all video games of chance to which the commissioner or designated representatives have been denied access for the inspection of contents. In lieu of seizure, the commissioner or designated representatives may seal the game to prevent its use until inspection of contents is permitted;

(3) all video games of chance at a location at which there is no location agreement in force; ~~and~~

(4) all video games of chance illegally brought into the state; *and*

(5) all video games of chance that do not conform to the game specifications contained in section 349.55.

Sec. 15. Minnesota Statutes 1989 Supplement, section 609.76, subdivision 1, is amended to read:

Subdivision 1. [GROSS MISDEMEANORS.] Whoever does any of the following may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both:

(1) maintains or operates a gambling place or operates a bucket shop;

(2) intentionally participates in the income of a gambling place or bucket shop;

(3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;

(4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;

(5) with intent that it shall be so used, manufactures, sells or offers for sale, in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, and any facility for conducting a lottery, except as provided by section 349.40;

(6) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; or

(7) pays any compensation for game credits earned on or otherwise rewards, *with anything of value, other than free plays*, players of video games of chance as defined ~~under~~ in section 349.50, subdivision 8, *or who directs an employee to pay any such compensation or reward.*

Sec. 16. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 349.22, subdivision 3, is

repealed.

Sec. 17. [EFFECTIVE DATE; APPLICATION.]

Sections 1 to 16 are effective August 1, 1990. Sections 4 to 10, 12, 15, and 16 apply to violations committed on or after that date."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend S.F. No. 2018 as follows:

Page 2, delete section 2

Page 8, line 33, delete the new language

Page 10, delete lines 17 to 24

Page 60, delete section 59

Page 61, delete section 61

Pages 61 and 62, delete section 63

Page 63, line 7, delete "(a)"

Page 63, delete lines 12 to 24

Page 63, delete lines 29 and 30

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

CALL OF THE SENATE

Mr. Lessard imposed a call of the Senate for the Lessard amendment to S.F. No. 2018. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Lessard amendment.

The roll was called, and there were yeas 46 and nays 9, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.E.	Mehrkens	Reichgott
Anderson	Decker	Knaak	Metzen	Renneke
Beckman	DeCramer	Kroening	Moe, R.D.	Samuelson
Benson	Diessner	Laidig	Morse	Schmitz
Berg	Frank	Langseth	Pariseau	Solon
Bernhagen	Frederick	Lantry	Pehler	Vickerman
Bertram	Frederickson, D.J.	Larson	Piepho	
Chmielewski	Frederickson, D.R.	Lessard	Piper	
Cohen	Gustafson	McGowan	Purfeerst	
Dahl	Hughes	McQuaid	Ramstad	

Those who voted in the negative were:

Berglin	Freeman	Marty	Peterson, R.W.	Storm
Flynn	Luther	Merriam	Spear	

The motion prevailed. So the amendment was adopted.

Mrs. Lantry moved to amend S.F. No. 2018 as follows:

Page 55, line 5, delete "subdivision 2,"

Page 55, after line 5, insert:

“349.213 [LOCAL AUTHORITY.]

Subdivision 1. [LOCAL REGULATION.] A statutory or home rule city or county has the authority to adopt more stringent regulation of ~~any form~~ of lawful gambling within its jurisdiction, including the prohibition of ~~any form~~ of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.214. The fee for a permit issued under this subdivision may not exceed \$100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are profits less amounts expended for allowable expenses. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4, or 349.212; provided, however, that an ordinance requirement that such organizations must contribute ten percent of their net profits derived from lawful gambling to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for lawful purposes, is not considered an expenditure to the city or county nor a tax under section 349.212, and is valid and lawful.

A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must define the city's or county's trade area and must specify the percentage of lawful purpose expenditures which must be expended within the trade area.

A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision.”

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 2018 as follows:

Page 62, line 17, delete “REPORTS” and insert “REPORT”

Page 62, delete lines 18 to 27

Page 62, line 28, delete “Subd. 2. [GAMBLING CONTROL BOARD.]”

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend the Reichgott amendment to S.F. No. 2018, adopted by the Senate April 4, 1990, as follows:

Page 6, after line 3, insert:

“Sec. 5. Minnesota Statutes 1988, section 349.2127, is amended by adding a subdivision to read:

Subd. 1a. [UNLAWFUL EXPENDITURES.] (a) A person who knowingly or with reason to know makes an expenditure of gross profits from lawful

gambling for a purpose other than a lawful purpose as defined in section 349.12, subdivision 11, is guilty of a crime and may be sentenced as provided in this subdivision.

(b) If the unlawful expenditure is of \$2,500 or less, the person is guilty of a misdemeanor.

(c) If the unlawful expenditure is of more than \$2,500, the person is guilty of a gross misdemeanor.

(d) For purposes of this subdivision, expenditures made within a six-month period may be aggregated and the defendant charged accordingly."

Page 6, line 12, after the period, insert "A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals."

Page 6, line 21, after the period, insert "A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals."

Page 6, line 31, delete "felony" and insert "gross misdemeanor"

Page 6, line 33, delete "exceeds" and insert "does not exceed" and after the period, insert "A violation of this paragraph is a felony if the total face value exceeds \$200."

Page 7, lines 11 and 14, after "submits" insert "materially"

Page 8, line 11, strike "GROSS MISDEMEANOR" and insert "PENALTY"

Page 8, line 13, delete "gross"

Page 10, line 14, delete the second comma

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

Mr. Laidig moved to amend S.F. No. 2018 as follows:

Page 51, line 25, delete "may" and insert "shall"

The motion prevailed. So the amendment was adopted.

S.F. No. 2018 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 34 and nays 30, as follows:

Those who voted in the affirmative were:

Berglin	Frank	Lantry	Morse	Reichgott
Cohen	Frederickson, D.J.	Luther	Novak	Samuelson
Dahl	Freeman	Marty	Pehler	Schmitz
DeCramer	Gustafson	McQuaid	Peterson, R. W.	Solon
Dicklich	Hughes	Merriam	Piper	Spear
Diessner	Johnson, D.J.	Moe, D.M.	Pogemiller	Waldorf
Flynn	Kroening	Moe, R. D.	Purfeerst	

Those who voted in the negative were:

Adkins	Bernhagen	Frederick	Larson	Piepho
Anderson	Bertram	Frederickson, D.R.	Lessard	Ramstad
Beckman	Brataas	Johnson, D.E.	McGowan	Renneke
Belanger	Chmielewski	Knaak	Mehrrens	Storm
Benson	Davis	Laidig	Metzen	Stumpf
Berg	Decker	Langseth	Pariseau	Vickerman

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that H.F. No. 2419 be taken from the table. The motion prevailed.

H.F. No. 2419: A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; creating, abolishing, modifying, and transferring agencies and functions; defining and amending terms; providing for settlement of claims; imposing certain duties, responsibilities, authority, and limitations on agencies and political subdivisions; consolidating certain funds and accounts and making conforming changes; changing the organization, operation, financing, and management of certain courts and related offices; amending Minnesota Statutes 1988, sections 2.722, subdivision 1; 3C.035, subdivision 3; 3C.11, subdivision 2; 5.13; 11A.07, subdivision 5; 14.07, subdivisions 1 and 2; 14.08; 14.26; 14.53; 15.054; 15.06, subdivision 1; 15.51; 15.52, subdivisions 2 and 3; 15.53, subdivision 1; 15.56, subdivision 5; 15.59; 16A.10, by adding a subdivision; 16A.127, subdivisions 3 and 8; 16B.24, subdivision 5, and by adding subdivisions; 16B.28, subdivision 2; 16B.48, subdivisions 4 and 5; 16B.51, subdivision 2; 16B.53, subdivision 3; 16B.85, subdivisions 2, 3, and 5; 17.102, subdivision 4; 40A.08; 40A.151; 40A.152, subdivision 3; 40A.16; 41A.04, subdivision 1; 41A.05, subdivision 2; 41A.051; 41A.066, subdivision 1; 62D.122; 62J.02, subdivisions 2 and 3; 84.027, by adding a subdivision; 84.154, subdivision 5; 84.943; 84A.53; 84A.54; 89.37, subdivision 4; 89.58; 97A.065, subdivision 2; 97C.001, subdivision 1; 105.485, subdivision 3; 110B.04, subdivision 7; 110B.08, subdivision 5; 115.103, subdivision 1; 115A.072, subdivision 1; 115A.15, subdivision 6; 116.36, subdivision 1; 116.65, subdivision 3; 116C.03, subdivisions 4 and 5; 116C.712, subdivisions 3 and 5; 116D.04, subdivisions 5a and 10; 116D.045, subdivision 3; 116J.971, by adding a subdivision; 116J.980; 116L.03, by adding a subdivision; 116P.11; 126.115, subdivision 3; 144.226, subdivision 3; 144.70, subdivision 2; 144.8093, subdivisions 2, 3, and 4; 144A.071, subdivision 5; 144A.31, subdivision 1; 144A.33, subdivision 4; 145A.02, subdivision 16; 145A.09, subdivision 6; 157.045; 169.126, subdivision 4b; 171.06, subdivision 2a; 176B.02; 176B.04; 181.953; 183.545, subdivision 9; 184.33, subdivision 1, and by adding a subdivision; 184.35; 190.08, by adding a subdivision; 192.85; 196.054, subdivision 2; 197.23, subdivision 2; 201.023; 204B.14, subdivision 5; 214.141; 240A.02, subdivisions 1 and 3; 240A.03, subdivision 13, and by adding a subdivision; 243.48, subdivision 1; 268.026, subdivision 2; 268.361, subdivision 3; 268.677, subdivision 2; 268.681, subdivision 3; 270.68, subdivision 1; 272.38, subdivision 1; 282.014; 296.06, subdivision 2; 296.12, subdivisions 1 and 2; 296.17, subdivisions 10 and 17; 297.03, subdivision 5a; 299D.03, subdivision 5; 326.37; 326.47, subdivision 3; 326.52; 326.75, subdivision 4; 349.22, subdivision 2; 349.36;

349.52, subdivision 3; 352.92, subdivision 2; 352B.02, subdivision 1c; 353D.01, subdivision 2; 354.42, subdivision 5; 363.073, by adding a subdivision; 368.01, subdivision 1a; 402.045; 462.384, subdivision 7; 477A.014, subdivision 4; 480A.01, subdivision 3; 481.14; 484.54, subdivision 1; 484.545, subdivision 1; 484.68, subdivision 2, and by adding a subdivision; 484.70, subdivision 1; 485.03; 486.01; 487.32, subdivisions 2 and 3; 487.33, by adding a subdivision; 611.20; 611.215, subdivision 1; 611.26, subdivision 3; 611.27; 611.271; 629.292, subdivision 1; Minnesota Statutes 1989 Supplement, sections 3.30, subdivisions 1 and 2; 5.18; 15A.081, subdivision 1; 16A.11, subdivision 3; 16A.133, subdivision 1; 16B.24, subdivision 6; 16B.28, subdivision 3; 16B.465, subdivision 1; 16B.48, subdivision 2; 17.49, subdivision 1; 18.0225; 41A.05, subdivision 1; 43A.02, subdivision 25; 43A.24, subdivision 2, and by adding a subdivision; 84A.51, subdivision 2; 85.205; 89.035; 89.036; 97A.475, subdivision 2; 103H.101, subdivision 4; 103H.175; 105.41, subdivision 5a; 115A.54, subdivision 2a; 115A.923, subdivision 2; 116.85; 116C.03, subdivision 2; 116J.01, subdivision 3; 116J.58, subdivision 1; 116J.617, subdivision 5; 116J.955, subdivision 1; 116J.9673, subdivision 4; 116J.971, subdivisions 6, 7, and 8; 116L.03, subdivision 2; 129B.13, subdivisions 2, 3, 8, 9, 10, 12, 14, 15, and 16; 144.861; 145.926, subdivisions 1, 4, 5, 7, and 8; 169.686, subdivision 3; 176.135, subdivision 1; 183.357, subdivision 4; 190.25, subdivision 3; 216D.08, subdivision 3; 245.4873, subdivision 2; 245.697, subdivision 2a; 246.18, subdivision 3a; 256H.25, subdivision 1; 270.06; 270.064; 299A.30, subdivision 2; 299A.31, subdivision 1; 299A.40, subdivision 4; 299F.641, subdivision 8; 299J.12, subdivision 1; 336.9-413; 352.04, subdivisions 2 and 3; 357.021, subdivision 2; 357.022; 357.08; 363.073, subdivision 1; 466A.05, subdivision 1; 469.203, subdivisions 4 and 5; 469.204, subdivision 2; 469.205, by adding a subdivision; 469.207; 473.156, subdivision 1; 480.242; 484.68, subdivision 5; 485.018, subdivision 5; 486.05, subdivisions 1 and 1a; 486.06; 487.31, subdivision 1; 504.34, subdivisions 5 and 6; 611.215, by adding a subdivision; and 611.26, subdivision 2; Minnesota Statutes Second 1989 Supplement, sections 3.885, subdivisions 3, 5, and 6; 275.14; 275.51, subdivision 6; 297A.44, subdivision 1; 357.021, subdivision 1a; 373.40, subdivision 1; 477A.011, subdivisions 3 and 3a; 477A.012, subdivision 4; Laws 1987, chapter 404, section 192, subdivision 2; Laws 1988, chapters 648, section 3; and 686, article 1, section 52; Laws 1989, chapter 335, article 1, sections 4, 36, and 42, subdivision 2; article 3, sections 38; and 58, as amended; and article 4, section 107; Laws 1989, First Special Session chapter 1, article 24, section 2; proposing coding for new law in Minnesota Statutes, chapters 4, 6, 15, 16A, 16B, 43A, 88, 116, 116J, 240A, 268, 462A, and 484; proposing coding for new law as Minnesota Statutes, chapter 484A; repealing Minnesota Statutes 1988, sections 3C.056; 14.32, subdivision 2; 40A.02, subdivision 2; 84A.51, subdivision 1; 85.30; 116E.01; 116E.02; 116E.04; 116J.971, subdivisions 1, 2, 4, 5, and 10; 116K.01 to 116K.03; 116K.04, as amended; 116K.05 to 116K.13; 116N.01; 116N.02, as amended; 116N.03 to 116N.07; 116N.08, as amended; 184.34; 268.681, subdivision 4; 299J.18; 326.82; 480.252; 480.254; 484.55; 485.018, subdivision 2a; 486.07; 487.10, subdivisions 2 and 4; and 487.13; Minnesota Statutes 1989 Supplement, sections 3C.035, subdivision 2; 8.15; 97B.301, subdivision 5; 116E.03; 116E.035; 116J.970; 116J.971, subdivisions 3 and 9; 116K.14; 116O.03, subdivision 2a; 357.021, subdivision 2a; 469.203, subdivision 5; 480.241; 480.242, subdivision 4, as amended; 480.256; and 484.545, subdivisions 2 and 3; Laws 1988, chapter 686, article 1, section 3, paragraph (c); Laws 1989, chapter 303, section 10; Minnesota Rules, part 4410.3800, subparts

1 and 3.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2419 and that the rules of the Senate be so far suspended as to give H.F. No. 2419 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2419 was read the second time.

Mr. Kroening moved to amend H.F. No. 2419 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2419, and insert the language after the enacting clause, and the title, of S.F. No. 2631, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.J. moved to amend H.F. No. 2419, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2631.)

Page 11, after line 31, insert:

"Sec. 43. Minnesota Statutes 1988, section 116.36, subdivision 1, is amended to read:

Subdivision 1. For the purposes of ~~this section and section 116.37~~ sections 116.36 to 116.38, the following terms ~~shall~~ have the meanings given.

Sec. 44. [116.38] [PCB BURNING.]

Subdivision 1. [STATE POLICY.] The legislature finds that risks to human health must be adequately evaluated before a facility is granted a permit to burn PCBs. The legislature also finds that if there is a risk to human health, all human health must be treated with equal concern, and facilities that cause risks to human health must not be allowed to operate in sparsely populated areas if they would not be allowed to operate in heavily populated areas.

Subd. 2. [EIS REQUIRED.] A state agency may not allow burning of PCBs by permit or otherwise unless an environmental impact statement is completed. This section does not apply to experimental burning of small quantities of PCBs.

Subd. 3. [HEALTH CONCERNS.] If an environmental impact statement is prepared under subdivision 2 and it states there is a significant risk to public health because of burning PCBs, the county where the burning facility is located may, by resolution, prohibit the burning of PCBs that are not generated within the county unless the county is compensated by the facility for the actual or potential health risks. The amount of compensation shall be determined by the Minnesota pollution control agency, in consultation with the county board.

Subd. 4. [LOCAL RESOLUTION.] As part of the application, the owner must submit a resolution from each city council of a statutory or home rule charter city where a facility is located approving the burning of PCBs."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

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

Mr. Merriam appealed the decision of the President.

CALL OF THE SENATE

Mr. Merriam imposed a call of the Senate for the balance of the proceedings on H.F. No. 2419. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on "Shall the decision of the President be the judgment of the Senate?"

The decision of the President was sustained.

The question was taken on the adoption of the Frederickson, D.J. amendment.

The roll was called, and there were yeas 34 and nays 29, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hughes	Lessard	Purfeerst
Anderson	Decker	Johnson, D.E.	Luther	Ramstad
Beckman	DeCramer	Johnson, D.J.	McGowan	Renneke
Belanger	Dicklich	Knaak	McQuaid	Samuelson
Bernhagen	Frederick	Kroening	Mehrkens	Solon
Bertram	Frederickson, D.J.	Langseth	Metzen	Vickerman
Chmielewski	Frederickson, D.R.	Lantry	Pariseau	

Those who voted in the negative were:

Benson	Diessner	Laidig	Morse	Schmitz
Berg	Flynn	Larson	Pehler	Spear
Berglin	Frank	Marty	Peterson, R.W.	Storm
Brataas	Freeman	Merriam	Piepho	Stumpf
Cohen	Gustafson	Moe, D.M.	Piper	Waldorf
Dahl	Knutson	Moe, R.D.	Reichgott	

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 2419, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2631.)

Page 10, after line 4, insert:

"Sec. 42. Minnesota Statutes Second 1989 Supplement, section 3.982, is amended to read:

3.982 [FISCAL NOTES FOR STATE-MANDATED ACTIONS.]

When a bill ~~proposing a new or expanded mandate on a political subdivision~~ is introduced and referred to a standing committee, ~~the head of each affected department or agency of the state government shall the department of finance shall determine whether the bill proposes a new or expanded mandate on a political subdivision. If it is determined that a new or expanded mandate is proposed, the commissioner of finance shall direct the appropriate department or agency of state government to prepare a~~

fiscal note identifying the projected fiscal impact of the bill on state government and on the affected political subdivisions. The commissioner of finance shall be responsible for coordinating the fiscal note process, for assuring the accuracy and completeness of the note, and for ensuring that fiscal notes are prepared, delivered, and updated as provided in this section. The fiscal note shall categorize mandates as program or nonprogram mandates and shall include estimates of the levy impacts of the mandates. To the extent that the bill would impose new fiscal obligations on political subdivisions, the note shall indicate the efforts made to reduce those obligations, including consultations made with representatives of the political subdivisions. Chairs of legislative committees receiving bills on rereerrals from other legislative committees may request that fiscal notes be amended to reflect amendments made to the bills by prior committee action. Preparation of the fiscal notes required in this section shall be consistent with section 3.98. The commissioner of finance shall periodically report to and consult with the legislative commission on planning and fiscal policy on the issuance of the notes."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend H.F. No. 2419, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2631.)

Page 10, after line 4, insert:

"Sec. 42. Minnesota Statutes 1988, section 97B.665, is amended to read:

97B.665 [IMPAIRMENT OF DRAINAGE BY BEAVER DAMS.]

Subdivision 1. [AGREEMENT BY COUNTY BOARD, LANDOWNER, AND COMMISSIONER.] (a) When a drainage watercourse is impaired by a beaver dam, the ~~commissioner~~ *county board* shall take action to remove the impairment, if:

- (1) the county board unanimously consents;
- (2) the landowner approves;
- (3) the commissioner agrees; and
- (4) the action is financially feasible.

(b) In a county with unanimous consent of the county board of commissioners and approval of the landowner, the ~~department~~ *county board* shall take action agreed to by unanimous consent of the county board, the commissioner, and the landowner. The action may include destruction or alteration of beaver dams and removal of beaver. This subdivision does not apply to state parks, state game refuges, and federal game refuges.

Subd. 2. [PETITION TO DISTRICT COURT.] If a beaver dam causes a threat to personal safety or a serious threat to damage property, and a person cannot obtain consent under subdivision 1, a person may petition the district court for relief. The court may order the ~~commissioner~~ *county board* to take action to reduce the threat."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Peterson, R.W. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Benson moved to amend H.F. No. 2419, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2631.)

Page 10, after line 4, insert:

"Sec. 42. Minnesota Statutes 1988, section 97C.001, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION.] The commissioner may designate all or part of a lake or stream as experimental waters, *except for the streams located in Beaver Creek Valley State Park and Forestville State Park*. The designated experimental waters may not exceed 100 lakes and 25 streams at one time. Only lakes and streams that have a public access may be designated. The commissioner shall establish methods and criteria for public initiation of experimental waters designation and for public participation in the evaluation of the waters designated."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Peterson, R.W. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Kroening moved to amend H.F. No. 2419, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2631.)

Page 14, after line 18, insert:

"Sec. 49. [STATE-PAID HEALTH INSURANCE FOR EARLY RETIREES.]

An employee of an agency of the state who is eligible for state-paid employee and dependent insurance under Minnesota Statutes, section 43A.18, or other law, who has at least 25 years of state service, who is immediately eligible for a retirement annuity, who is at least 55 and not yet 65 years of age, who is covered by a retirement plan established in Minnesota Statutes, chapter 352, and who retires after April 30, 1990, and before July 1, 1990, is eligible for state-paid hospital, medical, and dental benefits as provided in collective bargaining agreements or plans established under section 43A.18. This section does not apply to an employee previously, currently, or prospectively eligible for any form of early retirement incentive or separation pay under a collective bargaining agreement or plan established under Minnesota Statutes, section 43A.24, subdivision 2, paragraph (i). For purposes of this section, a person retires when the person terminates active employment in state service and applies for a retirement annuity. The retired employees are eligible for coverages to which they were entitled at the time of retirement subject to any changes in coverage through collective bargaining or plans established under section 43A.18 for employees in positions equivalent to that from which they retired, provided that the retired employees are not eligible for state-paid life insurance. Eligibility ceases when the retired employee attains the age of

65, or when the employee chooses not to receive the annuity for which the employee has applied, or the employee is eligible for employer-paid health insurance from a new employer. Coverages must be coordinated with relevant health insurance benefits provided through the federally sponsored Medicare program.

Sec. 50. [SUPPLEMENTAL RETIREMENT ANNUITY OPTION.]

Subject to this section and Minnesota Statutes, chapter 179A, until June 30, 1991, an employing unit with employees covered by a retirement plan established by Minnesota Statutes, chapter 352, may, with the agreement of the employee's exclusive bargaining representative and the employee, use all or a portion of the employee's severance payment plus accrued vacation to purchase a supplemental retirement annuity for that employee. To be eligible for this option, the employee must have accumulated at least 25 years of active service in the retirement plan and must be eligible to receive severance pay. The employing unit may not continue to make payments on the annuity contract for more than ten years. The annuity must be purchased from a company licensed to do business in this state. The cost of the annuity contract may not exceed the amount of the severance pay foregone plus annual interest at the rate of eight percent on the foregone amount until it is paid to the company from which the annuity is purchased."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Moe, D.M. questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

Mr. Frederick moved to amend H.F. No. 2419, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2631.)

Page 14, after line 18, insert:

"Sec. 49. [DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT GRANT.]

The department of trade and economic development may make a grant from a state funded grant program to an organization that is engaged, or is planning to be engaged in the conversion of biological waste into methane gas, to be used for fuel, fertilizer and feed. In the selection of the organization to receive the grant, the department must consider the economic feasibility of the project and the potential for raising private money to supplement the grant money. In addition to a grant, the organization may also be eligible for a loan from a state agency or department or from a state loan or grant program."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2419 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 4, as follows:

Those who voted in the affirmative were:

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

Messrs. Decker, Knutson, Larson and Mrs. Pariseau voted in the negative.

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

MOTIONS AND RESOLUTIONS - CONTINUED

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

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.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 2651 and that the rules of the Senate be so far suspended as to give H.F. No. 2651 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 2651 was read the second time.

Mr. Freeman moved to amend H.F. No. 2651 as follows:

Delete everything after the enacting clause, and delete the title, of H.F. No. 2651, and insert the language after the enacting clause, and the title, of S.F. No. 2632, as introduced.

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend H.F. No. 2651, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2632.)

Page 20, after line 20, insert:

“(g) Public School Building Survey

The commissioner of administration may conduct a survey of all public school buildings built after 1945 and before 1980 to determine the degree of physical accessibility for people with disabilities; may train school maintenance personnel to conduct on-site surveys to identify accessibility deficiencies in school buildings; and may prepare a report and workplan including schedules and cost estimates concerning necessary accessibility improvements. In preparing the report and workplan, the commissioner shall consult with and receive recommendations and priorities from the council on disability.

These activities shall be conducted in conjunction with the access survey being conducted for state-owned buildings, and the appropriation in Laws 1989, chapter 300, article 1, section 14, item (a), may be used for this purpose.”

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 2651, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2632.)

Page 37, line 31, delete “40” and insert “50”

Page 38, line 3, delete “26.7” and insert “16.7”

Page 40, lines 5 and 11, delete “40” and insert “50”

Page 40, lines 6 and 13, delete “until the year 2001”

CALL OF THE SENATE

Mr. Freeman imposed a call of the Senate for the balance of the proceedings on H.F. No. 2651. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Knaak amendment.

The roll was called, and there were yeas 18 and nays 46, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Larson	Olson	Renneke
Belanger	Frederickson, D.R.	McGowan	Pariseau	Storm
Benson	Knaak	McQuaid	Piepho	
Bernhagen	Knutson	Mehrkens	Ramstad	

Those who voted in the negative were:

Adkins	DeCramer	Johnson, D.E.	Moe, D.M.	Schmitz
Beckman	Dicklich	Johnson, D.J.	Moe, R.D.	Solon
Berg	Diessner	Kroening	Morse	Spear
Berglin	Flynn	Laidig	Pehler	Stumpf
Bertram	Frank	Langseth	Peterson, R. W.	Vickerman
Brandl	Frederick	Lantry	Piper	Waldorf
Brataas	Frederickson, D.J.	Lessard	Pogemiller	
Chmielewski	Freeman	Luther	Purfeerst	
Cohen	Gustafson	Marty	Reichgott	
Dahl	Hughes	Metzen	Samuelson	

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

Mr. Lessard moved to amend H.F. No. 2651, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2632.)

Page 39, lines 27 and 28, after "resources" insert "*and wildlife*"

Page 40, line 12, after "*resources*" insert "*and wildlife*"

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 2651, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2632.)

Page 40, after line 15, insert:

"Sec. 48. [CAPITAL LOAN APPROVALS.]

According to Minnesota Statutes, section 124.43, subdivision 3a, a capital loan is approved for each of the following school districts:

- (1) independent school district No. 115, Cass Lake;
- (2) independent school district No. 192, Farmington;
- (3) independent school district No. 390, Lake of the Woods;
- (4) independent school district No. 484, Pierz; and
- (5) independent school district No. 533, Dover - Eyota.

The amount of each loan shall be determined by specific act of the legislature or according to Minnesota Statutes, section 124.43, subdivision 3a, as applicable."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Ms. Flynn moved to amend H.F. No. 2651, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2632.)

Page 20, line 11, delete "2,640,000" and insert "1,840,000"

Page 23, after line 10, insert:

"(e) Metropolitan Open Space

5,000,000

This appropriation is for payment by the commissioner of trade and economic development to the metropolitan council established under Minnesota Statutes, section 473.123. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay only acquisition costs of specific identified parcels, relocation costs, and tax equivalency payments by the metropolitan council and local government units for regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, sections 473.315 and 473.341. No more than \$200,000 may be used for staff and independent services necessary to acquire open space."

Correct the section totals, the bond sale authorization, and the appropriation summary accordingly

Ms. Berglin moved to amend the Flynn amendment to H.F. No. 2651 as follows:

Page 1, line 7, delete "5,000,000" and insert "4,700,000"

Page 1, after line 28, insert:

"(f) Local Recreation Grants 300,000

This appropriation is to acquire and better recreation open space projects upon application by local units of government. A project may receive grant assistance of up to 50 percent of the total capital cost of the project."

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

The question recurred on the adoption of the Flynn amendment.

The roll was called, and there were yeas 18 and nays 43, as follows:

Those who voted in the affirmative were:

Berglin	Flynn	Kroening	Metzen	Spear
Brandl	Frank	Laidig	Novak	Waldorf
Cohen	Frederickson, D.J.	Lantry	Pogemiller	
Diessner	Johnson, D.J.	Marty	Renneke	

Those who voted in the negative were:

Adkins	Dahl	Knaak	Merriam	Piper
Anderson	Decker	Knutson	Moe, D.M.	Ramstad
Belanger	DeCramer	Langseth	Moe, R.D.	Samuelson
Benson	Dicklich	Larson	Morse	Schmitz
Berg	Frederick	Lessard	Olson	Storm
Bernhagen	Frederickson, D.R.	Luther	Pariseau	Stumpf
Bertram	Freeman	McGowan	Pehler	Vickerman
Brataas	Gustafson	McQuaid	Peterson, R.W.	
Chmielewski	Johnson, D.E.	Mehrken	Piepho	

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

Mr. Waldorf moved to amend H.F. No. 2651, as amended by the Senate

April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2632.)

Page 1, after line 20, insert:

"ARTICLE 1"

Page 40, line 20, delete "*act*" and insert "*article*"

Page 40, after line 20, insert:

"ARTICLE 2"

Section 1. Minnesota Statutes 1988, section 16B.16, is amended by adding a subdivision to read:

Subd. 3. [LEGISLATIVE INTENT.] The purpose of the energy efficiency installment purchase contracts authorized by this section is to save money on energy costs. That is why the entire cost of the contract must be a percentage of the resultant savings in energy costs. Neither the state nor any state agency is liable to make payments on the contract except to the extent that there are savings in energy costs that must be shared with other parties to the contract. The legislature intends not to appropriate any more money to pay for energy costs as a result of these contracts than would be payable without them.

Sec. 2. Minnesota Statutes 1988, section 41A.03, subdivision 5, is amended to read:

Subd. 5. [LIMITATION ON LIABILITY.] The liability of the state for loan guaranties or bonds authorized under this chapter is limited to the amount of funds appropriated to the guaranty fund pursuant to section 41A.06. The legislature intends not to appropriate money from the general fund to the guaranty fund, other than the sales and use taxes from a project as provided for in section 41A.06, subdivision 4. The loan guaranties or bonds are not a general obligation or debt of the state.

Sec. 3. Minnesota Statutes 1988, section 136.31, subdivision 1, is amended to read:

Subdivision 1. All references in sections 136.31 to 136.38 to the state university board shall be deemed and construed to include any successor thereof created or established by law. The state university board is hereby authorized to do the following:

(a) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings and any other similar revenue-producing buildings of such type and character as said board shall from time to time find necessary for the good and benefit of any of the state universities under the jurisdiction of said board, and for that purpose may acquire property of any and every kind and description, whether real, personal or mixed, by gift, purchase or otherwise; provided that no contract for the construction of any building shall be entered into until financing therefor has been approved by the legislature;

(b) maintain and operate any such buildings or structures and charge for the use thereof, and carry on such activities, as are commonly conducted in connection with any such buildings or structures;

(c) enter into contracts touching in any manner or any matter within the

objects and purposes of sections 136.31 to 136.38;

(d) acquire building sites and buildings or structures by gift, purchase or otherwise and pledge the revenues thereof for the payment of any bonds issued for such purpose as provided in sections 136.31 to 136.38;

(e) borrow money and issue and sell bonds in such amount or amounts as the legislature shall authorize for the purpose of acquiring, constructing, completing, remodeling, or equipping any such buildings or structures, and acquiring sites therefor, and refund and refinance the same from time to time by the issuance and sale of refunding bonds as often as it shall in the board's judgment be advantageous to the public interest so to do. All such bonds shall be sold and issued by said board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. Such bonds shall be payable solely from and secured by an irrevocable pledge of the revenues to be derived from the operation of any such buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of such bonds and in addition thereto from such other income and revenues described in section 136.33, clause (a) as said board by resolution shall specify, and notwithstanding this limitation all bonds issued hereunder shall have the qualities of negotiable instruments under the laws of this state. *The legislature intends not to appropriate money from the general fund to pay for these bonds.*

Sec. 4. Minnesota Statutes 1989 Supplement, section 136A.176, is amended to read:

136A.176 [BONDS NOT STATE OBLIGATIONS.]

Bonds issued under authority of sections 136A.15 to 136A.179 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings. *The legislature intends not to appropriate money from the general fund to pay for these bonds.*

Sec. 5. Minnesota Statutes 1988, section 136A.35, is amended to read:

136A.35 [BONDS ARE NOT STATE OBLIGATION.]

Bonds issued under authority of sections 136A.25 to 136A.42 do not, and shall state that they do not, represent or constitute a debt or pledge of the faith and credit of the state, grant to the owners or holders thereof any right to have the state levy any taxes or appropriate any funds for the payment of the principal thereof or interest thereon. Such bonds are payable and shall state that they are payable solely from the rentals, revenues, and other income, charges, and moneys as are pledged for their payment in accordance with the bond proceedings. *The legislature intends not to appropriate money from the general fund to pay for these bonds.*

Sec. 6. Minnesota Statutes 1989 Supplement, section 298.2211, subdivision 4, is amended to read:

Subd. 4. [OBLIGATIONS NOT STATE DEBT.] Bonds and other obligations issued by the commissioner pursuant to this section, along with all related documents, are not general obligations of the state of Minnesota and are not subject to section 16B.06. The full faith and credit and taxing

powers of the state are not and may not be pledged for the payment of these bonds or other obligations, and no person has the right to compel the levy of any state tax for their payment or to compel the appropriation of any moneys of the state for their payment except as specifically provided herein. These bonds and obligations shall be payable solely from the property and moneys derived by the commissioner pursuant to the authority granted in this section that the commissioner pledges to their payment. *The legislature intends not to appropriate money from the general fund to pay for these bonds or other obligations.* All these bonds or other obligations must contain the provisions of this subdivision or words to the same effect on their face.

Sec. 7. [EFFECTIVE DATE.]

This article is effective July 1, 1990."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 2651, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2632.)

Page 40, after line 15, insert:

"Sec. 48. [STATE BUILDING COMMISSION TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] The state building commission task force consists of:

(1) four members of the senate, two of whom must be members of the majority caucus and two of whom must be members of the minority caucus, appointed by the subcommittee on committees of the committee on rules and administration;

(2) four members of the house of representatives, two of whom must be members of the majority caucus and two of whom must be members of the minority caucus, appointed by the speaker;

(3) the commissioner of finance or the commissioner's designee; and

(4) the commissioner of administration or the commissioner's designee.

Subd. 2. [DUTIES.] (a) The task force shall formulate a legislative proposal for the establishment of a state building commission with responsibility for legislative oversight, study, investigation, and planning of state building projects. The legislative proposal must address the powers and duties of the commission. Powers and duties that must be considered by the task force include the study and investigation of:

(1) current and future needs for new state buildings;

(2) repair and maintenance needs of existing buildings;

(3) existing and future use of leased office space or buildings;

(4) all matters concerning the maintenance, remodeling, and furnishing of the governor's residence;

(5) other public capital improvements; and

(6) other matters relating to clauses (1) to (5) deemed necessary by the task force.

(b) Other powers and duties that must be considered by the task force include:

- (1) making prioritized biennial recommendations to the legislature;*
- (2) including operating costs for all recommended building or remodeling projects;*
- (3) establishing and continually maintaining a long-term plan for state building needs and capital improvements; and*
- (4) maintaining an inventory of all state buildings, land, and office space owned or leased by the state.*

(c) The task force shall also consider:

- (1) whether the state building commission should consist of legislators and state executive agency officials, or nongovernment professionals and public representatives, or a combination of both;*
- (2) the number and terms of members, how members should be appointed and compensated, if they are compensated, and how the commission should be staffed; and*
- (3) how, when, and under what guidelines the legislature should review commission recommendations and, specifically, whether the legislature should be limited to approving only projects that have been recommended by the commission.*

Subd. 3. [REPORT.] The task force shall report its findings and recommendations to the legislature by November 30, 1990. The task force is disbanded upon submission of the report required by this subdivision."

Renumber the sections in sequence and correct the internal references
Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Pehler moved to amend the first Benson amendment to H.F. No. 2651, adopted by the Senate April 4, 1990, as follows:

Page 1, line 14, delete "and"

Page 1, line 15, delete the period and insert a semicolon

Page 1, after line 15, insert:

- "(6) independent school district No. 213, Osakis;*
(7) independent school district No. 345, New London-Spicer;
(8) independent school district No. 682, Roseau;
(9) independent school district No. 748, Sartell; and
(10) independent school district No. 858, St. Michael."

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

Mr. Moe, D.M. moved to amend H.F. No. 2651, as amended by the Senate April 4, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2632.)

Page 14, delete lines 4 to 13

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

H.F. No. 2651 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 11, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Berglin	Frank	Knutson	McGowan	Olson
Brandl	Hughes	Lessard	McQuaid	Ramstad
Diessner				

So the bill, as amended, was 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 Messages From the House and First Reading of House Bills. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 2130: A bill for an act relating to insurance; regulating the practices and record keeping of, and disclosures by, public adjusters; amending Minnesota Statutes 1988, section 72B.135, by adding subdivisions.

Senate File No. 2130 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 4, 1990

Mr. Cohen moved that the Senate do not concur in the amendments by the House to S.F. No. 2130, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1942: A bill for an act relating to insurance; making changes in arbitration proceedings concerning no-fault automobile insurance; amending Minnesota Statutes 1988, section 65B.525, by adding a subdivision; and Minnesota Statutes 1989 Supplement, section 72A.327.

Senate File No. 1942 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 4, 1990

Mr. Brandl moved that the Senate do not concur in the amendments by the House to S.F. No. 1942, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1670: A bill for an act relating to natural resources; prohibiting transportation of Eurasian water milfoil; providing exceptions; providing penalties for not removing Eurasian water milfoil from watercraft; providing penalties; amending Minnesota Statutes 1988, section 361.03, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 18.

Senate File No. 1670 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 4, 1990

Mr. Luther moved that the Senate do not concur in the amendments by the House to S.F. No. 1670, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2131:

H.F. No. 2131: A bill for an act relating to crimes; prohibiting wild land arson fires; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 609.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Johnson, R.; Kelly; Bishop; Ozment and Rukavina have been appointed as such committee on the part of the House.

House File No. 2131 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1990

Mr. Dahl moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2131, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2025:

H.F. No. 2025: A bill for an act relating to agriculture; creating a restricted seed potato growing area and historic certified seed potato area; providing restrictions; requiring a study; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 21.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Tunheim, Bauerly and Lieder have been appointed as such committee on the part of the House.

House File No. 2025 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1990

Mr. Stumpf moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2025, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2200:

H.F. No. 2200: A bill for an act relating to education; starting, developing, adding to, clarifying, and financing elementary and secondary and related education programs and services, including those relating to general education, transportation, special programs, drug prevention and other community programs, facilities, programs of cooperation, other aids and levies, rural health care, and the department of education; providing for technical rate changes; authorizing bonds and tax levies; appropriating money; amending Minnesota Statutes 1988, sections 120.062, subdivision 9, and

by adding a subdivision; 121.148; 121.15, subdivisions 1 and 7; 121.88, subdivision 6; 121.882, subdivision 9, and by adding a subdivision; 121.908, subdivision 3; 121.917, subdivision 4; 122.91, by adding a subdivision; 122.93, by adding a subdivision; 122.94, subdivision 5; 123.33, subdivision 1; 123.35, by adding subdivisions; 123.3514, subdivisions 6 and 6b; 123.36, subdivision 10; 123.37, subdivision 1; 123.38, subdivisions 1 and 2b; 123.39, subdivision 6; 123.58, subdivisions 2 and 6; 123.9361; 123.947; 124.14, subdivision 7; 124.195, subdivision 10, and by adding subdivisions; 124.26, by adding a subdivision; 124.2711, subdivision 2; 124.494, by adding a subdivision; 124A.02, subdivision 1; 124A.036, subdivision 5, and by adding a subdivision; 125.12, by adding a subdivision; 125.17, by adding a subdivision; 125.185, by adding a subdivision; 125.231, subdivision 6; 125.60, subdivision 2; 126.12, subdivision 2; 126.666, subdivisions 2 and 4; 126.70, subdivision 2a; 129B.53, subdivision 3; 141.25, subdivisions 7 and 9; 181A.04, by adding a subdivision; 181A.12, subdivision 1; 275.125, subdivision 4; and 471.59, subdivision 2; Minnesota Statutes 1989 Supplement, sections 121.111, subdivisions 1 and 2; 121.15, subdivision 2; 121.612, subdivisions 3 and 5; 121.88, subdivision 9; 121.882, subdivision 2; 122.243, subdivision 2; 122.91, subdivisions 1 and 5; 122.92, subdivision 1; 122.94, subdivision 6; 122.945, subdivision 2; 123.58, subdivision 9; 124.10, subdivision 2; 124.155, subdivision 2; 124.19, subdivision 7; 124.225, subdivisions 1, 3a, and 8k; 124.26, subdivisions 7 and 8; 124.2711, subdivisions 1 and 3; 124.2713; 124.2715; 124.2721; 124.2725, subdivision 8, and by adding a subdivision; 124.38, subdivision 7; 124.573, subdivision 2d; 124.83, subdivision 6; 124.90, subdivision 2; 124A.22, subdivision 2a; 126.22, subdivisions 2 and 3; 128B.03, subdivision 4; 129.128; 141.35; 275.125, subdivisions 5c, 5e, 6h, 6i, 8b, 9a, 9b, 9c, 11d, and 18; Minnesota Statutes Second 1989 Supplement, sections 124.2442, subdivision 1; 124.83, subdivisions 1 and 4; 124A.26, subdivision 1; Laws 1959, chapter 462, section 3, subdivision 10, as renumbered, as amended; Laws 1984, chapter 463, article 6, section 15, subdivision 2; Laws 1988, chapter 718, article 6, section 23; and Laws 1989, chapter 329, article 5, section 21, subdivision 4; article 11, sections 15, subdivisions 2 and 12; 16, subdivision 2; article 12, sections 9, subdivision 2; and 11; proposing coding for new law in Minnesota Statutes, chapters 121; 122; 124; 125; 126; 129B; and 237; proposing coding for new law as Minnesota Statutes, chapter 124B; repealing Minnesota Statutes 1988, sections 121.15, subdivision 4; 124.43, subdivisions 2, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1.

The House respectfully requests that a Conference Committee of 5 members be appointed thereon.

Nelson, K.; McEachern; Ozment; Bauerly and Kelso have been appointed as such committee on the part of the House.

House File No. 2200 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1990

Mr. Peterson, R.W. moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2200, and that a Conference

Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 2057, 2138, 2458, 173, 2148 and 2390.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 4, 1990

FIRST READING OF HOUSE BILLS

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

H.F. No. 2057: A bill for an act relating to the city of Detroit Lakes; authorizing the establishment of a detached banking facility under certain conditions.

Mr. Moe, R.D. moved that H.F. No. 2057 be laid on the table. The motion prevailed.

H.F. No. 2138: A bill for an act relating to veterans; requiring two members of the board of directors of the Minnesota veterans homes to be women; directing the commissioner of veterans affairs to study the provision of veterans services to women; amending Minnesota Statutes 1988, section 198.002, subdivision 2.

Referred to the Committee on Veterans and Military Affairs.

H.F. No. 2458: A bill for an act relating to hazardous materials; directing the commissioner of public safety to plan a system for a regional hazardous materials incident response program; establishing an advisory task force.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2194.

H.F. No. 173: A bill for an act relating to agriculture; providing customer information when artificial cheese is used in certain foods; proposing coding for new law in Minnesota Statutes, chapter 31.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2468, now on General Orders.

H.F. No. 2148: A bill for an act relating to state employees, public employees, and teachers; providing immediate vesting for those persons whose employer ceases to be a governmental agency, instrumentality, subdivision, or public body; permitting those persons to elect a refund of their accumulated contributions, retirement annuity, or deferred retirement annuity; proposing coding for new law in Minnesota Statutes, chapter 356.

Referred to the Committee on Governmental Operations.

H.F. No. 2390: A bill for an act relating to children; providing improved procedures to protect the safety and welfare of abused and neglected children; improving data practices; requiring the commissioner of health to encourage display of posters informing pregnant women of the dangers of alcohol use; excluding persons with a history of child abuse or criminal sexual behavior from certain protections for criminal offenders; increasing

penalties for assault against a child when there is a past pattern of child abuse; increasing the penalties for malicious child punishment resulting in great bodily harm and assaulting a child protection worker; including mental injuries and threatened injuries as abuse to be reported as maltreatment of minors; amending Minnesota Statutes 1988, sections 147.09; 259.40, subdivisions 1 and 4; 260.011, subdivision 2; 260.155, subdivision 1; 609.2231, by adding a subdivision; 626.556, subdivisions 1, 3, 4, and by adding a subdivision; 626.559, subdivision 2; Minnesota Statutes 1989 Supplement, sections 179A.03, subdivision 7; 245A.04, subdivision 3; 260.015, subdivision 2a; 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 120; 144; and 245.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2188.

RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1743: Messrs. Schmitz, Waldorf and Dicklich.

S.F. No. 1942: Messrs. Brandl, Larson and Freeman.

H.F. No. 2200: Messrs. Peterson, R.W.; Pehler; Ms. Reichgott, Messrs. Brandl and Dicklich.

H.F. No. 2131: Messrs. Dahl; Merriam; Knaak; Peterson, R.W. and Lessard.

H.F. No. 2025: Messrs. Stumpf, Frederick and Langseth.

S.F. No. 2130: Messrs. Cohen, Solon and Frederick.

S.F. No. 1670: Messrs. Luther, Novak and Ms. Olson.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

MEMBERS EXCUSED

Mr. Dahl was excused from the Session of today from 1:00 to 2:00 p.m. Mr. Davis was excused from the Session of today at 5:00 p.m. Mr. Brandl and Ms. Olson were excused from the Session of today from 2:55 to 5:00 p.m. Mr. Pehler was excused from the Session of today at 7:45 p.m. Ms. Reichgott was excused from the Session of today from 4:15 to 6:00 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 1:00 p.m., Thursday, April 5, 1990. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate