

EIGHTY-SIXTH DAY

St. Paul, Minnesota, Friday, April 6, 1990

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Richard Keene Smith.

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

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

The President declared a quorum present.

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

REPORTS FILED WITH THE SECRETARY OF THE SENATE

The following reports were received and filed by the Secretary of the Senate: Board of Governors, Big Island Veterans Camp, Financial Statements, 1989; Board of Governors, Big Island Veterans Camp, Annual Report, 1989; Department of Public Safety, Evaluation of Mandatory Plate Impoundment, 1990; Department of Administration, Study of Discrimination Against Women- and Minority-Owned Businesses; Metropolitan Council, First Annual Contingency Assessment, Major Airport Strategy, 1990; Metropolitan Council, Major Airport Planning Activities, Annual Report, 1989; Department of Finance, Feasibility Study for Assistance to Persons Entering or Reentering Farming through Seller-participation Contract for Deed, 1990; Animal Population Control Study Commission, 1990; Department of Agriculture, Agricultural Land Preservation Program, Status Report, 1989; Department of Revenue, Tax Research Division, Study of

Farm Class Rates, 1990; Metropolitan Council, Metropolitan Long-Range Aviation Forecasts, Assumptions, and Methodologies, 1990; Metropolitan Council, Working Paper on Major Airport Long Term Aviation Goals, 1990; Metropolitan Council, Procurement and Contract Awards to Socially and Economically Disadvantaged (SED) Businesses, 1989; Metropolitan Council, Procurement and Contract Awards to Economically Disadvantaged Businesses (EDBs), 1989; Department of Agriculture, Minnesota Farm Advocate Program, Legislative Activity Report, 1990; Metropolitan Airports Commission, Procurement and Contract Awards to Economically Disadvantaged Businesses (EDBs), 1989; Metropolitan Airports Commission, Procurement and Contract Awards to Economically Disadvantaged (SED) Businesses, 1989; Office of the Legislative Auditor, Annual Report, 1989; Regional Transit Board, Light Rail Transit Regional Development and Financial Plan, 1990; Ethical Practices Board, Annual Report, 1989; Department of Natural Resources, Division of Waters, Consumptive Water Use Study, 1990; Department of Administration, Management Analysis Division, Potential Consolidation of State Aircraft Fleets, 1990; Harmful Substance Compensation Board, Annual Report, 1989; Mpls. Employees Retirement Fund, Comprehensive Annual Financial Report, 1989; Office of the State Auditor, Revenues, Expenditures and Debt of the Towns in Minnesota, 1989; Department of Human Services, Summary of Minnesota Public Assistance Trends, 1989; Department of Agriculture, Facilities Planning Criteria and Building Site Selection, 1990; Regional Transit Board, Procurement and Contract Awards to Socially and Economically Disadvantaged (SED) Businesses, 1989; Regional Transit Board, Procurement and Contract Awards to Economically Disadvantaged Businesses (EDBs), 1989; Regional Transit Board, Methods to Improve the Delivery of Transportation Services for Persons Who are Elderly and Disabled, 1990; Metropolitan Mosquito Control District, Procurement and Contract Awards to Socially and Economically Disadvantaged (SED) Businesses, 1989; State Planning Agency, An Evaluation of the SEARCH Program, 1990; Department of Health, Review of Statutes Regarding Nursing Home Licensure: Revoking Licenses and Barring Controlling Persons and Managerial Employees, 1990; Department of Jobs and Training, Temporary Housing Demonstration Program, Annual Report, 1989; Department of Employee Relations, Metropolitan Agencies Affirmative Action Report, 1990; Department of Health, A Review of the Inspection Activity in Hospitals and Nursing Homes: Recommendations for the Coordination of Inspections in Hospitals and Nursing Homes, 1990; Department of Administration, Access '92, Status Report, 1990; Department of Trade and Economic Development, Office of Science and Technology, Annual Report, 1990; Department of Agriculture, Weather Modification Activities, 1989; Office of the State Auditor, Revenues, Expenditures and Debt of Minnesota Counties, 1988; Metropolitan Transit Commission, Procurement and Contract Awards to Socially and Economically Disadvantaged Businesses (SED), 1989; Metropolitan Transit Commission, Procurement and Contract Awards to Economically Disadvantaged Businesses (EDBs), 1989; Department of Finance, Actions Taken by the Legislative Advisory Commission, 1989-90; Department of Health and the Department of Human Services, Study of the Licensing Options for Supportive Services in Residential Settings, 1990.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on S.F. No. 2617 at 10:00 a.m.:

Messrs. Berg, Mehrkens, Metzen, Purfeerst and Langseth. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on S.F. No. 2621 at 11:00 a.m.:

Mses. Berglin, Piper, Messrs. Knutson, Solon and Samuelson. 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 10:00 a.m.:

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, R.W. moved that the following members be excused for a Conference Committee on H.F. No. 2200 at 10:00 a.m.:

Messrs. Brandl, Dicklich, Pehler, Ms. Reichgott and Mr. Peterson, R.W. The motion prevailed.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

April 4, 1990

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 2432.

Sincerely,
Rudy Perpich, Governor

April 5, 1990

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 2370.

Sincerely,
Rudy Perpich, Governor

April 6, 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
	1067	393	2115 hours April 4	April 5
	2018	395	2152 hours April 4	April 5
	1785	396	2154 hours April 4	April 5
	2084	401	2156 hours April 4	April 5
2432		402	2158 hours April 4	April 5
	2059	410	2200 hours April 4	April 5

Sincerely,
Joan Anderson Growe
Secretary of State

MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 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.

There has been appointed as such committee on the part of the House: Skoglund, Abrams and Munger.

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1990

Mr. President:

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

S.F. No. 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.

There has been appointed as such committee on the part of the House: Jacobs, Lasley and Vanasek.

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1990

Mr. President:

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

S.F. No. 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.

There has been appointed as such committee on the part of the House: Winter, Skoglund and Onnen.

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1990

Mr. President:

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

S.F. No. 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.

There has been appointed as such committee on the part of the House: Skoglund, Knickerbocker and Winter.

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

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1990

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2651:

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.

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

Anderson, G.; Carlson, L.; Battaglia; Rice and Anderson, R. have been appointed as such committee on the part of the House.

House File No. 2651 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 5, 1990

Mr. Freeman moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2651, 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. 2419:

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; 299E.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.

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

Kahn, Simoneau, Krueger, Osthoff and Abrams have been appointed as such committee on the part of the House.

House File No. 2419 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 5, 1990

Mr. Kroening moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2419, 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 Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

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; 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; 349.2125, subdivision 4; 349.2127, subdivisions 1, 3, and by adding subdivisions; 349.30, subdivision 2; 349.31; 349.32; 349.34; 349.35, subdivision 1; 349.36; 349.38; 349.39; 349.50, subdivision 8; 349.52, by adding a subdivision; 349.59, subdivision 1; 349.55; 609.75, subdivision 4; Minnesota Statutes 1989 Supplement, sections 299L.03, by adding a subdivision; 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; Minnesota Statutes Second 1989 Supplement, sections 349.12, subdivisions 11 and 19; 349.15; 349.212, subdivisions 1, 2, and 4; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and 5; 349.22, subdivision 1; 349.501, subdivision 1; 349.502, subdivision 1; 609.76, subdivision 1; 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 349.14; 349.214, subdivisions 1, 1a, 3, and 4; Minnesota Statutes 1989 Supplement, sections 349.151, subdivision 4a; 349.20; 349.21; 349.22, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 349.214, subdivision 2.

Senate File No. 2018 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1990

Mrs. Lantry moved that the Senate do not concur in the amendments by the House to S.F. No. 2018, 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 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. 2489: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land in Koochiching and Lincoln counties; authorizing the private sale of certain state lands in Scott, Hubbard, and Fillmore counties; appropriating proceeds of the Scott county conveyance; authorizing the sale of certain surplus land in Lake county; authorizing the sale of certain trust fund land in St. Louis county; authorizing the sale of surplus land in Grant county for recreational purposes; authorizing the sale of certain wildlife land in Washington county to independent school district No. 834.

Senate File No. 2489 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1990

Mr. Moe, R.D. moved that S.F. No. 2489 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. 2412: A bill for an act relating to state government; requiring the state board of investment to invest certain assets currently managed by the commerce department; amending Minnesota Statutes 1988, section 79.251, by adding a subdivision.

Senate File No. 2412 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned April 5, 1990

Mr. Moe, R.D. moved that S.F. No. 2412 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. 2599 and 1854.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 5, 1990

FIRST READING OF HOUSE BILLS

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

H.F. No. 2599: A bill for an act relating to retirement; Minneapolis municipal employees; consolidating funds within the fund, excluding CETA

employees; removing mandatory retirement age; establishing a bounce-back annuity; increasing survivor benefits; amending Minnesota Statutes 1988, sections 422A.06, subdivisions 1, 3, 5, 6, and 8; 422A.09, subdivision 3; 422A.13, subdivision 2; 422A.17; and 422A.23, subdivisions 2, 6, 9, and 10; Minnesota Statutes 1989 Supplement, section 356.215, subdivision 4d; proposing coding for new law in Minnesota Statutes, chapter 422A.

Referred to the Committee on Governmental Operations.

H.F. No. 1854: A bill for an act relating to real estate; validating certain cancellation of contracts; validating certain conveyances by religious corporations; allowing county boards to set certain fees charged by the examiner of titles; providing for the effect of dissolution on joint tenancy; permitting the filing of summaries of dissolution judgments in real estate filings; clarifying provisions on certain liens by reordering clauses; amending Minnesota Statutes 1988, sections 287.01, by adding a subdivision; 500.19, subdivision 5; and 514.12, subdivision 3; Minnesota Statutes Second 1989 Supplement, section 508A.82; proposing coding for new law in Minnesota Statutes, chapters 315, 518, and 559; repealing Minnesota Statutes 1988, section 580.031.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1757, now on Special Orders.

REPORTS OF COMMITTEES

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

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

H.F. No. 2390 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2390	2188				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2390 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2390 and insert the language after the enacting clause of S.F. No. 2188, the third engrossment; further, delete the title of H.F. No. 2390 and insert the title of S.F. No. 2188, the third engrossment.

And when so amended H.F. No. 2390 will be identical to S.F. No. 2188, and further recommends that H.F. No. 2390 be given its second reading and substituted for S.F. No. 2188, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

H.F. No. 2458 for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2458	2194				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 2458 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2458 and insert the language after the enacting clause of S.F. No. 2194, the second engrossment; further, delete the title of H.F. No. 2458 and insert the title of S.F. No. 2194, the second engrossment.

And when so amended H.F. No. 2458 will be identical to S.F. No. 2194, and further recommends that H.F. No. 2458 be given its second reading and substituted for S.F. No. 2194, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

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

S.F. No. 2073: A bill for an act relating to human services; clarifying case management services under medical assistance; specifying requirements for an individual service plan; requiring county boards to document unavailability of money for services to persons with mental retardation or related conditions; amending Minnesota Statutes 1988, section 256B.092, subdivisions 1a, 1b, and by adding subdivisions.

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

Page 1, line 27, delete "an" and insert "the"

Page 2, line 12, after "management" insert "and day training and habilitation services"

Page 2, line 28, after "plan" insert "and action that will be taken to prevent abuse or neglect as defined in sections 626.556, subdivision 2, paragraphs (a), (c), and (d), and 626.557, subdivision 2, paragraphs (d) and (e)"

Page 3, after line 3, insert:

"Sec. 5. Minnesota Statutes 1988, section 256B.092, is amended by adding a subdivision to read:

Subd. 1e. [COUNTY WAITING LIST.] The county agency shall maintain a waiting list of persons with developmental disabilities specifying the services needed but not provided.

Sec. 6. [COST CONTAINMENT STUDY.]

By January 1, 1991, the commissioner of human services, in consultation

with counties, shall submit proposals to the health and human services policy committees and senate finance and house of representatives appropriations divisions which examine alternatives regarding fiscal incentives including mandates and rule changes that will encourage cost containment."

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. 1925: A bill for an act relating to the environment; changing certain requirements for municipal wastewater treatment grants; increasing bonding authority; amending Minnesota Statutes 1988, sections 116.18, subdivision 3c; 446A.07, subdivision 2; 446A.12, subdivision 1; and Minnesota Statutes 1989 Supplement, section 116.16, subdivisions 2 and 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. 1779: A bill for an act relating to agriculture; providing for mediation and arbitration of certain contract disputes; providing for recapture of capital investments required by certain agricultural contracts; clarifying responsibility of parent companies for affiliates; requiring good faith; prohibiting unfair practices; creating an ombudsman; appropriating money; amending Laws 1989, chapter 350, article 20, section 25; proposing coding for new law in Minnesota Statutes, chapters 17 and 514.

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

Page 1, line 15, delete "8" and insert "9"

Page 3, line 34, delete "8" and insert "9"

Page 4, line 11, delete "8" and insert "9"

Page 7, delete section 12

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. 2177: A bill for an act relating to traffic safety; providing for administrative impoundment of license plates of vehicles owned by repeat violators of laws relating to driving while intoxicated; providing for issuance of special plates to certain members of the violator's household; requiring peace officers to serve a notice of intent to impound when serving a notice of intent to revoke the violator's driver's license; providing for administrative and judicial review of impoundment orders; eliminating the alcohol problem screening for persons convicted of offenses associated with driving under the influence of alcohol or a controlled substance; modifying procedures for chemical use assessments, programs, and funding; changing the maximum rate for reimbursement of counties from the general fund for the assessments; expanding the crime of refusing to submit to an implied consent test; expanding the crime of aggravated driving while intoxicated; removing requirement that negligence be proven for conviction of criminal

vehicular operation if driver's alcohol concentration was 0.10 or more; imposing penalties for criminal vehicular operation resulting in substantial bodily harm; prohibiting constructive possession of alcohol in a private motor vehicle; expanding the definition of possession; amending Minnesota Statutes 1988, sections 168.041, subdivisions 3, 8, and 10; 169.122, subdivision 2; 169.124, subdivision 1; 169.126, subdivisions 1, 2, 6, and by adding a subdivision; and 169.129; Minnesota Statutes 1989 Supplement, sections 169.041, subdivision 4; 169.121, subdivisions 1a and 3b; 169.126, subdivision 4; 260.193, subdivision 8; and 609.21; proposing coding for new law in Minnesota Statutes, chapter 168; repealing Minnesota Statutes 1988, sections 168.041, subdivision 3a; 169.124, subdivisions 2 and 3; and 169.126, subdivisions 2, 3, and 4b; and Minnesota Statutes 1989 Supplement, sections 168.041, subdivision 4a; and 169.126, subdivision 4a.

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

Page 8, after line 10, insert:

"Sec. 6. [APPROPRIATION.]

(a) \$10,000 is appropriated from the general fund to the commissioner of public safety for ongoing computer transaction expenses of the bureau of criminal apprehension in implementing this article.

(b) \$12,000 is appropriated from the trunk highway fund to the commissioner of public safety to reprogram the bureau of criminal apprehension computer to provide access to motor vehicle records by name.

(c) \$31,000 is appropriated from the highway user tax distribution fund to the commissioner of public safety for an additional position in the division of driver and vehicle services to administer the plate impoundment program.

(d) The complement of the department of public safety is increased by one position."

Page 8, line 16, delete "6" and insert "5 and 7"

Renumber the sections of article 1 in sequence

Amend the title as follows:

Page 1, line 26, after the second semicolon, insert "appropriating money;"

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2073, 1925, 1779 and 2177 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 2390 and 2458 were read the second time.

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 10:30 a.m.:

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

MOTIONS AND RESOLUTIONS

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2158 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2158: A bill for an act relating to utilities; regulating flexible gas utility rates; repealing sunset provisions relating to flexible gas utility rates; appropriating money; amending Minnesota Statutes 1988, section 216B.163; and Laws 1987, chapter 371, section 4.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Johnson, D.E.	McGowan	Pogemiller
Anderson	DeCramer	Johnson, D.J.	McQuaid	Ramstad
Beckman	Dicklich	Knaak	Merriam	Reichgott
Benson	Diessner	Kroening	Moe, D.M.	Schmitz
Bernhagen	Flynn	Laidig	Moe, R.D.	Storm
Bertram	Frank	Lantry	Morse	Stumpf
Chmielewski	Frederick	Larson	Novak	Vickerman
Cohen	Frederickson, D.J.	Lessard	Olson	
Dahl	Frederickson, D.R.	Luther	Pariseau	
Davis	Freeman	Marty	Piepho	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2230 a Special Order to be heard immediately.

SPECIAL ORDER

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.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Johnson, D.J.	McQuaid	Ramstad
Anderson	DeCramer	Knaak	Merriam	Reichgott
Beckman	Diessner	Kroening	Moe, D.M.	Renneke
Belanger	Flynn	Laidig	Moe, R.D.	Storm
Benson	Frank	Lantry	Morse	Stumpf
Bernhagen	Frederick	Larson	Novak	Vickerman
Bertram	Frederickson, D.J.	Lessard	Olson	
Chmielewski	Frederickson, D.R.	Luther	Pariseau	
Cohen	Freeman	Marty	Piepho	
Dahl	Gustafson	McGowan	Pogemiller	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 1962 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1962: A bill for an act relating to appropriations; canceling an appropriation for a cooperative agreement with the Cuyuna Development Corporation; restoring the wild rice management account; amending Laws 1989, chapter 335, article 4, section 109, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Gustafson	McGowan	Pogemiller
Anderson	Decker	Johnson, D.J.	McQuaid	Ramstad
Beckman	DeCramer	Knaak	Merriam	Renneke
Belanger	Diessner	Kroening	Moe, D.M.	Schmitz
Benson	Flynn	Laidig	Moe, R.D.	Storm
Bernhagen	Frank	Lantry	Morse	Stumpf
Bertram	Frederick	Larson	Novak	Vickerman
Chmielewski	Frederickson, D.J.	Lessard	Olson	
Cohen	Frederickson, D.R.	Luther	Pariseau	
Dahl	Freeman	Marty	Piepho	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2619 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2619: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 44 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Frederickson, D.R.	Marty	Piepho
Anderson	Davis	Freeman	McGowan	Pogemiller
Beckman	Decker	Johnson, D.J.	McQuaid	Ramstad
Belanger	DeCramer	Knaak	Merriam	Renneke
Benson	Diessner	Kroening	Moe, D.M.	Schmitz
Bernhagen	Flynn	Laidig	Moe, R.D.	Storm
Bertram	Frank	Lantry	Morse	Stumpf
Chmielewski	Frederick	Larson	Novak	Vickerman
Cohen	Frederickson, D.J.	Luther	Pariseau	

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2346 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2346: A bill for an act relating to the state building code; accessibility for the physically disabled; establishing an access review board; providing for review of applications for permission to provide accessibility by means of stairway chair lifts; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 471.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Gustafson	McGowan	Pogemiller
Anderson	Decker	Johnson, D.J.	McQuaid	Ramstad
Beckman	DeCramer	Knaak	Merriam	Renneke
Belanger	Diessner	Kroening	Moe, D.M.	Schmitz
Benson	Flynn	Laidig	Moe, R.D.	Stumpf
Bernhagen	Frank	Lantry	Morse	Vickerman
Bertram	Frederick	Larson	Novak	
Chmielewski	Frederickson, D.J.	Lessard	Olson	
Cohen	Frederickson, D.R.	Luther	Pariseau	
Dahl	Freeman	Marty	Piepho	

So the bill passed and its title was agreed to.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, D.M. moved that S.F. No. 2412 be taken from the table. The motion prevailed.

S.F. No. 2412: A bill for an act relating to state government; requiring the state board of investment to invest certain assets currently managed by the commerce department; amending Minnesota Statutes 1988, section 79.251, by adding a subdivision.

CONCURRENCE AND REPASSAGE

Mr. Moe, D.M. moved that the Senate concur in the amendments by the House to S.F. No. 2412 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2412 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 43 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Frederickson, D.R.	Lessard	Pariseau
Anderson	Davis	Freeman	Luther	Piepho
Beckman	Decker	Gustafson	Marty	Pogemiller
Belanger	DeCramer	Johnson, D.J.	McGowan	Ramstad
Benson	Diessner	Knaak	McQuaid	Renneke
Bernhagen	Flynn	Kroening	Moe, D.M.	Storm
Bertram	Frank	Laidig	Morse	Vickerman
Chmielewski	Frederick	Lantry	Novak	
Cohen	Frederickson, D.J.	Larson	Olson	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Kroening moved that S.F. No. 1087 be taken from the table. The motion prevailed.

S.F. No. 1087: A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 504.23; 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivisions 1, 3, and 4.

CONCURRENCE AND REPASSAGE

Mr. Kroening moved that the Senate concur in the amendments by the House to S.F. No. 1087 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1087: A bill for an act relating to landlord and tenant relations; providing standing for certain associations to bring an action for tenant remedies; providing for actions against certain unoccupied buildings; amending Minnesota Statutes 1988, sections 504.23; 566.18, subdivision 7, and by adding a subdivision; 566.19; 566.20, subdivision 1; 566.25; 566.28; and 566.29, subdivision 3; Minnesota Statutes 1989 Supplement, section 566.29, subdivisions 1 and 4.

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 35 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Frederickson, D.R.	Lessard	Novak
Anderson	DeCramer	Freeman	Luther	Olson
Bernhagen	Diessner	Gustafson	Marty	Pariseau
Bertram	Flynn	Knaak	McGowan	Piepho
Chmielewski	Frank	Kroening	McQuaid	Renneke
Cohen	Frederick	Lantry	Moe, D.M.	Storm
Dahl	Frederickson, D.J.	Larson	Morse	Vickerman

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

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2609 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2609: A bill for an act relating to the environment; providing for the management and cleanup of tax-forfeited lands; requiring a report by the pollution control agency; authorizing a levy by Lake county; authorizing a purchase of tax-forfeited land in St. Louis county; amending Minnesota Statutes 1988, sections 115B.02, subdivision 11; 115B.03, by adding a subdivision; 115C.02, subdivision 8; 115C.021, by adding a subdivision; 116.49, by adding a subdivision; and 282.08; proposing coding for new law in Minnesota Statutes, chapter 282.

Mr. Novak moved to amend S.F. No. 2609 as follows:

Page 8, line 31, after "*penalties*" insert "*and interest*"

The motion prevailed. So the amendment was adopted.

S.F. No. 2609 was then progressed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Freeman moved that H.F. No. 2704 be taken from the table. The motion prevailed.

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.

RECONSIDERATION

Having voted on the prevailing side, Mr. Freeman moved that the vote whereby the Freeman amendment to H.F. No. 2704 was adopted on April 4, 1990, be now reconsidered. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Mr. Knaak moved that the vote whereby the Knaak amendment to H.F. No. 2704 was adopted on April 4, 1990, be now reconsidered. The motion prevailed.

Mr. Knaak withdrew his amendment.

Mr. Freeman withdrew his amendment.

Mr. Freeman then 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) entities 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) entities 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) entities 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. [MORTGAGE BROKER.] "*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. [MORTGAGE LENDER.] "*Mortgage lender*" means an entity making or servicing a mortgage loan.

Subd. 12. [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. 13. [MORTGAGE LOAN SERVICER.] "*Mortgage loan servicer*" means an entity that is servicing a mortgage loan.

Subd. 14. [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. 15. [REFERRAL FEE.] "*Referral fee*" means the types of payments under the Real Estate Settlement Procedures Act.

Subd. 16. [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. 17. [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. 18. [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 or mortgage broker unless that person or entity by whom the person is employed has first obtained a license under this chapter or is exempt from the licensing requirements of this chapter.

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

(1) 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;

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

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

(4) persons licensed by the state of Minnesota as real estate brokers or salespersons.

Subd. 3. [MORTGAGE LENDERS.] A mortgage lender 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 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. [FEES.] (a) An application for a mortgage lender or mortgage broker license 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; and

(3) for a mortgage broker, the license fee is \$250.

(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. 9. [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. 10. [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 loan application form;

(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 that will be executed if the loan is approved;

(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. 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) A mortgage lender 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 24 are effective January 1, 1991. Section 23 is effective July 1, 1990."

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. 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 46 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Decker	Gustafson	McQuaid	Ramstad
Anderson	DeCramer	Knaak	Merriam	Renneke
Beckman	Dicklich	Kroening	Moe, D.M.	Solon
Belanger	Diessner	Laidig	Moe, R.D.	Storm
Bernhagen	Flynn	Lantry	Morse	Stumpf
Bertram	Frank	Larson	Novak	Vickerman
Chmielewski	Frederick	Lessard	Olson	
Cohen	Frederickson, D.J.	Luther	Pariseau	
Dahl	Frederickson, D.R.	Marty	Piepho	
Davis	Freeman	McGowan	Pogemiller	

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Lessard moved that S.F. No. 2489 be taken from the table. The motion prevailed.

S.F. No. 2489: A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited land in Koochiching and Lincoln counties; authorizing the private sale of certain state lands in Scott, Hubbard, and Fillmore counties; appropriating proceeds of the Scott county conveyance; authorizing the sale of certain surplus land in Lake county; authorizing the sale of certain trust fund land in St. Louis county; authorizing the sale of surplus land in Grant county for recreational purposes; authorizing the sale of certain wildlife land in Washington county to independent school district No. 834.

CONCURRENCE AND REPASSAGE

Mr. Lessard moved that the Senate concur in the amendments by the House to S.F. No. 2489 and that the bill be placed on its repassage as amended.

Mr. Merriam moved that the Senate do not concur in the amendments by the House to S.F. No. 2489, 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 to be appointed on the part of the House.

CALL OF THE SENATE

Mr. Dicklich imposed a call of the Senate for the balance of the proceedings on S.F. No. 2489. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the motion of Mr. Merriam.

The roll was called, and there were yeas 4 and nays 55, as follows:

Messrs. Dahl, Laidig, Merriam and Moe, D.M. voted in the affirmative.

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the adoption of the motion of Mr. Lessard. The motion prevailed.

S.F. No. 2489 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 57 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Merriam and Moe, D.M. voted in the negative.

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

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. 1873: Mr. Cohen, Ms. Reichgott and Mr. Laidig.

S.F. No. 2018: Mrs. Lantry, Mr. Diessner, Mrs. McQuaid, Ms. Reichgott and Mr. Purfeerst.

H.F. No. 2419: Messrs. Kroening; Merriam; Luther; Frederickson, D.R. and Lessard.

H.F. No. 2651: Messrs. Freeman, Merriam, Waldorf, Benson and Moe, R.D.

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

RECESS

Mr. Moe, R.D. moved that the Senate do now recess until 1:30 p.m. The motion prevailed.

The hour of 1:30 p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees and Second Reading of Senate Bills.

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. 2527: A bill for an act relating to agriculture; establishing an agricultural liming material law; appropriating money; prescribing penalties; proposing coding for new law as Minnesota Statutes, chapter 18F

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. 2055: A bill for an act relating to appropriations; providing refunds of bond allocation deposits; appropriating money.

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. 2248: A bill for an act relating to education; entering the Midwestern Higher Education Compact; providing the appointment of members; proposing coding for new law in Minnesota Statutes, chapter 135A.

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. 1896: A bill for an act relating to health; providing exemptions from the infectious waste control act; requiring hospitals to accept certain infectious waste; modifying standards for ambulance drivers; requiring adoption of rules setting new standards for recertification of and upgrading to emergency care course certificates; increasing reimbursement for volunteers; authorizing an emergency medical services advisory committee;

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

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

Page 3, line 4, after the period, insert "*A hospital that accepts infectious waste under this subdivision is not subject to section 116.79, subdivision 4.*"

Page 7, after line 18, insert:

"(c) Members of the committee must be compensated for expenses."

Page 7, line 19, delete "(c)" and insert "(d)"

Pages 7 to 10, delete sections 9 and 10

Pages 11 and 12, delete sections 12 and 13

Pages 13 and 14, delete section 17

Page 14, delete section 19

Page 14, delete lines 32 to 35

Page 14, line 36, delete "\$" and insert "\$100,000"

Renumber the sections of article 1 in sequence

Pages 15 to 17, delete sections 1 and 2

Pages 19 to 21, delete sections 4 and 5

Page 22, delete sections 8 to 10

Renumber the sections of article 2 in sequence

Page 23, line 21, delete "*United States Code*" and insert "*Code of Federal Regulations*"

Page 23, line 22, delete "405.1041" and insert "412.62(f)"

Page 23, line 25, delete "and"

Page 23, after line 25, insert:

"(3) has experienced net income losses in at least two of the three most recent consecutive hospital fiscal years for which audited financial information is available; and"

Page 23, line 26, delete "(3)" and insert "(4)"

Page 25, line 22, delete "defined" and insert "eligible to be classified"

Page 25, lines 23 and 24, delete "section 1886(d)(5)(c)ii of the Social Security Act" and insert "Code of Federal Regulations, title 42, section 412.92."

Page 25, delete line 25 and insert "in the two most recent hospital fiscal years prior to calendar year 1988 for which audited financial"

Pages 25 and 26, delete section 4

Page 31, delete section 6 and insert:

"Sec. 5. [APPROPRIATION.]

\$150,000 is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1992. Of this amount, \$50,000 is for rural hospital planning and transition grants under section 2 and \$100,000 is for the rural hospital assistance fund established in section 3."

Renumber the sections of article 3 in sequence

Amend the title as follows:

Page 1, delete line 10

Page 1, line 11, delete everything before "regulating"

Page 1, line 13, delete everything after the semicolon

Page 1, delete lines 14 to 17

Page 1, line 18, delete "medical interns;"

Page 1, line 20, delete "increasing participation"

Page 1, line 21, delete everything before "creating"

Page 1, line 23, delete "requiring a"

Page 1, line 24, delete everything before "allowing"

Page 1, line 26, delete everything before the semicolon

Page 1, line 29, delete "168.012,"

Page 1, delete line 30

Page 1, line 33, delete "147;"

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. 2178: A bill for an act relating to peace officer education; requiring the POST board and the state higher education boards to study ways of restructuring professional peace officer education programs to include a requirement for a baccalaureate degree; requiring a report to the legislature; increasing the percentage of penalty assessments funds allocated for skills course reimbursement; amending Minnesota Statutes 1988, section 626.86; and Minnesota Statutes 1989 Supplement, section 626.861, subdivision 4.

Reports the same back with the recommendation that the bill be amended

as follows:

Pages 1 and 2, delete section 2

Page 2, after line 28, insert:

“Sec. 3. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 626.861, subdivision 4, is repealed.”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete “and” and insert “repealing”

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. 1860: A bill for an act relating to domestic abuse; authorizing courts to exclude a respondent from the place of employment of a petitioner in an order for protection; clarifying the probable cause arrest provision for violations of orders for protection; authorizing bonds to ensure compliance with orders for protection; authorizing referrals to prosecuting authorities for violations of orders for protection; improving prosecutorial procedures in domestic abuse cases; requiring the commissioner of public safety to study the feasibility and costs of a statewide computerized data base on domestic abuse; requiring a report; appropriating money; amending Minnesota Statutes 1988, sections 518B.01, subdivisions 6, 7, and 14; and 611A.0315, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 611A.

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

Page 8, delete section 7

Amend the title as follows:

Page 1, lines 13 and 14, delete “appropriating money;”

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. 2030: A bill for an act relating to traffic regulations; requiring annual inspections of commercial motor vehicles; providing for the certification of persons to conduct annual inspections; requiring daily pre-trip inspections; requiring post-accident inspections; prescribing fees; providing penalties; amending Minnesota Statutes 1988, sections 221.031, subdivision 1, and by adding a subdivision; 221.221, subdivisions 2 and 3; and 221.605, subdivision 1; Minnesota Statutes 1989 Supplement, section 221.031, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Page 1, line 24, before the period, insert “, or a bus operated by the

metropolitan transit commission created in section 473.404 or by a local transit commission created in chapter 458A"

Page 9, line 17, delete "*Notwithstanding*"

Page 9, line 18, delete everything before "*for*"

Page 10, line 24, delete the headnote and insert "[APPROPRIATION.]

\$263,000 is appropriated from the trunk highway fund to the commissioner of public safety for the purposes of this act, to be available for the fiscal year ending June 30, 1991."

Page 10, lines 28 and 29, delete "*, and increased by four state trooper positions to administer a four-vehicle combination program*"

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "appropriating money;"

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. 1674: A bill for an act relating to agriculture; providing grasshopper control; authorizing the commissioner to exempt certain lands from grasshopper control; exempting certain persons from losses relating to grasshopper control; clarifying when public utilities are subject to grasshopper control; providing for notices for control and approval of grasshopper control costs; authorizing levies; appropriating money; amending Minnesota Statutes Second 1989 Supplement, section 275.50, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 18; repealing Minnesota Statutes 1989 Supplement, section 18.0226.

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

Page 2, line 2, delete "*(a)*"

Page 2, line 4, delete everything after the first "*in*"

Page 2, line 5, delete everything before "*a*"

Page 3, line 3, delete "*and occupants,*" and insert "*, and to occupants*"

Page 3, line 8, delete "*of*" and insert "*with the names of the owners*"

Page 3, line 9, delete "*with the*"

Page 3, line 10, delete everything before the period

Page 3, line 19, delete "*is*" and insert "*to be*"

Page 4, line 4, delete "*of*"

Page 4, line 34, delete "*(a)*"

Page 5, line 3, delete the paragraph coding and delete "*(b)*"

Page 5, line 4, delete "*purposes*" and insert "*purpose*"

Page 10, line 15, delete from the semicolon through page 10, line 18, to "2"

Page 11, delete lines 5 to 16 and insert:

“\$500,000 is appropriated from the general fund to a special contingent account for grasshopper control activities and other drought-related projects. The appropriation is available only with the approval of the governor after consultation with the legislative advisory commission as provided in Minnesota Statutes, section 3.30.”

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. 1894: A bill for an act relating to environment and natural resources; amending provisions relating to water management organizations; providing legislative commission oversight of the metropolitan water management act; authorizing management and financing of drainage systems under certain laws; clarifying water management purposes; authorizing counties to remove watershed district managers for just cause; authorizing a technical advisory committee; requiring watershed management organizations to prepare newsletters, annual reports, and audits; providing for preparation of watershed plans and implementation of plans; providing penalties for not implementing plans; authorizing and directing the board of water and soil resources to adopt rules; providing for appeal of plan failures; providing for requests for proposals for certain services; authorizing accumulation of levy proceeds; requiring a draining system report; appropriating money; amending Minnesota Statutes 1988, sections 110B.28; 110B.30; 112.42, by adding a subdivision; 473.875; 473.876, by adding a subdivision; 473.877, subdivision 1; 473.878, subdivisions 1, 1a, 2, 3, 4, 8, and by adding subdivisions; 473.879, subdivision 2; 473.881; 473.882, subdivision 1; and 473.883, subdivisions 3 and 7; Minnesota Statutes 1989 Supplement, section 473.883, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 112 and 473.

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

Page 12, delete section 18

Page 13, line 9, strike everything after “law”

Page 13, strike line 10

Page 13, line 11, strike everything before the period

Page 16, delete lines 5 and 6 and insert:

“\$45,000 previously appropriated from the general fund to the board of water and soil resources for fiscal year 1991, including appropriations in Laws 1989, chapters 269, section 9; and 326, article 10, section 1, subdivision 4, either for administrative costs or for grants, is available to be used to carry out this act. The approved complement of the board of water and soil resources is increased by one position.”

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 re-referred

S.F. No. 2045: A bill for an act relating to judicial administration; proposing an amendment to the Minnesota Constitution, articles VI and VIII, creating a court of compensation appeals; abolishing the workers' compensation court of appeals; providing for designation by the governor of the chief judge of the workers' compensation court of appeals; regulating the administration of the workers' compensation court of appeals; appropriating money; amending Minnesota Statutes 1988, sections 3C.11, subdivision 3; 3C.12, subdivision 2; 5.08, subdivision 2; 10A.01, subdivision 19; 14.03, subdivision 2; 15A.082, subdivisions 1 and 3; 15A.083, subdivision 7; 43A.18, subdivision 3; 43A.27, subdivision 4; 175A.01, subdivision 1; 175A.02; 175A.07, subdivision 4; 176.421, subdivisions 5, 6, and by adding a subdivision; 204B.06, subdivisions 4 and 6; 204B.11, subdivision 1; 204B.34, subdivision 3, 204B.36, subdivision 4; 204D.02, subdivision 1; 204D.08, subdivision 6; 209.01, subdivision 2; 268.10, subdivision 8; 268.12, subdivision 13; 480.052; 480.054; 480.055, subdivision 1; 480.19; 480A.06, subdivision 3; 481.02, subdivisions 3 and 6; 490.15, subdivision 1; and 574.18; Minnesota Statutes 1989 Supplement, sections 10A.01, subdivisions 5 and 18; 357.08; proposing coding for new law as Minnesota Statutes, chapter 480B; repealing Minnesota Statutes 1988, sections 175A.01 to 175A.10; and 176.471.

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

Page 7, after line 2, insert:

"Subd. 5. If the amendment is adopted, Article VI, section 7, of the Minnesota Constitution will read as follows:

Sec. 7. The term of office of all judges shall be six years and until their successors are qualified, except that the first term of the initial judges of the court of compensation appeals may be less than six years, as prescribed by law. They shall be elected by the voters from the area which they are to serve in the manner provided by law."

Page 7, line 3, delete "5" and insert "6"

Page 10, line 21, before the period, insert *"and as jurisdiction is provided to the court of compensation appeals"*

Page 15, line 7, after the comma, insert *"for the first term,"*

Page 15, line 26, delete "\$" and insert "\$529,000"

Page 15, line 31, delete "\$" and insert "\$75,000" and delete *"general"* and insert *"special compensation"*

Page 15, line 32, delete *"supreme court"* and insert *"court of compensation appeals"*

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2527, 2055, 2248, 1896, 2178, 1860, 2030, 1674, 1894 and 2045 were read the second time.

Without objection, remaining on the Order of Business of Motions and

Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Lessard introduced—

S.F. No. 2634: A bill for an act relating to taxation; providing an income tax credit for residential sprinkler systems; amending Minnesota Statutes 1988, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

MOTIONS AND RESOLUTIONS - CONTINUED

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 1918 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 1918: A bill for an act relating to waste; providing for criminal and civil penalties for violations of pretreatment standards and requirements in the metropolitan area and for violations in the Western Lake Superior Sanitary District; amending Laws 1971, chapter 478, section 17, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 473.

Mr. Dahl moved to amend H.F. No. 1918, as amended pursuant to Rule 49, adopted by the Senate March 23, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2205.)

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1988, section 115A.97, subdivision 4, is amended to read:

Subd. 4. [INTERIM PROGRAM.] (a) Incinerator ash is considered special waste for an interim period which expires on the occurrence of the earliest of the following events:

(1) The United States Environmental Protection Agency establishes testing and disposal requirements for incinerator ash;

(2) The agency adopts the rules required in subdivision 3; or

(3) June 30, ~~1990~~ 1992.

(b) As a special waste incinerator ash must be stored separately from mixed municipal solid waste with adequate controls to protect the environment as provided in agency permits. For the interim period, the agency, in cooperation with generators of incinerator ash and other interested parties, shall establish a temporary program to test, monitor, and store incinerator ash. The program must include separate testing of fly ash, bottom ash, and combined ash unless the agency determines that because of physical constraints at the facility separate samples of fly ash and bottom ash cannot be reasonably obtained in which case only combined ash must be tested. Incinerator ash stored during the interim is subject to the rules

adopted pursuant to subdivision 3 and to the provisions of chapter 115B."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Mr. Bernhagen moved to amend the Dahl amendment to H.F. No. 1918 as follows:

Page 1, line 17, delete "1992" and insert "1991"

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

The question recurred on the Dahl amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

H.F. No. 1918 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 50 and nays 1, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Marty	Pariseau
Anderson	Davis	Johnson, D.E.	McGowan	Pehler
Beckman	Decker	Knaak	McQuaid	Piper
Benson	DeCramer	Knutson	Mehrkens	Ramstad
Berg	Diessner	Kroening	Merriam	Reichgott
Berglin	Flynn	Laidig	Metzen	Renneke
Bernhagen	Frank	Langseth	Moe, D.M.	Solon
Bertram	Frederick	Larson	Moe, R.D.	Spear
Brandl	Frederickson, D.J.	Lessard	Morse	Storm
Cohen	Frederickson, D.R.	Luther	Olson	Vickerman

Mr. Piepho voted in the negative.

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 824 a Special Order to be heard immediately.

SPECIAL ORDER

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 recapture 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.

Mr. Dahl moved to amend S.F. No. 824 as follows:

Page 2, line 9, after "recycle" insert ", destroy, or properly dispose of"

Page 2, line 15, before "A" insert "(a)"

Page 2, after line 19, insert:

"(b) The recovered CFCs may be properly disposed of or destroyed."

Page 3, delete sections 8 and 9

Page 3, after line 34, insert:

"Subd. 6. [APPLICABILITY TO NEW CHEMICALS.] For each new chemical added to section 116.70, subdivision 3, after the effective date of this act, the application of this section to the new chemical is effective on the date specified for elimination of production of that chemical in the Montreal Treaty."

Page 4, line 1, after "10" insert ", subdivisions 1, 3, and 4,"

Page 4, line 3, delete everything after the first period and insert "Section 10, subdivision 2, is effective January 1, 1994."

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. 824 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 56 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 2651 at 4:00 p.m.:

Messrs. Benson; Merriam; Moe, R.D.; Waldorf and Freeman. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2666 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2666: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; limiting certain contribution receipts by congressional candidates; clarifying and modifying certain exceptions to

multicandidate political party expenditure limitations; modifying lobbyist reporting requirements; expanding certain reports by certain political committees and political funds; discontinuing the state ethical practices board's responsibility for developing and furnishing certain forms; providing an income tax credit for contributions to state candidates and political parties; limiting contributions and solicitations during a regular legislative session; providing a public subsidy for legislative candidates in special elections; requiring candidates to match funds received from the state elections campaign fund; requiring deer licenses to include an application for absentee ballots; requiring county auditors to provide a sample ballot for classroom use; specifying a time period for preparing a candidate's affidavit; providing penalties; amending Minnesota Statutes 1988, sections 10A.01, subdivisions 7 and 10b; 10A.02, subdivision 1; 10A.04, subdivisions 2, 4, and 4a; 10A.05; 10A.20, subdivision 3; 10A.24; 10A.25, subdivision 10, and by adding a subdivision; 10A.255, by adding a subdivision; 10A.27, subdivisions 1 and 4; 10A.275; 10A.28, subdivision 1; 10A.30, subdivision 2; 10A.33; 97A.485, by adding a subdivision; 204B.09, subdivision 1; 204D.03, subdivision 1; 290.06, by adding a subdivision; and 383B.055, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 10A; and 204D; repealing Minnesota Statutes 1988, sections 10A.27, subdivision 5; 10A.32, subdivisions 1, 2, 3, and 4; and 211B.11, subdivision 2; Minnesota Statutes 1989 Supplement, section 10A.32, subdivision 3a.

Mr. Luther moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 21, line 8, before "*general*" insert "*party and*" and delete "*account*" and insert "*accounts*"

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 33, line 15, delete "*board copies of*" and insert "*secretary of state*"

Page 33, line 18, delete "*reports must be filed with*" and insert "*secretary of state shall forward copies of the reports, within 30 days after they are received, to*" and after "*board*" insert a period

Page 33, delete lines 19 and 20

The motion prevailed. So the amendment was adopted.

CALL OF THE SENATE

Mr. Luther imposed a call of the Senate for the balance of the proceedings on H.F. No. 2666. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Luther then moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 26, after line 11, insert:

"Section 1. [10A.40] [LEGISLATIVE FINDINGS OF FACT; LEGISLATIVE INTENT.]

Subdivision 1. [CAMPAIGN FINANCING; FINDINGS OF FACT.] *The*

legislature finds that:

(1) the spending on campaigns for congressional offices has increased dramatically and continues to rise;

(2) candidates have increasingly turned to special interest groups for sources of funding in order to finance their costly campaigns;

(3) the need to raise funds requires time and energy during a campaign that would be better spent publicly debating the pressing issues of the day;

(4) the influence of special interest groups on elected officials has undermined representation of the public at large; and

(5) as a consequence, the quality of campaigns and representation by elected officials is jeopardized and the public's confidence in elected representatives is weakened.

Subd. 2. [PURPOSE.] (a) The legislature finds that in order to redress the problems described in subdivision 1, it is necessary to provide an alternate means of financing campaigns for United States Congress and to encourage candidates to voluntarily limit the amount of money they spend in campaigns. The legislature further finds that the United States Congress has debated necessary reforms for years but has failed to act, and that the Federal Elections Campaign Act does not provide an alternate means of financing for congressional campaigns and presents no means to encourage congressional candidates to voluntarily limit the amount of money they spend in campaigns.

(b) This article is intended to address the problems described in subdivision 1 as follows:

(1) by establishing voluntary limitations on campaign spending, the increase in campaign spending will be curtailed;

(2) by providing an alternate source of financing, candidates will be less dependent on special interests;

(3) by providing for an agreement to limit spending, candidates are left to decide whether they choose to enter into an agreement or continue to operate under the current system of financing campaigns;

(4) by allowing candidates to focus on the issues in the campaign, the public will be better served in its efforts to select the better candidate; and

(5) by reducing the influence of special interest groups, the confidence of the public in their public servants will be enhanced."

Subd. 3. [LEGISLATIVE INTENT.] In enacting this article, the legislature intends to provide a system to encourage voluntary campaign spending limits that, in concert with the existing federal law and rules, will provide a comprehensive system of campaign and election regulation. The legislature does not intend to enact legislation that is in conflict with existing federal law, and does not intend to regulate where specific federal laws have already been enacted."

Page 26, line 14, after the period, insert "Where consistent with federal law,"

Page 26, line 15, delete everything after "11" and insert a period

Page 26, delete line 16

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

Mr. Berg requested a division of the amendment as follows:

First portion:

Page 26, after line 11, insert:

"Section 1. [10A.40] [LEGISLATIVE FINDINGS OF FACT; LEGISLATIVE INTENT.]

Subdivision 1. [CAMPAIGN FINANCING; FINDINGS OF FACT.] The legislature finds that:

(1) the spending on campaigns for congressional offices has increased dramatically and continues to rise;

(2) candidates have increasingly turned to special interest groups for sources of funding in order to finance their costly campaigns;

(3) the need to raise funds requires time and energy during a campaign that would be better spent publicly debating the pressing issues of the day;

(4) the influence of special interest groups on elected officials has undermined representation of the public at large; and

(5) as a consequence, the quality of campaigns and representation by elected officials is jeopardized and the public's confidence in elected representatives is weakened.

Subd. 2. [PURPOSE.] (a) The legislature finds that in order to redress the problems described in subdivision 1, it is necessary to provide an alternate means of financing campaigns for United States Congress and to encourage candidates to voluntarily limit the amount of money they spend in campaigns. The legislature further finds that the United States Congress has debated necessary reforms for years but has failed to act, and that the Federal Elections Campaign Act does not provide an alternate means of financing for congressional campaigns and presents no means to encourage congressional candidates to voluntarily limit the amount of money they spend in campaigns.

(b) This article is intended to address the problems described in subdivision 1 as follows:

(1) by establishing voluntary limitations on campaign spending, the increase in campaign spending will be curtailed;

(2) by providing an alternate source of financing, candidates will be less dependent on special interests;

(3) by providing for an agreement to limit spending, candidates are left to decide whether they choose to enter into an agreement or continue to operate under the current system of financing campaigns;

(4) by allowing candidates to focus on the issues in the campaign, the public will be better served in its efforts to select the better candidate; and

(5) by reducing the influence of special interest groups, the confidence of the public in their public servants will be enhanced."

Page 26, line 14, after the period, insert "*Where consistent with federal law,*"

Page 26, line 15, delete everything after "!!" and insert a period

Page 26, delete line 16

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

Second portion:

"*Subd. 3. [LEGISLATIVE INTENT.] In enacting this article, the legislature intends to provide a system to encourage voluntary campaign spending limits that, in concert with the existing federal law and rules, will provide a comprehensive system of campaign and election regulation. The legislature does not intend to enact legislation that is in conflict with existing federal law, and does not intend to regulate where specific federal laws have already been enacted.*"

The question was taken on the adoption of the first portion of the amendment.

The roll was called, and there were yeas 28 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Hughes	Merriam	Schmitz
Beckman	Diessner	Kroening	Morse	Solon
Bertram	Flynn	Langseth	Pehler	Spear
Brandl	Frank	Lantry	Pogemiller	Vickerman
Chmielewski	Frederickson, D.J.	Luther	Purfeerst	
Cohen	Freeman	Marty	Reichgott	

Those who voted in the negative were:

Anderson	Decker	Knaak	McQuaid	Piepho
Benson	Frederick	Laidig	Mehrkens	Ramstad
Berg	Frederickson, D.R.	Larson	Olson	Renneke
Bernhagen	Johnson, D.E.	McGowan	Pariseau	Storm

The motion prevailed. So the first portion of the amendment was adopted.

The question was taken on the adoption of the second portion of the amendment.

The roll was called, and there were yeas 31 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Hughes	McGowan	Schmitz
Beckman	Diessner	Johnson, D.E.	Merriam	Spear
Berg	Flynn	Kroening	Morse	Vickerman
Bertram	Frank	Langseth	Pehler	
Brandl	Frederickson, D.J.	Lantry	Pogemiller	
Chmielewski	Frederickson, D.R.	Luther	Reichgott	
Cohen	Gustafson	Marty	Renneke	

Those who voted in the negative were:

Anderson	Decker	Laidig	Mehrkens	Piepho
Belanger	Frederick	Larson	Olson	Ramstad
Benson	Knaak	McQuaid	Pariseau	Storm
Bernhagen				

The motion prevailed. So the second portion of the amendment was adopted.

Mr. Pogemiller moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 36, after line 29, insert:

“ARTICLE 7

JUDICIAL SELECTION

Section 1. [480B.01] [COMMISSION ON JUDICIAL SELECTION.]

Subdivision 1. [JUDICIAL VACANCIES.] When a judge of the court of appeals or district court dies, resigns, retires, or is removed during the judge's term of office, or when a new district or appellate judgeship is created, the resulting vacancy must be filled by the governor as provided in this section.

Subd. 2. [COMMISSION ESTABLISHED; MEMBERS.] A commission on judicial selection is established. It is composed of permanent members chosen as described in paragraphs (a) to (d):

(a) The governor shall appoint seven at-large members to the commission who serve at the pleasure of the governor. The governor shall appoint one of these members as chair of the commission. The chair may but does not have to be an attorney. The governor may appoint attorneys to fill no more than two of the remaining six-member positions.

(b) A majority of the justices of the supreme court shall appoint two at-large members to the commission to serve four-year terms, ending on the same day the governor's term of office ends. The justices of the supreme court may appoint attorneys to fill no more than one of the two-member positions.

(c) The governor shall appoint two district members to the commission in each judicial district who serve at the pleasure of the governor. The governor may appoint an attorney to fill no more than one of the two-member positions.

(d) The chief judge in each judicial district shall appoint two district members to the commission from the district to serve four-year terms, ending on the same day the governor's term of office ends. The chief judge may appoint an attorney to fill no more than one of the two-member positions.

(e) The appointing authorities shall ensure that the permanent members of the commission include women and minorities.

Subd. 3. [PARTICIPATION IN MEETINGS.] Individuals appointed as district members under subdivision 2, paragraphs (c) and (d), may participate in commission meetings and deliberations only when the commission is considering applicants to fill a vacancy on the district court in the judicial district from which those individuals were appointed.

Subd. 4. [VACANCIES.] If a vacancy occurs on the commission by reason of the death or resignation of a member or by the removal of a member appointed under subdivision 2, the appointing or electing authority shall appoint or elect an individual to fill the vacancy for the unexpired term.

Subd. 5. [QUORUM.] A quorum of the commission is nine members when considering district court vacancies and seven members when considering court of appeals vacancies.

Subd. 6. [TEMPORARY INELIGIBILITY FOR VACANCY.] Members of the commission who would otherwise be eligible to hold judicial office may not be considered or appointed to fill a judicial vacancy while they are members of the commission or for one year following the end of their membership on the commission.

Subd. 7. [RECRUITMENT PROCESS.] No later than 60 days after the appointment of all of the at-large and district commission members, the commission shall prepare and make available to the public and file with the clerk of the court of appeals and the secretary of state an outline of the process the commission will follow in recruiting and evaluating candidates to fill judicial vacancies. The commission shall actively seek out and encourage qualified individuals, including women and minorities, to apply for judicial offices.

Subd. 8. [CANDIDATE EVALUATION.] The commission shall evaluate the extent to which candidates have the following qualifications for judicial office: integrity, maturity, health, judicial temperament, diligence, legal knowledge, ability and experience, and community service. The commission shall give consideration to women and minorities. If the vacancy has occurred or will occur in the district court, the commission shall solicit, in writing, recommendations from attorney associations in the judicial district and from those organizations that represent minority or women attorneys in the judicial district who have requested solicitation.

Subd. 9. [COMMISSION MEETINGS; NOTICE; TIME.] Within ten days after a judicial vacancy occurs or after the governor has been notified that a vacancy will occur on a named date, the governor shall notify the chair of the commission on judicial selection. The chair shall notify the appropriate at-large and district members of the commission that a vacancy has occurred or will occur and shall call a meeting of the commission to consider the candidates for the vacancy. The meeting must be held not less than 30 days nor more than 42 days after the governor provides notification of the vacancy.

Subd. 10. [NOTICE TO THE PUBLIC.] Upon receiving notice from the governor that a judicial vacancy has occurred or will occur on a specified date, the chair shall provide notice of the following information:

- (1) the office that is or will be vacant;*
- (2) that applications from qualified persons or on behalf of qualified persons are being accepted by the commission;*
- (3) that application forms may be obtained from the governor or the commission at a named address; and*
- (4) that application forms must be returned to the commission by a named date, which must be three days before the first meeting of the commission called by the chair to consider candidates.*

If the vacancy has occurred or will occur on the court of appeals, the notice must be made available to attorney associations in each judicial district and to at least one newspaper of general circulation in each county in the state. If the vacancy has occurred or will occur in the district court, the notice must be made available to attorney associations in the judicial district where the vacancy has occurred or will occur and to at least one newspaper of general circulation in each county in the district.

Subd. 11. [NOMINEES TO GOVERNOR.] Within 30 days after the first

meeting of the commission to consider candidates, the committee shall recommend to the governor no fewer than three and no more than five nominees for each judicial vacancy. The nominees must be submitted in alphabetical order. The list of nominees must identify nominees as having consented to nomination rather than having applied. The names of the nominees must be made public. The governor may fill the vacancy from the nominees recommended by the commission.

If the governor declines to select a nominee to fill the vacancy from the first list of nominees, the governor shall request a second list of nominees from the commission. If the governor declines to select a nominee to fill the vacancy from the second list, the governor may select a person to fill the vacancy without regard to the commission's recommendation.

Subd. 12. [COMMISSION MEETINGS AND DATA.] Meetings of the commission may be closed to discuss the candidates. The commission shall file an annual tabulation with the governor of the number of applicants for judicial office and the age, sex, and race of applicants.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective January 7, 1991, and applies to vacancies that occur on or after that date."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 2, delete sections 1 and 2

Renumber the sections of article 1 in sequence and correct the internal references

Page 7, delete section 4

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Marty then moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 2, after line 32, insert:

"Sec. 5. Minnesota Statutes 1988, section 10A.01, is amended by adding a subdivision to read:

Subd. 27. [PRINCIPAL.] "Principal" means an individual or association that engages a lobbyist, that compensates a lobbyist, or that authorizes the expenditure of money by a lobbyist."

Page 3, after line 28, insert:

"Sec. 9. Minnesota Statutes 1988, section 10A.04, is amended by adding a subdivision to read:

Subd. 6. [PRINCIPALS TO REPORT.] Each principal shall report to the board as required in this subdivision by March 15 of each 12-month period in which the principal spends more than \$100 in the aggregate to

engage or compensate a lobbyist. Each principal shall report the total amount spent by the principal during the preceding 12 months to influence legislative or administrative action in Minnesota. The principal need not itemize amounts under this subdivision but must report a total that includes:

- (1) all direct payments by the principal to lobbyists in Minnesota;*
- (2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative or administrative action in Minnesota; and*
- (3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative or administrative action in Minnesota.*

Sec. 10. Minnesota Statutes 1988, section 10A.04, is amended by adding a subdivision to read:

Subd. 7. [FINANCIAL RECORDS.] The board may randomly audit the financial records of lobbyists and principals required to report under this section."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 49 and nays 5, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Gustafson	McQuaid	Piepho
Anderson	Decker	Hughes	Mehrkens	Pogemiller
Beckman	DeCramer	Johnson, D.E.	Merriam	Purfeerst
Belanger	Diessner	Kroening	Metzen	Ramstad
Benson	Flynn	Langseth	Moe, R.D.	Reichgott
Bernhagen	Frank	Lantry	Morse	Schmitz
Bertram	Frederick	Lessard	Novak	Solon
Brandl	Frederickson, D.J.	Luther	Olson	Spear
Chmielewski	Frederickson, D.R.	Marty	Pariseau	Vickerman
Cohen	Freeman	McGowan	Pehler	

Those who voted in the negative were:

Berg	Knaak	Laidig	Larson	Storm
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The motion prevailed. So the amendment was adopted.

Mr. Marty then moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 2, after line 16, insert:

"Sec. 3. Minnesota Statutes 1988, section 10A.01, subdivision 11, is amended to read:

Subd. 11. (a) "Lobbyist" means ~~any~~ *an* individual:

~~(a)~~ *(1) Engaged for pay or other consideration, or authorized to spend money by another individual or, association to spend money, political subdivision, or a public higher education system, who spends more than five hours in any month or more than \$250, not including the individual's own travel expenses and membership dues, in any year, for the purpose of*

attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials; or

~~(b)~~ (2) Who spends more than \$250, not including the individual's own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

(b) "Lobbyist" does not include ~~any~~:

~~(a)~~ (1) a public official ~~or employee of the state or any of its~~;

(2) an employee of the state, including an employee of any of the public higher education systems;

(3) an elected local official; or

~~(4) a nonelected local official or an employee of a political subdivisions or public bodies subdivision acting in an official capacity, unless the nonelected official or employee of a political subdivision spends more than 50 hours in any month attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials, including time spent monitoring legislative or administrative action and related research, analysis, and compilation and dissemination of information relating to legislative or administrative policy in this state;~~

~~(b)~~ (5) a party or the party's representative appearing in a proceeding before a state board, commission or agency of the executive branch unless the board, commission or agency is taking administrative action;

~~(c)~~ (6) an individual while engaged in selling goods or services to be paid for by public funds;

~~(d)~~ (7) a news ~~media~~ medium or ~~their~~ its employees or agents while engaged in the publishing or broadcasting of news items, editorial comments or paid advertisements which directly or indirectly urge official action;

~~(e)~~ (8) a paid expert witness whose testimony is requested by the body before which the witness is appearing, but only to the extent of preparing or delivering testimony;

~~(f)~~ (9) a stockholder of a family farm corporation as defined in section 500.24, subdivision 2, who does not spend over \$250, excluding the stockholder's own travel expenses, in any year in communicating with public officials; or

~~(g)~~ (10) a party or the party's representative appearing to present a claim to the legislature and communicating to legislators only by the filing of a claim form and supporting documents and by appearing at public hearings on the claim."

Renumber the sections of article I in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Marty then moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 3, after line 16, insert:

"Sec. 7. Minnesota Statutes 1988, section 10A.04, subdivision 4, is amended to read:

Subd. 4. (a) The report shall include such information as the board may require from the registration form and the following information required by this subdivision for the reporting period:

(a) (b) Each lobbyist shall report the lobbyist's total disbursements on lobbying and a breakdown of those disbursements into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(b) (c) Each lobbyist shall report the amount and nature of each honorarium, gift, loan, item or benefit, ~~excluding~~ including contributions to a candidate, equal in value to ~~\$50~~ \$100 or more during the calendar year, given or paid to any public official by the lobbyist or any employer or any employee of the lobbyist, or solicited by the lobbyist. The list shall include the name and address of each public official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid; and.

(c) (d) Each lobbyist shall report each original source of funds in excess of \$500 in any year used for the purpose of lobbying. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500."

Renumber the sections of article 1 in sequence and correct the internal references

Amend the title accordingly

Mr. Benson moved to amend the fourth Marty amendment to H.F. No. 2666 as follows:

Page 1, line 21, delete "\$100" and insert "\$10"

The question was taken on the adoption of the Benson amendment to the Marty amendment.

The roll was called, and there were yeas 23 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McGowan	Piepho
Belanger	Decker	Knaak	McQuaid	Ramstad
Benson	Frederick	Laidig	Mehrkens	Storm
Berg	Frederickson, D.R.	Larson	Olson	
Bernhagen	Gustafson	Lessard	Pariseau	

Those who voted in the negative were:

Adkins	DeCramer	Hughes	Metzen	Schmitz
Beckman	Dicklich	Johnson, D.J.	Moe, R.D.	Solon
Bertram	Diessner	Kroening	Morse	Spear
Brandl	Flynn	Lantry	Novak	Stumpf
Chmielewski	Frank	Luther	Pehler	Vickerman
Cohen	Frederickson, D.I.	Marty	Purfeerst	
Dahl	Freeman	Merriam	Reichgott	

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

The question recurred on the adoption of the Marty amendment.

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

Those who voted in the affirmative were:

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

The motion prevailed. So the amendment was adopted.

Mr. Benson moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 9, line 12, strike "(e) Payment"

Page 9, line 13, delete the new language and strike the semicolon

Reletter the paragraphs in sequence

Page 9, delete lines 26 to 36 and insert:

"Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.] A member of the legislature, the member's principal campaign committee, any other political committee with the member's name or title, and a party organization within a house of the legislature shall not solicit or accept a contribution from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

Subd. 2. [DEFINITION.] For purposes of this section, "regular session" does not include a special session or the interim between the two annual sessions of a biennium. This section does not prohibit a contribution to a member, committee, or organization made at a fundraising event scheduled in advance to take place after the time for adjournment of a legislative session announced by the speaker of the house of representatives and the majority leader of the senate.

Subd. 3. [CIVIL PENALTY.] A member of the legislature, the member's principal campaign committee, any other political committee with the member's name or title, a party organization, or any other person who violates this section is subject to a civil fine."

Page 10, delete lines 1 to 12

Page 10, delete section 5

Page 16, line 26, delete everything after the first comma

Page 20, after line 27, insert:

"Sec. 26. Minnesota Statutes 1988, section 10A.31, is amended by adding a subdivision to read:

Subd. 12. A candidate is not eligible for a public subsidy if the candidate has no opponent in the general election."

Page 23, line 36, delete everything after "contributions"

Page 24, delete line 1

Page 24, line 2, delete "percent or more of" and insert "equal to"

Page 24, line 7, after the period, insert "In addition, a candidate is not eligible to receive money from the state elections campaign fund unless the affidavit states that the total accumulated contributions to the candidate were made by residents of the candidate's legislative district."

Pages 25 and 26, delete section 32

Renumber the sections of article 3 in sequence and correct the internal references

Pages 26 to 33, delete article 4

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 34, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McGowan	Piepho
Belanger	Decker	Knaak	McQuaid	Ramstad
Benson	Frederick	Knutson	Mehrkins	Renneke
Berg	Frederickson, D.R.	Laidig	Olson	Storm
Bernhagen	Gustafson	Larson	Pariseau	

Those who voted in the negative were:

Adkins	Dahl	Hughes	Marty	Purfeerst
Beckman	DeCramer	Johnson, D.J.	Metzen	Reichgott
Berglin	Dicklich	Kroening	Morse	Schmitz
Bertram	Diessner	Langseth	Novak	Solon
Brandl	Flynn	Lantry	Pehler	Spear
Chmielewski	Frank	Lessard	Piper	Vickerman
Cohen	Frederickson, D.J.	Luther	Pogemiller	

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

Mr. Johnson, D.E. moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Pages 26 to 33, delete article 4

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Anderson	Brataas	Knaak	McQuaid	Piepho
Beckman	Decker	Knutson	Mehrkins	Ramstad
Belanger	Frederick	Laidig	Merriam	Renneke
Benson	Frederickson, D.R.	Larson	Moe, D.M.	Storm
Berg	Gustafson	Lessard	Olson	Vickerman
Bernhagen	Johnson, D.E.	McGowan	Pariseau	

Those who voted in the negative were:

Adkins	Davis	Freeman	Marty	Purfeerst
Berglin	DeCramer	Hughes	Metzen	Reichgott
Bertram	Dicklich	Johnson, D.J.	Moe, R. D.	Schmitz
Brandl	Diessner	Kroening	Morse	Spear
Chmielewski	Flynn	Langseth	Pehler	Stumpf
Cohen	Frank	Lantry	Piper	Waldorf
Dahl	Frederickson, D.J.	Luther	Pogemiller	

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

Mr. Storm moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 26, line 9, delete "1990" and insert "1992"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 24 and nays 36, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McGowan	Piepho
Belanger	Decker	Knaak	McQuaid	Ramstad
Benson	Frederick	Knutson	Mehrkins	Renneke
Berg	Frederickson, D.R.	Laidig	Olson	Storm
Bernhagen	Gustafson	Larson	Pariseau	

Those who voted in the negative were:

Adkins	Davis	Johnson, D.J.	Moe, D.M.	Spear
Beckman	DeCramer	Kroening	Moe, R. D.	Stumpf
Berglin	Dicklich	Langseth	Morse	Vickerman
Bertram	Diessner	Lantry	Pehler	Waldorf
Brandl	Flynn	Lessard	Piper	
Chmielewski	Frank	Luther	Pogemiller	
Cohen	Frederickson, D.J.	Marty	Reichgott	
Dahl	Freeman	Metzen	Schmitz	

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

Mr. Benson moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 33, delete lines 28 to 30 and insert "*commissioner of human services for the alternative care grant program.*"

Mr. Luther questioned whether the amendment was germane. The President ruled that the amendment was not germane.

Mr. Benson appealed the decision of the President.

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

There were yeas 35 and nays 28 as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Hughes	Marty	Pogemiller
Beckman	Dicklich	Johnson, D.J.	Metzen	Purfeerst
Bertram	Diessner	Kroening	Moe, D.M.	Reichgott
Chmielewski	Flynn	Langseth	Moe, R. D.	Samuelson
Cohen	Frank	Lantry	Morse	Schmitz
Dahl	Frederickson, D.J.	Lessard	Pehler	Stumpf
Davis	Freeman	Luther	Piper	Waldorf

Those who voted in the negative were:

Anderson	Brandl	Johnson, D.E.	McQuaid	Renneke
Belanger	Brataas	Knaak	Mehrkins	Spear
Benson	Decker	Knutson	Olson	Storm
Berg	Frederick	Laidig	Pariseau	Vickerman
Berglin	Frederickson, D.R.	Larson	Piepho	
Bernhagen	Gustafson	McGowan	Ramstad	

The decision of the President was sustained.

Mr. Morse moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 32, line 5, after "to" insert "20 percent of" and delete "When a"

Page 32, delete lines 6 and 7

Page 32, line 8, delete everything before "A"

Page 32, line 10, delete everything after "held" and insert a period

Page 32, delete lines 11 and 12

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 36 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Moe, R.D.	Schmitz
Beckman	DeCramer	Kroening	Morse	Spear
Berglin	Dicklich	Lantry	Novak	Stumpf
Bertram	Diessner	Lessard	Pehler	Vickerman
Brandl	Flynn	Luther	Piper	
Chmielewski	Frank	Marty	Pogemiller	
Cohen	Frederickson, D.J.	Metzen	Purfeerst	
Dahl	Hughes	Moe, D.M.	Reichgott	

Those who voted in the negative were:

Anderson	Brataas	Johnson, D.E.	Larson	Piepho
Belanger	Decker	Knaak	McGowan	Ramstad
Benson	Frederick	Knutson	McQuaid	Renneke
Berg	Frederickson, D.R.	Laidig	Mehrkins	Storm
Bernhagen	Gustafson	Langseth	Pariseau	

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 33, line 30, after the period, insert "*If an eligible candidate does not accept a public subsidy under this article, the amount that the candidate would have received is appropriated to the department of human services for the sliding fee child care program.*"

Mrs. Lantry questioned whether the amendment was germane. The President ruled that the amendment was germane.

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

The roll was called, and there were yeas 27 and nays 28, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Knutson	Metzen	Samuelson
Beckman	Decker	Laidig	Olson	Storm
Benson	Frederickson, D.R.	Larson	Pariseau	Vickerman
Berg	Gustafson	McGowan	Piepho	
Bernhagen	Johnson, D.E.	McQuaid	Ramstad	
Bertram	Knaak	Mehrken	Renneke	

Those who voted in the negative were:

Adkins	Dicklich	Langseth	Novak	Schmitz
Brandl	Diessner	Lantry	Pehler	Solon
Chmielewski	Frederickson, D.J.	Lessard	Piper	Spear
Cohen	Hughes	Luther	Pogemiller	Stumpf
Davis	Johnson, D.J.	Marty	Purfeerst	
DeCramer	Kroening	Morse	Reichgott	

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

Mr. Benson moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 33, after line 25, insert:

"Sec. 13. [ATTORNEY FEES, COSTS, AND DISBURSEMENTS.]

If a provision of this article is found to be unconstitutional and void, the state shall pay the prevailing party's attorney fees, costs, and disbursements related to the action in which the provision is ruled unconstitutional and void."

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 35, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Adkins	Dahl	Johnson, D.J.	Moe, D.M.	Reichgott
Beckman	Davis	Kroening	Morse	Samuelson
Berglin	DeCramer	Langseth	Novak	Schmitz
Bertram	Diessner	Lantry	Pehler	Solon
Brandl	Flynn	Luther	Piper	Spear
Chmielewski	Frank	Marty	Pogemiller	Stumpf
Cohen	Hughes	Metzen	Purfeerst	Vickerman

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

Mr. DeCramer moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 7, after line 28, insert:

"Sec. 6. Minnesota Statutes 1988, section 10A.09, is amended by adding a subdivision to read:

Subd. 9. [SCHOOL BOARD CANDIDATES AND MEMBERS.] This section does not apply to a candidate for school board or to a school board

member in any school district with a population of less than 50,000."

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

Mr. Benson moved to amend the DeCramer amendment to H.F. No. 2666 as follows:

Page 1, line 8, delete everything after "*district*" and insert a period

Page 1, delete line 9

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

The question recurred on the DeCramer amendment, as amended. The motion prevailed. So the amendment, as amended, was adopted.

Mr. Frederickson, D.R. moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 27, line 31, after the period, insert "*No unclassified appointed state employee may receive a public subsidy.*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Davis	Gustafson	Lessard	Pariseau
Benson	Decker	Knaak	McGowan	Piepho
Berg	Diessner	Knutson	McQuaid	Ramstad
Bernhagen	Frederick	Laidig	Mehrkens	Renneke
Brataas	Frederickson, D.R.	Larson	Olson	Storm

Those who voted in the negative were:

Adkins	DeCramer	Langseth	Novak	Schmitz
Berglin	Dicklich	Lantry	Pehler	Solon
Bertram	Flynn	Luther	Piper	Spear
Brandl	Frank	Marty	Pogemiller	Stumpf
Chmielewski	Hughes	Metzen	Purfeerst	Vickerman
Cohen	Johnson, D.J.	Moe, D.M.	Reichgott	
Dahl	Kroening	Morse	Samuelson	

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

Mr. Frederick moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 33, delete section 12 and insert:

"Sec. 12. [SPENDING LIMIT ON MONEY RECEIVED FROM POLITICAL COMMITTEES.]

A congressional candidate for the United States Senate may spend no more that \$1,200,000 in any calendar year of money received from political committees as defined in United States Code, title 2, section 431, paragraph (4)(A) or (B). A congressional candidate for the United States House of Representatives may spend no more that \$120,000 in any calendar year of money received from political committees as defined in United States Code, title 2, section 431, paragraph (4)(A) or (B)."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 26 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	Diessner	Knutson	Olson	Storm
Belanger	Frederick	Laidig	Pariseau	Vickerman
Berg	Frederickson, D.R.	Larson	Piepho	
Bernhagen	Gustafson	McGowan	Ramstad	
Brataas	Johnson, D.E.	McQuaid	Renneke	
Decker	Knaak	Mehrkens	Samuelson	

Those who voted in the negative were:

Adkins	Dahl	Hughes	Marty	Reichgott
Beckman	Davis	Johnson, D.J.	Metzen	Schmitz
Berglin	DeCramer	Kroening	Morse	Solon
Bertram	Dicklich	Langseth	Novak	Spear
Brandl	Flynn	Lantry	Pehler	Stumpf
Chmielewski	Frank	Lessard	Piper	
Cohen	Frederickson, D.J.	Luther	Purfeerst	

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

Mrs. Brataas moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 10, delete section 5

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

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

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 6, after line 9, insert:

"Subd. 3. [INTEREST IN CONTRACT; LOCAL OFFICIALS.] This section does not apply to a local official with respect to a matter governed by sections 471.87 and 471.88."

Page 7, delete section 4

Page 7, after line 28, insert:

"Sec. 5. Minnesota Statutes 1988, section 383B.053, subdivision 1, is amended to read:

Subdivision 1. [OFFICIALS REQUIRED TO FILE; DEADLINES.] Every candidate for county office, every elected official of Hennepin county, every

candidate for office and every elected official of a home rule charter city or statutory city located wholly within Hennepin county and having a population of 75,000 or more, and every candidate for school board and every elected official in special school district No. 1, Minneapolis shall file statements of economic interest as required by this section with the filing officer. A candidate shall file an original statement within 14 days of the filing of an affidavit or petition to appear on the ballot. All elected officials of Hennepin county and of a home rule charter city or statutory city located wholly in Hennepin county and having a population of 75,000 or more who are in office on March 19, 1980, shall file an original statement of economic interest 60 days after forms for disclosure are provided to the filing officer. Every individual required to file a statement shall file a supplementary statement on April 15 of each year in which the individual remains a candidate or elected official. *An official required to file a statement of economic interest under section 10A.07 is not required to comply with this section.*"

Renumber the sections of article 2 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Marty then moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 29, line 31, delete "1986" and insert "1990"

The motion prevailed. So the amendment was adopted.

Mr. Marty then moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 18, line 9, strike "\$60,000" and insert "\$10,000"

Page 18, line 10, strike "\$12,000" and insert "\$2,000"

Page 18, line 18, delete "\$300" and insert "\$400"

Page 18, line 21, delete "\$150" and insert "\$200"

Pages 18 and 19, delete section 22

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

Mr. Laidig requested division of the amendment as follows:

First portion:

Page 18, line 9, strike "\$60,000" and insert "\$10,000"

Page 18, line 10, strike "\$12,000" and insert "\$2,000"

Second portion:

Page 18, line 18, delete "\$300" and insert "\$400"

Page 18, line 21, delete "\$150" and insert "\$200"

Third portion:

Pages 18 and 19, delete section 22

The question was taken on the adoption of the first portion of the Marty amendment.

The roll was called, and there were yeas 23 and nays 39, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Gustafson	Metzen	Reichgott
Berglin	DeCramer	Kroening	Morse	Schmitz
Brandl	Dicklich	Lessard	Pehler	Spear
Chmielewski	Diessner	Luther	Piper	
Cohen	Flynn	Marty	Pogemiller	

Those who voted in the negative were:

Anderson	Dahl	Johnson, D.J.	McQuaid	Ramstad
Beckman	Decker	Knaak	Mehrkins	Renneke
Belanger	Frank	Knutson	Moe, D.M.	Samuelson
Benson	Frederick	Laidig	Novak	Solon
Berg	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Lantry	Pariseau	Stumpf
Bertram	Hughes	Larson	Piepho	Vickerman
Brataas	Johnson, D.E.	McGowan	Purfeerst	

The motion did not prevail. So the first portion of the amendment was not adopted.

The question was taken on the adoption of the second portion of the Marty amendment.

The roll was called, and there were yeas 18 and nays 45, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Lantry	Moe, R.D.	Spear
Chmielewski	Freeman	Luther	Novak	Waldorf
Dicklich	Hughes	Metzen	Piper	
Diessner	Johnson, D.J.	Moe, D.M.	Schmitz	

Those who voted in the negative were:

Anderson	Brataas	Frederickson, D.R.	Marty	Pogemiller
Beckman	Cohen	Gustafson	McGowan	Ramstad
Belanger	Dahl	Johnson, D.E.	McQuaid	Reichgott
Benson	Davis	Knaak	Mehrkins	Renneke
Berg	Decker	Knutson	Morse	Samuelson
Berglin	DeCramer	Laidig	Olson	Solon
Bernhagen	Frank	Langseth	Pariseau	Storm
Bertram	Frederick	Larson	Pehler	Stumpf
Brandl	Frederickson, D.J.	Lessard	Piepho	Vickerman

The motion did not prevail. So the second portion of the amendment was not adopted.

The question was taken on the adoption of the third portion of the Marty amendment.

The roll was called, and there were yeas 32 and nays 33, as follows:

Those who voted in the affirmative were:

Anderson	DeCramer	Knutson	Merriam	Ramstad
Belanger	Dicklich	Laidig	Morse	Renneke
Benson	Frederick	Larson	Olson	Samuelson
Berg	Frederickson, D.R.	Marty	Pariseau	Storm
Bernhagen	Gustafson	McGowan	Piepho	
Brandl	Johnson, D.E.	McQuaid	Piper	
Decker	Knaak	Mehrkins	Pogemiller	

Those who voted in the negative were:

Adkins	Dahl	Hughes	Metzen	Solon
Beckman	Davis	Johnson, D.J.	Moe, D.M.	Spear
Berglin	Diessner	Kroening	Moe, R.D.	Stumpf
Bertram	Flynn	Langseth	Novak	Vickerman
Brataas	Frank	Lantry	Pehler	Waldorf
Chmielewski	Frederickson, D.J.	Lessard	Reichgott	
Cohen	Freeman	Luther	Schmitz	

The motion did not prevail. So the third portion of the amendment was not adopted.

Mr. Luther moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 26, after line 3, insert:

“Sec. 33. [TRANSITIONAL PROVISION FOR INACTIVE POLITICAL COMMITTEES AND FUNDS.]

Subdivision 1. [NOTICE.] Within 30 days after the effective date of section 14, the ethical practices board shall send a notice to all political committees and funds informing them of the new requirements concerning inactive committees and funds, along with a copy of section 14.

Subd. 2. [EXISTING INACTIVE COMMITTEES AND FUNDS.] A political committee or fund that is inactive under the criteria set forth in section 14, subdivision 3, on the effective date of that section, shall dissolve by December 31, 1990.”

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 33, line 22, before “A” insert “*The Congress of the United States, acting under article 1, section 4, of the Constitution, having chosen to regulate contributions to candidates for Congress, so that the state legislatures may not regulate those contributions, is urged to enact additional regulations of contributions to congressional candidates so that*”

Mr. Knaak moved to amend the fifth Luther amendment to H.F. No. 2666 as follows:

Page 1, after line 2, insert:

“Pages 26 to 28, delete sections 1 to 3

Page 28, line 34, delete “*Subdivision 1. [LIMITS.]*” and insert “*The Congress of the United States, acting under article 1, section 4, of the Constitution, having chosen not to provide public subsidies and impose limits on campaign spending by candidates for the United States Congress, is urged to enact legislation to provide those subsidies and limit that spending, so that*”

Page 29, delete lines 5 to 36

Page 30, delete lines 1 to 27

Pages 30 to 33, delete sections 5 to 11”

Page 1, after line 8, insert:

“Page 33, delete section 13

Renumber the sections of article 4 in sequence and correct the internal references

Amend the title accordingly”

The question was taken on the adoption of the Knaak amendment to the fifth Luther amendment.

The roll was called, and there were yeas 23 and nays 38, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knaak	McQuaid	Ramstad
Belanger	Frederick	Knutson	Mehrkins	Renneke
Benson	Frederickson, D.R.	Laidig	Olson	Storm
Bernhagen	Gustafson	Larson	Pariseau	
Brataas	Johnson, D.E.	McGowan	Piepho	

Those who voted in the negative were:

Adkins	Davis	Hughes	Merriam	Reichgott
Beckman	DeCramer	Johnson, D.J.	Moe, D.M.	Solon
Berglin	Dicklich	Kroening	Moe, R.D.	Spear
Bertram	Diessner	Langseth	Morse	Stumpf
Brandl	Flynn	Lantry	Novak	Vickerman
Chmielewski	Frank	Lessard	Pehler	Waldorf
Cohen	Frederickson, D.J.	Luther	Piper	
Dahl	Freeman	Marty	Pogemiller	

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

The question recurred on the adoption of the Luther amendment.

The roll was called, and there were yeas 36 and nays 27, as follows:

Those who voted in the affirmative were:

Adkins	Diessner	Langseth	Moe, R.D.	Spear
Berglin	Flynn	Lantry	Morse	Stumpf
Bertram	Frank	Lessard	Novak	Vickerman
Brandl	Frederickson, D.J.	Luther	Pehler	Waldorf
Chmielewski	Freeman	Marty	Piper	
Cohen	Hughes	Merriam	Pogemiller	
Davis	Johnson, D.J.	Metzen	Reichgott	
Dicklich	Kroening	Moe, D.M.	Samuelson	

Those who voted in the negative were:

Anderson	Brataas	Gustafson	McGowan	Ramstad
Beckman	Dahl	Johnson, D.E.	McQuaid	Renneke
Belanger	Decker	Knaak	Mehrkins	Storm
Benson	DeCramer	Knutson	Olson	
Berg	Frederick	Laidig	Pariseau	
Bernhagen	Frederickson, D.R.	Larson	Piepho	

The motion prevailed. So the amendment was adopted.

Mrs. Brataas moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 25, line 35, delete the new language

Page 26, line 3, after the stricken period, insert “*Failure to so present the bill, charge, or claim is a misdemeanor.*”

The motion prevailed. So the amendment was adopted.

Mr. Laidig moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Pages 8 and 9, delete section 3

Page 16, delete section 15

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

Mr. Brandl requested division of the amendment as follows:

First portion:

Pages 8 and 9, delete section 3

Second portion:

Page 16, delete section 15

The question was taken on the adoption of the first portion of the Laidig amendment.

The roll was called, and there were yeas 30 and nays 31, as follows:

Those who voted in the affirmative were:

Anderson	Brataas	Johnson, D.E.	McGowan	Piepho
Belanger	Decker	Knaak	McQuaid	Ramstad
Benson	Frederick	Knutson	Mehrrens	Renneke
Berg	Frederickson, D.R.	Laidig	Moe, D.M.	Samuelson
Bernhagen	Gustafson	Larson	Olson	Storm
Brandl	Hughes	Marty	Pariseau	Waldorf

Those who voted in the negative were:

Adkins	DeCramer	Kroening	Morse	Schmitz
Beckman	Dicklich	Langseth	Novak	Spear
Berglin	Diessner	Lantry	Pehler	Vickerman
Bertram	Flynn	Lessard	Piper	
Chmielewski	Frank	Luther	Pogemiller	
Cohen	Frederickson, D.J.	Metzen	Purfeerst	
Dahl	Freeman	Moe, R.D.	Reichgott	

The motion did not prevail. So the first portion of the amendment was not adopted.

The question was taken on the adoption of the second portion of the Laidig amendment.

The roll was called, and there were yeas 26 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Decker	Knutson	Merriam	Renneke
Belanger	Flynn	Laidig	Moe, D.M.	Storm
Benson	Frederick	Larson	Olson	
Berg	Frederickson, D.R.	McGowan	Pariseau	
Bernhagen	Johnson, D.E.	McQuaid	Piepho	
Brataas	Knaak	Mehrrens	Ramstad	

Those who voted in the negative were:

Adkins	Davis	Kroening	Morse	Schmitz
Beckman	DeCramer	Langseth	Novak	Spear
Berglin	Dicklich	Lantry	Pehler	Stumpf
Bertram	Diessner	Lessard	Piper	Vickerman
Brandl	Frank	Luther	Pogemiller	Waldorf
Chmielewski	Frederickson, D.J.	Marty	Purfeerst	
Cohen	Freeman	Metzen	Reichgott	
Dahl	Hughes	Moe, R.D.	Samuelson	

The motion did not prevail. So the second portion of the amendment was not adopted.

Ms. Flynn moved to amend the DeCramer amendment to H.F. No. 2666, adopted by the Senate April 6, 1990, as follows:

Page 1, line 8, after "*district*" insert "*with a population of less than 75,000*"

Mrs. Brataas moved to amend the Flynn amendment to the DeCramer amendment to H.F. No. 2666 as follows:

Page 1, line 3, delete "*with a population*" and insert "*in cities of the first class*"

Page 1, delete line 4

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

The question recurred on the adoption of the Flynn amendment, as amended, to the DeCramer amendment.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Mr. Morse moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 26, line 9, delete "*July 1, 1990*" and insert "*the day following final enactment*"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 32 and nays 25, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Hughes	Metzen	Purfeerst
Beckman	Davis	Johnson, D.J.	Moe, D.M.	Spear
Berglin	DeCramer	Kroening	Morse	Stumpf
Bertram	Dicklich	Langseth	Novak	Vickerman
Brandl	Diessner	Lantry	Pehler	
Chmielewski	Flynn	Luther	Piper	
Cohen	Frederickson, D.J.	Marty	Pogemiller	

Those who voted in the negative were:

Anderson	Decker	Knaak	McGowan	Piepho
Belanger	Frederick	Knutson	McQuaid	Ramstad
Berg	Frederickson, D.R.	Laidig	Mehrkens	Reichgott
Bernhagen	Gustafson	Larson	Olson	Renneke
Brataas	Johnson, D.E.	Lessard	Pariseau	Storm

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 2666, the unofficial engrossment, as follows:

Page 18, after line 22, insert:

“Sec. 21. Minnesota Statutes 1988, section 10A.27, is amended by adding a subdivision to read:

Subd. 2a. No political party may accept contributions in excess of \$35,000 in the aggregate during any calendar year from the political committee of a member of Congress or congressional candidate. For purposes of this subdivision, the term “political committee” has the meaning given in United States Code, title 2, section 431, paragraph (4), and the term “congressional candidate” has the meaning given in United States Code, title 2, section 431, paragraph (2).”

Page 20, after line 22, insert:

“Sec. 26. Minnesota Statutes 1988, section 10A.28, subdivision 2, is amended to read:

Subd. 2. A candidate who permits the candidate’s principal campaign committee to accept, *or a political party that accepts*, contributions in excess of the limits imposed by section 10A.27 shall be subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.”

Renumber the sections of article 3 in sequence and correct the internal references

Amend the title accordingly

Mr. Laidig moved to amend the sixth Luther amendment to H.F. No. 2666 as follows:

Page 1, line 6, after “party” insert “, *political committee, or political fund*”

Page 1, line 8, delete “or” and insert a comma

Page 1, line 9, after “candidate” insert “, *a candidate, or the principal campaign committee of a candidate*”

Page 1, line 10, after “given” insert “*in section 10A.01, subdivision 15, and*”

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

The question recurred on the Luther amendment, as amended.

The roll was called, and there were yeas 34 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Freeman	Marty	Reichgott
Beckman	DeCramer	Hughes	Moe, D.M.	Schmitz
Berglin	Dicklich	Johnson, D.J.	Moe, R.D.	Solon
Bertram	Diessner	Kroening	Morse	Spear
Brandl	Flynn	Langseth	Novak	Stumpf
Cohen	Frank	Lantry	Piper	Vickerman
Dahl	Frederickson, D.J.	Luther	Pogemiller	

Those who voted in the negative were:

Anderson	Chmielewski	Knaak	McQuaid	Renneke
Belanger	Decker	Knutson	Mehrkins	Storm
Benson	Frederick	Laidig	Olson	
Berg	Frederickson, D.R.	Larson	Pariseau	
Bernhagen	Gustafson	Lessard	Piepho	
Brataas	Johnson, D.E.	McGowan	Ramstad	

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

H.F. No. 2666 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 41 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Kroening	Moe, R.D.	Solon
Beckman	Dicklich	Langseth	Morse	Spear
Berglin	Diessner	Lantry	Novak	Stumpf
Bertram	Flynn	Lessard	Pehler	Vickerman
Brandl	Frank	Luther	Piper	Waldorf
Chmielewski	Frederickson, D.J.	Marty	Pogemiller	
Cohen	Freeman	Merriam	Purfeerst	
Dahl	Hughes	Metzen	Reichgott	
Davis	Johnson, D.J.	Moe, D.M.	Schmitz	

Those who voted in the negative were:

Anderson	Decker	Knaak	McQuaid	Ramstad
Belanger	Frederick	Knutson	Mehrkins	Renneke
Benson	Frederickson, D.R.	Laidig	Olson	Storm
Bernhagen	Gustafson	Larson	Pariseau	
Brataas	Johnson, D.E.	McGowan	Piepho	

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 2103 a Special Order to be heard immediately.

SPECIAL ORDER

H.F. No. 2103: A bill for an act relating to public employee retirement plans; requiring the regular reporting of investment performance results calculated on a time-weighted total rate of return basis; proposing coding for new law in Minnesota Statutes, chapter 356.

Mr. Moe, D.M. moved to amend H.F. No. 2103, as amended pursuant to Rule 49, adopted by the Senate March 22, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2105.)

Page 6, line 25, delete "and"

Page 6, after line 25, insert:

"(4) a person who is employed by the state in the department of public

safety in a data processing management position with salary or compensation paid from state funds, who was a crime bureau officer covered by the state patrol retirement plan on August 15, 1987, and who was initially hired in the data processing management position within the department during September 1987, or January 1988, with membership continuing for the duration of the person's employment in that position, whether or not the person has the power of arrest by warrant after August 15, 1987; and"

Page 6, line 26, delete "(4)" and insert "(5)"

Page 7, after line 1, insert:

"Sec. 5. [PAYMENT OF OMITTED CONTRIBUTION AMOUNTS.]

(a) A person affected by section 3 who has not made the full member contribution to the state patrol retirement plan for service before the effective date of this section shall pay the amount of omitted member contributions, plus annual compound interest at the rate of 8.5 percent. The omitted member contribution amount and interest must be paid by January 1, 1991. The person shall be paid a refund from any other Minnesota public pension plan for the period of the omitted member contributions and service credit for that period in that plan is forfeited upon receipt of the refund.

(b) Upon payment of the omitted member contribution amount under paragraph (a), the department of public safety shall pay an amount equal to the amount of the omitted member contribution multiplied by the factor of 2.224. This omitted employer contribution must be paid within 30 days of the payment of the omitted member contribution amount.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective on the day following final enactment."

Page 10, line 3, before "The" insert "The executive director of the teachers retirement association shall transfer the administration records of the supplemental retirement plan to the chancellor of the state university system and the chancellor of the state community college system on July 1, 1991." and delete "state university board and"

Page 10, line 4, delete "the community college board" and insert "chancellor of the state university system and the chancellor of the state community college system" and after "shall" insert "jointly"

Page 10, line 5, delete "boards" and insert "chancellors"

Page 10, line 10, delete "boards" and insert "chancellors" and delete "members of the"

Page 10, after line 12, insert:

"Sec. 3. Minnesota Statutes 1989 Supplement, section 136.82, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) The executive director of the teachers retirement fund shall redeem shares in the accounts of the Minnesota supplemental retirement investment fund standing in an employee's share account record under the following circumstances, but always in accordance with the laws and rules governing the Minnesota supplemental retirement investment fund:

(b) The executive director shall redeem shares under this subdivision when requested to do so in writing on forms provided by the executive director by a person having shares to the credit of the employee's share account record if the person is age 55 or older and is no longer employed by the state university board or state board for community colleges. In such case the person must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the person's shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year.

(c) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person has left employment by the state university board or state board for community colleges because of a total and permanent disability as defined in section 354.05, subdivision 14. If the executive director finds that the person is totally and permanently disabled and will as a result be unable to return to similar employment, the person must receive the cash realized on the redemption of the shares. The person may direct the redemption of not more than 20 percent of the shares in the employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, at their sole discretion, permit greater withdrawals in any one year. If the person returns to good health, the person owes no restitution to the state or a fund established by its laws for a redemption under this paragraph.

(d) The executive director shall redeem shares under this subdivision in the event of the death of a person having shares to the credit of the employee's share account record and leaving a ~~surviving spouse~~ *designated beneficiary*, when requested to do so in writing, on forms provided by the executive director, by the ~~surviving spouse~~ *designated beneficiary*. The ~~surviving spouse~~ *designated beneficiary* must receive the cash realized on the redemption of the shares. *If the designated beneficiary is a surviving spouse, the surviving spouse* may direct the redemption of not more than 20 percent of the shares in the deceased ~~spouse's~~ *person's* employee's share account record in any one year and may not direct more than one redemption in any one calendar month; provided, however, that the state university board or its designee, in the case of a person employed by the state university board, and the state board for community colleges or its designee, in the case of a person employed by the state board for community colleges, may, upon application, their sole discretion, permit greater withdrawals in any one year. In that case the surviving spouse must receive the cash realized from the redemption of the shares. Upon the death of the surviving spouse any shares remaining in the employee's share account record must be redeemed by the executive director and the cash realized from the redemption must be distributed to the estate of the surviving spouse.

(e) In the event of the death of a person having shares to the credit of the employee's share account record and leaving no *designated beneficiary*, *the surviving spouse must receive the cash realized on the redemption of the shares as provided in paragraph (d)*. If there is no surviving spouse, the executive director shall redeem all shares to the credit of the employee's share account record and pay the cash realized from the redemption to the estate of the deceased person.

(f) The executive director shall redeem shares under this subdivision when requested to do so in writing, on forms provided by the executive director, by a person having shares to the credit of the employee's share account record if the person is no longer employed by the state university board or state board for community colleges, but does not qualify under the provisions of paragraphs (b) to (e). In that case, the person is entitled upon application to receive one-half of the cash realized on the redemption of shares and one-half must be credited to the administrative expense reserve account of the supplemental retirement plan for payment of necessary and reasonable administrative expenses of the supplemental retirement plan as provided in section 354.65.

Sec. 4. Minnesota Statutes 1989 Supplement, section 136.82, subdivision 2, is amended to read:

Subd. 2. [REDEMPTION OF SHARES AS AN ANNUITY.] A person who has shares to the credit of the employee's share account record, who is 55 years of age or older and who is no longer employed by the state university board or the state board for community colleges or who is totally and permanently disabled pursuant to subdivision 1, paragraph (c), or who has the status of a surviving spouse of a person who has shares to the credit of the employee's share account pursuant to subdivision 1, paragraph (d) or (e), may redeem all or part of the shares to purchase an annuity by depositing the cash realized upon redemption with the executive director of the teachers retirement fund and receive in exchange an annuity for life or an optional annuity as hereinafter provided. The election to purchase an annuity may be made only once by any individual. If an election is made before the date on which the person is entitled to request redemption, the redemption shall not be made prior to the date upon which the person would be entitled to make the request. The annuity purchase rates shall be based on the annuity table of mortality adopted by the board of trustees of the teachers retirement fund for the fund as provided in section 354.07, subdivision 1, using the interest assumption specified in section 356.215, subdivision 4d. The amount of the annuity for life shall be that amount which has a present value equal to the cash realized on the redemption of the shares as of the first day of the month next following the date of the election to purchase an annuity. The board of trustees of the teachers retirement fund shall establish an optional joint and survivor annuity, an optional annuity payable for a period certain and for life thereafter, and an optional guaranteed refund annuity paying the annuitant a fixed amount for life with the guarantee that in the event of death the balance of the cash realized from the redemption of shares is payable to the designated beneficiary. The optional forms of annuity shall be actuarially equivalent to the single life annuity as defined in section 354.05, subdivision 7. In establishing these optional forms, the board of trustees shall obtain the written recommendation of the actuary retained by the legislative commission on pensions and retirement, and these recommendations shall be a part of the permanent records of the board of trustees."

Page 12, line 9, delete everything after the first "The" and insert "chancellor of the state university system and the chancellor of the state community college system"

Page 12, line 10, after "shall" insert "jointly"

Page 12, line 14, after "redeemed" insert "until the expiration dates for the guaranteed investment contracts" and delete "executive"

Page 12, line 15, delete "director" and insert "chancellors"

Page 12, line 17, delete "For employees"

Page 12, delete lines 18 to 22

Page 12, lines 25 and 26, delete "6" and insert "8"

Page 12, after line 30, insert:

"Sec. 11. [TRANSFERS IN CERTAIN CASES.]

Notwithstanding any provision of Minnesota Statutes, section 354B.03, to the contrary, a person in covered employment under Minnesota Statutes, chapter 354, who was first employed by the state university system board or the community college board after June 30, 1988, and before July 1, 1989, and who has no prior allowable service under chapter 354, and who elected, or elects before September 1, 1990, to have their employee contributions transferred under Minnesota Statutes, chapter 354B, shall have an amount equal to the employer contributions made on behalf of the person under Minnesota Statutes, section 354.42, subdivision 3, plus annual interest compounded annually at a rate of six percent, transferred by the executive director of the teachers retirement association from the teachers retirement fund to the individual retirement account plan under chapter 354B. The election must be made on a form prescribed by the executive director and must be made by September 1, 1990."

Page 13, line 1, delete "7, and" and after "9" insert "and 12"

Page 13, line 2, delete "6 and" and after "8" insert ", 10, and 11"

Renumber the sections of article 3 in sequence and correct the internal references

Page 17, after line 29, insert:

"Sec. 3. [MOOSE LAKE FIREFIGHTERS' RELIEF ASSOCIATION ASSETS.]

Notwithstanding the requirements of Minnesota Statutes, section 424A.02, or any other law, for firefighters' relief association purposes the Moose Lake area fire protection district must be treated as a continuation of the fire department of the city of Moose Lake. Assets of the Moose Lake fire department relief association must be transferred to a relief association now or hereafter established by the district and service of transferred members must be considered continuous for purpose of computing retirement benefits.

Sec. 4. [PURCHASE OF SERVICE CREDIT FOR ST. PAUL BUREAU OF HEALTH SERVICE.]

Subdivision 1. [ELIGIBILITY.] A person who was born on May 28, 1941, who was initially employed by the St. Paul bureau of health in November 1963, who was covered by the St. Paul bureau of health relief

association under Laws 1919, chapter 430, sections 1 through 9, as amended, by virtue of that employment, who terminated employment by the St. Paul bureau of health in August 1966, and who became a member of the general plan of the public employees retirement association in May 1967, is entitled to purchase service credit in the general plan of the public employees retirement association for any months of employment by the St. Paul bureau of health in which member contributions to the St. Paul bureau of health relief association were made.

Subd. 2. [PURCHASE PAYMENT AMOUNT.] (a) The person requesting the purchase of prior service shall establish in the records of the fund or association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the public employees retirement association. For a person eligible to purchase credit under subdivision 1, there must be paid to the public employees retirement association an amount on the date of payment equal to the amount computed in paragraph (b) minus the amount computed in paragraph (c).

(b) The present value, on the date of payment, of the amount of additional retirement annuity that would be obtained due to the purchase of additional service credit by the individual specified in subdivision 1, using the pre-retirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the public employees retirement association and assuming continuous future service in the public employees retirement association until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased, and also assuming a future salary history that includes annual salary increases at the salary increase rate specified in Minnesota Statutes, section 356.215, subdivision 4d.

(c) The present value of employee and employer contributions paid to the St. Paul bureau of health relief association by or on behalf of the individual eligible to purchase credit under subdivision 1. The present value will be computed assuming investment earnings on these contributions equal to the rate actually earned by the assets of active employees covered by the public employees retirement association, beginning with the date the individual specified in subdivision 1 first made contributions to the St. Paul bureau of health relief association.

Subd. 3. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the public employees retirement association agrees to accept payment in installments over a period not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service may be credited to the account of the person only after receipt of full payment by the executive director.

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment must be made by the person entitled to purchase prior service. However, the city of St. Paul may at its discretion, pay all or any portion of the required payment amount."

Page 17, line 30, delete "3" and insert "5"

Page 18, after line 4, insert:

"Sections 3 and 4 are effective the day following final enactment.

Article 7

TEACHER RETIREMENT FUND PROVISIONS

Section 1. [354.095] [PAYMENT PROCEDURES.]

A member of the fund who is on an authorized medical leave of absence and subsequently returns to teaching service, is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund. This payment must include the required employee and employer contributions at the rates specified in section 354.42, subdivisions 2, 3, and 5, as applied to the member's average full-time monthly salary rate on the date of return from the leave of absence plus annual interest at the rate of 8.5 percent per year from the midpoint date of the leave until the date of payment. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid before the effective date of retirement or by the end of the fiscal year following the fiscal year in which the leave of absence terminated, whichever is earlier. Payment must be accompanied by a copy of the resolution or action of the employing authority granting the leave and the employing authority, upon granting the leave, must certify the leave to the association on a form specified by the executive director. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354.48 and receive allowable service credit under this section for the same period of time.

Sec. 2. [354A.096] [MEDICAL LEAVE.]

Any teacher in the coordinated program of either the Minneapolis teachers retirement fund association or the St. Paul teachers retirement fund association or the new law coordinated program of the Duluth teachers retirement fund association who is on an authorized medical leave of absence and subsequently returns to teaching service is entitled to receive allowable service credit, not to exceed one year, for the period of leave, upon making the prescribed payment to the fund. This payment must include the required employee and employer contributions at the rates specified in section 354A.12, subdivisions 1 and 2, as applied to the member's average full-time monthly salary rate on the date of return from the leave of absence plus annual interest at the rate of 8.5 percent per year from the midpoint date of the leave until the date of payment. The member must pay the total amount required unless the employing unit, at its option, pays the employer contributions. The total amount required must be paid by the end of the fiscal year following the fiscal year in which the leave of absence terminated or before the member retires, whichever is earlier. Payment must be accompanied by a copy of the resolution or action of the employing authority granting the leave and the employing authority, upon granting the leave, must certify the leave to the association in a manner specified by the executive director. A member may not receive more than one year of allowable service credit during any fiscal year by making payment under this section. A member may not receive disability benefits under section 354A.36 and receive allowable service credit under this section for the same period of time.

Sec. 3. [ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION.]

In accordance with Minnesota Statutes, section 354A.12, subdivision 4, approval is granted for the St. Paul teachers retirement fund association to amend its articles of incorporation or bylaws to allow basic plan members who are granted a medical leave of absence by independent school district No. 625, St. Paul, to receive up to one year service credit of that leave in accordance with the provisions of Minnesota Statutes, section 354A.096.

Sec. 4. [DULUTH TEACHERS RETIREMENT FUND AND ST. PAUL TEACHERS RETIREMENT FUND: ALTERNATE METHOD OF PAYING ADDITIONAL LUMP SUM AMOUNT.]

Notwithstanding the articles or bylaws of the Duluth teachers retirement fund association or St. Paul teachers retirement fund association, approval is granted for the Duluth teachers retirement fund association and St. Paul teachers retirement fund association to provide that a lump sum postretirement adjustment that is payable may, upon the request of the annuitant or survivor and approval of the board of trustees of the fund, be converted to a monthly annuity benefit of equivalent actuarial value. The amount of the additional annuity shall be determined by:

(1) the age of the annuitant or survivor on the date of the lump sum postretirement adjustment;

(2) use of an annuity table of mortality established by the board of trustees of the association as required by Minnesota Statutes, section 356.215; and

(3) use of the postretirement interest rate assumption specified in Minnesota Statutes, section 11A.18.

Sec. 5. [EFFECTIVE DATE.]

(a) Sections 1 to 4 are effective the day following final enactment.

(b) Section 1 is also effective retroactively to October 9, 1988, for a former teacher employed by independent school district No. 831 who began a long-term disability medical leave on October 10, 1988, who terminated employment on June 16, 1989, and who has retired. The contribution amounts for the leave must be based on the salary rate of the teacher in effect for the 1988-1989 school year and the contributions must be made by June 30, 1990, with interest as calculated under section 1. If the contribution amounts are paid, the person's retirement annuity must be recomputed based on the resulting additional allowable service credit and revision in the person's highest five successive years average salary and the increased annuity amount accrues as of the first day of the first month next following the date of the payment. If an optional annuity form has been selected, the increased annuity amount must be appropriately adjusted.

Article 8

PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN

Section 1. Minnesota Statutes 1988, section 353.01, subdivision 7, is amended to read:

Subd. 7. [MEMBER.] ~~A member is~~ "Member" means a person who accepts employment as a "public employee" and is not covered by the plan established in chapter 353D. ~~A person who is a member remains a member while performing services as a public employee and while on an authorized leave of absence or an authorized temporary layoff; provided, however, (1)~~

that any elected public officer or any person appointed to fill a vacancy in an elective office shall have the right to exercise an option to become a member by filing application for membership, but the option to become a member, once exercised, may not be withdrawn during the incumbency of the person in office; and (2) that any member who is appointed by the governor to be a state department head and elects pursuant to section 352.021, subdivision 3, not to be covered by the Minnesota state retirement system, shall remain a member of the public employees retirement association. Membership in the retirement association of any person shall terminate upon the person ceasing to be a "public employee."

Sec. 2. Minnesota Statutes 1988, section 353D.01, is amended to read:

**353D.01 [~~AMBULANCE SERVICE PERSONNEL RETIREMENT~~
~~PUBLIC EMPLOYEES DEFINED CONTRIBUTION PLAN.~~]**

Subdivision 1. [~~ESTABLISHMENT.~~] ~~The ambulance service personnel retirement public employees defined contribution plan is administered by the public employees retirement association under supervision of the association board of directors trustees. To assist it in governing the operations of the plan, the board may appoint an advisory committee of not more than seven nine members who are representative of ambulance service operators and ambulance service personnel the employers and employees who participate in the plan.~~

Subd. 2. [~~COVERAGE ELIGIBILITY.~~] ~~Coverage under~~ Except as provided in section 353D.11, eligibility to participate in the retirement plan is open to an elected local government official of a governmental subdivision who elects to participate in the plan who is not a member of the public employees retirement association within the meaning of section 353.01, subdivision 7, and to basic and advanced life support emergency medical service personnel employed by or providing services for any public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate. For purposes of this chapter, an elected local government official includes a person appointed to fill a vacancy in an elective office. Elected local government official does not include an elected county sheriff. Except as provided in section 353D.11, elected local government officials and first response personnel and emergency medical service personnel who are currently covered by a public or private pension plan because of their employment or provision of services are not eligible to participate in the plan.

Sec. 3. Minnesota Statutes 1988, section 353D.02, is amended to read:

353D.02 [ELECTION OF COVERAGE.]

Eligible elected local government officials may elect to participate in the plan after being elected or appointed to a public office by filing an application to participate on a form prescribed by the executive director of the association. Participation begins on the first day of the month after the application is received in the association's office or on the date when the term of office commences, whichever date is later. An election to participate in the plan is irrevocable during incumbency in office.

Each public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity with eligible personnel may elect to participate in the plan. If a service elects to participate, its eligible personnel may elect to participate or to decline to participate. An individual's election must be made within the latter of 30

days of the service's election to participate or 30 days of the date on which the individual was employed by the service or began to provide service for it, *whichever date is later*. An election by a service or an individual is irrevocable.

Sec. 4. Minnesota Statutes 1988, section 353D.03, is amended to read:
353D.03 [FUNDING OF PLAN.]

(a) An eligible elected local government official who elects to participate in the public employees defined contribution plan shall contribute an amount equal to five percent of salary as defined in section 353.01, subdivision 10. A participating elected local government official's governmental subdivision shall contribute a matching amount.

(b) A public ambulance service or privately operated ambulance service that receives an operating subsidy from a governmental entity that elects to participate in the plan shall fund benefits for its qualified personnel who individually elect to participate, except that personnel who are paid for their services may elect to make member contributions in an amount not to exceed the service's contribution on their behalf. Ambulance service contributions on behalf of salaried employees must be a fixed percentage of salary. An ambulance service making contributions for volunteer or largely uncompensated personnel may assign a unit value for each call or each period of alert duty for the purpose of calculating ambulance service contributions.

Sec. 5. Minnesota Statutes 1988, section 353D.04, is amended to read:
353D.04 [CONTRIBUTIONS TO PLAN.]

(a) Contributions made by or on behalf of a participating elected local government official must be remitted to the public employees retirement association at least monthly and must be credited to the individual account established for the participating officer.

(b) Ambulance service contributions to the plan may be made from any source of funds available to the ambulance service. Contributions must be remitted monthly on a regular periodic basis to the association together with any member contributions paid or withheld during the preceding month. Those contributions shall must be credited to the individual account of each participating member.

Sec. 6. Minnesota Statutes 1988, section 353D.05, subdivision 1, is amended to read:

Subdivision 1. [INVESTMENT.] ~~Ambulance service~~ Employing unit contributions, after the deduction of an amount for administrative expenses, and ~~member individual participant~~ contributions must be remitted to the state board of investment for investment in the Minnesota supplemental investment fund established by section 11A.17.

Sec. 7. Minnesota Statutes 1988, section 353D.05, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATIVE EXPENSES.] The public employees retirement association may deduct an amount, set annually by the executive director of the association, but not to exceed two percent of ~~ambulance service~~ the employing unit contributions to the plan, to defray the expenses of the association in administering the plan.

Sec. 8. Minnesota Statutes 1988, section 353D.06, is amended to read:
353D.06 [REPORTING BY AMBULANCE SERVICES.]

The executive director of the public employees retirement association shall prescribe the form of ~~monthly and any other reports reporting forms~~ required from ~~an ambulance service employing units~~ and the election forms required from ~~ambulance service members participants~~. ~~Member Reporting forms shall must~~ contain names, identification numbers, amount of contribution by and on behalf of each ~~member participant~~, and such other data as is required to keep an accurate ~~account record~~ of the account value of each ~~participating employee participant~~.

Sec. 9. Minnesota Statutes 1988, section 353D.07, is amended to read:
353D.07 [BENEFITS.]

Subdivision 1. [TYPE OF PLAN; UNIFORMITY.] (a) The plan is a defined contribution plan ~~when the benefits from which are payable upon~~ termination of service, retirement, *disability*, or death. The amount of benefits is determined by the value of accumulated contributions plus a proportionate share of investment income of the fund credited to each individual account. ~~Each ambulance service shall determine eligibility for participation subject to terms of Laws 1987, chapter 372.~~

(b) *In the case of ambulance service personnel*, eligibility standards must be uniform among all ambulance service personnel of an ambulance service electing to participate.

Subd. 2. [PAYMENT OF BENEFITS.] Withdrawal of or a retirement benefit based on ~~member individual participant~~ contributions and employer contributions plus accrued investment income is payable immediately upon the death or termination of ~~an active member a participant~~ for a period that exceeds 30 days. An application by or on behalf of the participant must be filed before any payment of benefits may be made.

Subd. 3. [FORM OF BENEFIT.] A retirement benefit is payable in a lump sum equal to the value of a participant's account at the date of retirement and may be rolled over into another qualified plan at the option of the ~~member participant~~. As an alternative to a lump sum distribution, the ~~member participant~~ may choose to have the association use the total account value to purchase an annuity payable at a designated age from an insurance company licensed to do business in the state.

Subd. 4. [DISABILITY OF PARTICIPANT.] *If an active participant becomes permanently and totally disabled as defined in section 353.01, subdivision 19, that participant may withdraw from the account in equal monthly installments an amount, designated by the participant in increments of \$100 but not to exceed ten times the joint employer and employee contribution for the month preceding disability. The option must be exercised by filing an application on a form prescribed by the executive director. Payments begin on the first day of the month following the month in which the disability occurred. Payments end when the participant's disabled status ends or the account balance is exhausted, whichever occurs first.*

Subd. 5. [DEATH OF A MEMBER PARTICIPANT.] *In the event of the death of If an active participant dies, the total value of the account must be paid in a lump sum to the designated beneficiary or, if none, the heirs at law of the decedent.*

Sec. 10. Minnesota Statutes 1988, section 353D.08, is amended to read:
353D.08 [PORTABILITY.]

Qualified Participating ambulance service personnel who change employment or membership among participating ambulance services ~~must~~ *shall* continue participation in the plan if termination from one participating ambulance service and commencement in another participating ambulance service ~~occurs~~ *occurs* within 30 days.

Sec. 11. Minnesota Statutes 1988, section 353D.09, is amended to read:
353D.09 [TAX QUALIFICATION.]

The public employees retirement association shall adopt rules ~~required~~ *necessary* for administration of the plan. The proposed plan shall be formulated and adopted in accordance with applicable restrictions and standards of the Internal Revenue Code and rulings and regulations of the Internal Revenue Service in order to assure the tax exempt status of the plan as a qualified pension plan. Contributions ~~by ambulance service personnel and by ambulance service operators~~ may be accepted only after approval by the Internal Revenue Service.

Sec. 12. [353D.11] [CURRENT ELECTED PUBLIC OFFICERS.]

Subdivision 1. [EXERCISE OF OPTION.] As of July 1, 1990, an elected local government official, who with respect to elected service is participating in, and covered by, the general employees defined benefit plan administered by the public employees retirement association under chapter 353, may elect to participate in the public employees defined contribution plan and terminate further participation in, and coverage under, the defined benefit plan. The necessary election must be made before June 30, 1991.

Subd. 2. [REFUND OR DEFERRED ANNUITY.] An elected public officer who, with respect to elected service is participating in, and covered by, the general employees defined benefit plan administered by the public employees retirement association under chapter 353 and who, with respect to future elected service, elects to participate in the public employees defined contribution plan, is deemed to have terminated public service for purposes of the return of the accumulated employee deductions with interest or the deferred annuity allowed under section 353.34. The termination of public service is deemed to occur as of the first day of the month following the month in which the election is made to participate in the public employees defined contribution plan and any refund of accumulated employee deductions with interest or future deferred annuity is governed by the law in effect on that day.

Sec. 13. [353D.12] [CONTRIBUTIONS FOR PREVIOUS SERVICE.]

Subdivision 1. [ELIGIBILITY; CONTRIBUTIONS.] An elected local government official who participates in the defined contribution plan under this chapter may make contributions to the plan for the service as an elected public officer rendered before the effective date of this section that was not covered by a public or private employer contributory pension plan, including a plan administered by the public employees retirement association under chapter 353.

Subd. 2. [AMOUNT OF PRIOR SERVICE CONTRIBUTIONS.] (a) The employee purchase amount is that amount that the participating elected local government official specifies, but combined with subdivision 6 may

not exceed in total the amount of the employee and employer contributions that would have been payable under section 353.27, subdivisions 2, 3, and 3a, based on the actual salary or compensation of the elected local government official from public sources during the prior service and based on the rates in effect during the prior service, plus interest at an annual compound rate of six percent.

(b) In any year, the purchase amount to be paid in is subject to the limitation for defined contribution plans under section 415(c) of the federal Internal Revenue Code, as amended, or comparable contribution limitation set forth in the federal Internal Revenue Code, and applicable regulations and revenue rulings, remaining after subtracting the funding amounts under section 353D.03, paragraph (a), for that year.

Subd. 3. [INSTALLMENT PAYMENTS.] The purchase amount may be made in annual installments but may not exceed, combined with subdivision 6, in any installment the limitation set forth in subdivision 2, paragraph (a), or in total the limitation set forth in subdivision 2, paragraph (a).

Subd. 4. [AUTHORIZED ROLLOVERS.] To the extent allowed by federal law, the employee purchase amount may be made with funds distributed from: (1) a plan qualified under section 401(a) of the federal Internal Revenue Code, as amended; (2) an annuity qualified under section 403(a) of the federal Internal Revenue Code, as amended; (3) an individual retirement account used solely to receive a nontaxable rollover from that type of plan or annuity; (4) the state deferred compensation plan authorized under section 352.96 and qualified under section 455 of the federal Internal Revenue Code, as amended; or (5) another tax qualified plan or annuity that authorizes rollovers. The participating elected local government official shall supply sufficient written documentation that the transfer amounts are eligible for tax-free rollover treatment. An authorized tax-free rollover, plus any other purchase amount payments under this section, including subdivision 6, may not exceed the limitation in subdivision 2, paragraph (a). Notwithstanding any provision of state law or rule to the contrary, to the extent permitted under federal law, the employee purchase amount may be transferred from the state deferred compensation plan before the employee terminates public employment.

Subd. 5. [PRIOR SERVICE AND COMPENSATION DOCUMENTATION.] The participating elected local government official shall supply sufficient documentation of the person's prior uncredited service and compensation for which the purchase payment is made.

Subd. 6. [EMPLOYING UNIT PAYMENT.] The employing unit of the participating elected local government official shall pay a portion of the purchase amount under this section, but that portion may not exceed the amount of the employer contributions that could have been payable under section 353.27, subdivisions 3 and 3a, based on the actual salary or compensation of the elected local government official from public sources during the prior service, plus interest at an annual compound rate of six percent and, combined with any employee purchase amount and any contributions under section 353D.03, paragraph (a), must in any year comply with the limitation set forth in subdivision 2, paragraph (a).

Sec. 14. [PURCHASE OF PRIOR SERVICE CREDIT.]

Subdivision 1. [ENTITLEMENT.] An elected public officer who participates in the public employees retirement association defined benefit plan

under Minnesota Statutes, chapter 353, may purchase service credit from the association for all or any portion of prior uncredited service as an elected public officer when the officer could have been, but was not, a member of the association on account of failure to exercise the membership option under Minnesota Statutes, section 353.01, subdivision 7.

Subd. 2. [PURCHASE PAYMENT AMOUNT.] To purchase credit for prior service under subdivision 1, there must be paid to the public employee retirement association an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity obtained by the purchase of the additional service credit. Calculation of this amount must be made using the applicable preretirement interest rate for the association specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the association. The calculation must assume continuous future service in the association until, and retirement at, the age at which the minimum requirements of the association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must also assume a future salary history that includes annual salary increases at the applicable salary increase rate for the association specified in section 356.215, subdivision 4d. The member must establish in the records of the association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the association.

Subd. 3. [PAYMENT; CREDITING SERVICE.] Payment may be made in one lump sum, or in annual increments over a period not to exceed five years from the effective date of this section. If payments are made in increments, the period of allowable service purchased by each payment is credited to the account of the member upon receipt of each payment by the executive director. If payments are made in increments, the executive director must calculate the present value of the amount of the additional retirement annuity obtained by each incremental payment.

Subd. 4. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment of the amount calculated under subdivision 2 must be made by the member. However, the current or former governmental subdivision employer of the member may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period or periods of prior service applied to the actual salary rates in effect during the period or periods of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective on the day following final enactment.

Article 9

TRANSFERS TO MINNESOTA POSTRETIREMENT INVESTMENT FUND

Section 1. Minnesota Statutes 1988, section 11A.18, subdivision 6, is amended to read:

Subd. 6. [PARTICIPATING PUBLIC RETIREMENT FUNDS OR PLANS;

TRANSFER OF REQUIRED RESERVES.] (a) Any public retirement fund or plan authorized by law to participate in the postretirement investment fund shall no later than the last business day of the month in which the benefit payment from the postretirement investment fund begins to accrue, certify and transfer to the state board money equal to the reserves required for those retirement annuities and benefits which are payable by the public retirement fund or plan and which are specified in law to be included in the participation in the fund as determined by or determined under a procedure specified by the actuary retained by the legislative commission on pensions and retirement.

(b) If the exact amount of the actuarially determined required reserves is not readily calculable as of the date of the commencement of a benefit payment on the required transfer date, the initial transfer must be based on the best estimate by the executive director of for the teachers retirement fund involved and shall be made on a timely basis and the public employees retirement fund and may be based on the best estimate for the other participating funds. Any necessary adjustments based on specific calculations of actuarially determined required reserves must be made in later transfers. If a best estimate initial transfer is insufficient, the later transfer from the retirement fund must include interest on the amount of the required reserve insufficiency at the greater of the following rates:

(1) the average short-term investment return rate earned by the state board over the 30-day period ending with the last business day of the month before the month in which the later adjustment transfer is made; or

(2) the preretirement interest assumption for the retirement fund as specified in section 356.215, subdivision 4d, stated as a monthly rate.

Interest on the amount of a required reserve insufficiency payable by a retirement fund shall be compounded on a monthly basis. No interest shall be payable from the postretirement investment fund in the event of a required reserve oversufficiency.

(c) The state board shall confirm in writing each certification and transfer of money made by a participating public retirement fund or plan. Each participating public retirement fund or plan shall maintain adequate records to account for money transferred to or from the postretirement investment fund.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Article 10

MINNESOTA STATE RETIREMENT SYSTEM ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 1988, section 352.01, subdivision 13, is amended to read:

Subd. 13. [SALARY.] "Salary" means ~~any the periodical~~ compensation paid to any employee ~~including wages, allowances, and fees, but excluding amounts of severance pay.~~ before deductions for deferred compensation, supplemental retirement plans, or other voluntary salary reduction programs. It also means wages and includes net income from fees. Lump sum sick leave payments, severance payments, and all payments in lieu of any employer-paid group insurance coverage, including the difference between

single and family rates that may be paid to an employee with single coverage, are not deemed to be salary. Workers' compensation payments are not considered salary.

Sec. 2. Minnesota Statutes 1989 Supplement, section 352.021, subdivision 5, is amended to read:

Subd. 5. [CONTINUING COVERAGE.] Any state employee who has made contributions to the retirement fund for a period of one year and who, continuing in state service after that year, becomes eligible for membership in the state teachers retirement association as a full-time teacher, as defined in section 354.05, subdivision 2, *or is covered by section 354.05, subdivision 2a*, may continue coverage under the system by filing in its office written notice of election to continue. The election to be covered by the system under this subdivision or section 352.01, subdivision 2b, clause (3), must be made on a form approved by the director within 90 days after appointment to the position. If the option is exercised, the employee is not thereafter entitled to membership in the teachers retirement association *or in the individual retirement account plan for community college and state university faculty* while employed by the state in a position that entitled the employee to make this election.

Sec. 3. Minnesota Statutes 1988, section 352.029, subdivision 3, is amended to read:

Subd. 3. [CONTRIBUTIONS.] The employee, ~~employer~~, and ~~additional employer~~ contributions required by section 352.04, *or by section 352.92 for employees covered by section 352.91*, are the obligation of the employee who chooses coverage under this section. However, the employing labor organization may pay the employer ~~and employer additional~~ contributions. Contributions made by the employee must be made by salary deduction. The employing labor organization shall pay all contributions to the system as required by section 352.04, *or by section 352.92 for employees covered by section 352.91*.

Sec. 4. Minnesota Statutes 1988, section 352.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP OF BOARD; ELECTION; TERM.] The policy-making function of the system is vested in a board of 11 members, who ~~shall~~ *must* be known as the board of directors. This board shall consist of three members appointed by the governor, one of whom must be a constitutional officer or appointed state official and two of whom must be public members knowledgeable in pension matters, four state employees elected by state employees covered by the system excluding employees in categories specifically authorized to designate or elect a member by this subdivision, one employee of the transit operating division of the metropolitan transit commission designated by the executive committee of the labor organization that is the exclusive bargaining agent representing employees of the transit division, one member of the state patrol retirement fund elected by members of that fund at a time and in a manner fixed by the board, one employee covered by the correctional employees plan elected by employees covered by that plan, and one retired employee elected by *disabled and retired employees of all plans administered by the system* at a time and in a manner to be fixed by the board. Two state employee members, whose terms of office begin on the first Monday in ~~March~~ *May* after their election, must be elected biennially. Elected members and the appointed transit operating division member hold office for a term of four

years, except the retired member whose term is two years, and until their successors are elected or appointed, and have qualified. *An employee of the system is not eligible for membership on the board of directors.* A state employee on leave of absence is not eligible for election or reelection to membership on the board of directors. The term of any board member who is on leave for more than six months automatically ends on expiration of this period.

Sec. 5. Minnesota Statutes 1988, section 352.115, subdivision 7, is amended to read:

Subd. 7. [APPLICATION FOR ANNUITY.] Application for annuity or optional annuity payment may be made by the employee at time of retirement, or by someone acting in behalf of the employee, upon proof of authority satisfactory to the director.

Sec. 6. Minnesota Statutes 1989 Supplement, section 352.93, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS; DURATION AND AMOUNT.] The annuity under this section ~~shall~~ must begin to accrue as provided in section 352.115, subdivision 8, and must be paid for an additional 84 full calendar months or to the first of the month following the month in which the employee attains normal retirement age, whichever occurs first, except that payment must not cease before the first of the month following the month in which the employee becomes 62. It must then be reduced to the amount as calculated at normal retirement age under section 352.115, except that if this amount, when added to that portion of the social security benefit based on state service the employee is *would be* eligible to receive at the time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to the social security benefit will equal the amount payable under subdivision 2. *If the employee retired prior to age 55, the reduced benefit as calculated under section 352.115 must be actuarially reduced as provided in subdivision 2a.*

When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan or the unclassified employees retirement program between the age of 58 and normal retirement age shall receive a partial return of correctional contributions at retirement with six percent interest based on the following formula:

Employee contributions contributed as a correctional employee in excess of the contributions the employee would have contributed as a regular employee	X	Years and complete months of regular service between age 58 and the normal retirement age number of years between age 58 and normal retirement age
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Sec. 7. Minnesota Statutes 1988, section 352.96, subdivision 4, is amended to read:

Subd. 4. [EXECUTIVE DIRECTOR TO ESTABLISH RULES.] The executive director of the system shall establish rules and procedures to

carry out this section including allocation of administrative costs against the assets accumulated under this section. Funds to pay these costs are appropriated from the fund or account in which the assets accumulated under this section are placed. The rules established by the executive director must conform to federal and state tax laws, regulations, and rulings, and are not subject to the administrative procedure act. *Except for the marketing rules, rules adopted after July 1, 1977,* relating to the options provided under subdivision 2, clauses (2) and (3), must be approved by the state board of investment. A state employee must not make payments under a plan until the plan or applicable component of the plan has been approved for tax-deferred status by the internal revenue service.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective the day following final enactment.

Article 11

PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
ADMINISTRATIVE PROVISIONS

Section 1. Minnesota Statutes 1989 Supplement, section 353.01, subdivision 2b, is amended to read:

Subd. 2b. [EXCLUDED EMPLOYEES.] The following persons are excluded from the meaning of "public employee":

(1) persons who are employed for professional services where the service is incidental to regular professional duties, determined on the basis that compensation for the service amounts to no more than 25 percent of the person's total annual gross earnings for all professional duties;

(2) election officers;

(3) independent contractors and their employees;

(4) patient and inmate personnel who perform services in charitable, penal, or correctional institutions of a governmental subdivision;

(5) members of boards, and commissions, ~~boards, and others~~ who serve a governmental subdivision intermittently *unless their position on the board or commission is the result of public employment within the same governmental unit;*

(6) employees ~~whose employment is not expected to continue for a period longer than six consecutive months; unless it involves employment for a probationary period that is part of a permanent position who are hired for a period of less than six consecutive months but not those employees who are hired for an unlimited period but are serving a probationary period. Immediately following the expiration of a six-month period of employment,~~ If the period of employment is extended beyond the six-month period and the employee continues in public service and earns more than \$425 from one governmental subdivision in any one calendar month, the department head shall report the employee for membership and require employee deductions be made on behalf of the employee in accordance with section 353.27, subdivision 4. Membership eligibility of an employee who holds concurrent temporary employment of six months or less and ~~part-time~~ *nontemporary* positions in one governmental subdivision must be determined by the salary of each position. Membership eligibility of an employee who holds nontemporary positions in one governmental subdivision must

be determined by the total salary of all positions;

(7) ~~part-time appointed and elected employees who receive monthly~~ *whose actual compensation from one governmental subdivision does not exceeding exceed \$425 per month, and part-time employees and elected officials* or whose annual compensation from one governmental subdivision is stipulated in advance, in writing, to be not more than \$5,100 per calendar year or per school year for school employees for employment expected to be of a full year's duration or more than the prorated portion of \$5,100 per employment period for employment expected to be of less than a full year's duration, except that members continue their membership until termination of public service *as defined in subdivision 11a*. Membership eligibility of an employee who holds concurrent part-time positions under this clause must be determined by the total salary of all such positions in one governmental subdivision. If compensation from one governmental subdivision to an employee under this paragraph exceeds \$5,100 per calendar year or school year after being stipulated in advance not to exceed that amount, the stipulation is no longer valid and contributions must be made on behalf of the employee in accordance with section 353.27, subdivision 12, from the month in which the employee's earnings first exceeded \$425;

(8) persons who first occupy an elected office after July 1, 1988, the compensation for which does not exceed \$425 per month;

(9) emergency employees who are employed by reason of work caused by fire, flood, storm, or similar disaster;

(10) employees who by virtue of their employment in one governmental subdivision are required by law to be a member of and to contribute to any of the plans or funds administered by the Minnesota state retirement system, the teachers retirement association, the Duluth teachers retirement fund association, the Minneapolis teachers retirement association, the St. Paul teachers retirement fund association, the Minneapolis employees retirement fund, or any police or firefighters relief association governed by section 69.77 that has not consolidated with the public employees police and fire fund, or any police or firefighters relief association that has consolidated with the public employees retirement association but whose members have not elected coverage by the public employees police and fire fund as provided in sections 353A.01 to 353A.10. This clause must not be construed to prevent a person from being a member of and contributing to the public employees retirement association and also belonging to and contributing to another public pension fund for other service occurring during the same period of time. A person who meets the definition of "public employee" in subdivision 2 by virtue of other service occurring during the same period of time shall become a member of the association unless contributions are made to another public retirement fund on the salary based on the other service or to the teachers retirement association by a teacher as defined in section 354.05, subdivision 2;

(11) police matrons who are employed in a police department of a city who are transferred to the jurisdiction of a joint city and county detention and corrections authority;

(12) persons who are excluded from coverage under the federal old age, survivors, disability, and health insurance program for the performance of service as specified in United States Code, title 42, section 410(a)(8)(A), as amended through January 1, 1987;

(13) full-time students who are enrolled and are regularly attending classes at an accredited school, college, or university and who are not employed full time by a governmental subdivision;

(14) resident physicians, medical interns, and pharmacist residents and interns who are serving in a degree or residency program in public hospitals and students who are serving in an internship or residency program sponsored by an accredited educational institution;

(15) appointed or elected officers who are paid entirely on a fee basis and who were not members on June 30, 1971;

(16) persons who hold a part-time adult supplementary technical institute license who render part-time teaching service in a technical institute;

(17) persons exempt from licensure under section 125.031;

(18) persons employed by the Minneapolis community development agency;

(19) except as provided in section 353.86, volunteer ambulance service personnel, as defined in subdivision 35, but persons who serve as volunteer ambulance service personnel may still qualify as public employees under subdivision 2 and may be members of the public employees retirement association and participants in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment service other than service as volunteer ambulance service personnel; and

(20) except as provided in section 353.87, volunteer firefighters, as defined in subdivision 36, engaging in activities undertaken as part of volunteer firefighter duties; provided that a person who is a volunteer firefighter may still qualify as a public employee under subdivision 2 and may be a member of the public employees retirement association and a participant in the public employees retirement fund or the public employees police and fire fund on the basis of compensation received from public employment activities other than those as a volunteer firefighter.

Sec. 2. Minnesota Statutes 1989 Supplement, section 353.01, subdivision 11a, is amended to read:

Subd. 11a. [TERMINATION OF PUBLIC SERVICE.] *"Termination of public service" occurs when an officer or employee who terminates employment but or is on temporary layoff as defined in subdivision 12 and does not within 30 days returns of termination or expiration of the temporary layoff return to nontemporary employment in the same governmental subdivision or begins employment in another position otherwise excluded from membership is considered a member from the beginning of the reemployment unless the total period covered by all periods of employment is less than six months or the amount earned does not exceed the dollar limitations in subdivision 2b, clause (7).*

Sec. 3. Minnesota Statutes 1988, section 353.01, subdivision 16, is amended to read:

Subd. 16. [ALLOWABLE SERVICE.] (a) "Allowable service" means service during years of actual membership in the course of which employee contributions were made, periods covered by payments in lieu of salary deductions made as provided in section 353.35, and service in years during which the public employee was not a member but for which the member later elected, while a member, to obtain credit by making payments to the

fund as permitted by any law then in effect.

(b) "Allowable service" also means a period of authorized leave of absence with pay from which deductions for employee contributions are made, deposited, and credited to the fund.

(c) "Allowable service" also means a period of authorized leave of absence without pay that does not exceed one year, and during or for which a member obtained credit by payments to the fund made in place of salary deductions, provided that the payments are made in an amount or amounts based on the member's average salary on which deductions were paid for the last six months of public service, or for that portion of the last six months while the member was in public service, to apply to the period in either case immediately preceding commencement of the leave of absence; provided, however, that if the employee elects to pay employee contributions for the period of any leave of absence without pay, or for any portion of the leave, the employee shall also, as a condition to the exercise of the election, pay to the fund an amount equivalent to both the required employer and additional employer contributions for the employee. The payment must be made within one year from the date the leave of absence terminates. The employer by appropriate action of its governing body, made a part of its official records, before the date of the first payment of the employee contribution, may certify to the association in writing that it will cause to be paid the employer and additional employer contributions from the proceeds of a tax levy made under section 353.28. Payments under this paragraph must include interest at the rate of six percent a year from the date of the termination of the leave of absence to the date payment is made.

(d) "Allowable service" also means a period during which a member is on an authorized sick leave of absence, without pay limited to one year, ~~or~~ an authorized temporary layoff, *or a maternity leave. The association will grant a maximum of two months service credit for a maternity leave upon documentation from the member's governmental subdivision. A member on personal leave of absence who provides the association with a birth certificate or other evidence of birth during the personal leave time period will be granted up to two months of service credit.*

(e) "Allowable service" also means a period during which a member is on an authorized leave of absence to enter military service, provided that the member returns to public service upon discharge from military service under section 192.262 and pays into the fund employee contributions based upon the employee's salary at the date of return from military service. Payment must be made within five years of the date of discharge from the military service. The amount of these contributions must be in accord with the contribution rates and salary limitations, if any, in effect during the leave, plus interest at six percent a year compounded annually from the date of return to public service to the date payment is made. In such cases the matching employer contribution and additional employer contribution provided in section 353.27, subdivisions 3 and 3a, must be paid by the department employing the member upon return to public service, and the governmental subdivision involved may appropriate money for those payments. A member may not receive credit for a voluntary extension of military service at the instance of the member beyond the initial period of enlistment, induction, or call to active duty.

(f) For calculating benefits under sections 353.30, 353.31, 353.32, and

353.33 for state officers and employees displaced by the community corrections act, chapter 401, and transferred into county service under section 401.04, "allowable service" means combined years of allowable service as defined in paragraphs (a) to (e) and section 352.01, subdivision 11.

(g) For a public employee who has prior service covered by a local police or firefighters relief association that has consolidated with the public employees police and fire fund, and who has elected coverage by the public employees police and fire fund benefit plan as provided in section 353A.08 following the consolidation, "applicable service" is a period of service credited by the local police or firefighters relief association as of the effective date of the consolidation based on law and on bylaw provisions governing the relief association on the date of the initiation of the consolidation procedure.

Sec. 4. Minnesota Statutes 1988, section 353.15, subdivision 2, is amended to read:

Subd. 2. [AUTOMATIC DEPOSITS.] The association may pay an annuity, benefit or refund to a trust company, qualified under chapter 48, that is trustee for a person eligible to receive such annuity, benefit or refund. Upon the request of a retired, disabled or former member, the association may mail or *send by electronic transfer* the annuity, benefit or refund check to a banking institution, savings association or credit union for deposit to such person's account or joint account with a spouse. The association may prescribe the conditions under which such payment will be made.

Sec. 5. Minnesota Statutes 1988, section 353.27, subdivision 7, is amended to read:

Subd. 7. [ADJUSTMENT FOR ERRONEOUS RECEIPTS OR DISBURSEMENTS.] (a) [ERRONEOUS DEDUCTIONS.] Deductions taken in error by the employer from the salary of an employee for the retirement fund and transmitted to the association must be refunded to the employee calculated in accordance with section 353.34, subdivision 2; and the employer contribution and the additional employer contribution, if any, for the erroneous employee contribution must be refunded to the employer, provided, however, that the association and the state social security agency may make proper adjustments of money taken as employee and employer deductions, and provided further that the refund of deductions taken in error has been made within three calendar years of the calendar year in which the initial erroneous deduction taken in error was received by the association, *except for erroneous deductions of sick leave, vacation pay, and severance pay, which may be made at any time*. If the refund of deductions taken in error has not been made within three calendar years of the calendar year in which the initial erroneous deduction taken in error was received by the association, the erroneous contributions are considered valid, and the years of allowable service attributable to the erroneous deductions must be credited to the member in accordance with section 353.01, subdivision 16, and, notwithstanding a law to the contrary, the employee may continue to be a member until termination of public service.

(b) [ERRONEOUS DISBURSEMENT.] In the event a salary warrant or check from which a deduction for the retirement fund was taken has been canceled or the amount of the warrant or check returned to the funds of the department making the payment, a refund of the sum deducted, or a portion of it that is required to adjust the deductions, must be made to the department or institution.

Sec. 6. Minnesota Statutes 1988, section 353.27, subdivision 10, is amended to read:

Subd. 10. [EMPLOYERS; FURNISH COPIES OF PAYROLL ABSTRACTS.] The head of each department is required to furnish the executive director with a carbon or duplicate copy of the departmental payroll abstracts for the last full pay period during the month of May for school districts and ~~December~~ *the last pay period covering calendar-year earnings* for all other governmental subdivisions, respectively, in each year. Instead of a duplicate copy of the payroll abstract, the employer may submit an exception report listing only those employees who worked the last full pay period of May or December, but who are not members of the association. Minimum reporting requirements to be shown on either the payroll abstract or exception report include: (1) name of the governmental subdivision and department identification; (2) the association's assigned unit number and unique code; (3) pay period coverage dates; (4) any employee deductions; (5) gross salary for the pay period; (6) each employee's year-to-date gross pay; and (7) the reason for any exclusion. The executive director shall check the copies of all payroll abstracts against the membership records of the association to ascertain whether any omissions have been made by a department head in the reporting of new public employees for membership. The head of any department shall furnish a carbon or duplicate copy of the department payroll abstract at the request of the executive director. The executive director may delegate an association employee by appointment, in accordance with section 353.03, subdivision 3a, paragraph (b), clause (5), to conduct a field audit to review the payroll records of a governmental subdivision.

Sec. 7. Minnesota Statutes 1989 Supplement, section 353.33, subdivision 6, is amended to read:

Subd. 6. [CONTINUING ELIGIBILITY FOR BENEFITS.] The eligibility for continuation of disability benefits shall be determined by the association, which has authority to require periodic examinations and *medical and earnings* evaluations of disabled members as frequently as deemed necessary. Disability benefits are contingent upon a disabled person's ~~participation in a ability to benefit from vocational rehabilitation program services provided by the department of jobs and training, division of rehabilitation services, workers' compensation program, if the executive director board~~ determines that the disabled person may be able to return to a gainful occupation. If a member is found to be no longer totally and permanently disabled and is reinstated to the payroll, payments ~~shall~~ *must not* be made for ~~no~~ more than 60 days.

Sec. 8. Minnesota Statutes 1989 Supplement, section 353.35, is amended to read:

353.35 [CONSEQUENCES OF REFUND; REPAYMENT, RIGHTS RESTORED.]

When any former member accepts a refund, all existing service credits and all rights and benefits to which the person was entitled prior to the acceptance of the refund ~~shall~~ *must* terminate and ~~shall~~ *must* not again be restored until the person acquires ~~not less than~~ *at least* 18 months allowable service credit after taking the last refund and repays all refunds taken and interest received under section 353.34, subdivisions 1 and 2, plus interest at six percent per annum compounded annually. If more than one refund has been taken, the person may repay all refunds or only the refund for the

fund in which the person had most recently been a member, with interest at six percent per annum compounded annually. All refunds must be repaid within ~~three~~ six months of the last date of termination of public service.

Sec. 9. Minnesota Statutes 1988, section 353.46, subdivision 4, is amended to read:

Subd. 4. Except as provided in section 353.84, the rights of a survivor of a former member, where such former member died prior to June 30, 1973, ~~shall must~~ be determined by the law in effect when such former member died even though a benefit is not payable until after June 30, 1973. *If the survivor is also eligible to receive a retirement annuity from the association, the survivor is eligible to receive both benefits.*

Sec. 10. Minnesota Statutes 1989 Supplement, section 353.656, subdivision 1, is amended to read:

Subdivision 1. [IN LINE OF DUTY; COMPUTATION OF BENEFITS.] Any member of the police and fire fund less than 55 years of age, who ~~shall become~~ *becomes* disabled and physically unfit to perform duties as a police officer or firefighter subsequent to June 30, 1973, as a direct result of an injury, sickness, or other disability incurred in or arising out of any act of duty, which ~~shall has or is expected to~~ render the member physically or mentally unable to perform duties as a police officer or firefighter *for a period of at least one year*, shall receive disability benefits during the period of such disability. The benefits ~~shall must~~ be in an amount equal to 50 percent of the "average salary" pursuant to subdivision 3 plus an additional 2-1/2 percent of said average salary for each year of service in excess of 20 years. Should disability under this subdivision occur before the member has at least five years of allowable service credit in the police and fire fund, the disability benefit ~~shall must~~ be computed on the "average salary" from which deductions were made for contribution to the police and fire fund.

Sec. 11. Minnesota Statutes 1989 Supplement, section 353.656, subdivision 3, is amended to read:

Subd. 3. [NONDUTY DISABILITY BENEFIT.] Any member who becomes disabled after not less than one year of allowable service, before reaching the age of 55, because of sickness or injury occurring while not on duty as a police officer or firefighter, and by reason of that sickness or injury the member *has been or is expected to be* unable to perform duties as a police officer or firefighter *for a period of at least one year*, ~~shall be~~ *is* entitled to receive a disability benefit. The benefit ~~shall must~~ be in the same amount and paid in the same manner as if the member were 55 years of age at the date of disability and the benefit were paid ~~pursuant to~~ under section 353.651. If a disability under this subdivision occurs after one but in less than 15 years of allowable service, the disability benefit ~~shall must~~ be the same as though the member had at least 15 years service. For ~~any~~ a member who is employed as a full-time firefighter by the department of military affairs of the state of Minnesota, allowable service as a full-time state military affairs department firefighter credited by the Minnesota state retirement system may be used in meeting the minimum allowable service requirement of this subdivision.

Sec. 12. Minnesota Statutes 1988, section 353.657, subdivision 1, is amended to read:

Subdivision 1. In the event any member of the police and fire fund ~~shall~~

~~die dies~~ from any cause before retirement or after becoming disabled and receiving disability benefits if no optional annuity form was elected under section 353.656, subdivision 1a, the association shall grant survivor benefits to ~~any~~ a surviving spouse who had the same legal residence as the member at the time of death and who was married to the member for a period of at least one year, except that if death occurs in the line of duty no time limit is required, and to a dependent child or children, unmarried and under the age of 18 years. The spouse and child or children ~~shall be~~ are entitled to monthly benefits as provided in the following subdivisions.

Sec. 13. Minnesota Statutes 1988, section 353.83, is amended to read:

353.83 [ADDITIONAL PAYMENTS TO CERTAIN ANNUITANTS.]

Payments of retirement annuities pursuant to this chapter, to annuitants who (a) retired prior to July 1, 1962, (b) had at least 20 years of allowable service credit in the public employees retirement association upon their termination of public employment, and (c) receive annuities of less than \$200 per month ~~shall must~~, retroactive to July 1, 1967, be supplemented by additional payments ~~by of \$15 per month from the public employees retirement association from moneys in the general fund of the state of Minnesota in the amount of \$15 per month, provided that such, if the annuitants have not previously qualified for the additional payments pursuant to under this section, and provided further that in no case shall the annuities plus the additional payments do not exceed \$200 per month. These additional payments shall must be made in the same manner and at the same time retirement annuities are paid and shall must be included in the warrants on which the annuities are so paid. The supplemental payment herein provided shall be excluded from additional payments are to be added to and considered a portion of the annuity otherwise payable to the recipient and must be included in the computation of any monthly survivor benefit or optional annuity which may become due and payable to any person following the death of an annuitant who, during life, received a benefit pursuant to under this section. If an annuitant entitled to receive additional payment under this section should die dies before such retroactive payment is received, payment shall must be made upon demand to the designated beneficiary in an amount equal to the accumulated benefit from July 1, 1967, to the date of death, without interest.~~

Sec. 14. [REPEALER.]

Minnesota Statutes 1989 Supplement, section 353.87, subdivision 5, is repealed.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment.

Article 12

TECHNICAL CORRECTIONS RELATED TO 1989

BENEFIT INCREASE LEGISLATION

Section 1. Minnesota Statutes 1988, section 3A.03, subdivision 2, is amended to read:

Subd. 2. [REFUND.] (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a member of the legislature is entitled to receive upon application to the director a refund of all contributions credited to the member's account with interest at the rate of ~~five~~

six percent per annum compounded annually.

(2) The refund of contributions as provided in clause (1) above terminates all rights of a former member of the legislature or survivors of the former member under this chapter. Should the former member of the legislature again be a member of the legislature after having taken a refund as provided above, the member shall be considered a new member. However, a new member may reinstate the rights and credit for service forfeited, provided the new member repays all refunds taken plus interest ~~thereon~~ *at the rate of six percent per annum compounded annually.*

(3) No person shall be required to apply for or accept a refund.

Sec. 2. Minnesota Statutes 1989 Supplement, section 352.031, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF TERMINATION OR DENIAL.] If the executive director terminates a benefit or denies an application or a written request of any person claiming a right under chapter 352, other than sections 352.96 and 352.97; chapters 3A, 352B, 352C, and 352D; sections 490.121 to 490.133; or the applicable sections of chapters 355 and 356, the executive director ~~must~~ *shall* serve upon that person written notice containing:

(1) the reasons for the termination or denial;

(2) notice that the person may petition the board for a review of the termination or denial and that the petition for review must be filed within 60 days of the receipt of the written notice;

(3) *a statement that relevant documentation submitted by the petitioner to the executive director must be received in the office of the Minnesota state retirement system at least 30 days before the meeting prescribed in subdivision 4;*

(4) *a statement that failure to petition the board within 60 days will preclude the person from contesting in any other court procedure or administrative hearing, the issues determined by the executive director; and*

~~(4)~~ (5) a copy of this section.

Sec. 3. Minnesota Statutes 1989 Supplement, section 352.031, subdivision 3, is amended to read:

Subd. 3. [PETITION FOR REVIEW.] A person who claims a right under subdivision 2 and whose benefit has been terminated or whose application or written request has been denied may petition for a review of that decision by the board. A petition under this section must be served upon the executive director personally, or by mail postmarked no later than 60 days after the petitioner received the notice required by subdivision 2. The petition must include the sworn, notarized statement of the reasons the petitioner believes the decision of the executive director should be reversed or modified and may include relevant documentation. *Relevant documentation submitted by the petitioner to the executive director must be received in the office of the Minnesota state retirement system at least 30 days before the meeting prescribed in subdivision 4.*

Sec. 4. Minnesota Statutes 1989 Supplement, section 352.115, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 352.116, subdivision 1, applies to a person

who became a covered employee before July 1, 1989, unless paragraph (b), in conjunction with section 352.116, subdivision 1a, produces a higher annuity amount, in which case paragraph (b) will apply. The employee's average salary, as defined in subdivision 2, multiplied by one percent per year of allowable service for the first ten years and 1.5 percent for each later year of allowable service and pro rata for completed months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.

(b) This paragraph applies to a person who *has become at least 55 years old and first became a covered employee after June 30, 1989, and to any other covered employee who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with section 352.116, subdivision 1a, is higher than it is when calculated under paragraph (a), in conjunction with section 352.116, subdivision 1. The employee's average salary, as defined in subdivision 2, multiplied by 1.5 percent for each year of allowable service and pro rata for months less than a full year shall determine the amount of the retirement annuity to which the employee is entitled.*

Sec. 5. Minnesota Statutes 1989 Supplement, section 352.116, subdivision 1a, is amended to read:

Subd. 1a. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a person who *has become at least 55 years old and first became a covered employee after June 30, 1989, and to any other covered employee who has become at least 55 years old and whose annuity is higher when calculated under section 352.115, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 352.115, subdivision 3, paragraph (a), in conjunction with subdivision 1.* ~~Ann~~ A covered employee who retires before the normal retirement age shall be paid the normal retirement annuity provided in section 352.115, subdivisions 2 and 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 6. Minnesota Statutes 1989 Supplement, section 352.116, is amended by adding a subdivision to read:

Subd. 3c. [EFFECTIVE DATE OF BOUNCE-BACK ANNUITY.] *In the event of the death of the designated optional annuity beneficiary before the retired employee or disabilitant, the restoration of the normal single life annuity under subdivision 3a or 3b will take effect as of the first of the month following the date of death of the designated optional annuity beneficiary or on the first of the month following one year before the date on which a certified copy of the death certificate of the designated optional annuity beneficiary is received in the office of the Minnesota state retirement system, whichever date is later.*

Sec. 7. Minnesota Statutes 1988, section 352.73, is amended by adding a subdivision to read:

Subd. 1a. [PAYMENT ADDED.] *The supplemental benefit payable under subdivision 1 is to be added to and considered a portion of the annuity otherwise payable to the recipient.*

Sec. 8. Minnesota Statutes 1989 Supplement, section 352.93, subdivision 2a, is amended to read:

Subd. 2a. [EARLY RETIREMENT.] Any covered correctional employee who ~~has attained the age of~~ *becomes* at least 50 years old and who has at least ~~five~~ *three* years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the employee deferred receipt of the annuity from the day the annuity begins to accrue to age 55.

Sec. 9. Minnesota Statutes 1989 Supplement, section 352.93, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS; DURATION AND AMOUNT.] The annuity under this section shall begin to accrue as provided in section 352.115, subdivision 8, and must be paid for an additional 84 full calendar months or to the first of the month following the month in which the employee attains normal retirement age, whichever occurs first, except that payment must not cease before the first of the month following the month in which the employee becomes 62. It must then be reduced to the amount as calculated *at normal retirement age* under section 352.115, except that if this amount, when added to *that portion of* the social security benefit based on state service the employee *is would be* eligible to receive at the time, is less than the benefit payable under subdivision 2, the retired employee shall receive an amount that when added to the social security benefit will equal the amount payable under subdivision 2. *If the employee retired prior to age 55, the reduced benefit as calculated under section 352.115 must be actuarially reduced as provided in subdivision 2a.*

When an annuity is reduced under this subdivision, the percentage adjustments, if any, that have been applied to the original annuity under section 11A.18, before the reduction, must be compounded and applied to the reduced annuity. A former correctional employee employed by the state in a position covered by the regular plan or the unclassified employees retirement program between the age of 58 and normal retirement age shall receive a partial return of correctional contributions at retirement with six percent interest based on the following formula:

Employee contributions contributed as a correctional employee in excess of the contributions the employee would have contributed as a regular employee	X	Years and complete months of regular service between age 58 and the normal retirement age number of years between age 58 and normal retirement age
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Sec. 10. Minnesota Statutes 1989 Supplement, section 352B.08, subdivision 2a, is amended to read:

Subd. 2a. [EARLY RETIREMENT.] Any member who has ~~attained the age of~~ *become* at least 50 years old and who has at least ~~five~~ *three* years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 2, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable if the member deferred receipt of the annuity from the

day the annuity begins to accrue to age 55.

Sec. 11. Minnesota Statutes 1989 Supplement, section 352B.08, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL ANNUITY FORMS.] In lieu of the single life annuity provided in subdivision 2, the member or former member ~~with five years or more of service~~ may elect an optional annuity form. The board of the Minnesota state retirement system shall establish a joint and survivor annuity, payable to a designated beneficiary for life, adjusted to the actuarial equivalent value of the single life annuity. The board shall also establish an additional optional annuity with an actuarial equivalent value of the single life annuity in the form of a joint and survivor annuity which provides that the elected annuity be reinstated to the single life annuity provided in subdivision 2, if after commencing the elected joint and survivor annuity, the designated beneficiary dies before the member, which reinstatement is not retroactive but takes effect for the first full month occurring after the death of the designated beneficiary. The board may also establish other actuarial equivalent value optional annuity forms. In establishing actuarial equivalent value optional annuity forms, each optional annuity form shall have the same present value as a regular single life annuity using the mortality table adopted by the board and the interest assumption specified in section 356.215, subdivision 4d, and the board shall obtain the written recommendation of the commission-retained actuary. These recommendations shall be a part of the permanent records of the board.

Sec. 12. Minnesota Statutes 1989 Supplement, section 352B.11, subdivision 2, is amended to read:

Subd. 2. [DEATH; PAYMENT TO SPOUSE AND CHILDREN.] If a member serving actively as a member, a member receiving the disability benefit provided by section 352B.10, subdivision 1, or a former member receiving a disability benefit as provided by section 352B.10, subdivision 2, dies from any cause, the surviving spouse and dependent children are entitled to benefit payments as follows:

(a) A member with at least three years of allowable service is deemed to have elected a 100 percent joint and survivor annuity payable to a surviving spouse only on or after the date the member or former member became or would have become 55.

(b) The surviving spouse of a member who had credit for less than three years of service shall receive, for life, a monthly annuity equal to 50 percent of that part of the average monthly salary of the member from which deductions were made for retirement. If the surviving spouse remarries, the annuity shall cease as of the date of the remarriage.

(c) The surviving spouse of a member who had credit for at least three years service and who died after ~~attaining~~ *becoming* 55 years of age ~~old~~, may elect to receive a 100 percent joint and survivor annuity, for life, notwithstanding a subsequent remarriage, in lieu of the annuity prescribed in paragraph (b).

(d) The surviving spouse of any member who had credit for three years or more and who was not 55 years ~~of age old~~ at death, shall receive the benefit equal to 50 percent of the average monthly salary as described in clause (b) until the deceased member would have ~~reached the age of~~ *become* 55 years ~~old~~, and beginning the first of the month following that date, may elect to receive the 100 percent joint and survivor annuity. If the surviving

spouse remarries before the deceased member's 55th ~~birthdate~~ *birth date*, benefits or annuities shall cease as of the date of remarriage. Remarriage after the deceased member's 55th birthday shall not affect the payment of the benefit.

(e) Each dependent child shall receive a monthly annuity equal to ten percent of that part of the average monthly salary of the former member from which deductions were made for retirement. A dependent child over 18 and under 23 years of age also may receive the monthly benefit provided in this section, if the child is continuously attending an accredited school as a full-time student during the normal school year as determined by the director. If the child does not continuously attend school but separates from full-time attendance during any part of a school year, the annuity shall cease at the end of the month of separation. In addition, a payment of \$20 per month shall be prorated equally to surviving dependent children when the former member is survived by one or more dependent children. Payments for the benefit of any qualified dependent child must be made to the surviving spouse, or if there is none, to the legal guardian of the child. The maximum monthly benefit *for any one family* must not be less than 50 nor exceed 70 percent of the average monthly salary for any number of children.

(f) If the member dies under circumstances that entitle the surviving spouse and dependent children to receive benefits under the workers' compensation law, the workers' compensation benefits received by them must not be deducted from the benefits payable under this section.

(g) The surviving spouse of a deceased former member who had credit for three or more years of allowable service, but not the spouse of a former member receiving a disability benefit under section 352B.10, subdivision 2, is entitled to receive the 100 percent joint and survivor annuity at the time the deceased member would have ~~reached the age of~~ *become* 55 years *old*, if the surviving spouse has not remarried before that date. If a former member dies who does not qualify for other benefits under this chapter, the surviving spouse or, if none, the children or heirs are entitled to a refund of the accumulated deductions left in the fund plus interest at the rate of six percent per year compounded annually.

Sec. 13. Minnesota Statutes 1988, section 352B.11, subdivision 4, is amended to read:

Subd. 4. [REENTRY INTO STATE SERVICE.] When a former member, who has become separated from state service that entitled the member to membership and has received a refund of retirement payments, reenters the state service in a position that entitles the member to membership, that member shall receive credit for the period of prior allowable state service if the member repays into the fund the amount of the refund, plus interest on it at the rate of ~~five~~ *six* percent per year, at any time before subsequent retirement. Repayment may be made in installments or in a lump sum.

Sec. 14. Minnesota Statutes 1988, section 352C.09, subdivision 2, is amended to read:

Subd. 2. (1) Any person who has made contributions pursuant to subdivision 1 who is no longer a constitutional officer or commissioner is entitled to receive upon application to the director a refund of all contributions credited to the individual's account with interest at the rate of ~~five~~ *six* percent per annum compounded annually.

(2) The refund of contributions as provided in clause (1) above terminates all rights of a former constitutional officer or commissioner or survivors thereof under the provisions of this chapter. Should the former constitutional officer or commissioner again hold such office after having taken a refund as provided above, the former officer or commissioner shall be considered a new member and may reinstate the rights and credit for service forfeited provided all refunds previously taken are repaid with interest at six percent per annum compounded annually.

(3) No person shall be required to apply for or accept a refund.

Sec. 15. Minnesota Statutes 1988, section 352D.05, subdivision 3, is amended to read:

Subd. 3. Thirty days after termination of covered employment or at any time thereafter, a participant ~~shall be~~ *is* entitled, upon application, to withdraw the cash value of the participant's total shares or ~~may~~ leave such shares on deposit with the supplemental retirement fund. Shares not withdrawn ~~shall~~ *must* remain on deposit with the supplemental retirement fund until the former participant ~~attains the age of~~ *becomes* at least ~~58~~ *55* years old, and applies for an annuity as ~~provided in~~ *under* section 352D.06, subdivision 1.

Sec. 16. Minnesota Statutes 1989 Supplement, section 353.29, subdivision 3, is amended to read:

Subd. 3. [RETIREMENT ANNUITY FORMULA.] (a) This paragraph, in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c, applies to any member who first became a public employee before July 1, 1989, unless paragraph (b), in conjunction with section 353.30, subdivision 5, produces a higher annuity amount, in which case paragraph (b) will apply. The average salary as defined in subdivision 2, multiplied by two percent for each year of allowable service for the first ten years and thereafter by 2.5 percent per year of allowable service and completed months less than a full year for the "basic member", and one percent for each year of allowable service for the first ten years and thereafter by 1.5 percent per year of allowable service and completed months less than a full year for the "coordinated member," shall determine the amount of the "normal" retirement annuity.

(b) This paragraph applies to a member who *has become at least 55 years old and* first became a public employee after June 30, 1989, and to any other member whose annuity amount, when calculated under this paragraph and in conjunction with section 353.30, subdivision 5, is higher than it is when calculated under paragraph (a), in conjunction with section 353.30, subdivisions 1, 1a, 1b, and 1c. The average salary, as defined in subdivision 2, multiplied by 2.5 percent for each year of allowable service and completed months less than a full year for a basic member and 1.5 percent per year of allowable service and completed months less than a full year for a coordinated member, shall determine the amount of the normal retirement annuity.

Sec. 17. Minnesota Statutes 1989 Supplement, section 353.30, is amended to read:

353.30 [ANNUITIES UPON RETIREMENT.]

Subdivision 1. Upon separation from public service, any person who first became a public employee before July 1, 1989, and who has ~~attained~~

~~the age of become~~ at least 58 years *old* but not more than normal retirement age and who received credit for not less than 20 years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement.

Subd. 1a. Any person who first became a public employee before July 1, 1989, and whose attained age plus credited allowable service totals 90 years is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, paragraph (a), without any reduction in annuity by reason of such early retirement.

Subd. 1b. Any person who first became a public employee before July 1, 1989, with 30 years or more of allowable service credit, who elects early retirement under subdivision 1, shall receive an annuity in an amount equal to the normal annuity provided under section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under age 62 at the time of retirement.

Subd. 1c. Any person who first became a public employee before July 1, 1989, and who has received credit for at least 30 years of allowable service or who has ~~attained the age of become~~ at least 55 years *old* but not normal retirement age, and has received credit for at least three years of allowable service is entitled upon application to a retirement annuity in an amount equal to the normal annuity provided in section 353.29, subdivisions 2 and 3, paragraph (a), reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement, except that for any member who has 30 or more years of allowable service the reduction shall be applied only for each month that the member is under age 62 at the time of retirement.

Subd. 3. [OPTIONAL RETIREMENT ANNUITY FORMS.] The board of trustees shall establish optional annuities which shall take the form of a joint and survivor annuity. Except as provided in subdivision 3a, the optional annuity forms shall be actuarially equivalent to the forms provided in section 353.29 and subdivisions 1, 1a, 1b, 1c, and 5. In establishing those optional forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendations shall be a part of the permanent records of *the* board. A member or former member may select an optional form of annuity in lieu of accepting any other form of annuity which might otherwise be available.

Subd. 3a. [BOUNCE-BACK ANNUITY.] (a) If a former member or disabilitant selects a joint and survivor annuity option under subdivision 3, the former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction

of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary *dies first but has not* died before July 1, 1989, shall have their annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Subd. 3b. [BOUNCE-BACK ANNUITY.] (a) The board of trustees must provide a joint and survivor annuity option to members of the police and fire fund. Under this option, a former member or disabilitant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant of the police and fire fund who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former member or disabilitant who took a further actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabilitant if the designated optional beneficiary *dies first but has not* died before July 1, 1989, shall have their annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

Subd. 3c. [EFFECTIVE DATE OF BOUNCE-BACK ANNUITY.] *In the event of the death of the designated optional annuity beneficiary before the retired employee or disabilitant, the restoration of the normal single life annuity under subdivision 3a or 3b will take effect on the first of the month following the date of death of the designated optional annuity beneficiary or on the first of the month following one year before the date on*

which a certified copy of the death certificate is received in the office of the public employees retirement association, whichever date is later.

Subd. 4. ~~Any~~ Monthly payments to which any person may be entitled under this chapter may be reduced ~~in amount~~ upon application of ~~the person entitled thereto~~ to the association, provided that the person shall first relinquish in writing all claim to that part of the full monthly payment which is the difference between the monthly payment which that person would be otherwise entitled to receive and the monthly payment which that person will receive. The reduced monthly payment shall be payment in full of all amounts due under this chapter for the month for which the payment is made and acceptance of the reduced monthly payment releases the retirement association from all obligation to pay to the person the difference between the amount of the reduced monthly payment and the full amount of the monthly payment which the person would otherwise have received. Upon application of the person who is entitled to such monthly payment, it may be increased prospectively to not more than the amount to which the person would have been entitled had no portion thereof been waived.

Subd. 5. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a member who *has become at least 55 years old and* first became a public employee after June 30, 1989, and to any other member *who has become at least 55 years old and* whose annuity is higher when calculated under section 353.29, subdivision 3, paragraph (b), in conjunction with this subdivision than when calculated under section 353.29, subdivision 3, paragraph (a), in conjunction with subdivision 1, 1a, 1b, or 1c. An employee who retires before normal retirement age shall be paid the retirement annuity provided in section 353.29, subdivision 3, paragraph (b), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 18. Minnesota Statutes 1989 Supplement, section 353.651, subdivision 4, is amended to read:

Subd. 4. [EARLY RETIREMENT.] Any police officer or firefighter member who has ~~attained the age of~~ *become at least 50 years old* and who has at least ~~five~~ *three* years of allowable service is entitled upon application to a retirement annuity equal to the normal annuity calculated under subdivision 3, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity from the day the annuity begins to accrue until the member attains age 55.

Sec. 19. Minnesota Statutes 1988, section 354.07, subdivision 4, is amended to read:

Subd. 4. It shall be the duty of the board from time to time to certify to the state board of investment for investment as much of the funds in its hands as shall not be needed for current purposes. ~~Such funds that are certified to the variable annuity division shall include employee deductions as well as an equal amount for state's matching.~~ Such funds that are certified as to investment in the postretirement investment fund shall include the amount as required for the total reserves needed for the purposes described in section 354.63. The state board of investment shall thereupon transfer such assets to the appropriate fund provided herein, in accordance with the

procedure set forth in ~~sections 354.62 and~~ section 354.63, or invest and reinvest an amount equal to the sum so certified in such securities as are now or may hereafter be duly authorized legal investments for state employees retirement fund and all such securities so transferred or purchased shall be deposited with the state treasurer. All interest from these investments shall be credited to the appropriate funds and used for current purposes or investments, except as hereinafter provided. The state board of investment shall have authority to sell, convey, and exchange such securities and invest and reinvest the funds when it deems it desirable to do so, and shall sell securities upon request of the officers of the association when such officers determine funds are needed for its purposes. All of the provisions regarding accounting procedures and restrictions and conditions for the purchase and sale of securities for the state employees retirement fund shall apply to the accounting, purchase and sale of securities for the teachers' retirement fund.

Sec. 20. Minnesota Statutes 1989 Supplement, section 354.071, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF TERMINATION OR DENIAL.] If the executive director terminates a benefit or denies an application or a written request of any person claiming a right under this chapter or the applicable sections of chapters 136, 355, and 356, the executive director must serve upon that person a written notice. The notice must contain:

(1) the reasons for the termination or denial;

(2) notice that the person may petition the board for a review of the termination or denial and that the petition for review must be filed within 60 days of the receipt of the written notice;

(3) a statement that relevant documentation submitted by the petitioner to the executive director must be received in the office of the teachers retirement association at least 30 days before the meeting prescribed in subdivision 4;

(4) a statement that failure to petition the board within 60 days will preclude the person from contesting in any other court procedure or administrative hearing, the issues determined by the executive director; and

~~(4)~~ (5) a copy of this section.

Sec. 21. Minnesota Statutes 1989 Supplement, section 354.071, subdivision 3, is amended to read:

Subd. 3. [PETITION FOR REVIEW.] A person who claims a right under subdivision 2 and whose benefit has been terminated or whose application or written request has been denied may petition for a review of that decision by the board. A petition under this section must be served upon the executive director personally, or by mail postmarked no later than 60 days after the petitioner received the notice required by subdivision 2. The petition must include the sworn, notarized statement of the reasons the petitioner believes the decision of the executive director should be reversed or modified and may include relevant documentation. *Relevant documentation submitted by the petitioner to the executive director must be received in the office of the teachers retirement association at least 30 days before the meeting prescribed in subdivision 4.*

Sec. 22. Minnesota Statutes 1988, section 354.146, subdivision 1, is amended to read:

Subdivision 1. Every member who has rendered teaching service or was on an authorized leave of absence after June 30, 1972 is covered by the full formula program ~~except that those members who have contributed to the variable annuity fund are covered by the combined formula and variable annuity program.~~ The benefit of a former member who does not return to teaching service ~~prior to before~~ retirement shall be determined under the program in effect at the time of termination.

Sec. 23. Minnesota Statutes 1988, section 354.42, subdivision 2, is amended to read:

Subd. 2. The employee contribution to the fund shall be an amount equal to 4-1/2 percent of the salary of every coordinated member and 8-1/2 percent of the salary of every basic member. This contribution shall be made by deduction from salary. Where any portion of a member's salary is paid from other than public funds, such member's employee contribution shall be based on the entire salary received. ~~For purposes of financing the various options related to the variable annuity division, employee variable annuity contributions will be credited in accordance with section 354.62, subdivision 2.~~

Sec. 24. Minnesota Statutes 1988, section 354.42, subdivision 3, is amended to read:

Subd. 3. The employer contribution to the fund shall be an amount equal to 4-1/2 percent of the salary of each coordinated member and 8-1/2 percent of the salary of each basic member. This contribution shall be made in the manner provided in section 354.43. ~~For purposes of financing the various options related to the variable annuity division, employer contributions equal to the employee variable annuity contributions prescribed in section 354.62, subdivision 2, shall be allocated at the same time to the employer variable annuity contribution account in section 354.62, subdivision 3.~~

Sec. 25. Minnesota Statutes 1989 Supplement, section 354.44, subdivision 6, is amended to read:

Subd. 6. [COMPUTATION OF FORMULA PROGRAM RETIREMENT ANNUITY.] (1) The formula retirement annuity hereunder shall be computed in accordance with the applicable provisions of the formulas stated in clause (2) or (4) on the basis of each member's average salary for the period of the member's formula service credit. ~~For the purposes of computing the formula benefits under the formula and variable program, if a combination of these formulas is used, the formula percentages used will be those percentages in each formula as continued for the respective years of service from one formula to the next.~~

For all years of formula service credit, "average salary," for the purpose of determining the member's retirement annuity, means the average salary upon which contributions were made and upon which payments were made to increase the salary limitation provided in Minnesota Statutes 1971, section 354.511 for the highest five successive years of formula service credit provided, however, that such "average salary" shall not include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of formula service credit if this service credit is less than five years.

(2) This clause, in conjunction with clause (3), applies to a person who first became a member of the fund before July 1, 1989, unless clause (4), in conjunction with clause (5), produces a higher annuity amount, in which

case clause (4) applies. The average salary as defined in clause (1), multiplied by the following percentages per year of formula service credit shall determine the amount of the annuity to which the member qualifying therefor is entitled:

	Coordinated Member	Basic Member
Each year of service during first ten	1.0 percent per year	2.0 percent per year
Each year of service thereafter	1.5 percent per year	2.5 percent per year

(3)(i) This clause applies only to a person who first became a member of the fund before July 1, 1989, and whose annuity is higher when calculated under clause (2), in conjunction with this clause than when calculated under clause (4), in conjunction with clause (5).

(ii) Where any member retires prior to normal retirement age under a formula annuity, the member shall be paid a retirement annuity in an amount equal to the normal annuity provided in clause (2) ~~and subdivision 7, paragraph (a)~~, reduced by one-quarter of one percent for each month that the member is under normal retirement age at the time of retirement except that for any member who has 30 or more years of allowable service credit, the reduction shall be applied only for each month that the member is under age 62.

(iii) Any member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal annuity provided in clause (2), without any reduction by reason of early retirement.

(4) This clause applies to a member who *has become at least 55 years old and* first became a member of the fund after June 30, 1989, and to any other member *who has become at least 55 years old and* whose annuity amount when calculated under this clause and in conjunction with clause (5), is higher than it is when calculated under clause (2), in conjunction with clause (3). The average salary, as defined in clause (1) multiplied by 2.5 percent for each year of service for a basic member and by 1.5 percent for each year of service for a coordinated member shall determine the amount of the retirement annuity to which the member is entitled.

(5) This clause applies to a person who *has become at least 55 years old and* first becomes a member of the fund after June 30, 1989, and to any other member *who has become at least 55 years old and* whose annuity is higher when calculated under clause (4) in conjunction with this clause than when calculated under clause (2), in conjunction with clause (3). An employee who retires under the formula annuity before the normal retirement age shall be paid the normal annuity provided in clause (4) ~~and subdivision 7, paragraph (b)~~, reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the employee if the employee deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 26. Minnesota Statutes 1989 Supplement, section 354.45, subdivision 1a, is amended to read:

Subd. 1a. [BOUNCE-BACK ANNUITY.] (a) If a former member or disabilitant selects a joint and survivor annuity option under subdivision 1, the former member or disabilitant must receive a normal single life

annuity if the designated optional annuity beneficiary dies before the former member or disabilitant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former member or disabilitant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single life annuity is payable to the former member or the disabilitant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabilitant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) *The restoration of the normal single life annuity under this subdivision will take effect on the first of the month following the date of death of the designated optional annuity beneficiary or on the first of the month following one year before the date on which a certified copy of the death certificate of the designated optional annuity beneficiary is received in the office of the teachers retirement association, whichever date is later.*

Sec. 27. Minnesota Statutes 1988, section 354.46, subdivision 1, is amended to read:

Subdivision 1. [BASIC PROGRAM; BENEFITS FOR SPOUSE AND CHILDREN OF TEACHER.] If a basic member who has at least 18 months of allowable service credit and who has an average salary as defined in section 354.44, subdivision 6 equal to or greater than \$75 dies prior to retirement or if a former basic member who, at the time of death, was totally and permanently disabled and receiving disability benefits pursuant to section 354.48 dies prior to attaining the age of 65 years, the surviving dependent spouse and dependent children of the basic member or former basic member shall be entitled to receive a monthly benefit as follows:

- (a) Surviving dependent spouse 50 percent of the basic member's monthly average salary paid in the last full fiscal year preceding death
- (b) Each dependent child ten percent of the basic member's monthly average salary paid in the last full fiscal year preceding death

Payments for the benefit of any dependent child under the age of 22 years shall be made to the surviving parent, or if there be none, to the legal guardian of the child. The maximum monthly benefit shall not exceed \$1,000 for any one family, and the minimum benefit per family shall not be less than 50 percent of the basic member's average salary, subject to the foregoing maximum. The surviving dependent spouse benefit shall terminate upon remarriage, and the surviving dependent children's benefit shall be reduced pro tanto when any surviving child is no longer dependent.

If the basic member and the surviving dependent spouse are killed in a common disaster and if the total of all survivors benefits payable pursuant to this subdivision is less than the accumulated deductions plus interest payable, the surviving dependent children shall receive the difference in a lump sum payment.

If the survivor benefits provided in this subdivision exceed in total the monthly average salary of the deceased basic member, these benefits shall be reduced to an amount equal to the deceased basic member's monthly average salary.

Prior to payment of any survivor benefit pursuant to this subdivision, in lieu of that benefit, the surviving dependent spouse may elect to receive the joint and survivor annuity provided pursuant to subdivision 2, or may elect to receive a refund of accumulated deductions with interest in a lump sum as provided pursuant to ~~sections~~ section 354.47, subdivision 1 ~~or 354.62, subdivision 5, clause (3)~~. If there are any surviving dependent children, the surviving dependent spouse may elect to receive the refund of accumulated deductions only with the consent of the district court of the district in which the surviving dependent child or children reside.

Sec. 28. Minnesota Statutes 1989 Supplement, section 354.46, subdivision 2, is amended to read:

Subd. 2. [DEATH WHILE ELIGIBLE DESIGNATED BENEFICIARY BENEFIT.] The surviving spouse of any member or former member who has attained the age of at least 50 years and has credit for at least three years of allowable service or who has credit for at least 30 years of allowable service irrespective of age shall be entitled to joint and survivor annuity coverage in the event of death of the member prior to retirement. If the surviving spouse does not elect to receive a surviving spouse benefit provided pursuant to subdivision 1, if applicable, or does not elect to receive a refund of accumulated member contributions provided pursuant to section 354.47, subdivision 1, ~~or 354.62, subdivision 5, clause (3), whichever is applicable~~, the surviving spouse shall be entitled to receive, upon written application on a form prescribed by the executive director, a benefit equal to the second portion of a 100 percent joint and survivor annuity as provided pursuant to section 354.45 and computed pursuant to section 354.44, subdivision 2, 6, or 7, whichever is applicable. The surviving spouse may apply for the annuity at any time after the date on which the deceased employee would have attained the required age for retirement based on the employee's allowable service. Sections 354.44, subdivisions 6 and 7, and 354.60 apply to a deferred annuity payable under this section. ~~If the member was a participant in the variable annuity division, the applicable portion of the benefit shall be computed pursuant to section 354.62, subdivision 5, clause (1).~~ The benefit shall be payable for life.

Sec. 29. Minnesota Statutes 1989 Supplement, section 354.47, subdivision 1, is amended to read:

Subdivision 1. [DEATH BEFORE RETIREMENT.] (1) If a member dies before retirement and is covered pursuant to the provisions of section 354.44, subdivision 2, and neither an optional annuity, nor a reversionary annuity, nor a benefit pursuant to section 354.46, subdivision 1, is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse, the designated beneficiary shall be entitled to an amount equal to the member's accumulated deductions with interest credited to the account of the member to the date of death.

(2) If a member dies before retirement and is covered pursuant to the provisions of section 354.44, ~~subdivisions~~ subdivision 6 and 7, and neither an optional annuity, nor reversionary annuity, nor the benefit described in section 354.46, subdivision 1, is payable to the survivors if the member was a basic member, the surviving spouse, or if there is no surviving spouse,

the designated beneficiary shall be entitled to an amount equal to the member's accumulated deductions credited to the account of the member as of June 30, 1957, and from July 1, 1957, to the date of death the member's accumulated deductions plus interest at the rate of six percent per annum compounded annually.

~~(3) The amounts payable in clause (1) or (2) are in addition to the amount payable in section 354.62, subdivision 5, for the member's variable annuity account.~~

Sec. 30. Minnesota Statutes 1989 Supplement, section 354.48, subdivision 3, is amended to read:

Subd. 3. [COMPUTATION OF BENEFITS.] (1) The amount of the disability benefit granted to members covered under section 354.44, subdivision 2, clauses (1) and (2), is an amount equal to double the annuity which could be purchased by the member's accumulated deductions plus interest on the amount computed as though the teacher were at normal retirement age at the time the benefit begins to accrue and in accordance with the law in effect when the disability application is received. Any member who applies for a disability benefit after June 30, 1974, and who failed to make an election pursuant to Minnesota Statutes 1971, section 354.145, shall have the disability benefit computed under this clause or clause (2), whichever is larger.

The benefit granted shall be determined by the following:

(a) the amount of the accumulated deductions;

(b) interest actually earned on these accumulated deductions to the date the benefit begins to accrue;

(c) interest for the years from the date the benefit begins to accrue to the date the member attains normal retirement age at the rate of three percent;

(d) annuity purchase rates based on an appropriate annuity table of mortality established by the board as provided in section 354.07, subdivision 1, and using the applicable postretirement interest rate assumption specified in section 356.215, subdivision 4d.

In addition, a supplementary monthly benefit shall be paid to basic members only in accordance with the following table:

Age When Benefit Begins to Accrue	Supplementary Benefit
Under Age 56	\$50
56	45
57	40
58	35
59	30
60	25
61	20
62	15
63	10
64	5

(2) The disability benefit granted to members covered under section 354.44, subdivision 6 ~~or~~ 7, shall be computed in the same manner as the

annuity provided in section 354.44, subdivision 6 or 7, ~~whichever is applicable~~. The disability benefit shall be the formula annuity without the reduction for each month the member is under normal retirement age when the benefit begins to accrue.

(3) For the purposes of computing a retirement annuity when the member becomes eligible, the amounts paid for disability benefits shall not be deducted from the individual member's accumulated deductions. If the disability benefits provided in this subdivision exceed the monthly average salary of the disabled member, the disability benefits shall be reduced to an amount equal to the disabled member's average salary.

Sec. 31. Minnesota Statutes 1989 Supplement, section 354.49, subdivision 2, is amended to read:

Subd. 2. Except as provided in section 354.44, subdivision 1, any person who ceases to be a member by reason of termination of teaching service, shall receive a refund in an amount equal to the accumulated deductions credited to the account as of June 30, 1957, and after July 1, 1957, the accumulated deductions with interest at the rate of six percent per annum compounded annually ~~plus any variable annuity account accumulations payable pursuant to section 354.62, subdivision 5, clause (4)~~. For the purpose of this subdivision, interest shall be computed on fiscal year end balances to the first day of the month in which the refund is issued.

Sec. 32. Minnesota Statutes 1989 Supplement, section 354.49, subdivision 3, is amended to read:

Subd. 3. Any person who has attained normal retirement age with less than three years of credited allowable service shall be entitled to receive a refund in an amount equal to the person's accumulated deductions plus interest in lieu of a proportionate annuity pursuant to section 356.32 except those covered under the provisions of section 354.44, subdivision 6 or 7, in which case the refund shall be an amount equal to the accumulated deductions credited to the person's account as of June 30, 1957, and after July 1, 1957, the accumulated deductions plus interest at the rate of six percent compounded annually.

Sec. 33. Minnesota Statutes 1989 Supplement, section 354.50, subdivision 5, is amended to read:

Subd. 5. ~~Notwithstanding section 354.62, subdivision 5, clause (4)~~. A member who received a refund of variable account accumulations may repay this refund to the member's formula account under this section.

Sec. 34. Minnesota Statutes 1988, section 354.52, subdivision 2, is amended to read:

Subd. 2. Each school board or managing body shall, on or before August 1, each year, report to the teachers retirement board giving an itemized summary of the total amount withheld from the salaries of teachers for ~~regular teacher's teachers~~ retirement deductions and for variable annuity deductions, and such other information as the executive director may require. If the itemized summary is received after August 1 in any year, there shall be a penalty not to exceed \$25 for each month or portion thereof which the summary is delinquent, as determined by the board of trustees. The penalty shall be paid by the school board or the managing body.

Sec. 35. Minnesota Statutes 1989 Supplement, section 354.55, subdivision 11, is amended to read:

Subd. 11. [DEFERRED ANNUITY; AUGMENTATION.] Any person covered under section 354.44, ~~subdivisions subdivision 6 and 7~~, who ceases to render teaching service, may leave the person's accumulated deductions in the fund for the purpose of receiving a deferred annuity at retirement. Eligibility for an annuity under this subdivision shall be governed pursuant to section 354.44, subdivision 1, or 354.60.

The amount of the deferred retirement annuity shall be determined by section 354.44, ~~subdivisions subdivision 6 and 7~~, and augmented as provided in this subdivision. The required reserves related to that portion of the annuity which had accrued when the member ceased to render teaching service shall be augmented by interest compounded annually from the first day of the month following the month during which the member ceased to render teaching service to the effective date of retirement. There shall be no augmentation if this period is less than three months or if this period commences prior to July 1, 1971. The rates of interest used for this purpose shall be five percent compounded annually commencing July 1, 1971, until January 1, 1981, and three percent compounded annually thereafter until January 1 of the year following the year in which the former member attains age 55. From that date to the effective date of retirement, the rate is five percent compounded annually. If a person has more than one period of uninterrupted service, a separate average salary determined under section 354.44, subdivision 6, must be used for each period and the required reserves related to each period shall be augmented by interest pursuant to this subdivision. The sum of the augmented required reserves so determined shall be the basis for purchasing the deferred annuity. If a person repays a refund, the service restored by the repayment must be considered as continuous with the next period of service for which the person has credit with this fund. If a person does not render teaching service in any one fiscal year or more consecutive fiscal years and then resumes teaching service, the formula percentages used from the date of the resumption of teaching service shall be those applicable to new members. The mortality table and interest assumption used to compute the annuity shall be the applicable mortality table established by the board under section 354.07, subdivision 1, and the interest rate assumption under section 356.215 in effect when the member retires. A period of uninterrupted service for the purposes of this subdivision means a period of covered teaching service during which the member has not been separated from active service for more than one fiscal year.

~~The provisions of this subdivision shall not apply to variable account accumulations as defined in section 354.05, subdivision 23.~~

In no case shall the annuity payable under this subdivision be less than the amount of annuity payable pursuant to section 354.44, ~~subdivisions subdivision 6 and 7~~.

The requirements and provisions for retirement before normal retirement age contained in section 354.44, subdivision 6, clause (3) or (5), shall also apply to an employee fulfilling the requirements with a combination of service as provided in section 354.60.

The augmentation provided by this subdivision applies to the benefit provided in section 354.46, subdivision 2.

The augmentation provided by this subdivision shall not apply to any period in which a person is on an approved leave of absence from an employer unit covered by the provisions of this chapter.

Sec. 36. Minnesota Statutes 1988, section 354.55, subdivision 19, is amended to read:

Subd. 19. Any member or retired former member who is covered by the formula ~~or formula and variable programs~~ in effect after June 30, 1973 and who made payments to the fund pursuant to Minnesota Statutes 1965, section 354.511 shall upon request receive a refund of such payments.

Sec. 37. Minnesota Statutes 1989 Supplement, section 354.65, is amended to read:

354.65 [ADMINISTRATIVE EXPENSES.]

Necessary and reasonable administrative expenses incurred by the teachers retirement association must be prorated and allocated to the teachers retirement fund, and the organization's participation in ~~both the Minnesota variable annuity investment fund and the Minnesota supplemental investment fund~~ in accordance with policies and procedures established by the board of trustees of the teachers retirement association.

Sec. 38. Minnesota Statutes 1989 Supplement, section 354.66, subdivision 2, is amended to read:

Subd. 2. A teacher in the public elementary schools, secondary schools, or technical institutes or in the community college system or the state university system of the state who has 20 years or more of allowable service in the fund or 20 years or more of full-time teaching service in Minnesota public elementary schools, secondary schools, or technical institutes or in the community college system or the state university system, or a teacher in the community college system or state university system who has attained at least age 55 and has ten years or more of allowable service in the fund *or ten years or more of full-time teaching service as described in this subdivision*, may, by agreement with the board of the employing district, be assigned to teaching service within the district in a part-time teaching position.

Sec. 39. Minnesota Statutes 1989 Supplement, section 354A.095, is amended to read:

354A.095 [MATERNITY LEAVE.]

A Basic or coordinated ~~member~~ *members* of the St. Paul teachers retirement fund association and ~~old~~ *or* new coordinated members of the Duluth teachers retirement fund association, who are granted parental or maternity leave of absence by the employing authority, are entitled to obtain service credit not to exceed one year for the period of leave upon payment to the applicable fund by the end of the fiscal year *following the fiscal year* in which the leave of absence terminated. The amount of the payment must include the total required employee and employer contributions for the period of leave prescribed in section 354A.12. Payment must be based on the member's average monthly salary upon return to teaching service, and is payable without interest. Payment must be accompanied by a certified or otherwise adequate copy of the resolution or action of the employing authority granting or approving the leave.

Sec. 40. Minnesota Statutes 1989 Supplement, section 354A.31, subdivision 4, is amended to read:

Subd. 4. [COMPUTATION OF THE NORMAL COORDINATED

RETIREMENT ANNUITY.] (a) The normal coordinated retirement annuity shall be an amount equal to a retiring coordinated member's average salary multiplied by the retirement annuity formula percentage. Average salary for purposes of this section shall mean an amount equal to the average salary upon which contributions were made for the highest five successive years of service credit, but which shall not in any event include any more than the equivalent of 60 monthly salary payments. Average salary must be based upon all years of service credit if this service credit is less than five years.

(b) This paragraph, in conjunction with subdivision 6, applies to a person who first became a member before July 1, 1989, unless paragraph (c), in conjunction with subdivision 7, produces a higher annuity amount, in which case paragraph (c) will apply. The retirement annuity formula percentage for purposes of this paragraph is one percent per year for each year of coordinated service for the first ten years and ~~1-1/2~~ 1.5 percent for each year of coordinated service thereafter.

(c) This paragraph applies to a person *who has become at least 55 years old and who first becomes a member after June 30, 1989, and to any other member who has become at least 55 years old and whose annuity amount, when calculated under this paragraph and in conjunction with subdivision 7 is higher than it is when calculated under paragraph (b), in conjunction with the provisions of subdivision 6.* The retirement annuity formula percentage for purposes of this paragraph is ~~1-1/2~~ 1.5 percent for each year of coordinated service.

Sec. 41. Minnesota Statutes 1989 Supplement, section 354A.31, subdivision 6, is amended to read:

Subd. 6. [REDUCED RETIREMENT ANNUITY.] This subdivision applies only to a person who first became a coordinated member before July 1, 1989, and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision ~~(4)~~ 4, paragraph (b), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (c), in conjunction with subdivision 7.

(a) Upon retirement at an age ~~prior to~~ *before* normal retirement age with three years of service credit or prior to age 62 with at least 30 years of service credit, a coordinated member shall be entitled to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision (4), paragraph (b), reduced by one-quarter of one percent for each month that the coordinated member is under normal retirement age if the coordinated member has less than 30 years of service credit or is under the age of 62 if the coordinated member has at least 30 years of service credit.

(b) Any coordinated member whose attained age plus credited allowable service totals 90 years is entitled, upon application, to a retirement annuity in an amount equal to the normal retirement annuity calculated using the retirement annuity formula percentage in subdivision (4), paragraph (b), without any reduction by reason of early retirement.

Sec. 42. Minnesota Statutes 1989 Supplement, section 354A.31, subdivision 7, is amended to read:

Subd. 7. [ACTUARIAL REDUCTION FOR EARLY RETIREMENT.] This subdivision applies to a person *who has become at least 55 years old and first becomes a coordinated member after June 30, 1989, and to any*

other coordinated member *who has become at least 55 years old and whose annuity is higher when calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), in conjunction with this subdivision than when calculated under subdivision 4, paragraph (b), in conjunction with subdivision 6.* A coordinated member who retires before the full benefit age shall be paid the retirement annuity calculated using the retirement annuity formula percentage in subdivision 4, paragraph (c), reduced so that the reduced annuity is the actuarial equivalent of the annuity that would be payable to the member if the member deferred receipt of the annuity and the annuity amount were augmented at an annual rate of three percent compounded annually from the day the annuity begins to accrue until the normal retirement age.

Sec. 43. Minnesota Statutes 1989 Supplement, section 354A.32, subdivision 1, is amended to read:

Subdivision 1. [OPTIONAL FORMS GENERALLY.] The boards of the Minneapolis and the St. Paul teachers retirement fund associations shall each establish for the coordinated program and the board of the Duluth teachers retirement fund association shall establish for the new law coordinated program an optional retirement annuity which shall take the form of a joint and survivor annuity. Each board may also in its discretion establish an optional annuity which shall take the form of an annuity payable for a period certain and for life thereafter. *Each board shall also establish an optional retirement annuity that guarantees payment of the balance of the annuity recipient's accumulated deductions to a designated beneficiary upon the death of the annuity recipient.* Except as provided in subdivision 1a, optional annuity forms shall be the actuarial equivalent of the normal forms provided in section 354A.31. In establishing these optional annuity forms, the board shall obtain the written recommendation of the commission-retained actuary. The recommendation shall be a part of the permanent records of the board.

Sec. 44. Minnesota Statutes 1989 Supplement, section 354A.32, subdivision 1a, is amended to read:

Subd. 1a. [BOUNCE-BACK ANNUITY.] (a) If a former coordinated member or disabliant has selected a joint and survivor annuity option under subdivision 1, the former member or disabliant must receive a normal single life annuity if the designated optional annuity beneficiary dies before the former member or disabliant. Under this option, no reduction may be made in the person's annuity to provide for restoration of the normal single life annuity in the event of the death of the designated optional annuity beneficiary.

(b) A former coordinated member or disabliant who selected an optional joint and survivor annuity before July 1, 1989, but did not choose an option that provides that the normal single life annuity is payable to the former member or the disabliant if the designated optional annuity beneficiary dies first, is eligible for restoration of the normal single life annuity if the designated optional annuity beneficiary dies first, without further actuarial reduction of the person's annuity. A former member or disabliant who selected an optional joint and survivor annuity, but whose designated optional annuity beneficiary died before July 1, 1989, shall receive a normal single life annuity after that date, but shall not receive retroactive payments for periods before that date.

(c) A former coordinated member or disabliant who took a further

actuarial reduction to elect an optional joint and survivor annuity that provides that the normal annuity is payable to the former member or disabiltant if the designated optional beneficiary *dies first but has not died* before July 1, 1989, shall have the annuity increased as of July 1, 1989, to the amount the person would have received if, at the time of retirement or disability, the person had selected only optional survivor coverage that would not have provided for restoration of the normal annuity upon the death of the designated optional annuity beneficiary. Any annuity or benefit increase under this paragraph is effective only for payments made after June 30, 1989, and is not retroactive for payments made before July 1, 1989.

(d) The restoration of the normal single life annuity under this subdivision will take effect on the first of the month following the date of death of the designated optional annuity beneficiary or on the first of the month following one year before the date on which a certified copy of the death certificate of the designated optional annuity beneficiary is received in the office of the appropriate teachers retirement fund association, whichever date is later.

Sec. 45. Minnesota Statutes 1989 Supplement, section 354B.02, subdivision 2, is amended to read:

Subd. 2. [PERSONS WITH CERTAIN PRIOR ALLOWABLE SERVICE.] A person with less than three years of prior allowable service as a member of the teachers retirement association other than in covered employment under section 354B.01, subdivision 2 or 3, and who is first employed in covered employment after June 30, 1989, ~~may remain~~ *remains* a member of the teacher's retirement association for all purposes ~~or, but a coordinated member may elect to participate in the plan. This election to participate in the plan must be made within 60 days of the start of covered employment.~~

Sec. 46. Minnesota Statutes 1989 Supplement, section 354B.02, subdivision 3, is amended to read:

Subd. 3. [OPTIONAL PARTICIPATION.] A person with less than three years of allowable service who was first employed in covered employment before July 1, 1989, and who is a coordinated member of the teachers retirement association, may elect to transfer retirement coverage to the plan under section ~~6~~ *354B.03*. The election must be made on a form provided by the executive director. An election to transfer retirement coverage to the plan must be made before July 1, 1992, and is irrevocable. When a member transfers coverage to the plan, all existing service credits with the association to which the person was entitled before the transfer terminate and may not be restored.

Sec. 47. Minnesota Statutes 1989 Supplement, section 354B.03, subdivision 1, is amended to read:

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

after the date of enactment of this act.

Sec. 48. Minnesota Statutes 1989 Supplement, section 354B.03, subdivision 3, is amended to read:

Subd. 3. [ELECTION.] A person with ~~more than~~ three or more years of allowable service credit who was first employed in covered employment before July 1, 1989, or after June 30, 1989, as provided in section 354B.02, subdivision 2, may elect coverage by the plan *before July 1, 1992*. If coverage is elected, accumulated employer and employee contributions and allowable service credit ~~shall~~ *must* remain with the teachers retirement fund and that person ~~shall remain~~ *is* eligible for a deferred annuity from that fund augmented with interest at the rate of five percent computed as specified in section 354.55, subdivision 11. Future contributions only shall be made to the plan. *An election made under this subdivision is irrevocable.*

Sec. 49. Minnesota Statutes 1988, section 356.302, subdivision 3, is amended to read:

Subd. 3. [GENERAL EMPLOYEE PLAN ELIGIBILITY REQUIREMENTS.] A disabled member of a covered retirement plan who has credit for allowable service in a combination of general employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than 65 years of age on the date of application for the disability benefit;

(2) has become totally and permanently disabled;

(3) has credit for allowable service in any combination of general employee retirement plans totaling at least ~~five~~ *three* years;

(4) has credit for at least six months of allowable service with the current general employee retirement plan before the commencement of the disability;

(5) has at least ~~five~~ *three* continuous years of allowable service credit by the general employee retirement plan or has at least a total of ~~five~~ *three* years of allowable service credit by a combination of general employee retirement plans in a 72-month period during which no interruption of allowable service credit from a termination of employment exceeded 29 days; and

(6) is not receiving a retirement annuity or disability benefit from any covered general employee retirement plan at the time of the commencement of the disability.

Sec. 50. Minnesota Statutes 1988, section 356.302, subdivision 4, is amended to read:

Subd. 4. [PUBLIC SAFETY PLAN ELIGIBILITY REQUIREMENTS.] A disabled member of a covered retirement plan who has credit for allowable service in a combination of public safety employee retirement plans is entitled to a combined service disability benefit if the member:

(1) is less than 55 years ~~of age~~ *old* on the date of application for the disability benefit;

(2) has become occupationally disabled;

(3) has credit for allowable service in any combination of public safety

employee retirement plans totaling at least one year if the disability is duty-related or totaling at least ~~five~~ *three* years if the disability is not duty-related;

(4) has credit for at least six months of allowable service with the current public safety employee retirement plan before the commencement of the disability; and

(5) is not receiving a retirement annuity or disability benefit from any covered public safety employee retirement plan at the time of the commencement of the disability.

Sec. 51. Minnesota Statutes 1989 Supplement, section 356.371, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENT OF NOTICE TO MEMBER'S SPOUSE.] If a public pension fund provides optional retirement annuity forms which include a joint and survivor optional retirement annuity form potentially applicable to the surviving spouse of a member, the chief administrative officer of the public pension fund shall send a copy of the written statement required by subdivision 2 to the spouse of the member before the member's election of an optional retirement annuity.

Following the election of an ~~optional~~ *a* retirement annuity ~~form~~ by the member, a copy of the completed retirement annuity application and retirement annuity beneficiary form must be sent by the public pension fund to the spouse of the retiring member. A signed acknowledgment must be required from the spouse confirming receipt of a copy of the completed retirement annuity application and retirement annuity beneficiary form. If the required signed acknowledgment is not received from the spouse within 30 days, the public pension fund must send another copy of the completed retirement annuity application and retirement annuity beneficiary form to the spouse by certified mail.

Sec. 52. Minnesota Statutes 1989 Supplement, section 356.86, subdivision 2, is amended to read:

Subd. 2. [AMOUNT OF POSTRETIREMENT ADJUSTMENT; PAYMENT.] (a) For any person receiving an annuity or benefit on November 30, 1989, and entitled to receive a postretirement adjustment under subdivision 1, the postretirement adjustment is a lump sum payment calculated under paragraph (b) or (c).

(b) For coordinated plan ~~members~~ *annuity or benefit recipients*, the postretirement adjustment in 1989 is \$25 for each full year of allowable service credited to the person by the respective retirement fund. In 1990 and each following year, the postretirement adjustment is the amount payable in the preceding year increased by the same percentage applied to regular annuities paid from the postretirement fund or, for the retirement funds specified in subdivision 3, clauses (6), (7), and (8), by the same percentage applied under the articles of incorporation and bylaws of these funds.

(c) For basic plan ~~members~~ *annuity or benefit recipients*, the postretirement adjustment in 1989 is the greater of:

(1) \$25 for each full year of allowable service credited to the person by the respective retirement fund; or

(2) the difference between:

(i) the product of \$400 times the number of full years of allowable service credited to the person by the respective retirement fund; and

(ii) the sum of the benefits payable to the person from any Minnesota public employee pension plan, and cash benefits payable to the person from the social security administration.

In 1990 and each following year, each *eligible* basic plan ~~member annuity or benefit recipient~~ shall receive the amount received in the preceding year increased by the same percentage applied to regular annuities paid from the postretirement fund or, for the retirement funds specified in subdivision 3, clauses (6), (7), and (8), by the same percentage applied under the articles of incorporation and bylaws of these funds.

(d) The postretirement adjustment provided for in this section is payable for those persons receiving an annuity or benefit on November 30, 1989, on December 1, 1989. In subsequent years, the adjustment must be paid on December 1 ~~unless the beneficiary to those persons receiving an annuity or benefit on the preceding November 30. A person who is entitled eligible~~ may elect to participate in an optional annuity or benefit receipt schedule under subdivision 4. This section does not authorize the payment of a postretirement adjustment to an estate if the annuity or benefit recipient dies before the November 30 eligibility date. Notwithstanding section 356.18, the postretirement adjustment provided for in this section must be paid automatically unless the intended recipient files a written notice with the retirement fund requesting that the postretirement adjustment not be paid.

Sec. 53. Minnesota Statutes 1989 Supplement, section 356.86, subdivision 4, is amended to read:

Subd. 4. [OPTIONAL ~~BENEFIT~~ POSTRETIREMENT ADJUSTMENT PAYMENT SCHEDULE.] Basic plan *annuity or benefit* recipients receiving adjustments under subdivision 2, paragraph (c), clause (2), and whose adjustment exceeds 20 percent of their Minnesota plan *annuity or benefit* may elect to have the amount of the ~~benefit~~ adjustment paid in equal monthly amounts instead of receiving a ~~benefit adjustment lump sum payment~~ on December 1 of each year, 1989. Selection of this option must be made by the recipient in writing on forms prepared by the retirement association. *This option may be revoked by the recipient in writing prior to November 1 preceding the December 1 lump sum distribution. Upon the death of the annuity or benefit recipient, any remaining unpaid monthly amounts shall be paid to the surviving spouse, or if no spouse survives, to the annuity or benefit recipient's beneficiary or estate.*

Sec. 54. Minnesota Statutes 1989 Supplement, section 356.86, subdivision 5, is amended to read:

Subd. 5. [SOCIAL SECURITY INFORMATION.] To be eligible for a ~~benefit~~ postretirement adjustment calculated under subdivision 2, paragraph (c), clause (2), a person must authorize the social security administration to release to the retirement association information on the person's social security cash benefits. *This authorization must be received by the retirement association before the December 1, 1989, payment date.*

Sec. 55. Minnesota Statutes 1989 Supplement, section 356.86, subdivision 6, is amended to read:

Subd. 6. [REPORT.] By September 30, 1990, the retirement funds listed in subdivision 3 shall report to the legislature and the commissioner of

finance on the number of *annuity and benefit* recipients eligible for each type of adjustment established in subdivision 2, the annual cost of each type of adjustment, and the estimated actuarial liability associated with each.

Sec. 56. Laws 1989, chapter 319, article 19, section 7, subdivision 4, is amended to read:

Subd. 4. [AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.] The amount determined under subdivision 3 must be applied in accordance with this subdivision. The relief association shall apply the first one-half of one percent of *assets which constitute* excess investment income to the payment of an annual postretirement payment as specified in this subdivision. The second one-half of one percent of *assets which constitute* excess investment income shall be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the time weighted total rate of return exceeds by two percent the actual percentage increase in the current monthly salary of a top grade patrol officer or a top grade firefighter, whichever applies, in the most recent fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer or a top grade firefighter, whichever applies, of the previous five years. The total amount of all payments to members may not exceed the amount determined under subdivision 3. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

Sec. 57. [REPEALER.]

Minnesota Statutes 1988, sections 11A.19, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 354.05, subdivisions 23, 24, 33, and 34; 354.146, subdivision 2; and 354.62, subdivisions 1, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; 353.87, subdivision 5; 354.44, subdivision 7; and 354.62, subdivisions 2 and 7, are repealed.

Sec. 58. [EFFECTIVE DATE.]

Sections 1 to 57 are effective the day following final enactment.

Article 13

PURCHASES OF CREDIT FOR PRIOR SERVICE

Section 1. [BUY-BACK OF PRIOR SERVICE CREDIT.]

Subdivision 1. [MILITARY AFFAIRS.] A person who was employed by

the department of military affairs between April 14, 1967, and December 31, 1974, may purchase service credit from the Minnesota state retirement system for periods of that employment for which allowable service credit has not been obtained.

Subd. 2. [ST. CLOUD CITY COUNCIL.] A person who began service as an elected member of the St. Cloud city council on April 20, 1980, and who began participating in the public employees retirement association on February 19, 1989, may purchase credit for prior service as an elected member of the city council from April 20, 1980, to February 18, 1989.

Subd. 3. [AITKIN COUNTY OFFICIAL.] A member of the public employees retirement association with prior service as an elected county official in Aitkin county between January 4, 1971, and December 31, 1975, may purchase allowable service credit in the association for that period of service.

Subd. 4. [ST. LOUIS PARK.] A person who was born on July 31, 1927, who is the city attorney for the city of Brooklyn Park, and who was a member of the city council for the city of St. Louis Park from January 1, 1960, to January 1, 1968, is entitled to purchase credit from the public employees retirement association for that period of service if not otherwise credited as allowable service by the association.

Subd. 5. [PURCHASE.] Notwithstanding Minnesota Statutes, section 352.01, subdivision 11, any member of the Minnesota state retirement system currently employed by the Willmar Regional Treatment Center who left state service to attend the University of Michigan, Ann Arbor, between February 1966 and April 1968 may obtain allowable service credit for that period.

Subd. 6. [PERA.] A basic member of the public employees retirement association who was employed by the city of White Bear Lake from March 1, 1966, to February 1979, employed by the metropolitan transit commission on February 23, 1979, and who received a reduced salary based on service with the metropolitan transit commission between November 4, 1987, and March 1, 1988, may elect to exclude that service from calculation of the highest five successive years average salary used to determine the person's annuity from the public employees retirement association.

Subd. 7. [PURCHASE PAYMENT AMOUNT.] To purchase credit for prior service under subdivisions 1 to 5 there must be paid to the applicable fund an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity obtained by the purchase of the additional service credit. To make an exclusion under subdivision 6, there must be paid to the public employees retirement association an amount equal to the difference in the present value, on the date of payment, of the additional retirement annuity obtained by the exclusion of service between November 4, 1987, and March 1, 1988, from calculation of the highest five successive years average salary. Calculation of this amount must be made using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund. The calculation must assume continuous future service in the association until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must also assume a future salary history

that includes annual salary increases at the salary increase rate specified in section 356.215, subdivision 4d. The person requesting the purchase of prior service shall establish in the records of the fund or association sufficient proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the association.

Subd. 8. [PAYMENT; CREDITING SERVICE.] Payment must be made in one lump sum, unless the executive director of the fund or association agrees to accept payment in installments over a period not to exceed three years from the date of the agreement, with interest at a rate deemed appropriate by the executive director. The period of allowable service may be credited to the account of the person or the period of service excluded from calculation of the high five only after receipt of full payment by the executive director.

Subd. 9. [OPTIONAL EMPLOYER PARTIAL PAYMENT.] Payment is the obligation of the person entitled to purchase credit for the prior service. However, the current or former employer of a person specified in subdivisions 1 to 6 may, at its discretion, pay all or any portion of the payment amount that exceeds an amount equal to the employee contribution rates in effect during the period of prior service applied to the actual salary rates in effect during the period of prior service, plus interest at the rate of six percent a year compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment.

Article 14

MISCELLANEOUS RETIREMENT PROVISIONS

Section 1. Minnesota Statutes 1988, section 424A.02, subdivision 3, is amended to read:

Subd. 3. [FLEXIBLE SERVICE PENSION MAXIMUMS.] On or before August 1 of each year as part of the certification of the financial requirements and minimum municipal obligation made pursuant to section 69.772, subdivision 4, or 69.773, subdivision 5, the secretary or some other official of the relief association designated in the bylaws of each relief association shall calculate and certify to the governing body of the applicable qualified municipality the average amount of available financing per active covered firefighter for the most recent three-year period. The amount of available financing shall include any amounts of fire state aid received or receivable by the relief association, any amounts of municipal contributions to the relief association raised from levies on real estate or from other available revenue sources exclusive of fire state aid, and one-tenth of the amount of assets in excess of the accrued liabilities of the relief association calculated pursuant to sections 69.772, subdivision 2; 69.773, subdivisions 2 and 4; or 69.774, subdivision 2, if any. The maximum service pension which the relief association may provide for in its bylaws for payment to a member retiring after the calculation date when the minimum age and service requirements specified in subdivision 1 are met shall be determined using the applicable following table.

For a relief association where the governing bylaws provide for a monthly

service pension to a retiring member, if the average amount of available financing per active covered firefighter does not exceed the minimum average amount specified below, then the maximum monthly service pension amount per month for each year of service credited which may be provided for in the bylaws shall be the greater of: (1) the service pension amount provided for in the bylaws on the date of calculation; or (2) the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter \$	Maximum Service Pension Amount Payable per Month for Each Year of Service \$.25
37	.50
75	1.00
112	1.50
149	2.00
186	2.50
224	3.00
261	3.50
298	4.00
336	4.50
373	5.00
447	6.00
522	7.00
597	8.00
671	9.00
746	10.00
820	11.00
895	12.00
969	13.00
1044	14.00
1119	15.00
1193	16.00
1268	17.00
1342	18.00
1417	19.00
1491	20.00
1566	21.00
1640	22.00
1678 or more	22.50
1715	23.00
1790	24.00
1865	25.00
1940	26.00
2015	27.00
2090	28.00
2165	29.00
2240 or more	30.00

For a relief association in which the governing bylaws provide for a lump sum service pension to a retiring member, if the average amount of available financing per active covered firefighter does not exceed the minimum average amount specified below, then the maximum lump sum service pension amount for each year of service credited which may be provided for in the bylaws shall be the greater of: (1) the service pension amount provided for

in the bylaws on the date of the calculation; or (2) the maximum service pension figure corresponding to the average amount of available financing per active covered firefighter:

Minimum Average Amount of Available Financing per Firefighter \$	Maximum Lump Sum Service Pension Amount Payable for Each Year of Service \$10
10	20
14	30
20	40
24	50
28	60
38	80
48	100
58	120
68	140
76	160
86	180
96	200
116	240
134	280
154	320
172	360
192	400
212	440
230	480
250	520
268	560
288	600
308	640
326	680
346	720
364	760
384	800
432	900
480	1000
528	1100
576	1200
624	1300
672	1400
720	1500
768	1600
816	1700
864	1800
912	1900
960	2000
1008	2100
1056	2200
1104	2300
1152	2400
1200	2500
1248	2600
1296	2700
1344	2800

1392	2900
1440 or more	3000

For a relief association in which the governing bylaws provide for a monthly benefit service pension as an alternative form of service pension payment to a lump sum service pension at the option of the retiring member, the maximum service pension amount shall be determined using the applicable table contained in this subdivision.

Sec. 2. [REPEAL OF REDUNDANT POSTRETIREMENT ADJUSTMENT.]

Subdivision 1. Laws 1989, chapter 335, article 1, section 50, is repealed.

Subd. 2. This section is effective retroactively to July 1, 1989.

Sec. 3. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to retirement; various retirement plans; including gambling enforcement division officers in the membership of the state patrol retirement plan; requiring regular investment performance reporting from public pension plans; modifying various retirement provisions related to state university and community college faculty members; including certain state lottery employees in the unclassified state employees retirement programs; modifying economic interest statement requirements for certain pension plan fiduciaries; changing schedule for actuarial valuations for the Thief River Falls police pension trust fund; excluding certain interns from public employees retirement association membership; extending retirement coverage to certain former crime bureau employees; restoring forfeited service credit for certain former St. Paul bureau of health employees; authorizing the transfer of the Moose Lake volunteer firefighters relief association; authorizing additional college supplemental retirement plan designated beneficiaries; authorizing service credit for medical leave periods in teacher retirement plans; authorizing annuitization of certain teacher postretirement amounts; expanding coverage of a public employees defined contribution plan to include elected local government employees; transferring certain employer contributions from the teachers retirement association to the individual retirement account plan for post-June 30, 1988, state university and community college faculty; modifying the Minnesota postretirement investment fund reserve transfer procedure; making certain administrative modifications in Minnesota state retirement system and in public employees retirement association laws; making certain technical corrections related to the 1989 benefit increase legislation; authorizing various purchases of credit for prior service; modifying the flexible service pension maximums for volunteer firefighters relief associations providing monthly service pensions; repealing a redundant postretirement adjustment provision; amending Minnesota Statutes 1988, sections 3A.03, subdivision 2; 11A.18, subdivision 6; 43A.34, subdivision 4; 136.81, by adding a subdivision; 352.01, subdivision 13; 352.029, subdivision 3; 352.03, subdivision 1; 352.115, subdivision 7; 352.73, by adding a subdivision; 352.96, subdivision 4; 352B.01, subdivision 2; 352B.11, subdivision 4; 352B.14, subdivision 4; 352C.09, subdivision 2; 352D.02, subdivision 1; 352D.05, subdivision 3; 353.01, subdivisions 7 and 16; 353.15, subdivision 2; 353.27, subdivisions 7 and 10; 353.46, subdivision 4; 353.657, subdivision 1; 353.83; 353D.01; 353D.02; 353D.03; 353D.04; 353D.05, subdivisions 1

and 3; 353D.06; 353D.07; 353D.08; 353D.09; 354.07, subdivision 4; 354.146, subdivision 1; 354.42, subdivisions 2 and 3; 354.46, subdivision 1; 354.52, subdivision 2; 354.55, subdivision 19; 354B.01, subdivisions 2 and 3; 356.302, subdivisions 3 and 4; 424A.02, subdivision 3; Minnesota Statutes 1989 Supplement, sections 136.81, subdivision 1; 136.82, subdivisions 1 and 2; 352.01, subdivision 2b; 352.021, subdivision 5; 352.031, subdivisions 2 and 3; 352.115, subdivision 3; 352.116, subdivision 1a, and by adding a subdivision; 352.93, subdivisions 2a and 3; 352B.08, subdivisions 2a and 3; 352B.11, subdivision 2; 353.01, subdivisions 2b and 11a; 353.29, subdivision 3; 353.30; 353.33, subdivision 6; 353.35; 353.651, subdivision 4; 353.656, subdivisions 1 and 3; 354.071, subdivisions 2 and 3; 354.44, subdivision 6; 354.45, subdivision 1a; 354.46, subdivision 2; 354.47, subdivision 1; 354.48, subdivision 3; 354.49, subdivisions 2 and 3; 354.50, subdivision 5; 354.55, subdivision 11; 354.65; 354.66, subdivision 2; 354A.095; 354A.31, subdivisions 4, 6, and 7; 354A.32, subdivisions 1 and 1a; 354B.02, subdivisions 2, 3, and by adding a subdivision; 354B.03, subdivisions 1 and 3; 354B.05, subdivision 3; 356.371, subdivision 3; 356.86, subdivisions 2, 4, 5, and 6; 356A.06, subdivision 4; Laws 1978, chapter 689, section 4, subdivision 2, as amended; Laws 1980, chapter 612, section 3, as amended; Laws 1989, chapter 319, article 19, section 7, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 353D; 354; 354A; and 356; repealing Minnesota Statutes 1988, sections 11A.19, subdivisions 1 to 8; 136.81, subdivisions 2 and 3; 136.82, subdivisions 3 and 4; 136.83; 136.85; 354.05, subdivisions 23, 24, 33, and 34; 354.146, subdivision 2; 354.62, subdivisions 1, 3, 4, 5, and 6; Minnesota Statutes 1989 Supplement, sections 11A.19, subdivision 9; 136.82, subdivisions 1 and 2; 136.84; 353.87, subdivision 5; 354.44, subdivision 7; and 354.62, subdivisions 2 and 7; and Laws 1989, chapter 335, article 1, section 50."

The motion prevailed. So the amendment was adopted.

Mr. Moe, D.M. then moved to amend the Moe, D.M. amendment to H.F. No. 2103, adopted by the Senate April 6, 1990, as follows:

Page 19, line 31, delete "456" and insert "457"

Page 20, line 14, delete "a"

Page 20, delete line 15

Page 20, line 16, delete "*portion may not exceed*"

Page 20, line 21, delete "and," and insert ". *This amount*"

Page 36, delete section 7

Renumber the sections of article 11 in sequence and correct the internal references

Amend the title amendment accordingly

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

Mr. Metzen moved to amend H.F. No. 2103, as amended pursuant to Rule 49, adopted by the Senate March 22, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2105.)

Page 16, after line 30, insert:

"Section 1. Minnesota Statutes 1988, section 353A.09, subdivision 5,

is amended to read:

Subd. 5. [REGULAR AND ADDITIONAL MUNICIPAL CONTRIBUTIONS.] (a) Following the effective date of consolidation, the applicable regular municipal contribution rate and applicable salary rate to which the regular municipal contribution rate applies on behalf of persons who were formerly members of the relief association shall be as follows:

(1) on behalf of persons who have elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable regular municipal contribution rate shall be that specified in section 353.65, subdivision 3, and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 4, clause (1); and

(2) on behalf of persons who have not elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable regular municipal contribution rate shall be 12 percent and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 4, clause (2).

(b) Following the effective date of consolidation, the applicable additional municipal contribution amount shall be the sum of the following:

(1) the annual level dollar contribution as calculated by the actuary retained by the commission as of the effective date of consolidation which is required to amortize by December 31, 2010, that portion of the present value of future benefits computed on the basis of the benefit plan producing the largest present value of future benefits for each individual which remains after subtracting the present value of future member contributions as provided in subdivision 4, the present value of future regular municipal contributions as provided in clause (a), and the market value of the assets of the relief association transferred to the fund; and

(2) the amount of the annual contribution as calculated by the actuary retained by the commission as of the most recent actuarial valuation date which is required to amortize on a level annual dollar basis the amount of any net actuarial experience loss incurred during the year which ended as of the day immediately before the most recent actuarial valuation date by December 31 of the year occurring 15 years later.

(c) Regular municipal contributions shall be made in the manner provided in section 353.28. Additional municipal contributions shall be paid during the calendar year following the annual certification of the amount of the annual additional municipal contribution by the executive director of the public employees retirement association and, if made during the month of January, shall be payable without any interest, or if made after January 31, but before the next following December 31, shall be payable with interest for the period since January 1 at a rate which is equal to the preretirement interest rate assumption specified in section 356.215, subdivision 4d, applicable to the fund expressed as a monthly rate and compounded on a monthly basis or if made after December 31 of the year in which the additional municipal contribution is due shall be payable with interest at a rate which is four percent greater than the highest interest rate assumption specified in section 356.215, subdivision 4d, expressed as a monthly rate and compounded monthly from January 1 of the year in which the additional municipal contribution is due until the date on which payment is made.

(d) *With respect to the consolidation of the West St. Paul fire relief*

association with the public employees police and fire fund on January 1, 1989, as soon as practicable following the first regular actuarial valuation of the local consolidation account after the effective date of consolidation and the determination of the anticipated future additional municipal contribution amount under paragraph (b), the amount by which the actual initial additional municipal contribution certified to and paid by the municipality exceeded the anticipated future additional municipal contribution resulting from the first regular actuarial valuation must be refunded to the municipality."

Page 17, after line 30, insert:

"Section 1 is effective the day following final enactment."

Page 17, lines 31 and 34, delete "1" and insert "2"

Page 18, line 1, delete "2" and insert "3"

Renumber the sections of article 6 in sequence

Amend the title accordingly

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

CALL OF THE SENATE

Mr. Knaak imposed a call of the Senate for the balance of the proceedings on H.F. No. 2103. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Metzen then moved to amend H.F. No. 2103, as amended pursuant to Rule 49, adopted by the Senate March 22, 1990, as follows:

(The text of the amended House File is identical to S.F. No. 2105.)

Page 16, after line 30, insert:

"Section 1. Minnesota Statutes 1988, section 353A.09, subdivision 5, is amended to read:

Subd. 5. [REGULAR AND ADDITIONAL MUNICIPAL CONTRIBUTIONS.] (a) Following the effective date of consolidation, the applicable regular municipal contribution rate and applicable salary rate to which the regular municipal contribution rate applies on behalf of persons who were formerly members of the relief association shall be as follows:

(1) on behalf of persons who have elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable regular municipal contribution rate shall be that specified in section 353.65, subdivision 3, and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 4, clause (1); and

(2) on behalf of persons who have not elected coverage by the public employees police and fire fund benefit plan under section 353A.08, the applicable regular municipal contribution rate shall be 12 percent and the applicable salary rate to which the regular municipal contribution rate applies shall be that specified in subdivision 4, clause (2).

(b) Following the effective date of consolidation, the applicable additional municipal contribution amount shall be the sum of the following:

(1) the annual level dollar contribution as calculated by the actuary

retained by the commission as of the effective date of consolidation which is required to amortize by December 31, 2010, that portion of the present value of future benefits computed on the basis of the benefit plan producing the largest present value of future benefits for each individual which remains after subtracting the present value of future member contributions as provided in subdivision 4, the present value of future regular municipal contributions as provided in clause (a), and the market value of the assets of the relief association transferred to the fund; and

(2) the amount of the annual contribution as calculated by the actuary retained by the commission as of the most recent actuarial valuation date which is required to amortize on a level annual dollar basis the amount of any net actuarial experience loss incurred during the year which ended as of the day immediately before the most recent actuarial valuation date by December 31 of the year occurring 15 years later.

(c) Regular municipal contributions shall be made in the manner provided in section 353.28. Additional municipal contributions shall be paid during the calendar year following the annual certification of the amount of the annual additional municipal contribution by the executive director of the public employees retirement association and, if made during the month of January, shall be payable without any interest, or if made after January 31, but before the next following December 31, shall be payable with interest for the period since January 1 at a rate which is equal to the preretirement interest rate assumption specified in section 356.215, subdivision 4d, applicable to the fund expressed as a monthly rate and compounded on a monthly basis or if made after December 31 of the year in which the additional municipal contribution is due shall be payable with interest at a rate which is four percent greater than the highest interest rate assumption specified in section 356.215, subdivision 4d, expressed as a monthly rate and compounded monthly from January 1 of the year in which the additional municipal contribution is due until the date on which payment is made.

(d) As soon as practicable following the first regular actuarial valuation of the local consolidation account after the effective date of consolidation and the determination of the anticipated future additional municipal contribution amount under paragraph (b), the amount by which the actual initial additional municipal contribution certified to and paid by the municipality exceeded the anticipated future additional municipal contribution resulting from the first regular actuarial valuation must be refunded to the municipality."

Page 17, after line 30, insert:

"Section 1 is effective the day following final enactment."

Page 17, lines 31 and 34, delete "1" and insert "2"

Page 18, line 1, delete "2" and insert "3"

Renumber the sections of article 6 in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 2103 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	Cohen	Freeman	McGowan	Piper
Anderson	Dahl	Gustafson	McQuaid	Pogemiller
Beckman	Davis	Hughes	Mehrkens	Purfeerst
Belanger	Decker	Johnson, D.J.	Merriam	Ramstad
Benson	DeCramer	Knaak	Metzen	Reichgott
Berg	Dicklich	Kroening	Moe, D.M.	Renneke
Berglin	Diessner	Laidig	Moe, R.D.	Samuelson
Bernhagen	Flynn	Langseth	Morse	Spear
Bertram	Frank	Lantry	Novak	Storm
Brandl	Frederick	Lessard	Pariseau	Stumpf
Brataas	Frederickson, D.J.	Luther	Pehler	Vickerman
Chmielewski	Frederickson, D.R.	Marty	Piepho	

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. 1787 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 1787: A bill for an act relating to education; modifying the maximum effort education facility aid law capital loan program and review and comment procedures for certain construction; appropriating money; amending Minnesota Statutes 1988, sections 121.148, subdivision 2; 121.15, subdivisions 1, 7, and 8; Minnesota Statutes 1989 Supplement, sections 121.15, subdivision 2; 124.38, subdivision 7; Minnesota Statutes Second 1989 Supplement, section 124.2442, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 124; repealing Minnesota Statutes 1988, section 124.43, subdivisions 2, 3, 3a, 3b, 4, 5, and 6; and Minnesota Statutes 1989 Supplement, section 124.43, subdivision 1.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 2173 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 2173: A bill for an act relating to the environment; providing assistance to eligible recipients on methods to prevent toxic pollution; providing financial assistance to research and demonstrate alternative means to prevent toxic pollution; requiring facilities to develop plans to prevent toxic pollution; providing penalties; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 115D.

Mr. Lessard moved to amend S.F. No. 2173 as follows:

Page 10, line 7, delete everything after "a"

Page 10, delete lines 8 to 19 and insert "*fee based on the total pounds of toxic pollutants reported released per facility. Facilities reporting less than 25,000 pounds annually of toxic pollutants released per facility shall be assessed a fee of \$500. Facilities reporting annual releases of toxic pollutants in excess of 25,000 pounds shall be assessed a graduated fee at the rate of two cents per pound of toxic pollutants reported, not to exceed a total of \$30,000 per facility.*"

Page 10, line 22, delete "\$2,000" and insert "\$500"

Page 10, line 27, delete "October 1" and insert "January 1"

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 2173 as follows:

Page 1, after line 10, insert:

"ARTICLE 1"

Page 12, after line 8, insert:

"ARTICLE 2

**COMPREHENSIVE CHLOROFLUOROCARBON REDUCTION
AND RECYCLING ACT OF 1990**

Section 1. [CITATION.]

Sections 1 to 8 may be cited as the "comprehensive chlorofluorocarbon reduction and recycling act of 1990."

Sec. 2. [PURPOSE.]

It is the intent of the legislature to reduce the amount of CFCs used and emitted in Minnesota. Towards this goal, it is the legislature's intent that Minnesota industries use alternative chemicals when available and feasible. Where no alternative exists, CFCs should be recaptured and recycled whenever possible.

Sec. 3. Minnesota Statutes 1988, section 116.70, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 116.71 to ~~416.73~~ 116.7395.

Sec. 4. [116.735] [REQUIREMENTS TO RECYCLE CFCs.]

Subdivision 1. [SALVAGE AUTOMOBILES.] A person who processes automobiles for salvage must remove CFCs for recycling prior to disposal or sale of the materials containing CFCs. This subdivision does not apply to crushed automobiles or automobiles that have been processed in a

manner that makes removal and recovery of CFCs impossible.

Subd. 2. [REFRIGERATION EQUIPMENT.] *A person processing scrap refrigerators, central air conditioning units, or freezers must remove and recycle, destroy, or properly dispose of the CFCs.*

Subd. 3. [MOBILE AIR CONDITIONING EQUIPMENT.] *A person servicing or removing mobile air conditioning equipment must:*

(1) recapture CFCs, provide storage for recaptured CFCs, and transfer recaptured CFCs to a recycler; or

(2) recapture CFCs and recycle the CFCs to an allowed use.

Subd. 4. [SERVICING OF APPLIANCES.] *(a) A person servicing refrigerators, central air conditioning units, or freezers must:*

(1) recapture CFCs, provide storage for recaptured CFCs, and transfer recaptured CFCs to a recycler; or

(2) recapture CFCs and recycle the CFCs to an allowed use.

(b) The recovered CFCs may be properly disposed of or destroyed.

Subd. 5. [FOAM NOT REQUIRED TO BE RECYCLED.] *This section does not require recycling of rigid or flexible foam.*

Subd. 6. [RULES.] *The agency may adopt rules for recycling CFCs and establish standards for CFC recycling equipment under this section.*

Sec. 5. [116.737] [REQUIREMENT TO RECYCLE FIRE EXTINGUISHER HALONS.]

A person who recharges, services, or retires fire extinguishers must recapture and recycle halons.

Sec. 6. [116.7395] [MEDICAL DEVICE EXEMPTION.]

Sections 1 to 5 do not apply to processes using CFCs or halons on medical devices, in sterilization processes in health care facilities, or by a person or facility in manufacturing or selling of medical devices.

Sec. 7. [116.7397] [UNIFORM CFC REGULATION.]

It is the policy of this state to regulate and manage CFCs in a uniform manner throughout the state. Political subdivisions may not adopt, and are preempted from adopting or enforcing, requirements relating to CFCs that are different than state law.

Sec. 8. [325E.35] [SALE OF CERTAIN CFC PRODUCTS PROHIBITED.]

Subdivision 1. [MOTOR VEHICLE COOLANTS.] *A person may not offer for sale or sell CFC coolants in containers weighing less than 15 pounds that are designed for or are suitable for use in motor vehicle air conditioners except to persons who possess CFC recycling equipment and who present proof of ownership of CFC recycling equipment at the time of purchase.*

Subd. 2. [SOLVENTS.] *A person may not offer for sale or sell solvents containing CFCs in containers weighing 15 pounds or less.*

Subd. 3. [PARTY STREAMERS.] *A person may not offer for sale or sell CFC propelled party streamers.*

Subd. 4. [NOISE HORNS.] *A person may not offer for sale or sell CFC*

noise horns.

Subd. 5. [CFC DEFINITION.] For purposes of this section, the term "CFC" has the definition given in section 116.70, subdivision 3.

Subd. 6. [APPLICABILITY TO NEW CHEMICALS.] For each new chemical added to section 116.70, subdivision 3, after the effective date of this act, the application of this section to the new chemical is effective on the date specified for elimination of production of that chemical in the Montreal Treaty.

Sec. 9. [EFFECTIVE DATE.]

Section 4, subdivisions 1 and 2, are effective July 1, 1991. Section 4, subdivision 3, and section 8, subdivisions 1, 3, and 4, are effective January 1, 1993. Section 8, subdivision 2, is effective January 1, 1994."

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mrs. Pariseau moved to amend S.F. No. 2173 as follows:

Page 11, after line 16, insert:

"Sec. 14. [STUDY.]

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

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. 2173 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	Cohen	Freeman	McGowan	Piper
Anderson	Dahl	Gustafson	McQuaid	Pogemitter
Beckman	Davis	Hughes	Mehrkens	Purfeerst
Belanger	Decker	Johnson, D.J.	Merriam	Ramstad
Benson	DeCramer	Knaak	Metzen	Reichgott
Berg	Dicklich	Kroening	Moe, D.M.	Renneke
Berglin	Diessner	Laidig	Moe, R.D.	Samuelson
Bernhagen	Flynn	Langseth	Morse	Spear
Bertram	Frank	Lantry	Novak	Storm
Brandl	Frederick	Lessard	Pariseau	Stumpf
Brataas	Frederickson, D.J.	Luther	Pehler	Vickerman
Chmielewski	Frederickson, D.R.	Marty	Piepho	

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

MEMBERS EXCUSED

Mr. Peterson, R. W. was excused from the Session of today. Messrs. Mehrkens and Spear were excused from the Session of today from 10:00 a.m. to 12:00 noon. Mr. Lessard was excused from the Session of today from 1:15 to 1:30 p.m. and 3:15 to 3:30 p.m. Mr. Dahl was excused from the Session of today from 3:00 to 3:45 p.m. Mr. Frank was excused from the Session of today from 7:30 to 8:00 p.m. Mr. Samuelson was excused from the Session of today from 7:30 to 9:00 p.m. Messrs. Johnson, D.E.; Schmitz and Solon were excused from the Session of today at 8:30 p.m. Mr. Larson and Ms. Olson were excused from the Session of today at 9:00 p.m. Mr. Waldorf was excused from the Session of today at 9:30 p.m. Mr. Purfeerst was excused from the Session of today at 9:45 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Monday, April 9, 1990. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate