

THIRTY-SECOND DAY

St. Paul, Minnesota, Thursday, April 11, 1991

The Senate met at 2:00 p.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Dicklich 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. Charles R. Christensen.

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

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

The President declared a quorum present.

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

MEMBERS EXCUSED

Messrs. Dahl, Hughes and Knaak were excused from the Session of today. Mr. Pogemiller was excused from the Session of today from 2:00 to 2:20 p.m.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

March 5, 1991

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

I have made the following appointments:

Greater Minnesota Corporation Advisory Board - Mr. Sams

Task Force on Affirmative Action in Metro Agencies - Ms. Berglin, Messrs. Marty, Mondale, Frank, Flynn, Laidig and Mrs. Benson, J.E.

Respectfully,
Roger D. Moe
Senate Majority Leader

March 5, 1991

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to Minnesota Statutes 1990, I have made the following appointment:

Section 3.303: Legislative Coordinating Commission - Messrs. Luther and Kelly

Respectfully,
Roger D. Moe
Senate Majority Leader

March 5, 1991

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

Pursuant to Minnesota Statutes 1990, I have made the following appointments:

Section 3.97: Legislative Audit Commission - Messrs. Benson, D.D.; Neuville and Mrs. Pariseau

Section 3.855: Legislative Commission on Employee Relations - Mrs. Brataas

Section 3.303: Legislative Coordinating Commission - Mr. Bernhagen

Respectfully,
Duane D. Benson
Senate Minority Leader

April 9, 1991

The Honorable Jerome M. Hughes
President of the Senate

Dear Sir:

The Subcommittee on Committees met and by appropriate action made the following appointments:

Pursuant to Laws 1985

Chapter 256: Joint Legislative Committee on Agricultural Land Preservation and Soil and Water Conservation - Messrs. Hottinger, Berg, Davis, Day, Neuville, Beckman, Sams and Vickerman

Pursuant to Laws 1988

Chapter 603, Section 6: Transportation Study Board - Messrs. Langseth, Novak and DeCramer. Mr. Mehrkens through July 15, 1991, replaced by Ms. Johnston after July 15, 1991.

Pursuant to Laws 1989

Chapter 279, Section 7: State Advisory Council on Metropolitan Airport Planning - Messrs. Langseth, Belanger and Ms. Flynn

Chapter 282, Article 2, Section 217: Inventory, Referral, and Intake Systems (IRIS) Coordinating Committee - Messrs. Pogemiller and Storm

Chapter 309, Section 1: Electric Utility Service Areas Task Force - Mr. Novak, Mrs. Pariseau, Messrs. Vickerman, Beckman and Frank

Chapter 335, Article 1, Section 53: Legislative Task Force on Minerals - Messrs. Lessard; Dicklich; Frederickson, D.J. and Frederickson, D.R.

Chapter 350, Article 3: Agricultural Data Collection Task Force - Messrs. Davis and Renneke

Senate Rule 75: Senate Special Committee on Ethical Conduct - Messrs. Belanger; Hughes; Johnson, D.E. and Marty

Pursuant to Minnesota Statutes 1990

Section 116C.839: Advisory Committee on Low-Level Radioactive Waste - Messrs. Mondale, Finn and Frederickson, D.R.

Section 1.34: Legislative Advisory Committee to the Minnesota-Wisconsin Boundary Area Commission - Messrs. Mehrkens, Metzen, Morse, Laidig and Price

Section 299A.23: Advisory Council on Children's Trust Fund - Ms. Traub and Mr. Neuville

Section 84B.11: Citizens Council on Voyageurs National Park - Messrs. Kroening and McGowan

Section 3.9226: Council on Asian-Pacific Minnesotans - Mr. Marty and Ms. Pappas

Section 299A.31: Drug Abuse Prevention Resource Council - Ms. Ranum

Section 121.82: Education Commission of the States - Mr. Hughes

Section 16B.27: Governor's Residence Council - Ms. Olson

Sections 1.21 and 1.22: Great Lakes Commission - Messrs. Dicklich and Novak

Section 3.922: Indian Affairs Council - Mses. Pappas, Ranum and Mr. Larson

Section 236A.01: Interstate Agricultural Grain Marketing Commission - Mr. Davis

Section 298.22: Iron Range Resources and Rehabilitation Board - Messrs. Chmielewski; Dicklich; Johnson, D.J.; Lessard and Solon

Section 3.9222: Legislative Commission on the Economic Status of Women - Meses. Traub; Johnson, J.B.; Piper; Berglin and Johnston

Section 116P.05: Legislative Commission on Minnesota Resources - Messrs. Dahl; Luther; Moe, R.D.; Frederickson, D.R.; Renneke and Berg

Section 3.85: Legislative Commission on Pensions and Retirement - Messrs. Pogemiller, Renneke, Waldorf, Morse and Stumpf

Section 3.865: Legislative Commission on Public Education - Messrs. Dahl; Dicklich; Frederickson, D.J.; DeCramer; Larson and Mrs. Benson, J.E.

Section 115A.14: Legislative Commission on Waste Management - Messrs. Dahl, Mondale, Merriam, Ms. Johnson, J.B. and Mr. Storm

Section 3.9227: Legislative Commission on Child Protection - Mrs. Adkins, Ms. Ranum, Mrs. Pariseau, Mr. Bertram and Ms. Reichgott

Section 256B.504: Legislative Commission on Long-Term Health Care - Ms. Berglin, Messrs. Bertram, Halberg, Storm, Sams, Finn and Ms. Piper

Section 3.841: Legislative Commission to Review Administrative Rules - Messrs. Knaak, Belanger, Hottinger, Riveness and Mrs. Adkins

Section 3.887: Legislative Water Commission - Messrs. Neuville, Morse, DeCramer, Price and Davis

Section 135A.21: Midwestern Higher Education Commission - Mr. Hottinger

Section 240A.02: Minnesota Amateur Sports Commission - Mr. Luther

Section 116J.691: Minnesota Project Outreach Corporation - Mr. Morse

Section 161.1419: Mississippi River Parkway Commission - Messrs. Bernhagen, Metzen and Finn

Section 290.173: Multistate Tax Compact Advisory Committee - Messrs. Price and Belanger

Section 3.9225: State Council on Black Minnesotans - Ms. Pappas and Mr. Knaak

Section 16B.41: State Information Systems Advisory Task Force - Messrs. Stumpf and Storm

Section 44A.01: World Trade Center Board - Messrs. Mehrkens, Luther and Beckman

Respectfully,
Roger D. Moe, Chair
Subcommittee on Committees

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the adoption by the House of the following

House Concurrent Resolution, herewith transmitted: House Concurrent Resolution No. 3.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1991

House Concurrent Resolution No. 3: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

BE IT RESOLVED by the House of Representatives of the State of Minnesota, the Senate concurring:

The House of Representatives and the Senate shall meet in joint convention on Wednesday, April 17, 1991, at 12 o'clock, noon in the chamber of the House of Representatives to elect members to the Board of Regents of the University of Minnesota.

Mr. Moe, R.D. moved the adoption of the foregoing resolution. The motion prevailed. So the resolution was adopted.

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 196, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 196 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1991

CONFERENCE COMMITTEE REPORT ON H.F. NO. 196

A resolution memorializing the Congress of the United States to enact the POW/MIA truth bill, that relates to the disclosure of live sighting information on American service personnel missing in action from World War II, Korea, and Vietnam.

April 5, 1991

The Honorable Robert Vanasek
Speaker of the House of Representatives

The Honorable Jerome M. Hughes
President of the Senate

We, the undersigned conferees for H.F. No. 196, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 196 be further amended as follows:

Page 2 of the Senate amendment, delete lines 7 to 10, and insert:

"BE IT RESOLVED by the Legislature of the State of Minnesota that it urges the Congress of the United States to begin immediate committee

hearings and requests action on the POW/MIA truth bill."

We request adoption of this report and repassage of the bill.

House Conferees: (Signed) Pat Beard, Robert P. Milbert, Dennis R. Newinski

Senate Conferees: (Signed) Joe Bertram, Sr., Janet Johnson, Gary W. Laidig

Mr. Bertram moved that the foregoing recommendations and Conference Committee Report on H.F. No. 196 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 196 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 59 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, D.J.	Mehrkens	Renneke
Beckman	Day	Johnson, J.B.	Metzen	Riveness
Belanger	DeCramer	Johnston	Moe, R.D.	Sams
Benson, D.D.	Finn	Kelly	Mondale	Samuelson
Benson, J.E.	Flynn	Kroening	Morse	Solon
Berg	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Olson	Storm
Bernhagen	Frederickson, D.R.	Larson	Pappas	Stumpf
Bertram	Gustafson	Lessard	Piper	Traub
Brataas	Halberg	Luther	Price	Vickerman
Chmielewski	Hottinger	Marty	Ranum	Waldorf
Cohen	Johnson, D.E.	McGowan	Reichgott	

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

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 1209.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted April 10, 1991

FIRST READING OF HOUSE BILLS

The following bill was read the first time.

H.F. No. 1209: A resolution memorializing the President and Congress to condemn the use of Soviet military force in the Baltic Republics and support the Baltic Republics for their self-determination.

Mr. Moe, R.D. moved that H.F. No. 1209 be laid on the table. The motion prevailed.

REPORTS OF COMMITTEES

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 1182: A bill for an act relating to state buildings; requiring the commissioner of finance to prepare a debt capacity forecast covering the next six fiscal years and all types of debt instruments; requiring capital facilities notes; requiring the commissioner of administration to review capital budget requests for state buildings; requiring a report; amending Minnesota Statutes 1990, section 16A.11, subdivisions 1 and 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 16A and 16B.

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

Page 2, line 18, strike "shall" and before "contain" insert "*must*"

Page 2, lines 20, 23, and 35, strike "shall" and insert "*must*"

Page 2, line 29, after "positions" insert a comma

Page 3, line 4, strike "shall" and insert "*must*"

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 743: A bill for an act relating to state government; requiring the supreme court to prepare fiscal notes in certain circumstances; amending Minnesota Statutes 1990, sections 3.98, subdivision 1; and 3.982.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 798: A bill for an act relating to public employees; regulating insurance benefits; amending Minnesota Statutes 1990, sections 43A.13, by adding a subdivision; and 43A.316, subdivision 8.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 43A.04, is amended by adding a subdivision to read:

Subd. 10. [EQUITABLE COMPENSATION COMPLIANCE.] The commissioner may adopt rules under the administrative procedure act to assure compliance with sections 471.991 to 471.999.

Sec. 2. Minnesota Statutes 1990, section 43A.13, is amended by adding a subdivision to read:

Subd. 9. [DISABLED FORMER EMPLOYEES.] A former classified employee who is receiving disability benefits under a state retirement plan remains eligible for reemployment.

Sec. 3. Minnesota Statutes 1990, section 43A.316, subdivision 8, is amended to read:

Subd. 8. [CONTINUATION OF COVERAGE.] (a) A former employee who is 55 years old or older and is receiving a public pension disability benefit or an annuity or is 55 years old or older and has met the age and service requirements necessary to receive an annuity under chapter 353, 353C, 354, 354A, 356, 422A, 423, 423A, or 424 is eligible to participate in the plan, ~~except that~~. A former employee who is ~~over age 65 years old or older and is not eligible for enrolled in Medicare coverage~~ is not eligible to participate in the plan. This participation is at the person's expense unless a collective bargaining agreement or personnel policy provides otherwise. Premiums for these participants must be established by the commissioner. The commissioner shall establish sets of health insurance premiums for the ~~following various classes including but not limited to:~~

(1) all ~~participants~~ former employees eligible under this paragraph who are under age 65; ~~and~~

(2) all ~~participants~~ former employees eligible under this paragraph who are ~~over age 65 years old or older and are receiving enrolled in Medicare coverage;~~ and

(3) all former employees eligible under this paragraph whose group participates in the plan.

The commissioner may provide policy exclusions for preexisting conditions only when there is a break in coverage between a participant's coverage under a group insurance plan as an employee and the participant's coverage under this section. An employer shall notify an employee of the option to participate under this paragraph no later than the effective date of retirement. The retired employee or the employer of a participating group on behalf of a current or retired employee shall notify the commissioner within 30 days of the effective date of retirement of intent to ~~exercise this option participate in the plan according to the rules established by the commissioner.~~

(b) The spouse of a deceased, active, or former employee may purchase the benefits provided at premiums established by the commissioner if the spouse was a dependent under the active or former employee's coverage under this section at the time of the death. Coverage under this clause must be coordinated with relevant insurance benefits provided through the federally sponsored Medicare program.

(c) The plan benefits must continue in the event of strike permitted by section 179A.18, if the exclusive representative chooses to have coverage continue and the employee pays the total monthly premiums when due.

(d) ~~A person who desires to participate under paragraphs (a) to (c) shall notify the commissioner of intent to participate according to rules established by the commissioner. The eligible employer shall notify the commissioner and coverage begins as soon as the commissioner permits.~~

(e) A participant who discontinues coverage may not reenroll.

Persons participating under these paragraphs shall make appropriate premium payments in the time and manner established by the commissioner.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public employees; authorizing rulemaking; regulating insurance benefits; amending Minnesota Statutes 1990, sections 43A.04, by adding a subdivision; 43A.13, by adding a subdivision; and 43A.316, subdivision 8."

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 237: A bill for an act relating to motor vehicles; registration; abolishing authority to appoint corporations or private individuals other than persons acting on behalf of nonprofit corporations as deputy registrars; providing for the transfer of appointments of corporations as deputy registrars to private individuals in certain circumstances; requiring county auditors to accept appointments as deputy registrars except in certain situations; permitting any other county official or any statutory or home rule charter city official to be appointed as a deputy registrar; permitting counties to contract with private individuals for deputy registrar services in certain instances; requiring the registrar of motor vehicles to adopt rules governing the hours of operation of deputy registrars; permitting private individuals holding appointments as deputy registrars or qualifying for transfers of appointments held by corporations to continue to operate as deputy registrars; amending Minnesota Statutes 1990, section 168.33, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 168.33, subdivision 2, is amended to read:

Subd. 2. [POWERS.] The registrar ~~shall have the power to~~ may appoint, hire, and discharge and fix the compensation of the necessary employees, in the manner provided by law, as may be required to enable the registrar to properly carry out the duties imposed by ~~the provisions of~~ this chapter. The registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, without regard to whether the county auditor of the county in which the city is situated has been appointed as the deputy registrar for the county or has been discontinued as the deputy registrar for the county, and without regard to whether the county in which the city is situated has established a county license bureau which issues motor vehicle licenses as provided in section 373.32.

The registrar may appoint, and for cause discontinue, a deputy registrar for any city as the public interest and convenience may require, if the auditor for the county in which the city is situated chooses not to accept appointment as the deputy registrar for the county or is discontinued as a deputy registrar, or if the county in which the city is situated has not established a county license bureau which issues motor vehicle licenses as provided in section

373.32. ~~Any~~ A person appointed by the registrar as a deputy registrar for ~~any~~ a city ~~shall must~~ be a resident of the county in which the city is situated.

The registrar may appoint, and for cause discontinue, the county auditor of each county as a deputy registrar. Upon approval of the county board, the auditor, with the approval of the director of motor vehicles, may appoint, and for cause discontinue, the clerk or equivalent officer of each city or any other person as a deputy registrar as public interest and convenience may require, regardless of the appointee's county of residence. Notwithstanding any other provision, a person other than a county auditor or a director of a county license bureau, who was appointed by the registrar before August 1, 1976, as a deputy registrar for any city, may continue to serve as deputy registrar and may be discontinued for cause only by the registrar. The county auditor who appointed the deputy registrars ~~shall be~~ is responsible for the acts of deputy registrars appointed by the auditor. Each ~~such~~ deputy, before entering upon the discharge of duties, shall take and subscribe an oath to faithfully discharge the duties and to uphold the laws of the state. If a deputy registrar appointed ~~hereunder~~ under this subdivision is not an officer or employee of a county or city, ~~such the~~ deputy ~~shall must~~ in addition give bond to the state in the sum of \$10,000, or ~~such~~ a larger sum as may be required by the registrar, conditioned upon the faithful discharge of duties as deputy registrar. A corporation governed by chapter 302A may be appointed a deputy registrar. Upon application by an individual serving as a deputy registrar and the giving of the requisite bond as provided in this subdivision, personally assured by the individual or another individual approved by the commissioner of public safety, a corporation named in an application shall become the duly appointed and qualified successor to the deputy registrar. Each deputy registrar appointed ~~hereunder~~ shall keep and maintain, in a convenient public place within or in close proximity to the place for which appointed, a registration and motor vehicle tax collection bureau, to be approved by the registrar, for the registration of motor vehicles and the collection of motor vehicle taxes ~~thereon~~. The deputy registrar shall keep ~~such~~ records and make ~~such~~ reports to the registrar as that ~~officer the~~ registrar, from time to time, may require. ~~Such~~ The records ~~shall must~~ be maintained at the facility of the deputy registrar. The records and facilities of the deputy registrar ~~shall must~~ at all times be open to the inspection of the registrar or the registrar's agents. The deputy registrar shall report to the registrar by the next working day following receipt all registrations made and taxes and fees collected by the deputy registrar. A deputy registrar who is a public official shall deposit the filing fee imposed pursuant to under subdivision 7 ~~shall be deposited~~ in the treasury of the place for which the deputy is appointed; ~~or if. A deputy who is not a public official, such deputy shall may~~ retain the filing fee, but shall deposit the registration tax and any additional fees for delayed registration the deputy registrar has collected the deputy registrar shall deposit by the next working day following receipt in an approved state depository to the credit of the state through the state treasurer. The place for which the deputy registrar is appointed through its governing body shall provide the deputy registrar with facilities and personnel to carry out the duties imposed by this subdivision if ~~such the~~ deputy is a public official. In all other cases, the deputy shall maintain a suitable facility for serving the public.

Sec. 2. [TRANSFER OF APPOINTMENT.]

Notwithstanding Minnesota Statutes, section 168.33, subdivision 2, an appointing authority shall transfer the appointment of a corporation as a

deputy registrar to the person who, in an individual capacity, held the appointment for that office before the appointment of the corporation or, if a corporation has been sold or transferred since its appointment as a deputy registrar, to the purchaser or transferee or, if more than one, one of the purchasers or transferees. To qualify for a transfer of an appointment under this section, a person shall apply in writing to the registrar by August 1, 1991, and shall provide whatever information the registrar might require."

Delete the title and insert:

"A bill for an act relating to motor vehicles; registration; abolishing authority to appoint corporations or private individuals other than persons acting on behalf of nonprofit corporations as deputy registrars; providing for the transfer of appointments of corporations as deputy registrars to private individuals in certain circumstances; amending Minnesota Statutes 1990, section 168.33, subdivision 2."

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

Mr. Waldorf from the Committee on Governmental Operations, to which was referred

S.F. No. 447: A bill for an act relating to the University of Minnesota; changing the structure of certain bargaining units; amending Minnesota Statutes 1990, section 179A.11, subdivision 1.

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

Page 1, line 12, strike "12" and insert "13"

Page 3, lines 14 to 16, delete the new language and insert "*The academic professional and administrative staff unit consists of all academic professional and administrative staff positions that are not defined as included in an instructional unit, the supervisory unit, the clerical unit, or the technical unit.*"

Page 3, line 20, delete "*or the*"

Page 3, line 21, delete the new language and insert "*, the academic professional and administrative staff unit, or the supervisory unit*"

Page 3, after line 23, insert:

"Sec. 2. Minnesota Statutes 1990, section 179A.11, subdivision 2, is amended to read:

Subd. 2. [UNIVERSITY OF MINNESOTA EMPLOYEE SEVERANCE.] Each of the following groups of University of Minnesota employees ~~shall have~~ has the right, as specified in this subdivision, to separate from the instructional and supervisory units: (1) health sciences instructional employees at all campuses with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (2) instructional employees of the law school with the rank of professor, associate professor, assistant professor, including research associate, or instructor, including research fellow, (3) instructional supervisors, ~~and~~ (4) noninstructional professional supervisors, ~~and~~ (5) *academic professional and administrative staff supervisors*. This right ~~shall~~ may be exercised by petition between September 1 and November 1. If a group

separates from its unit, it has no right to meet and negotiate, but retains the right to meet and confer with the appropriate officials on any matter of concern to ~~them~~ *the group*. The right to separate ~~shall~~ *must* be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their unit may petition the commissioner for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support from the employees, the commissioner shall hold an election on the separation issue. This election ~~shall~~ *must* be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from their unit, the commissioner shall certify that result. ~~This election shall.~~ Where not inconsistent with other provisions of this section, ~~be~~ *the election* is governed by section 179A.12. If a group of employees severs, ~~they~~ *it* may rejoin that unit by following the procedures for severance during the periods for severance."

Amend the title as follows:

Page 1, lines 4 and 5, delete "subdivision 1" and insert "subdivisions 1 and 2"

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

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

S.F. No. 950: A bill for an act relating to public safety; requiring tenants to covenant not to allow any controlled substances on rental property; allowing the closing of an alleged disorderly house during pretrial release of owner; lowering the threshold amount of seized controlled substance necessary to warrant unlawful detainer action; providing that certain weapons offenses and controlled substance seizures and arrests may form the basis for a nuisance action; amending Minnesota Statutes 1990, sections 504.181, subdivision 1; 609.33, by adding a subdivision; 609.5317, subdivision 4; 617.80, subdivision 8; and 617.81, subdivisions 2 and 3, and by adding a subdivision.

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

Page 1, line 21, after "that" insert ":

(1)" and after "not" insert "unlawfully"

Page 1, line 22, strike "the" and insert "those" and strike the first comma and insert ";

(2) *the*" and strike the second comma and reinstate the stricken "will not be used by"

Page 1, lines 23 and 24, reinstate the stricken language

Page 1, line 25, reinstate the stricken "distribute, or possess"

Page 1, line 26, reinstate the stricken "a controlled"

Page 1, line 27, reinstate the stricken language

Page 1, after line 27, insert:

"The covenant is not violated when a person other than the lessee or licensee possesses or allows controlled substances in the premises, common

area, or curtilage, unless the tenant knew or had reason to know of that activity."

Page 2, line 15, before the period, insert "*, but this section does not subject real property to forfeiture under section 609.5311 unless the retail value of the controlled substance is: (1) \$100 or more; or (2) there have been two previous controlled substance seizures involving the same tenant*"

Page 3, line 8, delete "*clause (1),*"

Page 3, line 19, after "*events*" insert "*that occurred on different days*"

Page 3, line 23, before the period, insert "*within the building or on the building's curtilage*"

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

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

S.F. No. 588: A bill for an act relating to crime; providing penalties for intentional damage to timber or wood processing, manufacturing, or transportation equipment; providing penalties for possessing certain devices to damage timber or wood processing, manufacturing, or transportation equipment; providing penalties for unlawful interference with timber harvests; proposing coding for new law in Minnesota Statutes, chapter 609.

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

Page 1, line 13, delete "*to 3*" and insert "*and 2*"

Page 1, line 14, after "*trees*" insert "*, whether standing or down,*"

Page 1, line 15, delete "*whether standing or down, and*"

Page 1, line 18, delete everything after "*Whoever*" and insert a comma

Page 1, line 19, delete "*acts*" and delete everything after "*owner*" and insert a comma

Page 1, delete line 20

Page 1, line 21, delete the paragraph coding and delete "*(1)*"

Page 1, line 24, after "*hinder*" insert "*the*" and delete "*wood products;*" and insert "*timber, is guilty of a crime and may be sentenced as provided in subdivisions 3 and 4.*"

Page 1, delete lines 25 to 27

Page 2, line 9, delete "*shall*" and insert "*may*"

Page 2, line 10, after "*section*" insert "*, or of violating section 609.595 by damaging timber or commercial wood processing, manufacturing, or transportation equipment*"

Page 2, line 12, delete "*CERTAIN*"

Page 2, delete lines 15 and 16 and insert "*gross misdemeanor:*"

Page 2, line 20, after "*hinder*" insert "*the*" and delete "*wood products*" and insert "*timber*"

Page 2, line 22, delete "*tools*" and insert "*tool*"

Page 2, line 23, delete "wood" and insert "timber"

Page 2, delete section 3

Page 2, line 35, delete "to 3" and insert "and 2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 3 and 5, delete "or wood"

Page 1, line 7, delete everything after the semicolon

Page 1, line 8, delete everything before "proposing"

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

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

S.F. No. 945: A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, sections 17.491; and 17.492.

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

Delete everything after the enacting clause and insert:

"Section 1. [17.46] [SHORT TITLE.]

Sections 1 to 13 may be cited as the aquaculture development act.

Sec. 2. [17.47] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 1 to 13.

Subd. 2. [AQUACULTURE.] "Aquaculture" means the culture of private aquatic life for consumption or sale.

Subd. 3. [AQUATIC FARM.] "Aquatic farm" means a facility used for the purpose of culturing private aquatic life in waters, including but not limited to artificial ponds, vats, tanks, raceways, and other indoor or outdoor facilities that an aquatic farmer owns or has exclusive control of the surrounding land.

Subd. 4. [AQUATIC FARMER.] "Aquatic farmer" means an individual who practices aquaculture.

Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 6. [DEPARTMENT.] "Department" means the department of agriculture.

Subd. 7. [PRIVATE AQUATIC LIFE.] "Private aquatic life" means fish, shellfish, mollusks, crustaceans, and any other aquatic animals cultured within an aquatic farm. Private aquatic life is the property of the aquatic farmer.

Sec. 3. Minnesota Statutes 1990, section 17.49, is amended to read:

17.49 [AQUACULTURE PROGRAM AND PROMOTION.]

Subdivision 1. [PROGRAM ESTABLISHED.] The commissioner shall establish and promote a program for the ~~commercial raising of fish in fish farms of aquaculture~~ in consultation with an advisory committee consisting of the University of Minnesota, the commissioner of natural resources, the commissioner of agriculture, the commissioner of trade and economic development, the commissioner of the state planning agency, representatives of *the private fish raising aquaculture industry*, and the chairs of the environment and natural resources committees of the house of representatives and senate.

Subd. 2. [COORDINATION.] Aquaculture programs in the state must be coordinated through the commissioner of agriculture. The commissioner of agriculture shall direct the development of aquaculture in the state. Aquaculture research, projects, and demonstrations must be reported to the commissioner before state appropriations for the research, projects, and demonstrations are encumbered. The commissioner shall maintain a data base of aquaculture research, demonstrations, and other related information pertaining to aquaculture in the state.

Subd. 2a. [DEVELOPMENT PROGRAM.] *The commissioner may establish a Minnesota aquaculture development and aid program that may support applied research, demonstration, financing, marketing, promotion, broodstock development, and other services.*

Subd. 3. [REPORT.] The commissioner shall prepare an annual report on the amount of fish and aquaculture products ~~consumed~~ *produced* in the state, where the products were produced, the opportunities in the state for aquaculture development, and impediments to Minnesota development of aquaculture.

Sec. 4. [17.494] [AQUACULTURE PERMITS; RULES.]

The commissioner shall act as permit or license coordinator for aquatic farmers and shall assist aquatic farmers to obtain licenses or permits.

By July 1, 1992, a state agency issuing multiple permits or licenses for aquaculture shall consolidate the permits or licenses required for every aquatic farm location. The department of natural resources transportation permits are exempt from this requirement. State agencies shall adopt rules or issue commissioner's orders that establish permit and license requirements, approval timelines, and compliance standards.

Nothing in this section modifies any state agency's regulatory authority over aquaculture production.

Sec. 5. [17.495] [APPEAL PROCEDURES.]

A state agency that denies a license or permit to an aquatic farmer shall provide the aquatic farmer with a written notice specifying the reasons for refusal.

An aquatic farmer may appeal a state agency's denial of the license or permit in a contested case proceeding under Minnesota Statutes, chapter 14.

Sec. 6. [17.496] [QUARANTINE FACILITY; RULES.]

By July 1, 1992, the commissioner of natural resources shall adopt rules, in consultation with the commissioner of agriculture and the aquaculture

advisory committee, for the construction and operation of a quarantine facility for fish eggs presently requiring quarantine and disposition of fish from the facility. Fish in a quarantine station that are determined to be disease-free under the procedures developed by the commissioner of natural resources may be bought, sold, or transported.

Sec. 7. [17.497] [EXOTIC SPECIES IMPORTATION; RULES.]

The commissioner of natural resources shall establish rules, in consultation with the commissioner of agriculture and the aquaculture advisory committee, for approving or rejecting importation of "exotic" or genetically altered aquatic species to protect the integrity of the natural ecosystem and provide aquatic farmers with information that may affect business decisions.

Sec. 8. [17.498] [BEST AVAILABLE TECHNOLOGY; BEST MANAGEMENT PRACTICES.]

After consultation with the commissioners of agriculture and natural resources, the pollution control agency shall initiate rulemaking by October 1, 1991, to develop water quality permit requirements for aquaculture facilities. The requirements must take into consideration best available technology, best management practices, and water treatment practices that prevent and minimize degradation of waters of the state considering economic factors, availability, technical feasibility, effectiveness, and environmental effects. The rules must take into consideration classes, types, sizes, and categories of aquaculture facilities.

Sec. 9. Minnesota Statutes 1990, section 97A.025, is amended to read:

97A.025 [OWNERSHIP OF WILD ANIMALS.]

The ownership of wild animals of the state is in the state, in its sovereign capacity for the benefit of all the people of the state. A person may not acquire a property right in wild animals, or destroy them, unless authorized under the game and fish laws ~~or~~, sections 84.09 to 84.15, or sections 1 to 13.

Sec. 10. Minnesota Statutes 1990, section 297A.01, is amended by adding a subdivision to read:

Subd. 19. [AQUACULTURE PRODUCTION EQUIPMENT.] "Aquaculture production equipment" means new or used machinery, equipment, implements, accessories, and contrivances used directly and principally in aquaculture production. Aquaculture production equipment includes: augers and blowers, automatic feed systems, manual feeding equipment, shockers, gill nets, trap nets, seines, box traps, round nets and traps, net pens, dip nets, net washers, floating net supports, floating access walkways, net supports and walkways, growing tanks, holding tanks, troughs, raceways, transport tanks, egg taking equipment, egg hatcheries, egg incubators, egg baskets and troughs, egg graders, egg counting equipment, fish counting equipment, fish graders, fish pumps and loaders, fish elevators, air blowers, air compressors, oxygen generators, oxygen regulators, diffusers and injectors, air supply equipment, oxygenation columns, water coolers and heaters, heat exchangers, water filter systems, water purification systems, waste collection equipment, feed mills, portable scales, feed grinders, feed mixers, feed carts and trucks, power feed wagons, fertilizer spreaders, fertilizer tanks, forage collection equipment, land levelers, loaders, post hole diggers, disc, harrow, plow, and water diversion devices.

Sec. 11. Minnesota Statutes 1990, section 297A.02, subdivision 2, is

amended to read:

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of special tooling is four percent and upon sales of farm machinery *and aquaculture production equipment* is two percent.

Sec. 12. Minnesota Statutes 1990, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Provided, however, that the restrictions in this subdivision do not apply to corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to ~~(s)~~ (s) under which the agricultural land is owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to ~~(s)~~ (s):

(a) A bona fide encumbrance taken for purposes of security;

(b) A family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;

(c) Agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) Agricultural land operated for research or experimental purposes with the approval of the commissioner of agriculture, provided that any commercial sales from the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to May 1, 1988, must comply with all requirements of this clause except the requirement for initial approval of the project;

(e) Agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod;

(f) Agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of May 20, 1973, or to the limited partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a limited partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) Agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious, or charitable nonprofit corporation or by a pension or investment fund or limited partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or limited partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) Agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or limited partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or limited partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) Agricultural lands acquired by a pension or investment fund or a corporation or limited partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year or five-year period except under a lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year or five-year limitation period shall be deemed a covenant running with the title to the land against any pension or investment fund or corporate or limited partnership grantee or assignee or the successor of such pension or investment fund or corporation or limited partnership. Notwithstanding the five-year

divestiture requirement under this clause, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must divest of the agricultural land within the ten-year period;

(j) Agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership;

(k) Agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973, for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) All agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d), but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) A corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) Agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of this subdivision under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975, in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) Agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978, and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) An interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) Agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;

(r) The acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986, section 500.24, subdivision 2, paragraph (d),

or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(s) Agricultural land owned or leased as a necessary part of an aquatic farm as defined in section 2, subdivision 3.

Sec. 13. [REPEALER.]

Minnesota Statutes 1990, section 17.492, is repealed.

Sec. 14. [EFFECTIVE DATE.]

Sections 1 to 13 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for development of aquaculture; imposing a two percent excise tax on sales of aquaculture production equipment; amending Minnesota Statutes 1990, sections 17.49; 97A.025; 297A.01, by adding a subdivision; 297A.02, subdivision 2; and 500.24, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1990, section 17.492."

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

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

S.F. No. 928: A bill for an act relating to agriculture; providing for enforcement of agricultural laws; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Delete everything after the enacting clause and insert:

"Section 1. [17.981] [DEFINITION.]

As used in sections 1 to 4, "person" means an individual, corporation, association, cooperative, or partnership.

Sec. 2. [17.982] [CRIMINAL AND ADMINISTRATIVE PENALTIES.]

Subdivision 1. [CRIMINAL PENALTIES.] A person who violates chapter 29, 31, 31A, or 34 for which a penalty has not been prescribed is guilty of a misdemeanor.

Subd. 2. [ADMINISTRATIVE PENALTIES.] (a) The commissioner may, as an alternative to misdemeanor prosecution, impose an administrative penalty on a person who violates a statute or rule enforceable by the commissioner. For a first violation, the commissioner may impose an administrative penalty of not more than \$1,000 for each violation. For a second or succeeding violation, the commissioner may impose an administrative penalty of not more than \$1,500 for each violation. Each day a violation continues is a separate violation.

(b) In determining the amount of the administrative penalty the commissioner may consider:

- (1) *the willfulness of the violation;*
- (2) *the gravity of the violation;*
- (3) *the person's history of past violations;*
- (4) *the number of violations;*
- (5) *the economic benefit from the violation; and*
- (6) *other factors identified in the commissioner's citation.*

(c) For a second or succeeding violation, the commissioner shall determine the amount of a penalty by considering the factors in paragraph (b) and:

- (1) similarity between the violations;*
- (2) time elapsed since the last violation; and*
- (3) the person's response to the most recent violation.*

Sec. 3. [17.983] [ADMINISTRATIVE PENALTIES AND ENFORCEMENT.]

Subdivision 1. [ADMINISTRATIVE PENALTIES; CITATION.] If a person has violated chapter 29, 31, 31A, or 34, the commissioner may issue a written citation to the person by personal service or by certified mail. The citation shall describe the nature of the violation and the statute or rule alleged to have been violated; state the time for correction; and the amount of any proposed fine. The citation must advise the person to notify the commissioner in writing within 30 days if the person wishes to appeal the citation. If the person fails to appeal the citation, the citation is the final order and not subject to further review.

Subd. 2. [FAILURE TO CORRECT.] If a person fails to correct a violation within the time prescribed by the commissioner, the commissioner shall notify the person by certified mail of the failure to correct and the penalty amount assessed. The notice must state that the person must notify the commissioner in writing within 30 days if the person wishes to appeal the penalty. If the person fails to appeal the penalty in writing within 30 days of receipt of the notice, the penalty is a final order and not subject to further review.

Subd. 3. [CONTESTED CASE.] If a person appeals a citation or a penalty assessment within the time limits in subdivisions 1 and 2, the commissioner, within 40 days after receiving the appeal, shall initiate a contested proceeding under chapter 14. The report of the administrative law judge is the final decision of the commissioner of agriculture.

Sec. 4. [17.984] [INVESTIGATION.]

Subdivision 1. [AUTHORITY.] The commissioner may, upon presenting appropriate credentials, enter and inspect any premises subject to the commissioner's authority, under chapter 29, 31, 31A, or 34, and all related conditions, structures, machines, apparatus, devices, equipment, and materials during regular working hours and at other reasonable times; question any employer, owner, operator, agent, or employee; and inspect any papers, books, documents, or records; and audit business records. The commissioner may issue notices in lieu of citations for minor violations if a notice is in the public interest.

Subd. 2. [FAILURE TO COMPLY.] The commissioner may administer

oaths, take and cause to be taken depositions of witnesses, and issue subpoenas, and may petition the district court in the county in which the premises is located to compel compliance with the commissioner's orders and activities under this section."

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

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

S.F. No. 1050: A bill for an act relating to agriculture; eliminating certain requirements for processing of farmstead cheese; amending Minnesota Statutes 1990, section 32.486, subdivision 1a.

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

Page 1, line 9, reinstate the stricken "(a)"

Page 1, line 12, reinstate the stricken "(b)"

Page 1, line 14, after the stricken period, insert "*The commissioner may require pasteurization if test samples demonstrate cheese and cultured dairy foods are not free of pathogens. The commissioner must inspect facilities at least four times each year.*"

Amend the title as follows:

Page 1, line 2, delete "eliminating" and insert "permitting"

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

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

S.F. No. 1042: A bill for an act relating to natural resources; modifying the uses of state parks working capital account funds; amending Minnesota Statutes 1990, section 85.22, subdivisions 1 and 2a.

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

Mr. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 324: A bill for an act relating to lawful gambling; abolishing the department of gaming and the position of commissioner of gaming; removing paddlewheels from the definition of lawful gambling; changing the membership of the gambling control board; clarifying the prohibition on video games of chance; amending Minnesota Statutes 1990, sections 15A.081, subdivision 1; 240.011; 240.02, subdivisions 1 and 2; 240.06, subdivision 8; 240.28; 349.12, subdivisions 10, 18, 21, and 24; 349.151, subdivision 2; 349.153; 349.163, subdivisions 1 and 4; 349.167, subdivision 4; 349.168, subdivision 3; 349.169, subdivision 2; 349.18, subdivision 1; 349.212, subdivision 6; 349A.01, subdivisions 5 and 9; 349A.02, subdivisions 1, 4, 5, 6, and 8; 349A.03, subdivision 1; 349A.06, subdivisions 2 and 5; 349A.08, subdivision 7; 349A.10, subdivisions 3 and 4; 349A.11; 349A.12, subdivision 4; 609.75, subdivision 4, and by adding a subdivision; 609.755;

609.76, subdivision 1; repealing Minnesota Statutes 1990, section 240.01, subdivision 15; 349.12, subdivisions 12 and 29; 349A.01, subdivisions 3, 4, and 6; and 349B.01.

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

Pages 1 to 3, delete section 1

Page 3, line 13, after the stricken "A" insert "*The*" and reinstate the stricken "division of"

Page 3, line 14, reinstate the stricken "pari-mutuel racing" and reinstate the stricken "in the department of gaming"

Page 3, line 15, after the stricken "division" reinstate the stricken language

Page 3, lines 16, 27, and 33, reinstate the stricken language

Page 3, line 22, strike everything after the period

Page 3, strike line 23

Page 3, line 34, reinstate the stricken "of gaming as a nonvoting member"

Pages 4 and 5, delete sections 4 to 7 and insert:

"Sec. 3. Minnesota Statutes 1990, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of gambling enforcement.

(e) "*Manufacturer*" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "*Distributor*" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

Sec. 4. [299L.07] [GAMBLING DEVICES.]

Subdivision 1. [RESTRICTION.] A person may not manufacture, sell, offer to sell, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, except that a gambling device may be:

(1) manufactured as provided in section 349.40;

(2) sold, offered for sale, or otherwise provided to a distributor licensed under subdivision 3; and

(3) sold, offered for sale, or otherwise provided to the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal-state compact under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721.

Subd. 2. [LICENSE REQUIRED.] A person may not manufacture or distribute gambling devices without having obtained a license under this section.

Subd. 3. [LICENSE ISSUANCE.] The commissioner may issue a license under this section if the commissioner determines that the applicant will conduct the business in a manner that will not adversely affect the public health, welfare, and safety or be detrimental to the effective regulation and control of gambling. A license may not be issued under this section to a person, or a corporation, firm, or partnership that has an officer, director, or other person with a direct or indirect financial or management interest of five percent or more, who has ever:

- (1) been convicted of a felony;*
- (2) been convicted of a crime involving gambling;*
- (3) been connected with or engaged in an illegal business; or*
- (4) had a license revoked or denied by another jurisdiction for a violation of law or rule related to gambling.*

Subd. 4. [APPLICATION.] An application for a manufacturer's or distributor's license must be on a form prescribed by the commissioner and must, at a minimum, contain:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;

(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation, subsidiary, or affiliate does business in Minnesota; and

(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.

Subd. 5. [INVESTIGATION.] Before a manufacturer's or distributor's license is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.

Subd. 6. [LICENSE FEE.] A license issued under this section is valid for one year. The annual fee for a license is \$5,000.

Subd. 7. [RENEWAL.] Upon making the same determination as in subdivision 3, the commissioner may renew a license issued under this section.

Subd. 8. [LICENSE SUSPENSION AND REVOCATION.] (a) The commissioner may suspend a license under this section for a violation of law or rule. The commissioner may revoke a license:

(1) for a violation of law or rule which, in the commissioner's opinion, adversely affects the integrity of gambling in Minnesota;

(2) for an intentional false statement in a license application; or

(3) if the licensee is the subject of a disciplinary proceeding in another jurisdiction which results in the revocation of a license.

A revocation or suspension is a contested case under sections 14.57 to 14.69.

(b) The commissioner may summarily suspend a license prior to a contested case hearing if the commissioner determines that a summary suspension is necessary to ensure the integrity of gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge must issue a report within 20 days of the close of the hearing record. The commissioner shall issue a final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

Subd. 9. [TRANSPORTATION OF GAMBLING DEVICES.] In addition to the requirements of this section, the transportation of gambling devices into Minnesota must be in compliance with United States Code, title 15, sections 1171 to 1177, as amended."

Page 6, line 33, after "of" insert "the commissioner of gaming and" and after "seven" insert "other"

Page 6, line 34, delete "those" and insert "five" and delete everything after "governor"

Page 6, delete lines 35 and 36

Page 7, line 1, delete everything before the semicolon and delete "(3)" and insert "(2)"

Page 7, line 2, delete "for a term expiring June 30, 1995"

Page 7, line 3, delete "(4)" and insert "(3)" and delete "for a term"

Page 7, line 4, delete everything before the period

Page 7, line 7, strike "After expiration of the initial terms,"

Page 7, delete section 12 and insert:

"Sec. 9. Minnesota Statutes 1990, section 349.152, subdivision 1, is amended to read:

Subdivision 1. [APPOINTED.] The governor shall appoint, with the advice and consent of the senate, a director ~~from a list of one or more persons submitted by the board~~. The director serves in the unclassified service at the pleasure of the governor."

Pages 7 to 9, delete sections 14 and 15

Pages 9 and 10, delete sections 17 and 18

Pages 10 to 17, delete sections 20 to 34

Page 18, line 20, strike "(a)"

Page 18, line 32, strike "with intent that it shall be so used" and insert "except as provided in section 299L.07"

Page 18, line 33, strike the first "or" and insert a comma and after "sale," insert "or otherwise provides,"

Page 18, line 35, strike everything after "2"

Page 18, line 36, strike "as provided by section 349.40" and delete "or"

Page 18, after line 36, insert:

"(6) with intent that it be so used, manufactures, sells, or offers for sale any facility for conducting a lottery, except as provided by section 349.40; or"

Page 19, line 1, strike "(6)" and insert "(7)"

Page 19, strike lines 9 to 11

Page 19, line 13, delete "35 to 38" and insert "3, 4, and 13 to 16"

Page 19, delete section 40 and insert:

"Sec. 18. [INITIAL APPOINTMENTS: GAMBLING CONTROL BOARD.]

Notwithstanding section 8, on the effective date of section 8 and this section, the gambling control board consists of:

(1) those members appointed by the governor before July 1, 1991, whose terms expire June 30, 1992, June 30, 1993, and June 30, 1994;

(2) one member appointed by the governor, with the advice and consent of the senate, to a term ending June 30, 1994;

(3) one member appointed by the commissioner of public safety, with the advice and consent of the senate, to a term ending June 30, 1995; and

(4) one member appointed by the attorney general, with the advice and consent of the senate, to a term ending June 30, 1995.

Vacancies occurring upon the expiration of terms filled under this section must be filled in accordance with section 8.

Sec. 19. [MORATORIUM; STUDY AND RECOMMENDATIONS.]

Notwithstanding Minnesota Statutes, section 349B.01, the governor may not appoint a commissioner of gaming until the governor has studied the regulation of lawful gambling by the state and has reported the governor's recommendations for restructuring the department of gaming, its divisions, and all related boards. The governor shall submit the recommendations to the legislature by February 1, 1992."

Page 19, line 31, delete everything after the first comma and insert "section"

Page 19, line 32, delete "subdivisions 12 and" and insert "subdivision" and delete everything after "29" and insert a comma

Page 19, line 33, delete everything before "repealed" and insert "is"

Page 19, line 35, delete "to 34, 40, and 41" and insert ", 2, 5 to 12, and 18 to 20"

Page 19, line 36, delete "35 to 39" and insert "3, 4, and 13 to 17" and before the period, insert ", and sections 15 and 16 apply to crimes committed on or after that date"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to lawful gambling; removing paddlewheels

from the definition of lawful gambling; placing restrictions on the manufacture and sale of gambling devices; requiring licensing of manufacturers and distributors of gambling devices; changing the membership of the gambling control board; clarifying the prohibition on video games of chance; prohibiting the operation of gambling devices; placing a moratorium on the appointment of a commissioner of gaming pending a study of the regulation of lawful gambling; amending Minnesota Statutes 1990, sections 240.011; 240.02, subdivision 1; 299L.01, subdivision 1; 349.12, subdivisions 18, 21, and 24; 349.151, subdivision 2; 349.152, subdivision 1; 349.163, subdivision 1; 349.168, subdivision 3; 349.212, subdivision 6; 609.75, subdivision 4, and by adding a subdivision; 609.755; 609.76, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 1990, section 349.12, subdivisions 12 and 29."

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

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

S.F. No. 1171: A bill for an act relating to corporations; requiring the commissioner of commerce to collect and analyze information about nonprofit corporations; requiring a report.

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

Delete everything after the enacting clause and insert:

"Section 1. [NONPROFIT ORGANIZATION STUDY.]

Subdivision 1. [GENERAL.] The commissioner of commerce shall survey all Minnesota nonprofit corporations and prepare a report on the operation of nonprofit corporations. The report must include:

- (1) the number and size of nonprofit corporations;*
- (2) the types and volume of activities, products, and services provided by nonprofit corporations;*
- (3) the sources of revenue of nonprofit corporations;*
- (4) the salary levels and structures for personnel;*
- (5) the nature and size of administrative or consulting contracts and similar devices used by nonprofit corporations, including services and functions performed by persons who are not employees of the corporation, whether these functions could be performed by employees, cost difference if performed by employees, and identification of providers of services; and*
- (6) tax classifications and status of nonprofit corporations.*

Subd. 2. [PROCEDURE.] (a) The commissioner of commerce shall prepare a survey under this section for distribution to all nonprofit corporations as part of the annual corporate registration in 1992 under Minnesota Statutes, section 317A.823. The secretary of state shall mail the survey with the 1992 corporate registration form and notify the corporations that the survey must be completed and returned to the secretary of state as part of the annual registration. The secretary of state shall give the completed surveys to the commissioner of commerce. A corporation that fails to return the survey by December 31, 1992, loses its good standing for purposes of

Minnesota Statutes, sections 317A.823 and 317A.827, and the provisions of those sections apply.

(b) In preparing the survey and report, the commissioner of commerce shall consult with other agencies in the public and private sector who represent and interact with nonprofit corporations. Upon request, the secretary of state and the attorney general shall provide the commissioner of commerce with information in their possession concerning nonprofit corporations. The commissioner of commerce shall make data contained in the surveys available to the attorney general upon request. Data consisting of employee salaries provided to the commissioner under this section are private data on individuals as defined in Minnesota Statutes, section 13.02, subdivision 12, except that the data are accessible to members of the board of directors of the nonprofit corporation for which the individual is employed.

(c) The commissioner of commerce shall report to the legislature by March 15, 1993.

Sec. 2. [APPROPRIATION.]

\$ is appropriated to the commissioner of commerce for purposes of section 1."

Delete the title and insert:

"A bill for an act relating to corporations; requiring the commissioner of commerce to survey nonprofit corporations; requiring a report; appropriating money."

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

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

S.F. No. 689: A bill for an act relating to commerce; requiring real estate brokers and salespersons to receive instruction in fair housing laws; amending Minnesota Statutes 1990, section 82.22, subdivision 13.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 1990, section 82.22, subdivision 6, is amended to read:

Subd. 6. [INSTRUCTION; NEW LICENSES.] (a) After January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. After January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete an additional course of study in the real estate field consisting of 60 hours of instruction approved by the commissioner, *of which three hours shall consist of training in state and federal fair housing laws, regulations and rules*, before filing an application for the license. Every salesperson licensed after January 1, 1987, shall, within one year of licensure, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(b) After December 31, 1983, and before January 1, 1987, every applicant

for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. After December 31, 1983, and before January 1, 1987, every applicant for a salesperson's license shall be required to successfully complete an additional course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before filing an application for the license. Every salesperson licensed after December 31, 1983, and before January 1, 1987, shall, within one year of the date a license was first issued, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(c) The commissioner may approve courses of study in the real estate field offered in educational institutions of higher learning in this state or courses of study in the real estate field developed by and offered under the auspices of the national association of realtors, its affiliates, or private real estate schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company licensed to engage in the real estate business. The commissioner may by rule prescribe the curriculum and qualification of those employed as instructors.

(d) After January 1, 1988, an applicant for a broker's license must successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner, *of which three hours shall consist of training in state and federal fair housing laws, regulations, and rules.* The course must have been completed within six months prior to the date of application for the broker's license.

(e) After August 1, 1989, an applicant for a real estate closing agent's license must successfully complete a course of study relating to closing services consisting of eight hours of instruction approved by the commissioner."

Page 2, line 4, delete "five" and insert "two"

Page 2, line 5, after "training" insert "every even-numbered year"

Page 2, line 8, delete everything after "effective" and insert "January 1, 1992."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "subdivision" and insert "subdivisions 6 and"

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

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

S.F. No. 147: A bill for an act relating to charitable organizations; modifying the definitions of registered combined charitable organizations; amending Minnesota Statutes 1990, section 309.501, subdivision 1.

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

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

S.F. No. 780: A bill for an act relating to the secretary of state; requiring that certain information be provided without a fee; amending Minnesota Statutes 1990, section 336.9-411.

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

Page 1, line 25, reinstate the stricken language and delete the new language and before the period, insert “, *except that visual access to electronic display terminals at the public counters at the secretary of state's office will be without charge and available during public counter hours*”

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

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

S.F. No. 944: A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; transferring the office of pipeline safety to the department of public service; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.095; 216B.16, subdivision 6b; 216B.241; 216B.243, by adding a subdivision; 216C.02, subdivision 1; 299F.011, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 216E; repealing Minnesota Statutes 1990, sections 16B.32, subdivision 2; and 299J.01 to 299J.18.

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

Delete everything after the enacting clause and insert:

“ARTICLE I

CONSERVATION IMPROVEMENT PROGRAMS

Section 1. Minnesota Statutes 1990, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. [ENERGY CONSERVATION IMPROVEMENTS.] All investments and expenses of a public utility as defined in section 216B.241, subdivision ~~(4)~~ 1, ~~clause (e) paragraph (d)~~, incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

Sec. 2. Minnesota Statutes 1990, section 216B.241, is amended to read:
216B.241 [ENERGY CONSERVATION IMPROVEMENTS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms

defined in this subdivision ~~shall~~ have the meanings given them:

(a) "Commission" means the public utilities commission; ~~department of public service~~;

(b) "Commissioner" means the commissioner of public service.

(c) "Department" means the department of public service.

~~(e)~~ (d) "Energy conservation improvement" means the purchase or installation of ~~any~~ a device, method, or material that *reduces energy consumption* or increases the efficiency in the use of electricity or natural gas, including, but not limited to:

- (1) insulation and ventilation;
- (2) storm or thermal doors or windows;
- (3) caulking and weatherstripping;
- (4) furnace efficiency modifications;
- (5) thermostat or lighting controls;
- (6) awnings; or

(7) systems to turn off or vary the delivery of energy. The term "energy conservation improvement" includes ~~any~~ a device or method ~~which~~ that creates, converts, or actively uses energy from renewable sources such as solar, wind, and biomass, ~~providing such~~ *provided that* the device or method conforms with national or state performance and quality standards whenever applicable.

~~(d)~~ (e) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement including, but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no interest or below market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

~~(e)~~ "Public utility" has the same meaning as given that term in section 216B.02, subdivision 4. ~~For the purposes of this section, "public utility" shall not include cooperative electric associations that become subject to rate regulation after April 16, 1980.~~

Subd. 1a. [INVESTMENTS, EXPENDITURES, AND CONTRIBUTIONS; REGULATED UTILITIES.] For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. The commissioner shall by rule require each public utility to spend and invest a significant amount of its gross operating revenues for energy conservation improvements under subdivision 2 and to contribute a significant amount of its gross operating revenues to the low-income energy and conservation account established by subdivision 2a. The commissioner shall determine what constitutes a significant amount for each utility, but, at a minimum, the amount spent, invested, and contributed under this paragraph must equal the lesser of:

(1) .5 percent of its Minnesota jurisdictional gross retail operating revenues for a utility furnishing gas service;

(2) 1.5 percent of its Minnesota jurisdictional gross retail operating revenues for a utility furnishing electric service; or

(3) 140 percent of the amount committed by the utility under this section in the previous year.

In determining what constitutes a significant amount for a utility, the commissioner shall consider the utility's long-range energy demand forecasts, overall state energy needs, the effect of conservation programs on long-term energy demand, and any other factors the commissioner might consider relevant.

Using the information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner shall determine for each utility how much of the total amount required under this subdivision must be devoted to expenditures and investments for energy conservation programs and how much must be contributed to the account established by subdivision 2a.

Subd. 1b. [CONTRIBUTIONS: COOPERATIVES; MUNICIPALITIES.]
This subdivision applies to:

(1) a cooperative electric association that generates and transmits electricity to associations that provide electricity at retail;

(2) a municipality with gross operating revenues in excess of \$5,000,000 from sales of electricity to retail customers, unless the municipality purchases more than 85 percent of its electricity from a cooperative electric association governed by this subdivision;

(3) a municipality with gross operating revenues in excess of \$5,000,000 from sales of natural gas to retail customers; and

(4) a municipality not governed by clause (2) or (3), but with gross operating revenues in excess of \$7,500,000 from combined sales of electricity and natural gas to retail customers, unless the municipality purchases more than 85 percent of its electricity from a cooperative electric association governed by this subdivision.

The commissioner shall by rule require each municipality and each cooperative electric association to contribute a significant amount of its gross operating revenues to the low-income energy and conservation account established by subdivision 2a. The commissioner shall determine what constitutes a significant amount for each municipality and cooperative association, but, at a minimum, the amount contributed under this subdivision must equal one percent of a municipality's gross operating revenues from the sale of electricity and .5 percent of its gross operating revenues from the sale of natural gas or one percent of a cooperative association's Minnesota jurisdictional gross operating revenues. In determining what constitutes a significant amount for a municipality or cooperative association, the commissioner shall consider the municipality's or association's long-range energy demand forecasts, overall state energy needs, the effect of conservation programs on long-term energy demand, and any other factors the commissioner might consider relevant.

This section does not prevent a municipality or an association from voluntarily spending or investing a portion of its gross revenues on energy conservation improvements or load management, but the amount spent or

invested for those purposes may not be considered part of the amount required to meet the requirements of this subdivision.

Subd. 2. [PROGRAMS.] The ~~department~~ commissioner may by rule require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover a two-year period. The ~~department~~ commissioner shall require at least one public utility to establish a pilot program to make investments in and expenditures for energy from renewable resources such as solar, wind, or biomass *and shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy-efficient lighting.* The ~~department~~ commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The rules of the department must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, or material constituting the energy conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable. The ~~department~~ commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the ~~department~~ commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The ~~department~~ commissioner shall nevertheless ensure that every public utility operate one or more programs, under periodic review by the department; ~~that make significant investments in and expenditures for energy conservation improvements.~~ The ~~department~~ commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision or a nonprofit or community organization. The department shall ensure that at least half the money spent on residential programs is devoted to programs that directly address the needs of renters and low-income families and individuals unless an insufficient number of appropriate programs are available. For purposes of this section, "low income" means an income less than 185 percent of the federal poverty level. ~~Investments and expenditures made under this subdivision must be treated for ratemaking purposes in the manner prescribed in section 246B-16, subdivision 6b. No utility shall~~ *may* make an energy conservation improvement ~~pursuant to under~~ this section to a building envelope unless:

(1) it is the primary supplier of energy used for either space heating or cooling in the building ~~or unless~~;

(2) the ~~department~~ commissioner determines that special circumstances, which would unduly restrict the availability of conservation programs, warrant otherwise; or

(3) *the utility has been awarded a contract under subdivision 2a.*

A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, or the attorney general acting on behalf of consumers and small business interests, may petition the commission to modify or revoke a department decision to require a program under this subdivision, and the commission may do so if it determines that the program

is ineffective, ~~does not adequately address the needs of renters and low-income families and individuals,~~ or is otherwise not in the public interest. The person petitioning for commission review has the burden of proof. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

Subd. 2a. [LOW-INCOME ENERGY AND CONSERVATION ACCOUNT.] The commissioner shall deposit money contributed under subdivisions 1a and 1b in the low-income energy and conservation account in the general fund. Money in the account is appropriated to the department for programs designed to meet the energy needs of low-income persons and to make energy conservation improvements in areas not adequately served under subdivision 2. Interest on money in the account is appropriated to the department for administrative expenses related to the programs. Using information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner shall, to the extent possible, allocate enough money to energy-assistance programs for low-income persons to ensure that their needs are being adequately addressed. The commissioner shall transfer money from the account to the department of jobs and training for energy-assistance and weatherization programs carried out by that agency for low-income persons. In establishing conservation improvement programs, the commissioner shall consult political subdivisions and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. At least one program must address the need for energy conservation improvements in areas in which a high percentage of residents use fuel oil or propane to fuel their source of home heating. The commissioner may contract with a political subdivision, a nonprofit or community organization, a public utility, or a cooperative electric association to implement its conservation improvement programs.

Subd. 2b. [RECOVERY OF EXPENSES; TAXES.] The commission shall allow a utility to recover expenses resulting from a conservation improvement program required by the department unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, if a utility makes the expenditures, investments, and contributions required by the department under subdivision 1a, the commission shall adjust the utility's rates annually to reflect any changes in taxes paid on real or personal property in Minnesota or in fees or permits required by a local, state, or federal government or government agency unless the commission finds, after receiving comments from interested parties, that there are significant questions as to the prudence or level of the fees or permits and that the issue of recovery should be deferred for consideration in a rate case.

Subd. 3. [OWNERSHIP OF ENERGY CONSERVATION IMPROVEMENTS.] ~~Any~~ An energy conservation improvement made to or installed in ~~any~~ a building pursuant to in accordance with this section, except systems owned by the utility and designed to turn off, limit, or vary the delivery of energy, ~~shall be~~ are the exclusive property of the owner of the building except ~~insofar as it~~ to the extent that the improvement is subjected to a security interest in favor of the utility in case of a loan to the building owner. The utility ~~shall have~~ has no liability for loss, damage or injury caused directly or indirectly by ~~any~~ an energy conservation improvement except for negligence by the utility in purchase, installation, or modification of the product.

Subd. 4. [FEDERAL LAW PROHIBITIONS.] If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which ~~such the~~ prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

Subd. 5. [RULES.] *The commissioner may adopt emergency and permanent rules to implement this section.*

Sec. 3. Minnesota Statutes 1990, section 216C.02, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] (a) The commissioner may:

(1) apply for, receive, and spend money received from federal, municipal, county, regional, and other government agencies and private sources;

(2) apply for, accept, and disburse grants and other aids from public and private sources;

(3) contract for professional services if work or services required or authorized to be carried out by the commissioner cannot be satisfactorily performed by employees of the department or by another state agency;

(4) enter into interstate compacts to carry out research and planning jointly with other states or the federal government when appropriate;

(5) upon reasonable request, distribute informational material at no cost to the public; and

(6) enter into contracts for the performance of the commissioner's duties with federal, state, regional, metropolitan, local, and other agencies or units of government and educational institutions, including the University of Minnesota, without regard to the competitive bidding requirements of chapters 16A and 16B.

(b) The commissioner shall collect information on conservation and other energy-related programs carried on by other agencies, by public utilities, by cooperative electric associations, by municipal power agencies, by other fuel suppliers, by political subdivisions, and by private organizations. Other agencies, cooperative electric associations, municipal power agencies, and political subdivisions shall cooperate with the commissioner by providing information requested by the commissioner. The commissioner may by rule require the submission of information by other program operators. The commissioner shall make the information available to other agencies and to the public and, as necessary, shall recommend to the legislature changes in the laws governing conservation and other energy-related programs to ensure that:

(1) expenditures on the programs are adequate to meet identified needs;

(2) the needs of low-income energy users are being adequately addressed;

(3) duplication of effort is avoided or eliminated;

(4) a program that is ineffective is improved or eliminated; and

(5) voluntary efforts are encouraged through incentives for their operators.

The commissioner shall appoint an advisory task force to help evaluate the information collected and formulate recommendations to the legislature.

The task force must include low-income energy users as defined in section 216B.241, subdivision 2.

(c) By January 15 of each year, the commissioner shall report to the legislature on the projected amount of federal money likely to be available to the state during the next fiscal year, including grant money and money received by the state as a result of litigation or settlements of alleged violations of federal petroleum pricing regulations. The report must also estimate the amount of money projected as needed during the next fiscal year to finance a level of conservation and other energy-related programs adequate to meet projected needs, particularly the needs of low-income persons and households, and must recommend the amount of state appropriations needed to cover the difference between the projected availability of federal money and the projected needs.

ARTICLE 2

COLD WEATHER RULE

Section 1. Minnesota Statutes 1990, section 216B.095, is amended to read:

216B.095 [DISCONNECTION DURING COLD WEATHER.]

(a) For purposes of this section and of rules adopted by the commission in accordance with this section, the term "residential utility" includes:

(1) a public utility as defined in section 216B.02, subdivision 4; and

(2) a municipality and a cooperative electric association that has not voluntarily adopted and that adheres to a policy governing disconnections during cold weather that is substantially similar to the policy established by this section.

A municipality or cooperative electric association that is not considered a residential utility for purposes of this section because it has voluntarily adopted and adheres to a policy governing disconnection during cold weather shall, by July 1 of each year, report to the commission on the number of residential units disconnected during the previous heating season, the number of those units that were occupied, and the duration of the disconnection.

(b) The commission shall amend its rules governing disconnection of residential utility customers who are unable to pay for utility service during cold weather to include the following:

(1) coverage of customers whose household income is less than 185 percent of the federal poverty level;

(2) a requirement that a customer who pays the utility at least ten percent of the customer's income or the full amount of the utility bill, whichever is less, in a cold weather month cannot be disconnected during that month;

(3) that the ten percent figure in clause (2) must be prorated between energy providers proportionate to each provider's share of the customer's total energy costs where the customer receives service from more than one provider;

(4) that a customer's household income does not include any amount received for energy assistance;

(5) verification of income by the local energy assistance provider, unless

the customer is automatically eligible as a recipient of any form of public assistance, including energy assistance, that uses income eligibility in an amount at or below the income eligibility in clause (1); and

(6) a requirement that the customer receive, from the local energy assistance provider or other entity, budget counseling and referral to weatherization, conservation, or other programs likely to reduce the customer's consumption of energy.

For the purpose of clause (2), the "customer's income" means the actual monthly income of the customer except for a customer who is normally employed only on a seasonal basis and whose annual income is over 135 percent of the federal poverty level, in which case the customer's income is the average monthly income of the customer computed on an annual calendar year basis.

Sec. 2. [ADOPTION AND APPROVAL OF VOLUNTARY PLANS.]

A municipality or cooperative electric association is considered a "residential utility" for purposes of section 1 unless:

(1) it notifies the public utilities commission by July 1, 1991, of its intention voluntarily to adopt and adhere to a policy governing disconnection of its heating customers during cold weather that is substantially similar to the policy established by section 1; and

(2) it has submitted its policy to the commission and has begun to implement the policy by November 1, 1991.

The public utilities commission shall, by February 1, 1992, report to the legislature on the number of municipalities and cooperative electric associations that have elected to adopt policies under this section, on the effectiveness of voluntarily adopted policies, and on whether, in the commission's opinion, all municipalities and cooperative electric associations should be governed by section 1.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 3

ENERGY-EFFICIENT LIGHTING

Section 1. Minnesota Statutes 1990, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved

complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(f) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(g) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(h) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(i) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(j) [AUTOMATIC GARAGE DOOR OPENING SYSTEMS.] The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(k) [EXIT SIGN ILLUMINATION.] *The code must prohibit the use of incandescent bulbs in internally illuminated exit signs.*

Sec. 2. Minnesota Statutes 1990, section 299F.011, is amended by adding a subdivision to read:

Subd. 4c. [EXIT SIGN ILLUMINATION.] The uniform fire code must prohibit the use of incandescent bulbs in internally illuminated exit signs.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1994, and apply to all internally illuminated exit signs in use on or after that date.

ARTICLE 4

CERTIFICATE OF NEED PROCESS

Section 1. Minnesota Statutes 1990, section 216B.243, is amended by adding a subdivision to read:

Subd. 3a. [USE OF RENEWABLE RESOURCES.] The commission may not issue a certificate of need under this section for a large energy facility that generates electric power by consuming a nonrenewable energy source, or that transmits electric power generated by a nonrenewable energy source to add to an applicant's total electrical capacity in Minnesota, unless the applicant for the certificate has demonstrated to the commission's satisfaction that it has explored the possibility of the generation of power by means of renewable energy sources and has demonstrated that the alternative selected is less expensive (including environmental costs) than power generated by a renewable energy source. For purposes of this subdivision, "renewable energy source" includes wind, solar, and geothermal energy and the use of trees or other vegetation as fuel.

Sec. 2. [LANDFILL GAS RECOVERY.]

The public utilities commission shall examine the economic and technical aspects of the process by which a qualified facility could use methane gas from qualified landfills to produce electricity for sale to electric utilities under Minnesota Statutes, section 216B.164. If the commission determines that use of that technology should be encouraged, but that changes in relevant statutes are necessary to accomplish that end, it shall recommend appropriate statutory changes to the legislature by January 15, 1992.

ARTICLE 5

ENERGY CONSERVATION: BUILDINGS

Section 1. Minnesota Statutes 1990, section 16A.28, subdivision 3, is amended to read:

Subd. 3. [PERMANENT IMPROVEMENTS.] An appropriation for permanent improvements, including the acquisition of real property and acquisition of energy conservation equipment, does not lapse until the purposes of the appropriation are determined by the commissioner, after consultation with the affected agencies, to be accomplished or abandoned.

That part of an agency's appropriation budgeted to energy costs that remains unexpended at the end of the fiscal year and is attributable to savings from energy conservation actions does not lapse and is available to the agency in succeeding fiscal years for additional energy conservation activities or energy efficiency loan repayment. In the event that all cost-effective energy efficiency projects have been fully implemented, savings may be used for other agency purposes. Savings attributable to energy conservation must be determined by the affected agencies in consultation

with the commissioner of administration.

Sec. 2. [16A.86] [STATE BUILDING ENERGY EFFICIENCY LOAN ACCOUNT.]

Subdivision 1. [ACCOUNT; USE.] The state building energy efficiency loan account is a separate account within the state treasury and may be used only for the purposes provided in subdivision 5.

Subd. 2. [COMMITTEE.] The state building energy efficiency loan committee consists of the commissioners of administration, public service, and finance. The commissioner of administration shall serve as committee chair. The committee shall establish all eligibility criteria and loan procedures.

Subd. 3. [REPAYMENT.] The commissioner of finance shall administer all financial transactions within the account. A department, agency, commission, or board receiving a loan under this section must repay the loan according to the terms of the loan agreement. The principle and interest must be paid to the commissioner of finance, who shall deposit all loan repayments in the state building energy efficiency loan account. Repayment term of a loan may not exceed ten years. For leased facilities, the repayment term of the loan may be no greater than the term of the lease.

Subd. 4. [REVENUE SOURCES.] Revenue from the following sources must be deposited in the state building energy efficiency loan account:

- (1) legislative appropriations to the account;*
- (2) loan repayments;*
- (3) gifts, grants, interest-free loans, or other reimbursements from any source that are provided for the purposes set out in subdivision 5; and*
- (4) any interest earned on unexpended funds within the account.*

Subd. 5. [PURPOSE.] Money from this account must be loaned to state departments, agencies, commissions, and boards to improve the energy efficiency of state-owned and state-leased buildings. Money from the account may also be loaned to utilize renewable energy resources in state-owned and state-leased buildings. Projects funded by the account must have a payback of ten years or less.

Subd. 6. [REPORT.] The committee shall submit a report to the governor and the chairs of the house of representatives energy committee and senate committee on energy and public utilities by January 15 of each odd-numbered year. This report must include the number, amount, and condition of any loans issued, estimated energy savings, and other matters concerning the operation of the fund and program.

Sec. 3. [16B.293] [ENERGY REBATES.]

Rebates on the purchase of energy efficient equipment made by an energy supplier are appropriated to the state department, agency, commission, or board purchasing the energy efficient equipment for any purposes of that state agency.

Sec. 4. Minnesota Statutes 1990, section 16B.32, is amended to read:

16B.32 [ALTERNATIVE ENERGY SOURCES USE.]

Subdivision 1. [ALTERNATIVE ENERGY SOURCES.] Plans prepared by the commissioner for a new building ~~or for~~, a renovation of 50 percent or more of an existing building, or ~~its~~ a modification of a building's energy

systems must include ~~designs which~~ design options that use active and passive solar energy systems, earth sheltered construction, and biomass, wind, or other alternative energy sources where feasible. At the design phase of all such projects, an energy consumption analysis that identifies and quantifies all feasible energy efficiency measures must also be completed. All energy efficiency measures or alternative energy sources with a payback of ten years or less must be incorporated into the final project design and construction.

Subd. 2. [ENERGY CONSERVATION GOALS.] (a) The commissioner shall implement this section to achieve the following goals:

(1) a 25 percent increase in electrical energy efficiency of state-owned buildings over the five-year period beginning on the effective date of this section;

(2) a 15 percent increase in energy efficiency of fuel use in state-owned buildings over the five-year period beginning on the effective date of this section;

(3) a 15 percent increase in the electrical energy efficiency of state-leased buildings over the five-year period beginning on the effective date of this section;

(4) a ten percent increase in the energy efficiency of fuel use in state-leased buildings over the five-year period beginning on the effective date of this section;

(5) consideration of energy use in selecting the sites for state buildings; and

(6) a commitment by the state to work toward minimizing the environmental impacts of energy use by state-owned and state-leased buildings.

(b) The commissioner may exclude from the requirements of paragraph (a) a building in which "energy conservation measures" are carried out. "Energy conservation measures" means measures that are applied to a state building that improve energy efficiency and have a simple return of investment in ten years and involve energy conservation, conservation facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities.

Sec. 5. [BUILDING CODE REVIEW.]

The commissioner of public service, in cooperation with the commissioner of administration, shall review the state building code and the energy conservation standards for public buildings in view of the state's projected long-range energy needs, the effect of conservation programs on those needs, and advances in technology with respect to weatherization and energy efficiency. The commissioner shall report to the energy and public utilities committee of the senate and the energy committee of the house of representatives by January 15, 1992, on the results of the review. The report must include:

(1) any recommendations for changes in the building code and the energy conservation standards to achieve greater conservation of energy;

(2) the direct effect of implementing the changes on the cost of construction and remodeling; and

(3) *an estimate of energy savings that would result in the changes, including an estimate of net costs when savings are deducted from any increased construction and remodeling costs.*

Sec. 6. [PILOT PROGRAM.]

The commissioner of public service, in cooperation with Northern States Power Company, shall conduct a pilot shared-savings program involving ten state-owned buildings. The company shall contract with appropriate state agencies to make energy-efficient improvements in buildings occupied by the agencies. A contract must require the company to fund all improvements that meet a ten-year payback criterion and must provide for the company to be repaid from savings that occur as a result of the improvements. The commissioner, in cooperation with the commissioner of administration, shall report to the governor and the legislature on the results of the pilot project by January 1, 1993.

Sec. 7. [ENERGY CODE AMENDMENTS; COMMERCIAL BUILDINGS.]

Subdivision 1. [COMMISSIONER TO ADOPT.] Not later than January 1, 1993, the commissioner of public service shall report to the commissioner of administration on energy efficiency standards that must be incorporated into the energy code portion of the Minnesota building code applicable to new commercial buildings. The commissioner of public service shall adopt amendments to the Minnesota building code not later than September 1, 1993, pursuant to the report of the commissioner of public service.

Subd. 2. [ADOPTION OF ASHRAE/IES 90.1 STANDARD.] The standards reported and adopted under subdivision 1 must require energy efficiency at least as stringent as:

(1) the "minimum performance" standards for opaque building envelopes; and

(2) the January 1, 1993, standards for heating, ventilating and air conditioning, and water heating as proposed in ASHRAE/IES standard 90.1.

Subd. 3. [LIGHTING STANDARDS.] The standards reported under subdivision 1 must be at least as stringent as lighting standards for new federal buildings (for 1993) in title 10 of the Code of Federal Regulations, part 435.103.

Sec. 8. [EFFECTIVE DATE.]

Section 4 is effective May 1, 1991.

ARTICLE 6

FINANCIAL INCENTIVES

Section 1. Minnesota Statutes 1990, section 216B.16, is amended by adding a subdivision to read:

Subd. 6c. [INCENTIVE PLANS FOR ENERGY CONSERVATION IMPROVEMENTS.] (a) The commission may order public utilities to develop and submit for commission approval incentive plans that describe the method of recovery and accounting for utility conservation expenditures and savings. In developing the incentive plans the commission shall ensure the effective involvement of interested parties.

In approving incentive plans, the commission shall consider:

(1) whether the plan is likely to increase utility investment in cost-effective energy conservation;

(2) whether the plan is compatible with the interest of utility ratepayers and other interested parties;

(3) whether the plan links the incentive to the utility's performance in achieving cost-effective conservation; and

(4) whether the plan is in conflict with other provisions of this chapter.

(b) The commission may set rates to encourage the vigorous and effective implementation of utility conservation programs. The commission may:

(1) increase or decrease any otherwise allowed rate of return on net investment based upon the utility's skill, efforts, and success in conserving energy;

(2) share between ratepayers and utilities the net savings resulting from energy conservation programs to the extent justified by the utility's skill, efforts, and success in conserving energy; and

(3) compensate the utility for earnings lost as a result of its conservation programs.

Sec. 2. Minnesota Statutes 1990, section 216B.243, subdivision 3, is amended to read:

Subd. 3. No proposed large energy facility shall be certified for construction unless the applicant *can show that demand for electricity cannot be met more cost effectively through energy conservation and load-management measures and unless the applicant has otherwise justified its need.* In assessing need, the commission shall evaluate:

(1) the accuracy of the long-range energy demand forecasts on which the necessity for the facility is based;

(2) the effect of existing or possible energy conservation programs under sections 216C.05 to 216C.30 and this section or other federal or state legislation on long-term energy demand;

(3) the relationship of the proposed facility to overall state energy needs, as described in the most recent state energy policy and conservation report prepared pursuant to under section 216C.18;

(4) promotional activities which that may have given rise to the demand for this facility;

(5) socially beneficial uses of the output of this facility, including its uses to protect or enhance environmental quality;

(6) the effects of the facility in inducing future development;

(7) possible alternatives for satisfying the energy demand including but not limited to potential for increased efficiency of existing energy generation facilities;

(8) the policies, rules, and regulations of other state and federal agencies and local governments; and

(9) any feasible combination of energy conservation improvements, required by the commission pursuant to under section 216B.241, that can
~~(a)~~ *(i) replace part or all of the energy to be provided by the proposed facility, and*
~~(b)~~ *(ii) compete with it economically.*

ARTICLE 7

STUDIES

Section 1. [STUDY; PHOTOVOLTAIC DEVICES.]

The commissioner of public service shall conduct a study of the potential market within the state for photovoltaic devices. The study shall focus on applications where photovoltaics, with and without energy storage, cost less than conventional means of supplying energy and power for those applications. The commissioner shall submit the report to the appropriate committees of the legislature by January 15, 1992.

Sec. 2. [STUDY; CARBON EMISSIONS TAX.]

The commissioner of public service shall conduct a study to evaluate the need for, and the impact of, a carbon emissions tax ranging from \$1 to \$75 per ton of carbon emissions. The study shall consider the effect of the tax on the sources and use of energy in the state and on the economy of the state. The commissioner shall submit the report to the appropriate committees of the legislature by January 15, 1992."

Delete the title and insert:

"A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; requiring the public utilities commission to examine the use of methane gas to produce electricity; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring energy efficiency standards for new commercial buildings; prescribing penalties; providing for incentive plans for energy conservation improvements; requiring showing when applying for certificate to construct a large energy facility that demand for electricity cannot be met more cost effectively through energy conservation or load-management measures; requiring studies; appropriating money; amending Minnesota Statutes 1990, sections 16A.28, subdivision 3; 16B.32; 16B.61, subdivision 3; 216B.095; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16A; and 16B."

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

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

S.F. No. 688: A bill for an act relating to employment; board of electricity; clarifying definitions; providing for a complaint committee; clarifying and adding duties of the board; providing penalties; amending Minnesota Statutes 1990, sections 326.01, subdivisions 2, 3, 4, 5, 6, 6a, and by adding subdivisions; 326.241, subdivision 2, and by adding a subdivision; 326.242, subdivisions 1, 2, 3, 4, 5, 6, 9, and by adding subdivisions; 326.244, subdivision 4, and by adding a subdivision; and 326.246.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 326.01, subdivision 2, is amended to read:

Subd. 2. [CLASS A MASTER ELECTRICIAN.] The term "Class A master electrician" means a person having the necessary qualifications, training, experience, and technical knowledge to install ~~and, alter, repair and to properly~~, plan, lay out, and supervise the ~~installation~~ installing, altering, and repairing of electrical wiring, apparatus, and equipment for electric light, heat, power, and other purposes who is licensed as such by the state board of electricity.

Sec. 2. Minnesota Statutes 1990, section 326.01, subdivision 3, is amended to read:

Subd. 3. [CLASS A JOURNEYMAN ELECTRICIAN.] The term "Class A journeyman electrician" means a person having the necessary qualifications, training, experience, and technical knowledge to ~~wire for, install, and alter, repair, and supervise the installing, altering, or repairing of~~ electrical wiring, apparatus, and equipment for light, heat, power, and other purposes who is licensed as such by the state board of electricity.

Sec. 3. Minnesota Statutes 1990, section 326.01, subdivision 4, is amended to read:

Subd. 4. [SPECIAL ELECTRICIAN.] The term "special electrician" means a person having the necessary qualification, training, ~~and experience in wiring for, installing, or repairing, and technical knowledge to install, alter, repair, and supervise the installing, altering, or repairing of~~ special classes of electrical wiring, apparatus, or equipment for light, heat, power, and other purposes or for special classes of electrical ~~wiring installations~~ work who is licensed as such by the state board of electricity. *The scope of any special electrician license created by the board under section 326.242, subdivision 4, shall be limited to that provided for by the rules adopted by the board.*

Sec. 4. Minnesota Statutes 1990, section 326.01, subdivision 5, is amended to read:

Subd. 5. [ELECTRICAL CONTRACTOR.] The term "electrical contractor" means a person, ~~firm partnership~~, or corporation operating a business that undertakes or offers to undertake to plan for, lay out, ~~supervise, or install or to make additions, alterations, or repairs in the installation of~~ electrical wiring, apparatus, or equipment for electric light, heat, ~~or power, and other purposes~~ with or without compensation ~~and~~ who is licensed as such by the state board of electricity. An electrical contractor's license does not of itself qualify its holder to perform *or supervise* the electrical work authorized by holding any class of electrician's license.

Sec. 5. Minnesota Statutes 1990, section 326.01, subdivision 6, is amended to read:

Subd. 6. [CLASS B MASTER ELECTRICIAN.] The term "Class B master electrician" means a person having the necessary qualifications, training, experience, and technical knowledge to ~~properly install, alter, repair, plan, lay out, and supervise the installation~~ installing, altering, and repairing of electrical wiring, apparatus, and equipment for single phase systems of not over 200 ampere capacity for light, heat, power, and other purposes on any farm or in any single family dwelling located in any town

or municipality which has a population of less than 2500 inhabitants; who is licensed as such by the ~~state~~ board of electricity.

Sec. 6. Minnesota Statutes 1990, section 326.01, subdivision 6a, is amended to read:

Subd. 6a. [CLASS B JOURNEYMAN ELECTRICIAN.] The term "Class B journeyman electrician" means a person having the necessary qualifications, training, experience, and technical knowledge to ~~wire for, install and, alter, repair, and supervise the installing, altering, or repairing of~~ electrical wiring, apparatus, and equipment for single phase systems of not ~~over~~ more than 200 ampere capacity for light, heat, power, and other purposes on any farm or in any single family dwelling located in any town or municipality which has a population of less than 2500 inhabitants; who is licensed as such by the ~~state~~ board of electricity.

Sec. 7. Minnesota Statutes 1990, section 326.01, is amended by adding a subdivision to read:

Subd. 6f. [ELECTRICAL WORK.] *The term "electrical work" means the installing, altering, repairing, planning, or laying out of electrical wiring, apparatus, or equipment for light, heat, power, or other purposes. The installing, alteration, repairing, planning, or laying out of electrical wiring, apparatus, or equipment for light, heat, power, or other purposes includes, but is not limited to, the performance of any work governed by the standards referred to in section 326.243.*

Sec. 8. Minnesota Statutes 1990, section 326.01, is amended by adding a subdivision to read:

Subd. 6g. [PERSONAL SUPERVISION.] *The term "personal supervision" means that a licensed electrician oversees and directs the electrical work performed by an unlicensed person such that:*

(1) the licensed electrician actually reviews the electrical work performed by the unlicensed person;

(2) the licensed electrician is immediately available to the unlicensed person at all times for assistance and direction; and

(3) the licensed electrician is able to and does determine that all electrical work performed by the unlicensed person is performed in compliance with section 326.243.

The licensed electrician is responsible for the compliance with section 326.243 of all electrical work performed by the unlicensed person.

Sec. 9. Minnesota Statutes 1990, section 326.01, is amended by adding a subdivision to read:

Subd. 6h. [COMPLAINT COMMITTEE.] *The term "complaint committee" means a committee of the board which is authorized by the board or other provisions of chapter 214 or sections 326.241 to 326.248 to investigate, mediate, or initiate administrative or legal proceedings on behalf of the board with respect to complaints filed with or information received by the board alleging or indicating violations of sections 326.241 to 326.248. The complaint committee shall consist of at least one board member, the board's executive secretary, its assistant executive secretary, and the attorney general staff member assigned to provide legal services to the board.*

Sec. 10. Minnesota Statutes 1990, section 326.241, subdivision 2, is

amended to read:

Subd. 2. [POWERS.] The board, *or the complaint committee on behalf of the board where authorized by law*, shall have power to:

- (1) Elect its own officers.
- (2) Engage and fix the compensation of inspectors, and hire employees. The salary of the executive secretary shall be established pursuant to chapter 43A. All agents and employees other than contract inspectors shall be in the classified service and shall be compensated pursuant to chapter 43A. All inspectors shall hold licenses as master or journeyman electricians under section 326.242, subdivision 1(1) or 2(1), and shall give bond in an amount fixed by the board, conditioned upon the faithful performance of their duties.
- (3) Pay such other expenses as it may deem necessary in the performance of its duties, including rent, supplies, and such like.
- (4) Enforce the provisions of sections 326.241 to 326.248, and provide, upon request, such additional voluntary inspections and reviews as it may deem appropriate.
- (5) Issue, renew, refuse to renew, suspend, *temporarily suspend*, and revoke licenses ~~provided for in sections 326.241 to 326.248~~, *censure licensees, assess civil penalties, issue cease and desist orders, and seek injunctive relief and civil penalties in court as authorized by section 326.242 and other provisions of Minnesota law.*
- (6) Adopt reasonable rules to carry out its duties under sections 326.241 to 326.248 and to provide for the amount and collection of fees for inspection and other services. All rules shall be adopted in accordance with chapter 14.

Sec. 11. Minnesota Statutes 1990, section 326.242, subdivision 1, is amended to read:

Subdivision 1. [MASTER ELECTRICIAN.] Except as otherwise provided by law, no person shall ~~plan, install, alter, repair, plan, lay out, or supervise the installation~~ *installing, altering, or repairing of electrical wiring, apparatus, or equipment for electrical light, heat, power, or other purposes unless the person is: (a) licensed by the board as a master electrician and (b)(i) the electrical work is for a licensed electrical contractor and the person is an employee, partner, or officer of, or is the licensed electrical contractor, or (ii) the electrical work is performed for the person's employer on electrical electric wiring, apparatus, equipment, apparatus, or facilities owned or leased by the employer which is located within the limits of property which is owned or leased and operated and maintained by the employer.*

(1) An applicant for a Class A master electrician's license shall (a) be a graduate of a four-year electrical course in an accredited college or university; or (b) shall have had at least one year's experience, acceptable to the board, as a licensed journeyman; or (c) shall have had at least five years' experience, acceptable to the board, in planning for, laying out, supervising and installing wiring, apparatus, or equipment for electrical light, heat and power.

(2) As of August 1, 1985, no new Class B master electrician's licenses shall be issued. An individual who has a Class B master electrician's license as of August 1, 1985 may retain the license and exercise the privileges it

grants, which include electrical work limited to single phase systems, not over 200 amperes in capacity, on farmsteads or single-family dwellings located in towns or municipalities with fewer than 2,500 inhabitants.

Sec. 12. Minnesota Statutes 1990, section 326.242, subdivision 2, is amended to read:

Subd. 2. [JOURNEYMAN ELECTRICIAN.] (a) Except as otherwise provided by law, no person shall ~~wire for~~, install, ~~or alter~~, repair, ~~or supervise the installing, altering, or repairing of~~ electrical wiring, apparatus, or equipment; ~~for light, heat, power, or other purposes unless:~~

(1) ~~the person is~~ licensed by the board as a journeyman electrician ~~employed by; and~~

(2) ~~the electrical work is:~~

(i) ~~for a licensed~~ an electrical contractor and the person is an employee, partner, or officer of the electrical contractor; or

(ii) ~~performed under the supervision of a master electrician also employed by the person's employer on electrical wiring, apparatus, equipment, or facilities owned or leased by the employer that are located within the limits of property owned or leased, operated, and maintained by the employer.~~

(H) (b) An applicant for a Class A journeyman electrician's license shall have had at least four years of experience, acceptable to the board, in wiring for, installing, and repairing electrical wiring, apparatus, or equipment, provided however, that the board may by rule provide for the allowance of one year of experience credit for successful completion of a two-year post high school electrical course approved by the board.

(Z) (c) As of August 1, 1985, no new Class B journeyman electrician's licenses shall be issued. An individual who holds a Class B journeyman electrician's license as of August 1, 1985 may retain the license and exercise the privileges it grants, which include electrical work limited to single phase systems, not over 200 amperes in capacity, on farmsteads or on single-family dwellings located in towns or municipalities with fewer than 2,500 inhabitants.

Sec. 13. Minnesota Statutes 1990, section 326.242, subdivision 3, is amended to read:

Subd. 3. [CLASS A INSTALLER.] Notwithstanding the provisions of subdivisions 1, 2, and 6, any person holding a class A installer license may lay out and install ~~and supervise the laying out and installing of~~ electrical wiring, apparatus ~~and~~, or equipment for major electrical home appliances on the load side of the main service on farmsteads and in any town or municipality with fewer than 1,500 inhabitants, which is not contiguous to a city of the first class and does not contain an established business of a ~~master electrician~~ an electrical contractor.

Sec. 14. Minnesota Statutes 1990, section 326.242, subdivision 4, is amended to read:

Subd. 4. [SPECIAL ELECTRICIAN.] Notwithstanding the provisions of subdivisions 1, 2, 6, and 7, the board ~~shall~~ may by rule provide for the issuance of special electrician licenses empowering the licensee to engage in a limited class or classes of electrical work, which class or classes shall be specified on the license certificate. Each licensee shall have had at least two years of experience, acceptable to the board, in each such limited class

of work for which the licensee is licensed.

Sec. 15. Minnesota Statutes 1990, section 326.242, subdivision 5, is amended to read:

Subd. 5. ~~[APPRENTICES UNLICENSED PERSONS.] Any person may work as an apprentice to a licensed electrician, but shall do no electrical wiring except under the personal on-the-job supervision of such licensed electrician.~~ (a) *An unlicensed person shall not perform electrical work unless the work is performed under the personal supervision of an electrician actually licensed to perform such work and the licensed electrician and unlicensed person are employed by the same employer. Licensed electricians shall not permit unlicensed persons to perform electrical work except under the personal supervision of an electrician actually licensed to perform such work. Unlicensed persons shall not supervise the performance of electrical work or make assignments of electrical work to unlicensed persons. Licensed electricians shall supervise no more than two unlicensed persons.*

(b) *Notwithstanding any other provision of this section, no person other than a master electrician shall plan or lay out electrical wiring, apparatus, or equipment for light, heat, power, or other purposes.*

(c) *Electrical contractors employing unlicensed persons performing electrical work shall maintain records establishing compliance with this subdivision, which shall designate all unlicensed persons performing electrical work and shall permit the board to examine and copy all such records as provided for in section 326.244, subdivision 6.*

Sec. 16. Minnesota Statutes 1990, section 326.242, subdivision 6, is amended to read:

Subd. 6. ~~[CONTRACTORS ELECTRICAL CONTRACTOR'S LICENSE REQUIRED.] Except as otherwise provided by law, no person other than an employee, partner, or officer of a licensed electrical contractor, as defined by section 326.01, subdivision 5, shall undertake or offer to undertake to plan for, lay out, supervise or install or to make additions, alterations, or repairs in the installation of electrical wiring, apparatus, and equipment for electrical light, heat, or power, and other purposes with or without compensation without obtaining unless the person obtains an electrical contractor's license. Such license~~ *An electrical contractor's license does not of itself qualify its holder to perform or supervise the electrical work authorized by holding any class of electrician's license.*

Subd. 6a. ~~[BOND REQUIRED.] Each electrical contractor shall be issued by the board upon the contractor's giving~~ *give and maintain* bond to the state in the penal sum of \$5,000 conditioned upon the faithful and lawful performance of all work entered upon by the contractor within the state of Minnesota and such bond shall be for the benefit of persons injured or suffering financial loss by reason of failure of such performance. The bond shall be filed with the board and shall be in lieu of all other license bonds to any political subdivision. Such bond shall be written by a corporate surety licensed to do business in the state of Minnesota.

Subd. 6b. ~~[INSURANCE REQUIRED.] Each licensed~~ *licensed* electrical contractor shall have and maintain in effect general liability insurance, which includes premises and operations insurance and products and completed operations insurance, with limits of at least \$100,000 per occurrence, \$300,000 aggregate limit for bodily injury, and property damage insurance with limits of at least \$25,000 or a policy with a single limit for bodily

injury and property damage of \$300,000 per occurrence and \$300,000 aggregate limits. Such insurance shall be written by an insurer licensed to do business in the state of Minnesota and each ~~licensed~~ electrical contractor shall maintain on file with the board a certificate evidencing such insurance which provides that such insurance shall not be canceled without the insurer first giving 15 days written notice to the board of such cancellation.

Subd. 6c. [EMPLOYMENT OF MASTER ELECTRICIAN.] (a) No electrical contractor shall engage in business of electrical contracting unless the electrical contractor ~~is or~~ employs a licensed Class A master or Class B master electrician, who shall be responsible for the performance of all electrical work in accordance with the requirements of ~~this act, and sections 326.241 to 326.248 or any rule or order adopted or issued under these sections.~~ The classes of work for which the licensed electrical contractor is authorized shall be limited to those for which such Class A master, or Class B master employed by the electrical contractor is licensed.

(b) When an electrical contractor's license is held by an individual, partnership, or corporation and the individual, one of the partners, or an officer of the corporation, respectively, is not the responsible master electrician of record, all requests for inspection shall be signed by the responsible master electrician of record. ~~The application for an electrical contractor's license must include a verified statement that The designated responsible master electrician is a full-time employee of record shall be employed by the individual, partnership, or corporation which is applying for an electrical contractor's license. For purposes of this subdivision, a full-time employee of a licensed electrical contractor is an individual who is and shall not be employed in any capacity as a licensed electrician by any other electrical contractor or employer designated in subdivision 12.~~

(c) A sole proprietor holding an electrical contractor's license who serves as the designated master electrician of record for that electrical contractor's license shall not be employed or retained in any other capacity as a licensed electrician by another electrical contractor or employer designated in subdivision 12 unless the sole proprietor has no employees.

(d) All applications for electrical contractor's licenses and all renewals shall include a verified statement that the applicant or licensee has complied with this subdivision.

Sec. 17. Minnesota Statutes 1990, section 326.242, subdivision 9, is amended to read:

Subd. 9. [DENIAL, SUSPENSION, AND REVOCATION OF LICENSES.] The board of electricity may by order deny, suspend, revoke, or refuse to renew a license, or may censure a licensee if the board finds (1) in its discretion that the order is in the public interest and (2) that, based upon a preponderance of the evidence presented, the applicant or licensee:

(a) has filed an application for a license which is incomplete in any material respect or contains any statement which, in light of the circumstances under which it is made, is false or misleading with respect to any material fact;

(b) has engaged in any fraudulent, deceptive, or dishonest act or practice;

(c) has been convicted within the past five years of a misdemeanor involving a violation of ~~the Minnesota electrical act sections 326.241 to 326.248;~~
~~or~~

(d) has violated or failed to comply with sections 326.241 to 326.248 or

any rule or order adopted or issued under these sections: ~~A violation need not be willful; or~~

(e) has, in the conduct of the applicant's or licensee's affairs, including, but not limited to, the performance of electrical work, been shown to be incompetent or untrustworthy.

If a licensee engages in conduct that is proven by a preponderance of the evidence to be a basis for discipline pursuant to paragraphs (a) to (e), the conduct shall constitute a violation of this subdivision. The board may take action under this subdivision or any other law authorizing action against a licensee regardless of whether the underlying conduct was willful.

The board of electricity may adopt rules further specifying and defining actions, conduct, and omissions that constitute fraudulent, deceptive, or dishonest, or prohibited practices, and establishing standards of conduct for applicants and licensees.

Sec. 18. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9a. [CIVIL PENALTIES.] Whenever a preponderance of the evidence presented proves that a person has violated or failed to comply with sections 326.241 to 326.248 or any rule or order adopted or issued under these sections, the board may impose a civil penalty upon the person in an amount not to exceed \$10,000 per violation.

Sec. 19. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9b. [ORDERS FOR HEARING.] The complaint committee may, on behalf of the board, issue an order requiring a licensee or an applicant for a license to appear at a hearing on the issue of whether the license should be revoked or suspended, the licensee censured, the application denied, or a civil penalty imposed. The order shall be calculated to give reasonable notice of the time and place for hearing, and shall state the reasons for the entry of the order. All hearings shall be conducted in accordance with chapter 14. After the hearing, the board shall enter an order making a disposition of the matter as the facts require. If the licensee or applicant fails to appear at a hearing of which that person has been duly notified, the person is in default and the proceeding may be determined against that person upon consideration of the order for hearing, the allegations of which may be deemed to be true.

Sec. 20. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9c. [TEMPORARY SUSPENSION.] (a) The complaint committee may, on behalf of the board and in the public interest, temporarily suspend a license pending final determination of an order for hearing. Service of the temporary suspension order is effective if the order is served on the licensee or counsel of record personally or by first class mail to the most recent address provided to the board for the licensee or the counsel of record.

(b) If a license is suspended pending final determination of an order for hearing, a hearing on the merits shall be held within 45 days of the issuance of the order of temporary suspension. The administrative law judge shall issue a report within 30 days after closing of the contested case hearing record. The board shall issue a final order within 30 days after receipt of

that report and any exceptions.

(c) If the licensee requests a hearing in writing within ten days of service of the order, the board shall hold a hearing before its own members on the sole issue of whether there is a reasonable basis to continue, modify, or vacate the temporary suspension. The board shall hold the hearing within five working days of the licensee's request for hearing. Evidence presented by the complaint committee or licensee shall be in affidavit form only. The licensee or counsel of record for the licensee may appear for oral argument. Within five working days after the hearing, the board shall issue its order either continuing or vacating the temporary suspension.

Sec. 21. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9d. [CEASE AND DESIST ORDER.] (a) Whenever it appears to the complaint committee that any person has engaged or is about to engage in any act or practice constituting a violation of sections 326.241 to 326.248, any other law authorizing the issuance of a cease and desist order, or any rule or order adopted or issued under these sections, the complaint committee may, on behalf of the board, issue and cause to be served upon the person an order requiring the person to cease and desist from violating sections 326.241 to 326.248 or any rule or order adopted or issued under these sections. The order shall be calculated to give reasonable notice of the right of the person to request a hearing and shall state the reasons for the entry of the order. If no hearing is requested of the board within 15 days of service of the order, the order shall become final and shall remain in effect until it is modified or vacated by the board and shall not be reviewable by a court.

(b) A hearing shall be held not later than 30 days from the date of the board's receipt of a written hearing request, unless otherwise agreed by the person requesting the hearing and the complaint committee. Within 30 days of receipt of the administrative law judge's report and any exceptions, the board shall issue a final order modifying, vacating, or making permanent the cease and desist order as the facts require. The final order remains in effect until modified or vacated by the board.

Sec. 22. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9e. [COSTS OF PROCEEDING.] The board may impose a fee to reimburse the board for all or part of the cost of the proceedings resulting in disciplinary action or the imposition of civil penalties or the issuance of a cease and desist order. Such fees include, but are not limited to, the amount paid by the board for services from the office of administrative hearings, attorney fees, court reporters, witnesses, reproduction of records, board members' per diem compensation, board staff time, and expense incurred by board members and staff.

Sec. 23. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9f. [DISTRICT COURT ACTION; INJUNCTIVE RELIEF AND CIVIL PENALTIES.] (a) Whenever it appears to the board, or the complaint committee if authorized by the board, that any person has engaged or is about to engage in any act or practice constituting a violation of sections 326.241 to 326.248 or any rule or order adopted or issued under these sections, the board, or the complaint committee if authorized by the board,

may bring an action in the name of the board in the Ramsey county district court or the district court of any other county in which venue is proper.

(b) The action may be brought to enjoin the acts or practices and to enforce compliance with sections 326.241 to 326.248, any other law authorizing a civil or injunctive action, or any rule or order adopted or issued under these sections, and for a civil penalty not to exceed \$10,000 for each separate violation of sections 326.241 to 326.248, any other law authorizing a civil or injunctive action, or any rule or order adopted or issued under these sections.

(c) A temporary restraining order and other temporary injunctive relief shall be granted in the proceeding whenever it appears that any person has engaged in or is about to engage in any act, conduct, or practice constituting violation of sections 326.241 to 326.248, any other law authorizing a civil or injunctive action, or any rule or order adopted or issued under these sections. The board shall not be required to show irreparable harm.

Sec. 24. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9g. [OTHER REMEDIES.] The issuance of a cease and desist order or injunctive relief under this section does not relieve a person from criminal prosecution by any competent authority or from disciplinary action by the board and does not prevent the board from exercising any other authority granted to it.

Sec. 25. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9h. [POWERS ADDITIONAL.] The powers contained in subdivisions 9 to 9g are in addition to all other powers of the board.

Sec. 26. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9i. [COOPERATION REQUIRED.] A person who is the subject of an investigation, or who is questioned in connection with an investigation, by or on behalf of the board or its complaint committee shall cooperate fully with the investigation. Cooperation includes, but is not limited to:

(1) responding fully and promptly to questions raised by or on behalf of the board or its complaint committee relating to the subject of the investigation;

(2) providing copies of records in the person's possession related to the matter under investigation as requested by the board, its complaint committee, or the attorney general within the time limit set by the board, its complaint committee, or the attorney general;

(3) assisting the board, its complaint committee, or the attorney general in its investigation; and

(4) appearing at conferences or hearings scheduled by the board or its complaint committee.

Sec. 27. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9j. [DISCIPLINARY PROCEEDINGS CLOSED.] Proceedings held

before the board or its complaint committee under chapter 214 or subdivisions 9 to 9d are exempt from the requirements of section 471.705, subdivision 1.

Sec. 28. Minnesota Statutes 1990, section 326.242, is amended by adding a subdivision to read:

Subd. 9k. [CONFLICTS OF LAW.] If there is a conflict between sections 326.241 to 326.248 and chapter 214, sections 326.241 to 326.248 shall control.

Sec. 29. Minnesota Statutes 1990, section 326.242, subdivision 12, is amended to read:

Subd. 12. [EXEMPTIONS FROM LICENSING.] (a) A maintenance electrician who is supervised by the responsible master electrician for an electrical contractor who has contracted with the maintenance electrician's employer to provide services for which an electrical contractor's license is required or by a master electrician or an electrical engineer registered with the board and who is an employee of an employer and is engaged in the maintenance, and repair of electrical equipment, apparatus, and facilities owned or leased by the employer, and performed within the limits of property which is owned or leased and operated and maintained by said employer, shall not be required to hold or obtain a license under sections 326.241 to 326.248; or

(b) Employees of a licensed alarm and communication contractor are not required to hold a license under sections 326.241 to 326.248 while performing work authorized to be conducted by an alarm and communication contractor; or

(c) Employees of any electric, communications, or railway utility, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility or telephone company, shall not be required to hold a license under sections 326.241 to 326.248:

1. While performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility or telephone company in the exercise of its utility or telephone function, and which

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility or telephone company, and

(ii) are generally accessible only to employees of such utility or telephone company or persons acting under its control or direction, and

(iii) are not on the load side of the meter; or

2. While performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

3. While installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction; or

(d) An owner shall not be required to hold or obtain a license under sections 326.241 to 326.248.

Sec. 30. Minnesota Statutes 1990, section 326.244, subdivision 4, is amended to read:

Subd. 4. [POWERS OF POLITICAL SUBDIVISIONS.] Any political subdivision *or the University of Minnesota* may make provision for inspection of electrical installations within its jurisdiction, in which case it shall keep on file with the board copies of its current inspection ordinances and codes. No political subdivision *or the University of Minnesota* shall require any individual, partnership, corporation or other business association holding a license from the ~~state board of electricity~~ under sections 326.241 to 326.248 to pay any license or registration fee, provided however, that any such political subdivision *or the University of Minnesota* may provide by ordinance a requirement that each individual, partnership, corporation or other business association doing electrical work within the jurisdiction of such political subdivision *or the University of Minnesota* have on file with said political subdivision a copy of the current license issued by the ~~state board of electricity~~ or such other evidence of such license as may be provided by the ~~state board of electricity~~.

Each electrical inspector of any political subdivision ~~must~~ *or the University of Minnesota shall* be a licensed master or journeyman electrician under section 326.242, subdivision 1(1) or 2(1) and ~~may~~ *shall* not otherwise engage or be employed in the sale ~~or installation, installing, altering, or repairing~~ of electrical wiring, ~~devices, appliances apparatus, or equipment; for light, heat, power, and other purposes~~ and shall have no financial interest in any concern engaged in any such business.

Sec. 31. Minnesota Statutes 1990, section 326.244, subdivision 5, is amended to read:

Subd. 5. [EXEMPTIONS FROM INSPECTIONS.] Installations, materials, or equipment shall not be subject to inspection under sections 326.241 to 326.248:

1. When owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326.241 to 326.248, while performing electrical maintenance work only as defined by board rule; or

2. When owned or leased, and operated and maintained by any electric, communications or railway utility or telephone company in the exercise of its utility or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility or telephone company; and

(ii) are generally accessible only to employees of such utility or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the meter; or

3. When used in the street lighting operations of an electric utility; or

4. When used as outdoor area lights which are owned and operated by an electric utility and which are connected directly to its distribution system

and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction; or

5. When the installation, material, and equipment are alarm or communication systems laid out, installed, or maintained within residential units not larger than a duplex; or

6. When the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act.

Sec. 32. Minnesota Statutes 1990, section 326.244, is amended by adding a subdivision to read:

Subd. 6. [SITE INSPECTIONS.] The board may, without advance notice, inspect any site at which electrical work is being performed or has been performed or where records concerning the performance of electrical work are kept for purposes of ensuring compliance with sections 326.241 to 326.248 or any rule or order adopted or issued under these sections. The board shall have the authority to examine and copy all records concerning the performance of electrical work and to question in private all persons employed by an electrical contractor or on the site. No person shall retaliate in any manner against any employee or person who is questioned by, cooperates with, or provides information to the board, its complaint committee, or the attorney general.

Sec. 33. Minnesota Statutes 1990, section 326.245, is amended to read:

326.245 [MANUFACTURING, INSTALLATION, ALTERATION, OR REPAIR OF ELECTRICAL APPARATUS; EXEMPT.]

Electrical components, apparatus or appliances being manufactured within the limits of property which is owned or leased by a manufacturer and such manufacturer's production employees shall not be covered by sections 326.241 to 326.248. Installation, alteration, or repair of electrical appliance units, except (a) electrical wiring to the unit, or (b) original wiring in or on the unit installed outside the limits of property which is owned or leased by a manufacturer shall not be covered by ~~sections 326.241, 326.242, and 326.244 to 326.248~~ this chapter. For purposes of this section, "electrical appliance units" means all electrical and natural gas appliances that use electricity including, but not limited to, furnaces, water heaters, stoves, clothes washers, dryers, air conditioners, dishwashers, and humidifiers.

Sec. 34. Minnesota Statutes 1990, section 326.246, is amended to read:

326.246 [CRIMES.]

It is a misdemeanor knowingly and willfully to commit, or to order, instruct, or direct another to commit, any of the following acts:

(1) to make a false statement in any license application, request for inspection, certificate or other lawfully authorized or required form or statement provided by sections 326.241 to 326.248;

(2) to perform electrical work without a proper license for such work unless the work is exempt from licensing;

(3) to fail to file a request for inspection when required;

(4) to interfere with, or refuse entry to, an inspector lawfully engaged in the performance of the inspector's duties; and

(5) to violate any lawful statute, rule, or order of the board, or any city ordinance which pertains to powers given to political subdivisions under section 326.244, subdivision 4."

Amend the title as follows:

Page 1, line 7, delete ", and by"

Page 1, line 8, delete "adding a subdivision"

Page 1, line 9, after "9," insert "12,"

Page 1, line 10, delete "subdivision 4" and insert "subdivisions 4, 5" and after the semicolon, insert "326.245;"

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

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

S.F. No. 796: A bill for an act relating to waste; Western Lake Superior sanitary district; amending the definition of solid waste; changing the date for adoption of a budget; amending Minnesota Statutes 1990, sections 458D.02, subdivision 18; and 458D.08.

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

Page 1, line 16, strike everything after the first comma

Page 1, line 17, strike "community activities,"

Page 1, line 19, after the stricken "broken" insert "or"

Page 1, line 20, strike the comma and delete the new language and strike "solids" and insert "; sewage sludge; solid"

Page 1, line 23, strike "waste" and insert "wastewater" and strike the comma

Page 1, line 25, after the second comma, insert "and"

Page 2, line 1, delete the first comma and insert a semicolon and delete "other"

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

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

S.F. No. 139: A bill for an act relating to natural resources; designating raccoon and fox as unprotected wild animals; amending Minnesota Statutes 1990, sections 97A.015, subdivisions 45 and 53; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.511; 97A.541; 97B.075; 97B.601, subdivisions 3 and 4; 97B.621, subdivision 3; 97B.655, subdivision 1; repealing Minnesota Statutes 1990, sections 97B.005, subdivision 4; 97B.621, subdivisions 1, 2, and 4; and 97B.631.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 97A.015, subdivision 45, is amended to read:

Subd. 45. [SMALL GAME.] "Small game" means game birds, gray squirrel, fox squirrel, cottontail rabbit, snowshoe hare, jack rabbit, raccoon, lynx, bobcat, ~~red fox~~ and gray fox, fisher, pine marten, opossum, badger, cougar, wolverine, muskrat, mink, otter, and beaver.

Sec. 2. Minnesota Statutes 1990, section 97A.015, subdivision 53, is amended to read:

Subd. 53. [UNPROTECTED WILD ANIMALS.] "Unprotected wild animals" means wild animals that are not protected wild animals including weasel, coyote (brush wolf), gopher, porcupine, skunk, ~~and~~ civet cat, ~~red fox~~, and unprotected birds.

Sec. 3. Minnesota Statutes 1990, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take small game, \$56;
- (2) to take deer with firearms, \$110;
- (3) to take deer by archery, \$110;
- (4) to take bear, \$165;
- (5) to take turkey, \$33; and
- (6) to take raccoon, bobcat, *gray* fox, coyote, or lynx, \$137.50.

Sec. 4. Minnesota Statutes 1990, section 97A.485, subdivision 9, is amended to read:

Subd. 9. [CERTAIN LICENSES NOT TO BE ISSUED AFTER SEASON OPENS.] (a) The following licenses may not be issued after the day before the opening of the related firearms season:

- (1) to take deer with firearms or by archery;
- (2) to guide bear hunters; and
- (3) to guide turkey hunters.

(b) Paragraph (a) does not apply to deer licenses for discharged military personnel under section 97A.465, subdivision 4.

(c) A nonresident license or tag to take and possess raccoon, bobcat, Canada lynx, or *gray* fox may not be issued after the fifth day of the open season.

Sec. 5. Minnesota Statutes 1990, section 97A.541, is amended to read:
97A.541 [NONRESIDENT: SMALL GAME TAGS.]

A nonresident may not possess or transport a raccoon, bobcat, Canada lynx, or *gray* fox taken in this state without a tag attached to the animal. The commissioner shall prescribe, by order, the type of tag and the number of tags to be issued with each nonresident raccoon, bobcat, Canada lynx, or *gray* fox license and shall furnish the tags with the licenses to be issued.

Sec. 6. Minnesota Statutes 1990, section 97B.075, is amended to read:

97B.075 [HUNTING RESTRICTED BETWEEN EVENING AND MORNING.]

A person may not take protected wild animals, except raccoon and *gray* fox, with a firearm or by archery between the evening and morning times established by commissioner's order.

Sec. 7. Minnesota Statutes 1990, section 97B.601, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENTS: RACCOON, BOBCAT, GRAY FOX, COYOTE, CANADA LYNX.] A nonresident may not take raccoon, bobcat, *gray* fox, coyote, or Canada lynx without a separate license to take that animal in addition to a small game license.

Sec. 8. Minnesota Statutes 1990, section 97B.631, is amended to read: 97B.631 [GRAY FOX.]

Subdivision 1. [RESTRICTIONS ON TAKING.] A person may not remove a *gray* fox from a den or trap *gray* fox within 300 feet of a *gray* fox den from April 1 to August 31.

Subd. 2. [PERMIT REQUIRED TO SNARE.] A person may not use a snare to take *gray* fox except under a permit from the commissioner.

Sec. 9. Minnesota Statutes 1990, section 97B.655, subdivision 1, is amended to read:

Subdivision 1. [OWNERS AND OCCUPANTS MAY TAKE CERTAIN ANIMALS.] A person may take mink, squirrel, rabbit, hare, raccoon, lynx, bobcat, *gray* fox, muskrat, or beaver on land owned or occupied by the person where the animal is causing damage. The person may take the animal without a license and in any manner except by poison, or artificial lights in the closed season. Raccoons may be taken under this subdivision with artificial lights during open season. A person that kills mink, raccoon, lynx, bobcat, *gray* fox, muskrat, or beaver under this subdivision must bring the entire animal to a conservation officer or employee of the division within 24 hours after the animal is killed."

Delete the title and insert:

"A bill for an act relating to natural resources; designating red fox as an unprotected wild animal; amending Minnesota Statutes 1990, sections 97A.015, subdivisions 45 and 53; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.541; 97B.075; 97B.601, subdivision 3; 97B.631; and 97B.655, subdivision 1."

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

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

S.F. No. 966: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing nonpark use of a portion of Interstate park; authorizing the sale of certain deleted lands.

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

Page 2, line 21, before "*The*" insert "*(a)*" and delete "*area is*" and

insert "areas are"

Page 2, line 22, after the colon, insert:

"(1)"

Page 3, line 8, delete the period and insert "; and

(2) that part of Government Lot 1 of Section 15, Township 56 North, Range 7 West, described as follows: Beginning at the water line of Lake Superior on the north and south line between Government Lots 1 and 2 of said Section 15; thence North 5 degrees West 7 chains; thence North 61 degrees East 3 chains and 57 links; thence North 47 degrees East 3 chains and 25 links; thence South 30 degrees East to the water line of Lake Superior; thence westerly along said water line to the point of beginning.

(b) The following described area, to be known as the Palisade Valley Unit, also is added to Tettegouche state park: The West Half of Section 16; the South Half, the South Half of the Northwest Quarter, the South Half of the Northeast Quarter and the Northeast Quarter of the Northeast Quarter of Section 17; the South Half, the South Half of the Northeast Quarter, the South Half of the Northwest Quarter and the Northwest Quarter of the Northwest Quarter of Section 18; the West Half and the Northeast Quarter of Section 19; the Northwest Quarter of the Northwest Quarter of Section 20; the Northwest Quarter of Section 30; all in Township 56 North, Range 7 West. All of Sections 13, 24 and 25; Government Lot 6 of Section 12; the East Half of the Northeast Quarter and the East Half of the Southeast Quarter of Section 26; all in Township 56 North, Range 8 West. Notwithstanding the provisions of section 85.012, subdivision 1, tax-forfeited land located within the Palisade Valley Unit is not withdrawn from sale and transferred from the custody of the county board. The commissioner shall manage the unit as a recreational state park as provided in section 86A.05, subdivision 3, but without major new development such as roads or campgrounds, other than hiking trails and backpack-only campsites. In addition to other activities authorized within Tettegouche state park, the following activities are permitted in the Palisade Valley Unit: (1) public hunting, trapping, and fishing; (2) the continued leasing of hunting cabins on tax-forfeited land for not more than 40 years after the effective date of this section; and (3) the continued use of snowmobiles and all-terrain vehicles on roads and designated trails existing on the effective date of this section, including existing routes to Bear and Bean lakes. The commissioner shall promulgate rules for the Palisade Valley Unit that are consistent with this section.

(c) The commissioner shall establish an advisory committee to provide advice regarding the planning, development, and operation of Tettegouche state park."

Page 3, line 16, delete everything after "Society"

Page 3, line 17, delete everything after "Center" and insert ". The lease may be for a period not to exceed 50 years and, at the request of the lessee, may be extended by the commissioner for a period not to exceed another 50 years."

Page 3, delete line 18

Page 3, line 19, delete everything before "that" and insert "The lease must provide"

Page 3, line 20, delete "it" and insert "the land"

Page 3, after line 21, insert:

"Sec. 3. [APPROPRIATION.]

\$ is appropriated from the general fund to the commissioner of natural resources for a grant to the Chisago County Historical Society for architectural planning for the St. Croix Valley Heritage Center. The grant must be matched equally with funds provided by the Chisago County Historical Society."

Page 3, delete line 23 and insert:

"Sections 1 and 2 are effective the day following final enactment. Section 3 is effective July 1, 1991."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, insert "; appropriating money"

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

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

S.F. No. 800: A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3; repealing Minnesota Statutes 1990, section 97B.035, subdivision 2.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 97A.445, subdivision 2, is amended to read:

Subd. 2. [ANGLING; INSTITUTIONAL RESIDENTS.] A license is not required to take fish by angling with the written consent of the superintendent or chief executive of the institution for the following persons:

- (1) a resident of a state hospital;
- (2) a patient of a United States Veterans Administration hospital;
- (3) an inmate of a state correctional facility; ~~and~~
- (4) a resident of a *licensed nursing or boarding care home, a person who is enrolled in and regularly participates in an adult day care program or other similar organized activity sponsored by a licensed nursing or boarding care home, or a resident of a licensed board and lodging facility; and*
- (5) a resident of a drug or alcohol residential treatment program under the age of 20.

Sec. 2. Minnesota Statutes 1990, section 97A.535, subdivision 1, is amended to read:

Subdivision 1. [TAGS REQUIRED.] A person may not possess or transport deer, bear, elk, or moose taken in the state unless a tag is attached to the carcass in a manner prescribed by the commissioner. The commissioner must prescribe the type of tag that has the license number of the owner, the year of its issue, and other information prescribed by the commissioner. The tag must be attached to the deer, bear, elk, or moose ~~when:~~

(1) ~~the animal is in a camp, or a place occupied overnight or the yard surrounding the place; or~~

(2) ~~the animal is on a motor vehicle at the site of the kill before the animal is removed from the site of the kill, and must remain attached to the animal until the animal is processed for storage.~~

Sec. 3. Minnesota Statutes 1990, section 97B.055, subdivision 3, is amended to read:

Subd. 3. [HUNTING FROM VEHICLE BY DISABLED HUNTERS.] The commissioner may issue a special permit, without a fee, to discharge a firearm or bow and arrow from a stationary motor vehicle to a licensed hunter that is *temporarily or permanently* physically unable to walk ~~with or without crutches, braces, or other mechanical support, or who has a physical disability which substantially limits the person's ability to walk. The physical disability and the substantial inability to walk must be established by medical evidence verified in writing by a licensed physician.~~ A person with a temporary disability may be issued an annual permit and a person with a permanent disability may be issued a permanent permit.

Sec. 4. Minnesota Statutes 1990, section 97B.106, is amended to read:

97B.106 [CROSSBOW PERMITS FOR HUNTING.]

The commissioner may issue a special permit, without a fee, to take deer or turkey with a crossbow to a person that is unable to hunt by archery because of a permanent *or temporary* physical disability. *To qualify a person for a special permit under this section, a temporary disability must render the person unable to hunt by archery for a minimum of two years after application for the permit is made.* The permanent *or temporary* disability, established by medical evidence, and the inability to hunt by archery *for the required period of time* must be verified in writing by a licensed physician. The person must obtain the appropriate license. The crossbow must:

- (1) be fired from the shoulder;
- (2) deliver at least 42 foot-pounds of energy at a distance of ten feet;
- (3) have a stock at least 30 inches long;
- (4) have a working safety; and
- (5) be used with arrows or bolts at least ten inches long with a broadhead.

Sec. 5. Minnesota Statutes 1990, section 97B.935, subdivision 3, is amended to read:

Subd. 3. [SPECIAL PERMIT FOR DISABLED.] The commissioner may issue a special permit, *in the manner provided in section 97B.055, subdivision 3,* to use a snowmobile or all-terrain vehicle to transport or check beaver or otter traps or to transport beaver or otter carcasses or pelts to a licensed trapper physically unable to walk as specified in section 97B.055, subdivision 3.

Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective the day following its final enactment. Sections 2 to 5 are effective August 1, 1991."

Delete the title and insert:

"A bill for an act relating to natural resources; revising certain provisions relating to the taking, possession, and transportation of wild animals; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3."

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

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

S.F. No. 880: A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; authorizing fees for obtaining certain information from financial institutions; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a, 6, and 7; proposing coding for new law in Minnesota Statutes, chapter 48.

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

Page 3, delete section 6

Page 4, line 33, after "and" insert "reasonable"

Page 5, line 3, delete "\$20" and insert "\$15"

Page 5, line 6, before the period, insert "if the service charge is used to reimburse the law enforcement agency for its expenses"

Pages 5 and 6, delete section 10

Page 7, lines 29 to 32, reinstate the stricken language

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 8, delete everything after the semicolon

Page 1, delete line 9

Page 1, line 18, delete ", 6,"

Page 1, line 19, delete everything after "7" and insert a period

Page 1, delete line 20

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

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

S.F. No. 84: A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in the city of Barnesville in Clay county.

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

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

S.F. No. 1251: A bill for an act relating to motor vehicles; clarifying that engines may be replaced under certain conditions; amending Minnesota Statutes 1990, sections 116.63, subdivision 3; and 325E.0951, subdivision 3.

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

Page 1, line 14, after "if" insert ": (1) the motor vehicle in which the engine is replaced is not subject to the inspection requirement in section 116.61; or (2)" and after "with" insert "section 2."

Page 1, delete lines 15 to 17 and insert:

"Sec. 2. [116.635] [EXCHANGED AND REBUILT ENGINES.]

(a) Except as provided in paragraph (b), a motor vehicle that is subject to the inspection requirement in section 116.61, and has had its engine rebuilt or exchanged, must comply with the emissions standards for the model year of the vehicle's chassis.

(b) Vehicles that have received an exchanged engine before August 1, 1991, must comply with the emissions standards for the year the engine was manufactured.

(c) If a vehicle with an exchanged engine is subject to inspection as required by section 116.61, the owner may submit to the person conducting the inspection proof:

(1) of the year the engine was manufactured; and

(2) that the engine was exchanged before August 1, 1991.

Proof of the engine year may be based on either the engine identification number or documentation provided by the vehicle owner. If the inspector determines that the engine was manufactured before the 1976 model year, the vehicle is exempt from the emissions inspection requirement. If the inspector determines that the vehicle meets the emissions standards for the year the engine was manufactured, the vehicle must be issued a certificate of compliance.

If the inspector is unable to determine the engine year by reviewing the engine identification number or the owner is unable to provide documentation of the year the engine was manufactured, the vehicle is required to meet the emissions standards for vehicles manufactured in the 1976 model year.

(d) Motor vehicles manufactured after the 1975 model year that have exchanged engines must have a catalytic converter and an unvented fuel

cap if the engine was originally equipped with these devices."

Page 2, line 3, delete "*This act is*" and insert "*Sections 1 and 3 are*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, before the period, insert "proposing coding for new law in Minnesota Statutes, chapter 116"

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

Mr. Berg from the Committee on Gaming Regulation, to which was referred

S.F. No. 506: A bill for an act relating to lawful gambling; requiring record keeping, reports, and audits by licensed gambling organizations; allowing certain costs as lawful purposes; requiring preparation of an accounting manual; amending Minnesota Statutes 1990, sections 349.12, subdivision 25, and by adding a subdivision; 349.19, subdivisions 5 and 9, and by adding subdivisions.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 240.13, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS.] (a) A licensee conducting pari-mutuel betting must provide at the licensed track:

~~(a)~~ (1) the necessary equipment for issuing pari-mutuel tickets; and

~~(b)~~ (2) mechanical or electronic equipment for displaying information the commission requires. All mechanical or electronic devices must be approved by the commission before being used.

(b) A licensee conducting pari-mutuel betting must post prominently at each point of sale of pari-mutuel tickets the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98 in a manner approved by the commissioner.

Sec. 2. Minnesota Statutes 1990, section 245.98, is amended by adding a subdivision to read:

Subd. 2a. [ASSESSMENT OF CERTAIN OFFENDERS.] *The commissioner shall adopt by rule criteria to be used in conducting compulsive gambling assessments of offenders under section 35. The commissioner shall also adopt by rule standards to qualify a person to: (1) assess offenders for compulsive gambling treatment; and (2) provide treatment indicated in a compulsive gambling assessment. The rules must specify the circumstances in which, in the absence of an independent assessor, the assessment may be performed by a person with a direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider.*

Sec. 3. Minnesota Statutes 1990, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of gambling enforcement.

(e) "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

Sec. 4. [299L.07] [GAMBLING DEVICES.]

Subdivision 1. [RESTRICTION.] A person may not manufacture, sell, offer to sell, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, except that a gambling device may be:

(1) manufactured as provided in section 349.40;

(2) sold, offered for sale, or otherwise provided to a distributor licensed under subdivision 3; and

(3) sold, offered for sale, or otherwise provided to the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal-state compact under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721.

Subd. 2. [LICENSE REQUIRED.] A person may not manufacture or distribute gambling devices without having obtained a license under this section.

Subd. 3. [LICENSE ISSUANCE.] The commissioner may issue a license under this section if the commissioner determines that the applicant will conduct the business in a manner that will not adversely affect the public health, welfare, and safety or be detrimental to the effective regulation and control of gambling. A license may not be issued under this section to a person, or a corporation, firm, or partnership that has an officer, director, or other person with a direct or indirect financial or management interest of five percent or more, who has ever:

(1) been convicted of a felony;

(2) been convicted of a crime involving gambling;

(3) been connected with or engaged in an illegal business; or

(4) had a license revoked or denied by another jurisdiction for a violation of law or rule related to gambling.

Subd. 4. [APPLICATION.] An application for a manufacturer's or distributor's license must be on a form prescribed by the commissioner and must, at a minimum, contain:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;

(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation,

subsidiary, or affiliate does business in Minnesota; and

(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts of omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.

Subd. 5. [INVESTIGATION.] Before a manufacturer's or distributor's license is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.

Subd. 6. [LICENSE FEE.] A license issued under this section is valid for one year. The annual fee for a license is \$5,000.

Subd. 7. [RENEWAL.] Upon making the same determination as in subdivision 3, the commissioner may renew a license issued under this section.

Subd. 8. [LICENSE SUSPENSION AND REVOCATION.] (a) The commissioner may suspend a license under this section for a violation of law or rule. The commissioner may revoke a license:

(1) for a violation of law or rule which, in the commissioner's opinion, adversely affects the integrity of gambling in Minnesota;

(2) for an intentional false statement in a license application; or

(3) if the licensee is the subject of a disciplinary proceeding in another jurisdiction which results in the revocation of a license.

A revocation or suspension is a contested case under sections 14.57 to 14.69.

(b) The commissioner may summarily suspend a license prior to a contested case hearing if the commissioner determines that a summary suspension is necessary to ensure the integrity of gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge must issue a report within 20 days of the close of the hearing record. The commissioner shall issue a final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.

Subd. 9. [TRANSPORTATION OF GAMBLING DEVICES.] In addition to the requirements of this section, the transportation of gambling devices into Minnesota must be in compliance with United States Code, title 15, sections 1171 to 1177, as amended.

Sec. 5. Minnesota Statutes 1990, section 349.12, is amended by adding a subdivision to read:

Subd. 3a. [ALLOWABLE EXPENSE.] "Allowable expense" means an expense directly related to the conduct of lawful gambling.

Sec. 6. Minnesota Statutes 1990, section 349.12, subdivision 25, is amended to read:

Subd. 25. (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21 or over age 65, provided that such facilities and activities do not discriminate on the basis of gender, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the tax imposed by section 349.212, subdivisions 1 and 4, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on licensed gambling premises wholly owned by the licensed organization paying the taxes, not to exceed the amount which an organization may expend under board rule on rent for premises used for lawful gambling \$18,000 per year;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency; or

(11) a contribution to or expenditure by a nonprofit organization, church, or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; or

(12) *payment of one-half of the reasonable costs of an audit required in section 349.19, subdivision 9.*

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, except as provided in clause (6), unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure.

Sec. 7. Minnesota Statutes 1990, section 349.12, is amended by adding a subdivision to read:

Subd. 30a. [PROFIT CARRYOVER.] "Profit carryover" means cumulative net profit less cumulative lawful purpose expenditures.

Sec. 8. Minnesota Statutes 1990, section 349.15, is amended to read:

349.15 [USE OF GROSS PROFITS.]

(a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized at a regular meeting of the conducting organization. Provided that no more than 60 percent of the gross profit less the tax imposed under section 349.212, subdivision 1, from bingo, and no more than 50 percent of the gross profit less the tax imposed by section 349.212, subdivision 6, from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling.

(b) ~~The board shall provide by rule for the administration of this section, including specifying allowable expenses. The rules must specify that no more than one-third of the annual premium on a policy of liability insurance procured by the organization may be taken as an allowable expense. This expense shall be allowed by the board only to the extent that it relates directly to the conduct of lawful gambling and is verified in the manner the board prescribes by rule. The rules may provide a maximum percentage of gross profits which may be expended for certain expenses.~~

(c) ~~Allowable expenses also include reasonable costs of bank account service charges, and the reasonable costs of an audit required by the board, except an audit required under section 349.19, subdivision 9.~~

(d) ~~Allowable expenses include reasonable legal fees and damages that relate to the conducting of lawful gambling, except for legal fees or damages incurred in defending the organization against the board, attorney general, United States attorney, commissioner of revenue, or a county or city attorney.~~

Sec. 9. Minnesota Statutes 1990, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations, distributors, bingo halls, manufacturers, and gambling managers;

(3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and bingo halls to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than \$500 per violation on

organizations, distributors, manufacturers, bingo halls, and gambling managers for failure to comply with any provision of this chapter or any rule of the board;

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue licenses and premises permits under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, or gambling managers as provided in this chapter;

(13) to register recipients of net profits from lawful gambling and to revoke or suspend the registrations;

(14) to register employees of organizations licensed to conduct lawful gambling;

(15) (14) to require fingerprints from persons determined by board rule to be subject to fingerprinting; and

(16) (15) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) Any organization, distributor, bingo hall operator, or manufacturer assessed a civil penalty may request a hearing before the board. Hearings conducted on appeals of imposition of penalties are not subject to the provisions of the administrative procedure act.

(c) All fees and penalties received by the board must be deposited in the general fund.

Sec. 10. Minnesota Statutes 1990, section 349.154, subdivision 2, is amended to read:

Subd. 2. [NET PROFIT REPORTS.] (a) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure and contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name, address, and telephone number of the recipient of the expenditure or contribution;

(2) the date the contribution was approved by the organization;

(3) the date, amount, and check number of the expenditure or contribution; and

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25, paragraph (a).

(b) Each report required under paragraph (a) must be accompanied by an acknowledgment, on a form the board prescribes, of each contribution of more than \$100 in net profits from lawful gambling included in the report. The acknowledgment must be signed by the recipient of the contribution, or, if the recipient is not an individual, or other authorized representative of the recipient, by an officer. The acknowledgment must include the name and address of the contributing organization and each item in paragraph (a), clauses (1) to (3).

(c) The board shall provide the commissioners of revenue and public

safety copies of each report received under this subdivision.

Sec. 11. Minnesota Statutes 1990, section 349.16, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF GAMBLING LICENSES.] (a) Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications in paragraphs (b) to (h) if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22.

(b) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(c) The organization at the time of licensing must have at least 15 active members.

(d) The organization must not be in existence solely for the purpose of conducting gambling.

(e) The organization must not have as an officer or member of the governing body any person who, within the five years before the issuance of the license, has been convicted in a federal or state court of a felony or gross misdemeanor or who has ever been convicted of a crime involving gambling or who has had a license issued by the board or director revoked for a violation of law or board rule.

(f) The organization has identified in its license application the lawful purposes on which it proposes to expend net profits from lawful gambling.

(g) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this chapter.

~~(h) The organization must not, in the opinion of the board after consultation with the commissioner of revenue, be seeking licensing primarily for the purpose of evading or reducing the tax imposed by section 349.212, subdivision 6.~~

Sec. 12. Minnesota Statutes 1990, section 349.16, subdivision 3, is amended to read:

Subd. 3. [TERM OF LICENSE: SUSPENSION AND REVOCATION.] Licenses issued under this section are valid for ~~one year~~ *two years* and may be suspended by the board for a violation of law or board rule or revoked for what the board determines to be a willful violation of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act.

Sec. 13. Minnesota Statutes 1990, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment to any person not licensed as a distributor unless the manufacturer is also a licensed distributor;

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use in this state;

(3) from January 1, 1991, to June 30, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only";

(4) on and after July 1, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "Manufactured in Minnesota For Sale In Minnesota Only"; or

(5) sell a pull-tab marked as required in clauses (3) and (4) to any person inside or outside the state, including the governing body of an Indian tribe, who is not a licensed distributor; or

(6) sell a pull-tab deal that contains prizes in a total amount other than 75 percent of the ideal gross of the deal.

(b) On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must be manufactured in Minnesota.

(c) A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

Sec. 14. Minnesota Statutes 1990, section 349.165, subdivision 1, is amended to read:

Subdivision 1. [PREMISES PERMIT REQUIRED; APPLICATION.] A licensed organization may not conduct lawful gambling at any site unless it has first obtained from the board a premises permit for the site. The board shall prescribe a form for permit applications, and each application for a permit must be submitted on a separate form. *A premises permit issued by the board is valid for two years.* The board may by rule limit the number of premises permits that may be issued to an organization.

Sec. 15. Minnesota Statutes 1990, section 349.165, subdivision 3, is amended to read:

Subd. 3. [FEES.] The board may issue four classes of premises permits corresponding to the classes of licenses authorized under section 349.16, subdivision 6. The ~~annual~~ fee for each class of permit is:

- (1) ~~\$200~~ \$400 for a class A permit;
- (2) ~~\$125~~ \$250 for a class B permit;
- (3) ~~\$100~~ \$200 for a class C permit; and
- (4) ~~\$75~~ \$150 for a class D permit.

Sec. 16. Minnesota Statutes 1990, section 349.167, subdivision 1, is amended to read:

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. ~~The organization must maintain, or require the~~ A person designated as a gambling manager ~~to shall maintain,~~ a fidelity bond in the sum of ~~\$25,000~~ \$10,000 in favor of the organization ~~and the state,~~ conditioned on

~~(1) the faithful performance of the manager's duties; and (2) the payment of all taxes due under this chapter on lawful expenditures of gross profits from lawful gambling.~~ The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation. ~~In the case of conflicting claims against a bond, a claim by the state has preference over a claim by the organization.~~

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager. The board must be notified in writing of a change in gambling managers. Notification must be made within ten days of the date the gambling manager assumes the manager's duties.

(d) An organization may not have more than one gambling manager at any time.

Sec. 17. Minnesota Statutes 1990, section 349.167, subdivision 2, is amended to read:

Subd. 2. [GAMBLING MANAGERS; LICENSES.] A person may not serve as a gambling manager for an organization unless the person possesses a valid gambling manager's license issued by the board. The board may issue a gambling manager's license to a person applying for the license who:

(1) ~~has received training as required in~~ *complied with* subdivision 4, *clause (1)*;

(2) has never been convicted of a felony;

(3) within the five years before the date of the license application, has not committed a violation of law or board rule that resulted in the revocation of a license issued by the board;

(4) has never been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling;

(5) has never been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats; and

(6) has not engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

A gambling manager's license is valid for one year unless suspended or revoked. The annual fee for a gambling manager's license is \$100.

Sec. 18. Minnesota Statutes 1990, section 349.167, subdivision 4, is amended to read:

Subd. 4. [TRAINING OF GAMBLING MANAGERS.] The board shall by rule require all persons licensed as gambling managers to receive periodic training in laws and rules governing lawful gambling. The rules must contain the following requirements:

(1) each gambling manager must ~~have received such~~ *receive* training before being issued a new license, *except that in the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a license;*

(2) each gambling manager applying for a renewal of a license must have received training within the three years prior to the date of application for the renewal; and

(3) the training required by this subdivision may be provided by a person, firm, association, or organization authorized by the board to provide the training. Before authorizing a person, firm, association, or organization to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The rules may provide for differing training requirements for gambling managers based on the class of license held by the gambling manager's organization.

The board or the director may provide the training required by this subdivision using employees of the division.

Sec. 19. Minnesota Statutes 1990, section 349.17, subdivision 1, is amended to read:

Subdivision 1. [BINGO OCCASIONS.] ~~Not more than seven bingo occasions each week may be conducted by an organization.~~ At least 15 bingo games must be held at each *bingo* occasion and a *bingo* occasion must continue for at least 1-1/2 hours but not more than four consecutive hours.

Sec. 20. Minnesota Statutes 1990, section 349.17, subdivision 5, is amended to read:

Subd. 5. [BINGO CARD NUMBERING.] (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using liquid daubers on cards that bear an individual number recorded by the distributor; (2) sell all bingo cards only in the order of the numbers appearing on the cards; and (3) use each bingo card for no more than one bingo occasion. In lieu of the requirements of clauses (2) and (3), a licensed organization may electronically record the sale of each bingo card at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) do not apply to a licensed organization that (1) has never received gross receipts from bingo in excess of \$150,000 \$200,000 in any year, and or (2) does not pay compensation to any person for participating in the conduct of lawful gambling.

Sec. 21. Minnesota Statutes 1990, section 349.172, is amended to read:

349.172 [PULL-TABS; INFORMATION REQUIRED TO BE POSTED.]

~~An organization selling pull-tabs must post for each deal of pull-tabs all major prizes that have been awarded for pull-tabs purchased from that deal. The information must be posted prominently at the point of sale of the deal. An easily legible pull-tab flare that lists prizes in that deal, and on which prizes are marked or crossed off as they are awarded, satisfies the requirement of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize immediately upon awarding the prize. A "major prize" in a deal~~

of pull-tabs is any prize that is at least 50 times the face value of any pull-tab in the deal. Subdivision 1. [BOARD MAY REQUIRE CERTAIN POSTING.] The board may issue an order requiring an organization selling pull-tabs to post major pull-tab prizes and the names of major prize winners if the board has reasonable grounds to believe that the organization, or a person receiving compensation from the organization for participating in the sale of pull-tabs, has been or is providing information to a player or players that provides an unfair advantage related to the potential winnings from pull-tabs. The board must notify the organization at least 14 days before the order becomes effective. The notice to the organization must describe the organization's right to a hearing under subdivision 3.

Subd. 2. [POSTING; REQUIREMENTS.] The information required to be posted under subdivision 1 must be posted prominently at the point of sale of the pull-tabs. An easily legible pull-tab flare that lists prizes in the deal for that flare, and on which prizes are marked off as they are awarded, satisfies the requirements of this section that major prizes be posted, provided that a separate flare is posted for each deal of pull-tabs. An organization must post or mark off each major prize and post the name of the prize winner immediately on awarding the prize.

Subd. 3. [APPEAL.] An organization to which the board issues an order under subdivision 1 may request a contested case hearing on the order. The hearing must be held within 20 days of the effective date of the order, and the report by the administrative law judge must be issued within 20 days after the close of the hearing record. The board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and arguments under section 14.61.

Subd. 4. [MAJOR PRIZES.] For purposes of this section, a "major prize" in a deal of pull-tabs is a prize of at least 50 times the face value of any pull-tab in the deal.

Subd. 5. [COMPULSIVE GAMBLING HOTLINE NUMBER.] An organization conducting lawful gambling must post at each point of sale a sign containing the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98. The sign must be kept in easily legible form and repair by the owner, lessee, or person having control thereof, and must either:

- (1) be approved by the commissioner; or
- (2) have lettering at least three-quarters of an inch in height, of block letter design.

Sec. 22. Minnesota Statutes 1990, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] An organization may conduct lawful gambling only on premises it owns or leases. Leases must be for a period of at least one year and must be on a form prescribed by the board. Copies of all leases must be made available to employees of the division and the division of gambling enforcement on request. A lease may not provide for payments determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into,

or renewed, after the effective date of the rule.

No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity on the leased premises during times when lawful gambling is being conducted on the premises.

Sec. 23. Minnesota Statutes 1990, section 349.19, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization ~~at each permitted premises~~ must be segregated from all other revenues of the conducting organization and placed in a separate account. All expenditures for expenses, taxes, and lawful purposes must be made from the separate account except in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule. The name and address of the bank ~~and, the account number for that the separate account for that licensed premises,~~ and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made. Gambling receipts must be deposited into the gambling bank account within three days of completion of the bingo occasion, deal, or game from which they are received; ~~and, Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises.~~ The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Sec. 24. Minnesota Statutes 1990, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly, or quarterly in the case of a licensed organization which does not report more than \$1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. *The report must include a reconciliation of the organization's profit carryover with its cash balance on hand.* If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes. Submission of the report required by section 349.154 satisfies the requirement for reporting monthly to the board on expenditure of net profits.

Sec. 25. Minnesota Statutes 1990, section 349.19, subdivision 9, is amended to read:

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] An organization licensed under this chapter must have an annual financial audit of its lawful gambling activities and funds performed by an independent auditor ~~accountant licensed by the state of Minnesota or performed by an independent accountant who has had prior approval of the board.~~ The board commissioner of revenue shall by rule prescribe standards for the audit; ~~which must provide for the reconciliation of the organization's gambling account or accounts with the organization's reports filed under subdivision 5 and section 349.154.~~ A

complete, true, and correct copy of the audit report must be filed ~~with as prescribed by the board upon completion of the audit~~ commissioner of revenue.

Sec. 26. Minnesota Statutes 1990, section 349.19, is amended by adding a subdivision to read:

Subd. 9a. [RECORDS.] An organization licensed under this chapter must maintain records that account for the assets, liabilities, and fund balance of the organization. The records must also account for the revenues, taxes, prize payouts, expenses, and lawful purpose expenditures of the organization. The records must include a perpetual inventory of games purchased but not yet played and games in play.

Sec. 27. Minnesota Statutes 1990, section 349.19, is amended by adding a subdivision to read:

Subd. 9b. [ACCOUNTING MANUAL.] The board must prepare and distribute to each organization licensed under this chapter a manual designed to facilitate compliance with section 26. The manual must include a clear description of the processes needed to maintain the records required in section 26. The board may contract for preparation of the manual.

Sec. 28. Minnesota Statutes 1990, section 349.212, subdivision 4, is amended to read:

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) There is imposed a tax on the sale of each deal of pull-tabs and tipboards sold by a licensed distributor. The rate of the tax is ~~two~~ 4-1/2 percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the licensed distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 4.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer, to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under this chapter;

(3) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province; and

(4) sales of promotional tickets as defined in section 349.12.

(c) Pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.214, subdivision 2, paragraph (b), are exempt from the tax imposed by this subdivision. A distributor must require an organization conducting exempt gambling to

show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to such an organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

Sec. 29. Minnesota Statutes 1990, section 349A.02, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] In operating the lottery the director shall exercise the following powers and duties:

- (1) adopt rules and game procedures;
- (2) issue lottery retailer contracts and rule on appeals of decisions relating to those contracts;
- (3) enter into lottery procurement contracts for the provision of goods and services to the lottery;
- (4) employ personnel as are required to operate the lottery;
- (5) enter into written agreements with one or more ~~states~~ *government-authorized lotteries, or with an organization created and controlled by those lotteries*, for the operation, marketing, and promotion of a joint lottery;
- (6) adopt and publish advertising and promotional materials consistent with section 349A.09; and
- (7) take all necessary steps to ensure the integrity of, and public confidence in, the state lottery.

Sec. 30. Minnesota Statutes 1990, section 349A.06, subdivision 3, is amended to read:

Subd. 3. [BOND.] The director shall require that each lottery retailer post a bond, *securities, or an irrevocable letter of credit*, in an amount as the director deems necessary, to protect the financial interests of the state. *If securities are deposited or an irrevocable letter of credit filed, the securities or letter of credit must be of a type or in the form provided under section 349A.07, subdivision 5, paragraphs (b) and (c).*

Sec. 31. Minnesota Statutes 1990, section 349A.06, subdivision 5, is amended to read:

Subd. 5. [RESTRICTIONS ON LOTTERY RETAILERS.] (a) A lottery retailer may sell lottery tickets only on the premises described in the contract.

(b) A lottery retailer must prominently display a certificate issued by the director on the premises where lottery tickets will be sold.

(c) A lottery retailer must keep a complete set of books of account, correspondence, and all other records necessary to show fully the retailer's lottery transactions, and make them available for inspection by employees of the division at all times during business hours. The director may require a lottery retailer to furnish information as the director deems necessary to carry out the purposes of this chapter, and may require an audit to be made of the books of account and records. The director may select an auditor to perform the audit and may require the retailer to pay the cost of the audit. The auditor has the same right of access to the books of account, correspondence, and other records as is given to employees of the division.

(d) A contract issued under this section may not be transferred or assigned.

(e) The director shall require that lottery tickets may be sold by retailers only for cash.

(f) A lottery retailer must prominently post at the point of sale of lottery tickets the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98 in a manner approved by the commissioner.

Sec. 32. Minnesota Statutes 1990, section 349A.06, subdivision 11, is amended to read:

Subd. 11. ~~[REVOCATION CANCELLATION, SUSPENSION, AND REFUSAL TO RENEW LICENSES CONTRACTS.]~~ (a) The director shall cancel the contract of any lottery retailer who:

- (1) has been convicted of a felony or gross misdemeanor;
- (2) has committed fraud, misrepresentation, or deceit;
- (3) has provided false or misleading information to the division; or
- (4) has acted in a manner prejudicial to public confidence in the integrity of the lottery.

(b) The director may cancel, suspend, or refuse to renew the contract of any lottery retailer who:

- (1) changes business location;
- (2) fails to account for lottery tickets received or the proceeds from tickets sold;
- (3) fails to remit funds to the director in accordance with the director's rules;
- (4) violates a law or a rule or order of the director;
- (5) fails to comply with any of the terms in the lottery retailer's contract;
- (6) fails to ~~comply with file a bond requirements, securities, or a letter of credit as required under this section~~ *subdivision 3*;
- (7) in the opinion of the director fails to maintain a sufficient sales volume to justify continuation as a lottery retailer; or
- (8) has violated section 340A.503, subdivision 2, clause (1), two or more times within a two-year period.

(c) The director may also cancel, suspend, or refuse to renew a lottery retailer's contract if there is a material change in any of the factors considered by the director under subdivision 2.

(d) A contract cancellation, suspension, or refusal to renew under this subdivision is a contested case under sections 14.57 to 14.69 and is in addition to any criminal penalties provided for a violation of law or rule.

(e) The director may temporarily suspend a contract without notice for any of the reasons specified in this subdivision provided that a hearing is conducted within seven days after a request for a hearing is made by a lottery retailer. Within 20 days after receiving the administrative law judge's report, the director shall issue an order vacating the temporary suspension or making any other appropriate order. If no hearing is requested within 30 days of the temporary suspension taking effect, the ~~director may issue an order making the suspension permanent~~ *suspension becomes permanent*

unless the director vacates or modifies the order.

Sec. 33. Minnesota Statutes 1990, section 349A.08, is amended by adding a subdivision to read:

Subd. 9. [PRIVACY.] The phone number and street address of a winner of a lottery prize is private data on individuals under chapter 13.

Sec. 34. Minnesota Statutes 1990, section 349A.09, subdivision 2, is amended to read:

Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director must be consistent with the dignity of the state and may only:

(1) present information on how lottery games are played, prizes offered, where and how tickets may be purchased, when drawings are held, and odds on the games advertised;

(2) identify state programs supported by lottery net revenues;

(3) present the lottery as a form of entertainment; or

(4) state the winning numbers or identity of winners of lottery prizes.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial difficulties;

(2) is specifically targeted with the intent to exploit a person, a specific group or an economic class of people, or a religious holiday;

(3) presents the purchase of a lottery ticket as a financial investment or a way to achieve financial security;

(4) uses the name or picture of a current elected state official to promote a lottery game;

(5) exhorts the public to bet by directly or indirectly misrepresenting a person's chance of winning a prize; or

(6) denigrates a person who does not buy a lottery ticket or unduly praises a person who does buy a ticket.

Sec. 35. Minnesota Statutes 1990, section 609.115, is amended by adding a subdivision to read:

Subd. 8. [COMPULSIVE GAMBLING ASSESSMENT REQUIRED.]
(a) *If a person is convicted of a felony for theft under section 609.52, embezzlement of public funds under section 609.54, or forgery under section 609.625, 609.63, or 609.631, the probation officer shall determine in the report prepared under subdivision 1 whether or not compulsive gambling contributed to the commission of the offense. If so, the report shall contain the results of a compulsive gambling assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the defendant to undergo the assessment if so indicated.*

(b) *The compulsive gambling assessment report must include a recommended level of care for the defendant if the assessor concludes that the defendant is in need of compulsive gambling treatment. The assessment must be conducted by an assessor qualified under section 2 to perform these*

assessments or to provide compulsive gambling treatment. An assessor providing a compulsive gambling assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the probation officer may use the services of an assessor with a financial interest or referral relationship as authorized under rules adopted by the commissioner of human services under section 2.

(c) The commissioner of human services shall reimburse the county for the costs associated with a compulsive gambling assessment at a rate established by the commissioner up to a maximum of \$100 for each assessment.

Sec. 36. Minnesota Statutes 1990, section 609.75, subdivision 4, is amended to read:

Subd. 4. [GAMBLING DEVICE.] A gambling device is a contrivance which for a consideration affords the player an opportunity to obtain something of value, other than free plays, automatically from the machine or otherwise, the award of which is determined principally by chance. "Gambling device" also includes ~~any~~ a video game of chance, as defined in ~~section 349.50, subdivision 8, that is not in compliance with sections 349.50 to 349.60.~~

Sec. 37. Minnesota Statutes 1990, section 609.75, is amended by adding a subdivision to read:

Subd. 8. [VIDEO GAME OF CHANCE.] A video game of chance is a game or device that simulates one or more games commonly referred to as poker, blackjack, craps, hi-lo, roulette, or other common gambling forms, though not offering any type of pecuniary award or gain to players. The term also includes any video game having one or more of the following characteristics:

(1) it is primarily a game of chance, and has no substantial elements of skill involved;

(2) it awards game credits or replays and contains a meter or device that records unplayed credits or replays.

Sec. 38. Minnesota Statutes 1990, section 609.755, is amended to read: 609.755 [ACTS OF OR RELATING TO GAMBLING.]

Whoever does any of the following is guilty of a misdemeanor:

(1) makes a bet; ~~or~~

(2) sells or transfers a chance to participate in a lottery; ~~or~~

(3) disseminates information about a lottery with intent to encourage participation therein; ~~or~~

(4) permits a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; ~~or~~

(5) operates a gambling device.

Sec. 39. Minnesota Statutes 1990, section 609.76, subdivision 1, is amended to read:

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

- (1) maintains or operates a gambling place or operates a bucket shop;
- (2) intentionally participates in the income of a gambling place or bucket shop;
- (3) conducts a lottery, or, with intent to conduct a lottery, possesses facilities for doing so;
- (4) sets up for use for the purpose of gambling, or collects the proceeds of, any gambling device or bucket shop;
- (5) ~~with intent that it shall be so used except as provided in section 4,~~ manufactures, sells ~~or, offers for sale, or otherwise provides,~~ in whole or any part thereof, any gambling device including those defined in section 349.30, subdivision 2, ~~and any facility for conducting a lottery, except as provided by section 349.40;~~
- (6) ~~with intent that it be so used,~~ manufactures, sells, or offers for sale any facility for conducting a lottery, except as provided by section 349.40; ~~or~~
- (7) receives, records, or forwards bets or offers to bet or, with intent to receive, record, or forward bets or offers to bet, possesses facilities to do so; ~~or~~
- (7) ~~pays any compensation for game credits earned on or otherwise rewards, with anything of value other than free plays, players of video games of chance as defined in section 349.50, subdivision 8, or who directs an employee to pay any such compensation or reward.~~

(b) ~~On conviction of a person for the crime established in paragraph (a), clause (7), the court shall impose a fine of not less than \$700.~~

Sec. 40. Minnesota Statutes 1990, section 609.761, is amended by adding a subdivision to read:

Subd. 3. [ANCILLARY GAMES.] Sections 609.755 and 609.76 do not prohibit:

(1) the sale, possession, or purchase of tickets in connection with, or the advertising of, a lottery legally operated under the laws of another jurisdiction; or

(2) a promotional lottery, game of chance, contest, or activity conducted by a business, charitable, religious, social, or commercial organization if the lottery, game of chance, contest, or activity occurs no more than three times a year and is ancillary to the primary business or activity of the conducting organization.

Sec. 41. [TRIBAL-STATE COMPACTS.]

Sections 3, 4, and 36 to 39 do not affect the validity of, and must not be construed as prohibiting the state from entering into or participating in, a tribal-state compact with the governing body of an Indian tribe governing the conduct of video games of chance under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721.

Sec. 42. [REPORT.]

The gambling control board shall develop a plan for requiring that all gambling equipment used in the state for lawful gambling, as defined in Minnesota Statutes, section 349.12, subdivision 24, be purchased from suppliers who contract with the state to supply the equipment. The options

evaluated in developing the plan must include:

(1) requiring organizations to purchase gambling equipment directly from the state; and

(2) requiring organizations to purchase gambling equipment directly from suppliers who contract with the state.

By February 1, 1992, the gambling control board shall report the plan to the committees of the legislature with jurisdiction over lawful gambling. The report must include recommendations on legislation necessary to implement the plan.

Sec. 43. [COMPULSIVE GAMBLING SURCHARGES.]

Until July 1, 1993, the permit fees in Minnesota Statutes, section 349.165, subdivision 3, are increased by the following amounts in order to fund the compulsive gambling treatment program established under Minnesota Statutes, section 245.98:

(1) \$290 for a class A permit;

(2) \$180 for a class B permit;

(3) \$150 for a class C permit; and

(3) \$110 for a class D permit.

Sec. 44. [APPROPRIATION.]

\$767,000 in fiscal year 1992 and \$756,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of human services to implement the compulsive gambling treatment program established under Minnesota Statutes, section 245.98, and to reimburse counties for the cost of compulsive gambling assessments under section 35. Of the amounts appropriated in this section, not more than \$ in each fiscal year may be spent for administrative expenses.

The director of the state lottery shall transfer \$375,000 in fiscal year 1992 and \$375,000 in fiscal year 1993 from the lottery fund to the general fund for the costs incurred for the compulsive gambling treatment program under Minnesota Statutes, section 245.98. The amounts in this paragraph:

(1) must be subtracted from the amounts available to the director for advertising under Minnesota Statutes, section 349A.10, subdivision 3, paragraph (c);

(2) must be transferred before calculation of the net proceeds of the lottery under Minnesota Statutes, section 349A.10, subdivision 5; and

(3) are not subject to the 15 percent limitation in section 349A.10, subdivision 3, paragraph (b).

Sec. 45. [REPEALER.]

Minnesota Statutes 1990, sections 349.154, subdivision 3; 349.212, subdivision 6; 349A.02, subdivision 5; and 349A.03, subdivision 3, are repealed.

Sec. 46. [EFFECTIVE DATE.]

Sections 6, 8 to 10, 16 to 20, 23, 25, 29, 31, 32 to 34, and 45 are effective the day following final enactment.

Section 28 is effective July 1, 1991, and applies to pull-tab and tipboard

deals sold on or after that date.

Sections 1, 2, 21, 22, 31, 35, and 43 are effective July 1, 1991.

Sections 12, 14, and 15 are effective August 1, 1991, and apply to licenses and permits issued on or after that date.

Section 27 is effective September 1, 1991, and the manual required in that section must be distributed by that date.

Sections 3, 4, 36 to 39, and 41 are effective January 1, 1992.

Sections 7, 24, and 26 are effective March 1, 1992."

Delete the title and insert:

"A bill for an act relating to lawful gambling; lotteries; expanding requirements relating to compulsive gambling; regulating manufacturers and distributors of gambling devices; changing certain requirements relating to record keeping, reports, audits, and expenditures of gambling profits by licensed gambling organizations; modifying certain licensing, training, and operating requirements for licensed gambling organizations; changing the rate of the tax on pull-tabs and tipboards; authorizing the director of the lottery to enter into joint lotteries outside the United States; expanding certain provisions relating to lottery retailers; designating certain data on lottery prize winners as private; prohibiting lottery advertising that exploits a religious holiday; clarifying the prohibition on video games of chance; imposing surcharges on lawful gambling premises permit fees; appropriating money; amending Minnesota Statutes 1990, sections 240.13, subdivision 2; 245.98, by adding a subdivision; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, subdivisions 2 and 3; 349.163, subdivision 3; 349.165, subdivisions 1 and 3; 349.167, subdivisions 1, 2, and 4; 349.17, subdivisions 1 and 5; 349.172; 349.18, subdivision 1; 349.19, subdivisions 2, 5, 9, and by adding subdivisions; 349.212, subdivision 4; 349A.02, subdivision 3; 349A.06, subdivisions 3, 5, and 11; 349A.08, by adding a subdivision; 349A.09, subdivision 2; 609.115, by adding a subdivision; 609.75, subdivision 4, and by adding a subdivision; 609.755; 609.76, subdivision 1; 609.761, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299L; repealing Minnesota Statutes 1990, sections 349.154, subdivision 3; 349.212, subdivision 6; 349A.02, subdivision 5; and 349A.03, subdivision 3."

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1265: A bill for an act relating to water resources; allowing certain land to be used as a veterans cemetery under certain circumstances; amending Minnesota Statutes 1990, section 103F.369, subdivision 2, and by adding a subdivision.

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

Page 2, line 27, before the period, insert "*or an appropriate liner as determined by the board*"

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

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

S.F. No. 998: A bill for an act relating to weights and measures; adopting weights and measures standards recommended by the United States Department of Commerce, National Institute of Standards and Technology; defining the responsibilities, duties, and powers of the division of weights and measures; providing that the division have a director; amending Minnesota Statutes 1990, sections 239.01; 239.02; 239.05; 239.09; proposing coding for new law in Minnesota Statutes, chapter 239; repealing Minnesota Statutes 1990, sections 239.07; 239.08; and 239.37.

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

Page 7, line 20, delete "director" and insert "department"

Page 7, after line 36, insert:

"This section is not intended to conflict with the bulk sale requirements of the department of agriculture. If a conflict occurs, the law and rules of the department of agriculture govern."

Page 8, lines 13 and 14, delete "packaged food" and insert "packaging"

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

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

S.F. No. 535: A bill for an act relating to insurance; accident and health; regulating assignments of benefits; amending Minnesota Statutes 1990, section 72A.201, subdivisions 3, 4, and by adding a subdivision.

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

Pages 4 to 7, delete section 2

Page 7, delete lines 8 to 23 and insert:

"Subd. 13. [PAYMENT OF HEALTH CARE CLAIMS.] Insurers issuing individual and group health insurance policies and all other third party payors shall reimburse the health care provider for all claims and indemnities payable under legal policies and contracts upon the proper filing of a claim, together with all necessary documentation, by reissuing full payment of the claim if the insurer fails to honor a valid assignment of benefits for the claim upon written notice by the health care provider. This subdivision does not apply to the state group insurance program and public employees insurance program authorized under chapter 43A, a nonprofit health service plan corporation regulated under chapter 62C, or a health maintenance organization regulated under chapter 62D."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivisions" and insert "subdivision" and delete "4."

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

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

S.F. No. 1128: A bill for an act relating to insurance; providing for replacement cost insurance coverage for personal property; prohibiting insurers from requiring more than one residential renter's insurance policy be written to cover a single household; amending Minnesota Statutes 1990, section 65A.10; proposing coding for new law in Minnesota Statutes, chapter 65A.

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

Page 2, line 17, delete "*all of the*" and insert "*three*" and after "*household*" insert "*if all of the individuals are named insureds on the policy*"

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

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

S.F. No. 918: A bill for an act relating to insurance; prohibiting certain agreements; amending Minnesota Statutes 1990, section 60A.08, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 60A.08, is amended by adding a subdivision to read:

Subd. 14. [AGREEMENT TO RESCIND POLICY.] (a) If the insurer has knowledge of any claims against the insured that would remain unsatisfied due to the financial condition of the insured, the insurer and the insured may not agree to rescind the policy.

(b) Before entering into an agreement to rescind a policy, an insurer must make a good faith effort to ascertain: (1) the existence and identity of all claims against the policy; and (2) the financial condition of the insured.

(c) An agreement made in violation of this section is void and unenforceable."

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 274: A bill for an act relating to regulation of dangerous dogs; providing for designation of a warning symbol to inform children of the presence of a dangerous dog; amending Minnesota Statutes 1990, section 347.51, by adding a subdivision.

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

Page 1, line 14, after “be” insert “uniform and”

Page 1, line 18, delete “sufficient” and insert “the number of”

Page 1, line 19, delete “to” and insert “requested by” and delete the second “each” and insert “the”

Page 1, line 20, after the period, insert “The county may charge the registrant a reasonable fee to cover its administrative costs and the cost of the warning symbol.”

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

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

S.F. No. 601: A bill for an act relating to commerce; providing that credit agreements need not be signed by the creditor in certain situations; amending Minnesota Statutes 1990, section 513.33, subdivision 2.

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

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1990, section 513.33, subdivision 1, is amended to read:

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

(1) “credit agreement” means an agreement to lend or forbear repayment of money, goods, or things in action, to otherwise extend credit, or to make any other financial accommodation;

(2) “creditor” means a person who extends credit under a credit agreement with a debtor; and

(3) “debtor” means a person who obtains credit or seeks a credit agreement with a creditor or who owes money to a creditor; and

(4) “signed” has the meaning specified in section 336.1-201(39).

Sec. 2. [APPLICATION.]

The intent of section 1 is to clarify the intent of the legislature in enacting section 513.33.”

Delete the title and insert:

“A bill for an act relating to commerce; providing a definition of “signed” for purposes of credit agreements; amending Minnesota Statutes 1990, section 513.33, subdivision 1.”

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

Mr. Bertram from the Committee on Veterans and General Legislation, to which was referred

S.F. No. 1167: A bill for an act relating to taxation; requiring the metropolitan council to levy a tax for support of nonprofit arts organizations; providing for distribution of the proceeds as determined by the state board of the arts; amending Minnesota Statutes 1990, sections 129D.01; 129D.04,

subdivisions 1 and 2; 473.13, subdivisions 1 and 2; and 473.249, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 129D.

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

Pages 2 to 4, delete sections 2 and 3

Page 4, line 2, delete "METROPOLITAN"

Page 4, delete lines 9 and 10

Page 4, line 11, delete "(2)" and insert "(1)"

Page 4, line 13, delete "(3)" and insert "(2)" and delete "the region"

Page 4, line 14, delete "11 arts council" and insert "from one of the regional arts councils"

Page 4, line 16, delete "(4)" and insert "(3)"

Page 4, line 18, delete "(5)" and insert "(4)"

Page 5, line 1, delete "by the metropolitan council"

Page 5, line 2, delete "473.249, subdivision 4" and insert "3"

Page 5, delete line 10 and insert "3."

Page 5, line 12, delete "metropolitan council" and insert "state treasurer"

Page 5, line 14, after "distributed" insert "by the state treasurer"

Pages 5 to 7, delete sections 5 to 8 and insert:

"Sec. 3. [129D.07] [PROPERTY TAX LEVY.]

The state auditor shall annually levy a tax on all taxable property within the state at the rate of 1.077 percent of net tax capacity. The tax must be levied and collected as provided in chapters 275 and 276. The proceeds of the tax must be deposited in the general fund for use as follows:

(1) 95.67 percent must be used exclusively for the purposes set forth in section 2; and

(2) 4.33 percent must be distributed to the regional arts councils through the board of the arts acting as a fiscal agent for the regional arts forum.

Sec. 4. Minnesota Statutes 1990, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the state, county, township or municipality and school district must be separately stated. The amounts due other taxing districts, if any, may be aggregated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT

RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value as defined in section 272.03, subdivision 8;

(2) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total ~~local~~ tax rate and adding to the result the sum of the aids enumerated in clause (3);

(3) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(4) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(5) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10; and

(6) the net tax payable in the manner required in paragraph (a).

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1."

Page 7, line 19, delete "to 4" and insert "and 2"

Page 7, line 20, delete "5 to 8" and insert "3 and 4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "requiring the metropolitan"

Page 1, line 3, delete "council to levy a" and insert "imposing a statewide property"

Page 1, delete lines 7 and 8

Page 1, line 9, delete "subdivision" and insert "and 276.04, subdivision 2"

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

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

H.F. No. 614 for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
614	548				

and that the above Senate File be indefinitely postponed.

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

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

H.F. No. 415 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.
415	484				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 415 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 415 and insert the language after the enacting clause of S.F. No. 484; further, delete the title of H.F. No. 415 and insert the title of S.F. No. 484.

And when so amended H.F. No. 415 will be identical to S.F. No. 484, and further recommends that H.F. No. 415 be given its second reading and substituted for S.F. No. 484, 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. 41 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.
41	72				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 41 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 41 and insert the language after the enacting clause of S.F. No. 72, the first engrossment; further, delete the title of H.F. No. 41 and insert the title of S.F. No. 72, the first engrossment.

And when so amended H.F. No. 41 will be identical to S.F. No. 72, and further recommends that H.F. No. 41 be given its second reading and substituted for S.F. No. 72, 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. 137 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.
137	4				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 137 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 137 and insert the language after the enacting clause of S.F. No. 4, the first engrossment; further, delete the title of H.F. No. 137 and insert the title of S.F. No. 4, the first engrossment.

And when so amended H.F. No. 137 will be identical to S.F. No. 4, and further recommends that H.F. No. 137 be given its second reading and substituted for S.F. No. 4, 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. Waldorf from the Committee on Governmental Operations, to which was re-referred

S.F. No. 2: A bill for an act relating to health care; establishing the Minnesotans' health care plan to provide health coverage to uninsured and underinsured Minnesotans; requiring all Minnesotans to maintain health coverage; requiring the commissioner of health to set overall limits on health care spending and make recommendations regarding health care system reform; creating a technology and benefits advisory committee; creating a

health care expenditures advisory committee; requiring an implementation plan and reports; creating a health care analysis unit; requiring data and research initiatives; establishing a rural health advisory committee; requiring joint rural health initiatives; restricting underwriting and premium rating practices; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; and 62J; repealing Minnesota Statutes 1990, sections 62E.51 to 62E.55.

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

Page 5, lines 3 and 4, delete "HEALTH CARE PLAN DESIGN AND IMPLEMENTATION" and insert "BUREAU OF HEALTH CARE ACCESS"

Page 5, line 5, after "The" insert "*bureau of health care access in the*"

Page 5, line 7, after the period, insert "*The bureau of health care access is under the supervision of a deputy commissioner appointed by the commissioner of health.*"

Page 7, delete lines 4 to 6

Renumber the subdivisions in sequence

Page 8, line 4, after "of" insert "*15 members including*"

Page 9, line 5, delete "whose" and insert "*consisting of 15*" and delete "are"

Page 15, line 14, after the period, insert "*Section 8 is repealed effective July 1, 1995. Section 9 is repealed effective January 1, 1994.*"

Page 17, after line 22, insert:

"*Subd. 5. [STATE FUNDS MAY NOT BE USED FOR ABORTION.] State funds must not be used to pay for an abortion, except as allowed under section 256B.0625, subdivision 16.*"

Renumber the subdivisions in sequence

Page 45, line 30, delete ", the commissioner of health,"

Page 46, line 20, delete "commerce" and insert "health"

Page 47, after line 34, insert:

"Sec. 4. [62J.511] [OFFICE OF RURAL HEALTH.]

The commissioner shall consolidate all departmental rural health programs and activities into an office of rural health."

Page 48, line 7, after the period, insert "*Section 4 is effective July 1, 1993.*"

Renumber the sections of article 5 in sequence

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

Mr. Frank from the Committee on Metropolitan Affairs, to which was re-referred

S.F. No. 598: A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; directing the commissioner to take certain actions relating to grade crossings; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; establishing a transportation utility; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities, and limiting authority of regional rail authorities; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.14, by adding a subdivision; 169.26; 170.23; 171.13, subdivision 1, and by adding a subdivision; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 398A.04, subdivision 8; 473.399, by adding a subdivision; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 221; 444; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1988, chapter 603, section 6; and Laws 1989, chapter 339, section 21.

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

Delete everything after the enacting clause and insert:

"ARTICLE I

TRANSPORTATION PLANNING

Section 1. Minnesota Statutes 1990, section 174.01, is amended to read:
174.01 [CREATION; POLICY.]

Subdivision 1. [DEPARTMENT CREATED.] In order to provide a balanced transportation system, ~~which system includes~~ including aeronautics, highways, motor carriers, ports, public transit, railroads and pipelines, a department of transportation is created. The department ~~shall be~~ is the principal agency of the state for development, implementation, administration, consolidation, and coordination of state transportation policies, plans and programs.

Subd. 2. [TRANSPORTATION GOALS.] *The goals of the state transportation system are as follows:*

(1) to provide safe transportation for users throughout the state;

(2) to provide multimodal transportation that enhances mobility and economic development and provides access to all persons and businesses in Minnesota while ensuring that there is no undue burden placed on any community;

(3) to provide a reasonable travel time for commuters;

(4) to provide for the economical, efficient, and safe movement of goods to and from markets by rail, highway, and waterway;

(5) to encourage tourism by providing appropriate transportation to Minnesota facilities designed to attract tourists;

(6) to provide transit services throughout the state to meet the needs of transit users;

(7) to promote productivity through system management and the utilization of technological advancements;

(8) to maximize the benefits received for each state transportation investment;

(9) to provide funding for transportation that, at a minimum, preserves the transportation infrastructure;

(10) to ensure that the planning and implementation of all modes of transportation are consistent with the environmental and energy goals of the state;

(11) to increase high occupancy vehicle use;

(12) to provide an air transportation system sufficient to encourage economic growth and allow all regions of the state the ability to participate in the global economy while limiting the environmental impacts to the fewest number of people practicable; and

(13) to increase transit use in the metropolitan area by giving highest priority to the transportation modes with the greatest people moving capacity.

Sec. 2. Minnesota Statutes 1990, section 174.03, is amended by adding a subdivision to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan by July 1, 1993, and by July 1 of each odd-numbered year thereafter. Before final adoption of a revised plan, the commissioner shall hold a hearing to receive public comment on the plan. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system in section 174.01; and

(2) establish objectives, policies, and strategies for achieving those goals.

Sec. 3. Minnesota Statutes 1990, section 174.03, subdivision 2, is amended to read:

Subd. 2. [IMPLEMENTATION OF PLAN.] After the adoption and each revision of the statewide transportation plan, the commissioner ~~and the transportation regulation board~~ shall take no action inconsistent with ~~that the~~ revised plan.

ARTICLE 2
RAILROAD CROSSINGS

Section 1. [RAIL-HIGHWAY CROSSING IMPROVEMENT.]

Subdivision 1. [STATE RAIL CORRIDOR STUDY.] The commissioner of transportation shall conduct a study of railroad-highway grade crossing safety and improvement in Minnesota.

Subd. 2. [CONTENT OF STUDY.] The study must include:

(1) a method of determining the relative benefits of grade crossing protection and improvement to the railroad, to the road authority, and to the public, and cost-sharing guidelines;

(2) funding sources for grade crossing protection and improvement;

(3) grade crossing safety research needs; and

(4) recommendations for statutory changes to improve grade crossing safety.

Subd. 3. [REPORT.] The commissioner shall report to the governor and legislature no later than February 1, 1992, on the results of the study.

Sec. 2. Minnesota Statutes 1990, section 169.26, is amended to read:

169.26 [SPECIAL STOPS AT RAILROADS.]

Subdivision 1. [REQUIREMENTS.] (a) When any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so. These requirements apply when:

(1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train;

(2) a crossing gate is lowered warning of the immediate approach or passage of a railroad train; or

(3) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The driver of a vehicle shall stop and remain ~~standing~~ *stopped* and not traverse the grade crossing when a human flagger signals the approach or passage of a train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed.

(c) *The fact that a moving train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.*

Subd. 1a. [VIOLATION.] (a) A peace officer as defined in section 169.725 may arrest the driver of a motor vehicle if the peace officer has probable cause to believe that the driver has operated the vehicle in violation of subdivision 1 within the past four hours.

(b) The owner or, in the case of a leased vehicle, the lessee of a motor vehicle is subject to the penalties in subdivision 2 if a motor vehicle owned or leased by that person is operated in violation of subdivision 1. This subdivision does not apply to a lessor of a motor vehicle if the lessor keeps a record of the name and address of the lessee. This subdivision does not

prohibit or limit the prosecution of a motor vehicle operator for violating subdivision 1. A violation of this paragraph does not constitute grounds for revocation or suspension of the owner's driver's license.

Subd. 2. [PENALTY.] A person who violates this section is guilty of a misdemeanor and subject to the following penalties:

(1) for the first offense, a fine of \$100 and four hours of community service;

(2) for the second offense, a fine of \$150 and eight hours of community service; and

(3) for the third and subsequent offenses, a fine of \$250 and 12 hours of community service.

Subd. 3. [DRIVER TRAINING.] All driver education courses approved by the commissioner of education and the commissioner of public safety must include instruction on railroad-highway grade crossing safety. The commissioner of education and the commissioner of public safety shall by rule establish minimum standards of course content relating to operation of vehicles at railroad-highway grade crossings.

Subd. 4. [APPROPRIATION.] The fines collected for a violation of subdivision 1 must be deposited in the state treasury and appropriated to the rail service improvement account under section 222.49 and used for public education on railroad grade crossing safety.

Sec. 3. Minnesota Statutes 1990, section 171.13, subdivision 1, is amended to read:

Subdivision 1. [APPLICANTS.] Except as otherwise provided in this section, the commissioner shall examine each applicant for a driver's license by such agency as the commissioner directs. This examination must include a test of applicant's eyesight; ability to read and understand highway signs regulating, warning, and directing traffic; knowledge of traffic laws; knowledge of the effects of alcohol and drugs on a driver's ability to operate a motor vehicle safely and legally; knowledge of railroad grade crossing safety; an actual demonstration of ability to exercise ordinary and reasonable control in the operation of a motor vehicle; and other physical and mental examinations as the commissioner finds necessary to determine the applicant's fitness to operate a motor vehicle safely upon the highways, provided, further however, no driver's license shall be denied an applicant on the exclusive grounds that the applicant's eyesight is deficient in color perception. Provided, however, that war veterans operating motor vehicles especially equipped for handicapped persons, shall, if otherwise entitled to a license, be granted such license. The commissioner shall make provision for giving these examinations either in the county where the applicant resides or at a place adjacent thereto reasonably convenient to the applicant.

Sec. 4. Minnesota Statutes 1990, section 171.13, is amended by adding a subdivision to read:

Subd. 1d. [RAILROAD CROSSING SAFETY.] The commissioner shall include in each edition of the driver's manual published by the department a section relating to safe operation of vehicles at railroad grade crossings.

Sec. 5. Minnesota Statutes 1990, section 219.074, is amended by adding a subdivision to read:

Subd. 3. [CROSSING INVENTORY.] By December 31, 1993, the commissioner shall inventory all public and private grade crossings in the state and shall annually revise the inventory to reflect grade crossing changes made under this section.

Sec. 6. [219.165] [SAFETY RULES AT PRIVATE RAILROAD GRADE CROSSINGS.]

By December 31, 1992, the commissioner shall adopt rules establishing minimum safety standards at all private railroad grade crossings in the state.

Sec. 7. [219.384] [REMOVAL OF DANGEROUS OBSTRUCTIONS.]

Subdivision 1. [REMOVAL ORDERED.] If a railroad company, road authority, or abutting property owner fails to control the growth of trees or vegetation or the placement of structures or other obstructions on its right-of-way or property so as to interfere with the safety of the public traveling on a public or private grade crossing, the local governing body of the town or municipality where the grade crossing is located may, by notice, require the obstruction to be removed as necessary to provide an adequate view of oncoming trains at the crossings. The commissioner shall adopt rules establishing minimum standards for visibility at public and private grade crossings.

Subd. 2. [PENALTY.] A railroad company, road authority, or property owner that fails to comply with this section within 30 days after being notified in writing is subject to a fine of \$50 for each day that the condition is uncorrected.

Sec. 8. Minnesota Statutes 1990, section 219.402, is amended to read:

219.402 [ADEQUATE CROSSING PROTECTION.]

Crossing safety devices or improvements installed or maintained under this chapter as approved by the board, or the commissioner, whether by order or otherwise, are adequate and appropriate protection for the crossing.

Sec. 9. Minnesota Statutes 1990, section 222.50, subdivision 7, is amended to read:

Subd. 7. The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the in-place track; or

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A; or

(f) To promote public education in railroad grade crossing safety, in an amount not exceeding one percent of the money in the account in a fiscal year.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

ARTICLE 3

PORT DEVELOPMENT ASSISTANCE

Section 1. [457A.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 1 to 6, the following terms have the meanings given them.

Subd. 2. [COMMERCIAL NAVIGATION FACILITY.] "Commercial navigation facility" means (1) terminals and docks used for the transfer of property or passengers between commercial vessels and land, and supporting equipment, structures, and transportation facilities, (2) disposal facilities for dredged material produced by port development projects, and (3) buildings and related structures and facilities used by commercial vessels under construction or repair. "Commercial navigation facility" does not include a commercial navigation facility not on the commercial navigation system or commercial navigation facilities that are the responsibility of the United States Army Corps of Engineers and the United States Coast Guard.

Subd. 3. [COMMERCIAL VESSEL.] "Commercial vessel" means a vessel used for the transportation of passengers or property. "Commercial vessel" does not include a vessel used primarily for recreational or sporting purposes.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of transportation.

Subd. 5. [COMMERCIAL NAVIGATION SYSTEM.] "Commercial navigation system" means (1) the commercially navigable waters of the Mississippi, the Minnesota, and the St. Croix rivers, (2) the commercial harbors on Minnesota's Lake Superior shoreline, and (3) the commercial navigation facilities on those waterways.

Subd. 6. [PERSON.] "Person" means an individual, a partnership, a corporation, an association, or other organization or entity that applies for assistance under this chapter.

Sec. 2. [457A.02] [PROGRAM ESTABLISHED.]

The commissioner shall administer the port development assistance program and may make grants and loans to and enter into assistance agreements with eligible recipients under section 3, subdivision 1.

Sec. 3. [457A.03] [PORT ASSISTANCE.]

Subdivision 1. [ELIGIBLE APPLICANTS.] A person, political subdivision, or port authority that owns a commercial navigation facility may apply to the commissioner for assistance under this chapter.

Subd. 2. [TYPES OF ASSISTANCE.] The commissioner may make loans for a project that will (1) expedite the movement of commodities and passengers on the commercial navigation system; or (2) enhance the commercial vessel construction and repair industry in Minnesota. The commissioner

may make grants, or a combination of grants and loans for a project that additionally enhances economic development in and around the commercial navigation facility being assisted.

Subd. 3. [STATE PARTICIPATION; LIMITATIONS.] The commissioner shall not provide assistance under this chapter in an amount that exceeds 50 percent of the non-federal share of a project. Assistance provided under this chapter may not be used to match other state funds. The commissioner shall not assume continuing funding responsibility for a commercial navigation facility project.

Sec. 4. [ASSISTANCE AGREEMENTS.]

Subdivision 1. [AGREEMENTS REQUIRED.] The commissioner and an assistance recipient shall enter into an agreement that specifies the project costs that will be paid with money under this chapter.

Subd. 2. [COSTS.] (a) The following costs are eligible for assistance:

- (1) final engineering costs for a commercial navigation facility project;*
- (2) capital improvements to a commercial navigation facility; and*
- (3) costs of dredging necessary to open a new commercial navigation facility or to dispose of dredged material.*

(b) The following costs may not be paid under this chapter:

- (1) the recipient's administrative, insurance, and legal costs;*
- (2) costs of acquiring project permits;*
- (3) costs of preparing environmental documents, feasibility studies, or project designs;*
- (4) interest on money borrowed by the recipient or charged for late payment of project costs;*
- (5) costs related to the routine maintenance, repair, or operation of a commercial navigation facility;*
- (6) costs of dredging to maintain an existing channel; and*
- (7) costs for a project that involves only dredging.*

Subd. 3. [INSURANCE; LIABILITY.] The recipient must provide a comprehensive general liability insurance policy that names the commissioner and officers, employees, and agents of the department as additional insureds and saves and holds the commissioner harmless from and against all liability, damage, loss, claims, demands, and actions related to the project.

Subd. 4. [PERFORMANCE AND PAYMENT BONDS.] A recipient must provide evidence of performance and payment bonds satisfying all applicable legal requirements for the full amount of all construction contracts let in connection with the project.

Subd. 5. [REPAYMENT.] An assistance agreement must require the recipient to repay all or part of any money received, as determined by the commissioner, if the project is not completed according to the terms of the assistance agreement or the project is converted, during the period of time specified in the assistance agreement, to a use that is inconsistent with the purposes of this chapter or with the terms of the assistance agreement or is not approved in writing by the commissioner.

Sec. 5. [457A.05] [RULES.]

The commissioner may adopt rules governing applications for assistance under this chapter including:

(1) procedures for establishing application deadlines and for notifying potential applicants of the deadlines;

(2) project eligibility criteria;

(3) information required to be submitted with applications;

(4) contents of assistance agreements; and

(5) any other requirement the commissioner deems necessary for the administration of this chapter.

Sec. 6. [457A.06] [REVOLVING FUND.]

Subdivision 1. [FUND ESTABLISHED.] A port development revolving fund is established in the state treasury. The fund consists of all money appropriated to the commissioner for the purposes of this chapter, all money received by the commissioner from repayment of loans made under this chapter, and all interest earned on money deposited in the fund.

Subd. 2. [APPROPRIATION.] Money in the port development revolving fund is appropriated to the commissioner for the purposes of this chapter.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective July 1, 1991.

ARTICLE 4**LOCAL HIGHWAYS****Section 1. [162.021] [NATURAL PRESERVATION ROUTES.]**

Subdivision 1. [ESTABLISHMENT.] (a) The commissioner shall establish a natural preservation routes category within the county state-aid highway system.

(b) Natural preservation routes include those routes that possess particular scenic, environmental, or historical characteristics, such as routes along lakes or through forests, wetlands, or flood plains, that would be harmed by construction or reconstruction meeting the engineering standards under section 162.07 or the rules adopted under that section.

(c) The commissioner shall adopt rules establishing minimum construction and reconstruction standards that address public safety and reflect the function, reduced traffic volume, and slower speed on natural preservation routes. The rules may not establish standards for natural preservation routes that are higher than the standards for national forest highways within national forests and state park access roads within state parks. Design standards specifying the width of vehicle recovery areas on forest highways, forest and park roads, and on natural preservation routes must minimize harmful environmental impact.

Subd. 2. [SIGNS.] Signs must be posted at entry points to and at regular intervals along natural preservation routes. Signs posted must conform to the commissioner's manual of uniform traffic devices. Properly posted signs are prima facie evidence that adequate notice of a natural preservation route has been given to the motoring public.

Subd. 3. [LIABILITY.] Where a county state-aid highway has been designated a natural preservation route and signs have been posted under subdivision 2, the state and the county with jurisdiction over the road and their officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to its design standards for construction or reconstruction.

Subd. 4. [PUBLIC INFORMATION.] A county proposing a project on a county state-aid highway that requires removal of the entire surface of the highway shall send to owners of property abutting the highway a written notice that describes the project and different design and construction alternatives available to the county. The county shall hold a public meeting to discuss design and construction alternatives.

Subd. 5. [DESIGNATION OF ROUTE.] A county state-aid highway may be designated as a natural preservation route only by resolution of the county board. A county board may designate a natural preservation route notwithstanding whether construction or reconstruction is proposed for the highway.

Sec. 2. [160.82] [STREETS AND HIGHWAYS WITHIN PARKS.]

Subdivision 1. [DEFINITION.] "Park road" means that portion of a street or highway located entirely within the park boundaries of a city, county, regional, or state park.

Subd. 2. [RESTRICTIONS.] A road authority may not make changes in the width, grade, or alignment of a park road, except changes required to permit the safe travel of vehicles at the speed lawfully designated for that park road, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain. A road authority may not make changes in the width, grade, or alignment of a park road that is a county state-aid highway or municipal state-aid street, except changes required by the minimum state-aid standard applicable to that road, that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain.

Subd. 3. [LIABILITY.] A road authority making changes in a park road described in subdivision 1, and its officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on that park road and related to the design of that park road, where the design has been adopted to conform to this section.

Sec. 3. [160.83] [RUSTIC ROADS PROGRAM.]

Subdivision 1. [DEFINITION.] A "rustic road" is a road that is not on the state-aid system that has the following characteristics: outstanding natural features or scenic beauty; an average daily traffic volume of less than 150 vehicles per day; year-round use as a local access road; and maximum allowable speed of 45 miles per hour.

Subd. 2. [LOCAL AUTHORITY.] A road authority other than the commissioner may, by resolution, designate a road or highway under its jurisdiction a rustic road and the road authority may designate the type and character of vehicles that may be operated on the rustic road; designate the road or a portion of the road as a pedestrian way or bicycle way, or both; and establish priority of right-of-way, paint lines, and construct dividers to physically separate vehicular, bicycle, or pedestrian traffic.

Subd. 3. [JOINT DESIGNATION.] Two or more road authorities may

jointly designate a rustic road along a common boundary or into or through their jurisdictions. The road authorities may enter into agreements to divide the costs and responsibility for maintaining the rustic road.

Subd. 4. [COSTS.] A rustic road must be maintained by the road authority having jurisdiction over the road and is not eligible for state-aid funding. State money must not be spent to construct, reconstruct, maintain, or improve a rustic road.

Sec. 4. [161.361] [ADVANCE FUNDING FOR TRUNK HIGHWAY PROJECTS.]

Subdivision 1. [ADVANCE FUNDING.] A road authority other than the commissioner may by agreement with the commissioner make advances from any available funds to the commissioner to expedite construction of all or part of a trunk highway. Money may be advanced under this section only for projects already included in the commissioner's highway work program.

Subd. 2. [REPAYMENT.] Subject to the availability of state money, the commissioner shall repay without interest the amount advanced under subdivision 1, up to the state's share of project costs, at the time the project is scheduled for completion in the highway work program. The total amount of annual repayment to road authorities under this section must never exceed the amount stated in the department's debt management policy or \$10 million, whichever is less.

Sec. 5. Minnesota Statutes 1990, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. *For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.*

Sec. 6. Minnesota Statutes 1990, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. [VARIANCES, RULES AND ENGINEERING STANDARDS.] The commissioner may grant variances from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall publish notice of the request in the state register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of the request. If

a written objection to the request is received within 20 days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing. *For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.*

Sec. 7. Minnesota Statutes 1990, section 162.14, subdivision 6, is amended to read:

Subd. 6. [ADVANCES.] Any such city, except cities of the first class, may make advances from any funds available to it for the purpose of expediting the construction, reconstruction, improvement, or maintenance of its municipal state-aid street system; provided that such advances shall not exceed ~~40 percent of its last apportionment~~ *the city's total estimated apportionment for the three years following the year the advance is made.* Advances made by any such city shall be repaid out of subsequent apportionments made to such city in accordance with the commissioner's rules.

Sec. 8. Minnesota Statutes 1990, section 169.14, is amended by adding a subdivision to read:

Subd. 5e. [SPEED LIMIT ON PARK ROADS.] *A political subdivision may establish a speed limit on a park road within its boundaries except that a speed limit on a park road located entirely within a regional park may only be established by a county. A speed limit established under this subdivision must not be lower than 20 miles per hour, and no speed limit established under this subdivision may reduce existing speed limits by more than 15 miles per hour. A speed limit established under this subdivision is effective on the erection of appropriate signs designating the speed limit and indicating the beginning and end of the reduced speed zone. Any speed in excess of the posted speed is unlawful.*

Sec. 9. [444.30] [TRANSPORTATION UTILITY.]

Subdivision 1. [DEFINITIONS.] *For purposes of this section, the term "municipality" means a home rule charter or statutory city or a town. The term "governing body" means the town board with respect to towns.*

Subd. 2. [AUTHORIZATION.] *Any municipality may build, construct, reconstruct, repair, enlarge, improve, maintain, or in any other manner obtain transportation utilities, including grading, base construction, surfacing construction, curb and gutter, striping, signing, signalization, lighting, sidewalks, pedestrian pathways, landscaping, boulevard restoration, and other appurtenances and related facilities for the collection, transport, and disbursement of traffic, all hereinafter called facilities, and maintain and operate the facilities inside its corporate limits, and acquire by gift, purchase, lease, condemnation, or otherwise any and all land and easements required for that purpose. The authority hereby granted is in addition to all other powers with reference to the facilities otherwise granted by the laws of this state or by charter of any municipality.*

Subd. 3. [FINANCING.] *For the purpose of paying the cost of building, constructing, reconstructing, repairing, enlarging, improving, maintaining, or in other manner obtaining the facilities or any portion of them, a municipality may issue and sell its general obligations, which may be made payable primarily from taxes or from special assessments to be levied to*

pay the cost of the facilities or from net revenues derived from transportation charges or from other nontax revenues pledged for their payment under charter or other statutory authority, or from two or more of the sources; or it may issue special obligations, payable solely from taxes or special assessments or from revenues, or from two or more of the sources. Real estate tax revenues should be used only, and then on a temporary basis, to pay general or special obligations when the other revenues are insufficient to meet the obligations. All obligations shall be issued and sold in accordance with chapter 475. When special assessments are pledged for the payment of the obligations, they shall be authorized and issued in accordance with the provisions of chapter 429, or of the city's charter if it authorizes these obligations and the governing body determines to proceed under the charter. When net revenues are pledged to the payment of the obligations, together with or apart from taxes and special assessments, the pledge shall be made in accordance with the provisions of subdivision 4.

Subd. 4. [CHARGES; NET REVENUES.] To pay for the construction, reconstruction, repair, enlargement, improvement, or other obtainment and the maintenance, operation, and use of the facilities, the governing body of a municipality may impose just and equitable charges for the use and for the availability of the facilities and for connections with them and make contracts for the charges as provided in this section. Charges shall be as nearly as possible proportionate to the cost of transportation systems and may be fixed on the basis of traffic generated or by reference to a reasonable classification of the types of premises to which service is furnished, or by reference to the quantity, type, and loading of the traffic generated, or on any other equitable basis including, but without limitation, any combination of those referred to above. The governing body may make the charges a charge against the owner, lessee, occupant, or all of them and may provide and covenant for certifying unpaid charges to the county auditor with taxes against the property served for collection as other taxes are collected. In determining the reasonableness of the charges to be imposed, the governing body may give consideration to all costs of the establishment, operation, maintenance, depreciation, and necessary replacements of the system, and of improvements, enlargements, and extensions necessary to serve adequately the territory of the municipality including the principal and interest to become due on obligations issued or to be issued. When net revenues have been appropriated to the payment of the cost of the establishment, or of any specified replacement, improvement, enlargement, or extension, or to pay the principal and interest due on obligations to be issued for such purpose, no charges imposed to produce net revenues adequate for the purpose shall be deemed unreasonable by virtue of the fact that the project to be financed has not been commenced or completed, if proceedings for it are taken with reasonable dispatch and the project, when completed, may be expected to make service available to the premises charged which will have a value reasonably commensurate with the charges. All charges, when collected, and all moneys received from the sale of any facilities or equipment or any by-products, shall be placed in a separate fund, and used first to pay the normal, reasonable, and current costs of operating and maintaining the facilities. The net revenues received in excess of the costs may be pledged by resolutions of the governing body, or may be used though not so pledged, for the payment of principal and interest on obligations issued as provided in subdivision 3, or to pay the portion of the principal and interest as may be directed in the resolutions, and net revenues derived from any facilities whether or not financed by the issuance of the obligations, may be pledged

or used to pay obligations issued for other facilities of the same types. In resolutions authorizing the issuance of either general or special obligations and pledging net revenues to them, the governing body may make covenants for the protection of holders of the obligations and taxpayers of the municipality as it deems necessary, including, but without limitation, a covenant that the municipality will impose and collect charges of the nature authorized by this section at the times and in the amounts required to produce, together with any taxes or special assessments designated as a primary source of payment of the obligations, net revenues adequate to pay all principal and interest when due on the obligations and to create and maintain reserves securing the payments as may be provided in the resolutions. When a covenant is made it shall be enforceable by appropriate action on the part of any holder of the obligations or any taxpayer of the municipality in a court of competent jurisdiction, and the obligations shall be deemed to be payable wholly from the income of the system whose revenues are so pledged, within the meaning of sections 475.51 and 475.58.

Subd. 5. [LEVY ASSESSMENTS.] The governing body of a municipality may also levy assessments against property within the municipal limits benefited by the transportation system under the procedure authorized by law or charter with reference to other assessments for benefits of local improvements, may transfer and use for the purposes hereof surplus funds of the municipality not specifically dedicated to another purpose, and may levy taxes on property within the municipal limits for the purposes hereof.

ARTICLE 5

TOLL FACILITIES

Section 1. [160.83] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The terms used in sections 1 to 6 have the meanings given them in this section and section 160.02.

Subd. 2. [BOT FACILITY.] "BOT facility" means a build-operate-transfer toll facility constructed, improved, or rehabilitated and operated by a private operator that holds title to the facility subject to a development agreement that provides that title will be transferred to the road authority on expiration of an agreed term.

Subd. 3. [BTO FACILITY.] "BTO facility" means a build-transfer-operate toll facility constructed, improved, or rehabilitated by a private operator who: (1) transfers any interest it may have in the toll facility to the road authority before operation begins; and (2) operates the toll facility for an agreed term under a lease, management, or toll-concession agreement.

Subd. 4. [COMMISSIONER.] "Commissioner" means the commissioner of the department of transportation.

Subd. 5. [DEVELOPMENT AGREEMENT.] "Development agreement" means a written agreement between a road authority and a private operator that provides for the construction, improvement, rehabilitation, ownership, and operation of a toll facility.

Subd. 6. [PRIVATE OPERATOR.] "Private operator" means an individual, a corporation, a partnership, a cooperative or unincorporated association, a joint venture, or a consortium that constructs, improves, rehabilitates, owns, leases, operates, or manages a toll facility subject to sections 1 to 6.

Subd. 7. [ROAD AUTHORITY.] "Road authority" has the meaning given it in section 160.02, subdivision 9, and also refers to a joint powers authority formed under section 6.

Subd. 8. [TOLL FACILITY.] "Toll facility" means a bridge, causeway, or tunnel, and its approaches; a road, street, or highway; an appurtenant building, structure, or other improvement; land lying within applicable rights-of-way; and other appurtenant rights or hereditaments that together comprise a project for which a private operator is authorized to operate and impose tolls under sections 1 to 6.

Sec. 2. [160.84] [AUTHORITY.]

Subdivision 1. [ROAD AUTHORITY.] A road authority may solicit or accept proposals from and enter into development agreements with private operators for constructing, improving, rehabilitating, operating, and managing toll facilities wholly or partly within the road authority's jurisdiction. A road authority soliciting toll facility proposals must publish a notice of solicitation in the State Register.

Subd. 2. [PRIVATE OPERATORS.] Private operators are authorized to construct, improve, rehabilitate, own, lease, manage, and operate toll facilities subject to the terms of sections 1 to 6. Private operators may mortgage, grant security interests in, and pledge their interests in: (1) toll facilities and their components; (2) development, lease, toll concessions, and other related agreements; and (3) income, profits, and proceeds of the toll facility.

Subd. 3. [APPROVAL.] No road authority and private operator may enter into a development agreement without the prior approval of the commissioner and the governing body of each county and municipality through which the facility is to pass. A road authority and private operator in the metropolitan area, as defined in section 473.121, subdivision 2, must obtain the council approval required in section 473.167, subdivision 1.

Subd. 4. [DEVELOPMENT AGREEMENT.] (a) A development agreement for toll facilities may provide for any mode of ownership or operation approved by the road authority, including ownership by the private operator without reversion of title, operation of the facilities under leases or management contracts, or BOT or BTO facilities.

(b) A development agreement may permit the private operator to assemble funds from any available source, including federal, state, and local grants, bond proceeds, contributions, and pledges and to incorporate an existing road or highway, a bridge, and approach structures, and related improvements into the toll facility. The private operator shall pay the road authority the fair market value of any property incorporated into the facility or shall adjust toll charges to the public to reflect the value of the incorporated property.

(c) A development agreement may include grants of title, easements, rights-of-way, and leasehold estates necessary to the toll facility.

(d) A development agreement may authorize the private operator to charge variable rate tolls based on time of day, vehicle characteristics, or other factors approved by the road authority.

(e) A development agreement may include authorization by the road authority to the private operator to exercise powers possessed by the road authority with respect to similar facilities.

Subd. 5. [RIGHT-OF-WAY ACQUISITION.] A private operator may acquire right-of-way by donation, lease, or purchase. A road authority may acquire right-of-way by eminent domain and may donate, sell, or lease a right-of-way to a private operator.

Subd. 6. [RESTRICTION.] No toll facility may be used for any purpose other than the transportation purposes specified in the development agreement for the term of the agreement.

Subd. 7. [TOLL FACILITY ACQUIRED BY ROAD AUTHORITY.] A development agreement that requires transfer or reversion of a toll facility to a road authority must provide that the transfer be at no cost to the road authority. The private operator shall establish an escrow account with sufficient funds to ensure that the facility meets applicable construction and maintenance standards of the road authority upon reversion.

Subd. 8. [APPLICATION OF OTHER LAW.] A private operator must obtain all environmental, navigational, design, or safety approvals required if the toll facility were constructed or operated by a road authority.

Sec. 3. [DEVELOPMENT AGREEMENTS; MANDATORY PROVISIONS.]

A development agreement must include the following provisions:

(a) The toll facility must meet the road authority's standards of design and construction for roads and bridges of the same functional classification and must be constructed by contractors on the department's list of eligible contractors.

(b) The commissioner must review and approve the location and design of a bridge over navigable waters as if the bridge were constructed by a road authority. This does not diminish the private operator's responsibility for bridge safety.

(c) The private operator shall manage and operate the toll facility in cooperation with the road authority and subject to the development agreement.

(d) The toll facility is subject to regular inspections by the road authority and the commissioner.

(e) The road authority shall provide maintenance, snow removal, and police services to the toll facility and the private operator shall pay the road authority the cost of services provided.

Sec. 4. [COST RECOVERY.]

Subdivision 1. [USE OF TOLL REVENUES.] Toll revenues must be applied to repayment of indebtedness incurred for the toll facility; lease or toll concessions payments; costs of operation, administration, rehabilitation, and maintenance necessary to meet applicable standards of the commissioner; and reasonable reserves for future capital outlays. The enumeration of uses in this subdivision does not state priorities for the use of these revenues.

Subd. 2. [RESIDUAL TOLL REVENUES.] Residual toll revenues belong to the private operator, except for payments to a road authority under the development agreement or a related toll concession agreement.

Subd. 3. [CONTINUATION OF TOLLS.] After expiration of a lease for a BTO facility, or after title has reverted for a BOT facility, the road authority

may continue to charge tolls for the facility.

Subd. 4. [TOLLS PRESCRIBED.] A road authority may prescribe tolls on a toll facility only if the road authority reasonably determines that no feasible alternative to the toll facility exists to serve the traffic that uses the facility. Tolls prescribed by a road authority for a facility must permit the operator a reasonable return on both investment and capital.

Sec. 5. [LAW ENFORCEMENT.]

State and local law enforcement authorities have the same powers and authority on a toll facility within their respective jurisdictions as they have on any other highway, road, or street within their jurisdiction. Law enforcement officers have free access to the toll facility at any time to exercise such powers as though it were a public right-of-way. State and local traffic and motor vehicle laws apply to persons driving or occupying motor vehicles on the toll facility.

Sec. 6. [JOINT AUTHORITY.]

(a) Two or more road authorities with jurisdiction over a toll facility may enter into a joint powers agreement under Minnesota Statutes, section 471.59, to exercise the powers, duties, and functions of the road authorities related to the toll facility, including negotiation and administration of the development agreement and related lease and toll concession agreements. If all road authorities with jurisdiction over a toll facility concur, title to or authority over the facility may be tendered to the commissioner who may accept the title or authority pursuant to the development agreement and this section.

(b) If a facility is located within the jurisdiction of more than one road authority, a road authority may prescribe tolls only under a joint agreement entered into under paragraph (a). Tolls may be prescribed under a joint agreement only if all road authorities with jurisdiction over the facility are parties to the agreement.

Sec. 7. [TOLL FACILITY REPLACEMENT PROJECTS.]

When a highway project in the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2, has been scheduled in the department's six-year work program but is designated as a toll facility, the commissioner shall substitute in the work program a similar highway project in the metropolitan area.

ARTICLE 6

TRANSPORTATION SERVICES FUND

Section 1. [161.041] [TRANSPORTATION SERVICES FUND.]

Subdivision 1. [FUND CREATED.] A transportation services fund is created in the state treasury. The fund consists of all money required or made available by law to be deposited in the fund.

Subd. 2. [USES OF FUND.] Money in the transportation services fund may be expended by appropriation for any transportation purpose.

Sec. 2. Minnesota Statutes 1990, section 168.54, subdivision 5, is amended to read:

Subd. 5. The proceeds of the fee imposed under the provisions of this section shall be collected by the commissioner of public safety and paid

into the ~~general~~ *transportation services* fund.

Sec. 3. Minnesota Statutes 1990, section 168.54, subdivision 6, is amended to read:

Subd. 6. The unobligated balances in excess of \$4,000 in said revolving fund as of June 30 of each fiscal year shall be canceled into the ~~general~~ *transportation services* fund.

Sec. 4. Minnesota Statutes 1990, section 169.09, subdivision 13, is amended to read:

Subd. 13. [ACCIDENT REPORTS CONFIDENTIAL.] All written reports and supplemental reports required under this section to be provided to the department of public safety shall be without prejudice to the individual so reporting and shall be for the confidential use of the department of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except that the department of public safety or any law enforcement department of any municipality or county in this state shall, upon written request of any person involved in an accident or upon written request of the representative of the person's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed pursuant to section 573.02, disclose to the requester, the requester's legal counsel or a representative of the requester's insurer any information contained therein except the parties' version of the accident as set out in the written report filed by the parties or may disclose identity of a person involved in an accident when the identity is not otherwise known or when the person denies presence at the accident. No report shall be used as evidence in any trial, civil or criminal, arising out of an accident, except that the department of public safety shall furnish upon the demand of any person who has, or claims to have, made a report, or, upon demand of any court, a certificate showing that a specified accident report has or has not been made to the department of public safety solely to prove a compliance or a failure to comply with the requirements that the report be made to the department of public safety. Disclosing any information contained in any accident report, except as provided herein, is unlawful and a misdemeanor.

Nothing herein shall be construed to prevent any person who has made a report pursuant to this chapter from providing information to any persons involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the person's knowledge. It is intended by this subdivision to render privileged the reports required but it is not intended to prohibit proof of the facts to which the reports relate. Legally qualified newspaper publications and licensed radio and television stations shall upon request to a law enforcement agency be given an oral statement covering only the time and place of the accident, the names, addresses, and dates of birth of the parties involved, whether a citation was issued, and if so, what it was for, and whether the parties involved were wearing seat belts, and a general statement as to how the accident happened without attempting to fix liability upon anyone, but said legally qualified newspaper publications and licensed radio and television stations shall not be given access to the hereinbefore mentioned confidential reports, nor shall any such statements or information so orally given be used as evidence in any court proceeding, but shall merely be used for the purpose of a proper publication or broadcast of the news.

When these reports are released for accident analysis purposes the identity of any involved person shall not be revealed. Data contained in these reports

shall only be used for accident analysis purposes, except as otherwise provided by this subdivision. Accident reports and data contained therein which may be in the possession or control of departments or agencies other than the department of public safety shall not be discoverable under any provision of law or rule of court.

Notwithstanding other provisions of this subdivision to the contrary, the commissioner of public safety shall give to the commissioner of transportation the name and address of a carrier subject to section 221.031 that is named in an accident report filed under subdivision 7 or 8. The commissioner of transportation may not release the name and address to any person. The commissioner shall use this information to enforce accident report requirements under chapter 221. In addition the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

The ~~department~~ commissioner of public safety may charge authorized persons a \$5 fee for a copy of an accident report. *Proceeds from the fee must be deposited into the transportation services fund.*

Sec. 5. Minnesota Statutes 1990, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified abstract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of \$5 shall be paid for each such abstract. The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least \$2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer. Fees collected under this section must be paid into the state treasury with 90 percent of the money credited to the ~~trunk highway~~ transportation services fund and ten percent credited to the general fund.

Sec. 6. Minnesota Statutes 1990, section 171.185, is amended to read:

171.185 [COSTS PAID FROM ~~TRUNK HIGHWAY~~ TRANSPORTATION SERVICES FUND.]

All costs incurred by the commissioner in carrying out the provisions of sections 171.182 to 171.184 shall be paid from the ~~trunk highway~~ transportation services fund.

Sec. 7. Minnesota Statutes 1990, section 171.26, is amended to read:

171.26 [MONEY CREDITED TO ~~TRUNK HIGHWAY~~ TRANSPORTATION SERVICES FUND AND TO GENERAL FUND.]

All money received under the provisions of this chapter shall be paid into the state treasury with 90 percent of such money credited to the ~~trunk highway~~ transportation services fund, and ten percent credited to the general

fund, except as provided in section 171.29, subdivision 2.

Sec. 8. Minnesota Statutes 1990, section 171.36, is amended to read:

171.36 [LICENSE RENEWAL AND FEES.]

All licenses shall expire one year from date of issuance and may be renewed upon application to the commissioner. Each application for an original or renewal school license shall be accompanied by a fee of \$150 and each application for an original or renewal instructor's license shall be accompanied by a fee of \$50. The license fees collected under sections 171.33 to 171.41 shall be paid into the ~~trunk~~ *highway transportation services* fund. No license fee shall be refunded in the event that the license is rejected or revoked.

Sec. 9. Minnesota Statutes 1990, section 173.13, subdivision 4, is amended to read:

Subd. 4. The annual fee for each such permit or renewal thereof shall be as follows:

(1) If the advertising area of the advertising device does not exceed 50 square feet, the fee shall be ~~\$20~~ \$40.

(2) If the advertising area exceeds 50 square feet but does not exceed 300 square feet, the fee shall be ~~\$40~~ \$80.

(3) If the advertising area exceeds 300 square feet, the fee shall be ~~\$80~~ \$160.

(4) No fee shall be charged for a permit for official signs and notices as they are defined in section 173.02, except that a fee may be charged for a star city sign erected under section 173.085.

Sec. 10. Minnesota Statutes 1990, section 173.231, is amended to read:

173.231 [FEES.]

All fees collected under sections 173.07 and 173.13, ~~shall~~ *must* be paid into the ~~trunk~~ *highway transportation services* fund.

Sec. 11. Minnesota Statutes 1990, section 221.036, subdivision 14, is amended to read:

Subd. 14. ~~[TRUNK HIGHWAY TRANSPORTATION SERVICES FUND.]~~ Penalties collected under this section must be deposited in the state treasury and credited to the ~~trunk~~ *highway transportation services* fund.

Sec. 12. [221.297] [DISPOSITION OF RECEIPTS.]

All money deposited in the state treasury from fees and penalties under this chapter must be credited to the transportation services fund.

Sec. 13. Minnesota Statutes 1990, section 296.16, subdivision 1a, is amended to read:

Subd. 1a. [INTENT; FOREST ROADS.] ~~\$675,000~~ *Approximately 0.116 percent* of the total annual unrefunded revenue from the gasoline fuel tax on all gasoline and special fuel received in, produced, or brought into this state, except gasoline and special fuel used for aviation purposes, is derived from the operation of motor vehicles on state forest roads and county forest access roads, ~~and. Of this sum, \$400,000 amount, 0.0605 percent is annually derived from motor vehicles operated on state forest roads and \$275,000 0.0555 percent is annually derived from motor vehicles operated on county~~

forest access roads in this state.

Sec. 14. Minnesota Statutes 1990, section 296.421, subdivision 8, is amended to read:

Subd. 8. [COMPUTATION AND DISTRIBUTION OF UNREFUNDED TAXES FOR FOREST ROADS.] The amount of unrefunded tax paid on gasoline and special fuel used to operate motor vehicles on forest roads, except gasoline and special fuel used for aviation purposes, is ~~\$675,000 annually~~ *0.116 percent of the total unrefunded revenue from the tax on all gasoline and special fuel received in, produced, or brought into the state, and this revenue is appropriated from the highway user tax distribution fund and must be transferred and credited in equal installments on July 1 and January 1 to the state forest road account established in section 89.70. ~~\$275,000 of this amount~~ An amount equal to 0.0555 percent of the unrefunded revenue must be annually transferred to counties for management and maintenance of county forest roads.*

Sec. 15. Minnesota Statutes 1990, section 299D.03, subdivision 5, is amended to read:

Subd. 5. [FINES AND FORFEITED BAIL MONEY.] (a) All fines and forfeited bail money, from traffic and motor vehicle law violations, collected from persons apprehended or arrested by officers of the state patrol, shall be paid by the person or officer collecting the fines, forfeited bail money or installments thereof, on or before the tenth day after the last day of the month in which these moneys were collected, to the county treasurer of the county where the violation occurred. Three-eighths of these receipts shall be credited to the general revenue fund of the county. The other five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited to the ~~trunk highway~~ *transportation services fund*. If, however, the violation occurs within a municipality and the city attorney prosecutes the offense, and a plea of not guilty is entered, one-third of the receipts shall be credited to the general revenue fund of the county, one-third of the receipts shall be paid to the municipality prosecuting the offense, and one-third shall be transmitted to the state treasurer as provided in this subdivision. All costs of participation in a nationwide police communication system chargeable to the state of Minnesota shall be paid from appropriations for that purpose.

(b) Notwithstanding any other provisions of law, all fines and forfeited bail money from violations of statutes governing the maximum weight of motor vehicles, collected from persons apprehended or arrested by employees of the state of Minnesota, by means of stationary or portable scales operated by these employees, shall be paid by the person or officer collecting the fines or forfeited bail money, on or before the tenth day after the last day of the month in which the collections were made, to the county treasurer of the county where the violation occurred. Five-eighths of these receipts shall be transmitted by that officer to the state treasurer and shall be credited ~~to the highway user tax distribution fund~~ *as follows: 62 percent to the transportation services fund; 29 percent to the county state-aid highway fund; and nine percent to the municipal state-aid street fund*. Three-eighths of these receipts shall be credited to the general revenue fund of the county.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 15 are effective July 1, 1991.

ARTICLE 7

METROPOLITAN TRANSPORTATION DEVELOPMENT

Section 1. [174.35] [LIGHT RAIL TRANSIT.]

The commissioner of transportation may plan, acquire, construct, and equip light rail transit facilities in the metropolitan area as provided in sections 473.399 to 473.3996 and sections 1 to 9 and may exercise the powers granted in chapter 174 as necessary for this purpose. The commissioner shall review and approve all preliminary design, preliminary engineering, and final design plans for light rail transit facilities.

Sec. 2. Minnesota Statutes 1990, section 297A.02, is amended by adding a subdivision to read:

Subd. 5. [METROPOLITAN SALES TAX.] Notwithstanding subdivision 1, there is imposed an additional sales tax of of one percent on sales at retail that occur within the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and an additional compensating use tax of up to of one percent on uses of property within those metropolitan counties, the sale of which would be subject to the additional sales tax but for the fact the property was sold outside the metropolitan counties.

For purposes of this subdivision, sales that occur within the metropolitan counties do not include:

(1) the sale of tangible personal property that:

(i) without intermediate use, is shipped or transported outside the metropolitan counties by the purchaser and thereafter used in a trade or business or that is stored, processed, fabricated, or manufactured into, attached to, or incorporated into other tangible personal property transported or shipped outside the metropolitan counties and thereafter used in a trade or business outside of the metropolitan counties, and that is not thereafter returned to a point within the metropolitan counties, except in the course of interstate or intrastate commerce (storage does not constitute intermediate use); or

(ii) the seller delivers to a common carrier for delivery outside the metropolitan counties, places in the United States mail or parcel post directed to the purchaser outside the metropolitan counties, or delivers to the purchaser outside the metropolitan counties by means of the seller's own delivery vehicles, and that is not thereafter returned to a point within the metropolitan counties, except in the course of interstate or intrastate commerce; or

(2) sales that would be described in section 297A.25, subdivisions 6 and 21, if the words "metropolitan counties" were substituted for the words "Minnesota" or "state of Minnesota" in those clauses.

Sec. 3. Minnesota Statutes 1990, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), and (d), and (e), all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment

for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 297A.45 shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs.

(e) The revenues derived from the taxes imposed on sales in the metropolitan counties under section 297A.02, subdivision 5, must be deposited by the commissioner in the state treasury and distributed to the commissioner of transportation to be used for light rail transit purposes.

Sec. 4. Minnesota Statutes 1990, section 473.373, subdivision 4a, is amended to read:

Subd. 4a. [MEMBERSHIP.] (a) The board consists of 11 members with governmental or management experience. Appointments are subject to the advice and consent of the senate. Terms of members are four years commencing on the first Monday in January of the first year of the term.

(b) The council shall appoint eight members; ~~one from each of the following agency districts:~~

~~(1) district A, consisting of council districts 1 and 2;~~

~~(2) district B, consisting of council districts 3 and 7;~~

~~(3) district C, consisting of council districts 4 and 5;~~

~~(4) district D, consisting of council districts 6 and 11;~~

~~(5) district E, consisting of council districts 8 and 10;~~

~~(6) district F, consisting of council districts 9 and 13;~~

~~(7) district G, consisting of council districts 12 and 14; and~~

~~(8) district H, consisting of council districts 15 and 16 as provided in section 473.141, subdivision 2, paragraph (d).~~

At least Six must be elected officials of statutory or home rule charter cities, towns, or counties. ~~Two of these officials must be county board members, each from a different county, and four must be elected officials of cities or~~

towns. Service on the board of a person who is appointed as an elected official may continue only as long as the person holds the office. At least 30 days before the expiration of a term or upon the occurrence of a vacancy, the council shall request nominations for the position from relevant organizations of local elected officials, such as the association of metropolitan municipalities, the metropolitan intercounty association, the association of urban counties, and where applicable, the association of townships. Each relevant organization shall nominate at least two persons for each position. A local governmental unit that is not a member of an organization may submit nominations independently. The council shall make its appointments from the nominations submitted to it to the extent possible consistent with the other requirements of this paragraph and with the appointment of a board that fairly reflects the diverse areas and constituencies affected by transit.

(c) The governor shall appoint, in addition to the chair, two persons, one who is age 65 or older at the time of appointment, and one with a disability. These appointments must be made following the procedures of section 15.0597. In addition, at least 30 days before the expiration of a term or upon the occurrence of a vacancy in the office held by a senior citizen or a person with a disability, the governor shall request nominations from organizations of senior citizens and persons with disabilities. Each organization shall nominate at least two persons. The governor shall consider the nominations submitted.

(d) No more than three of the members appointed under paragraphs (b) and (c) may be residents of the same statutory or home rule city or town, and none may be a member of the joint light rail transit advisory committee established under section 473.3991.

Sec. 5. Minnesota Statutes 1990, section 473.3993, subdivision 2, is amended to read:

Subd. 2. [PRELIMINARY DESIGN PLAN.] "Preliminary design plan" means a light rail transit plan that ~~identifies~~ *includes*:

(1) preliminary plans for the physical design of facilities, *at approximately the ten percent engineering level*, including location, length, and termini of routes; general dimension, elevation, alignment, and character of routes and crossings; whether the track is elevated, on the surface, or below ground; approximate station locations; and related park and ride, parking, and other transportation facilities; and a plan for handicapped access; and

(2) preliminary plans for intermodal coordination with bus operations and routes; ridership; capital costs; operating costs and revenues; *and funding for final design, construction, and operation; and an implementation method.*

Sec. 6. Minnesota Statutes 1990, section 473.3993, is amended by adding a subdivision to read:

Subd. 2a. [PRELIMINARY ENGINEERING PLAN.] "*Preliminary engineering plan*" means a light rail transit engineering plan that includes plans for the physical design of the facilities at approximately the 30 percent engineering level; a funding plan for final design, construction, and operation; and an implementation method.

Sec. 7. Minnesota Statutes 1990, section 473.3993, subdivision 3, is amended to read:

Subd. 3. [FINAL DESIGN PLAN.] "Final design plan" means a light rail transit plan that includes the items in the preliminary design *and preliminary*

engineering plan for the facilities proposed for construction, but with greater detail and specificity. The final design plan must include, at a minimum:

(1) final plans for the physical design of facilities, including the right-of-way definition; environmental impacts and mitigation measures; intermodal coordination with bus operations and routes; and civil engineering plans for vehicles, track, stations, parking, and access, including handicapped access; and

(2) final plans for civil engineering for electrification, communication, and other similar facilities; operational rules, procedures, and strategies; capital costs; ridership; operating costs and revenues; financing for construction and operation; an implementation method; and other similar matters.

The final design plan must be stated with sufficient particularity and detail to allow the proposer to begin the acquisition and construction of operable facilities. If a turn-key implementation method is proposed, instead of civil engineering plans the final design plan must state detailed design criteria and performance standards for the facilities.

Sec. 8. Minnesota Statutes 1990, section 473.3994, is amended to read:
473.3994 [LIGHT RAIL TRANSIT; ~~DESIGN FACILITY PLANS.~~]

Subd. 1a. [PRELIMINARY DESIGN PLANS.] The regional transit board, in consultation with the joint light rail transit advisory committee, shall establish a procedure for preparing preliminary design plans for light rail transit facilities. The procedure must ensure that preliminary design plans implement the board's regional transit plan and qualify for federal funds in accordance with the board's plan, and that proposals for engineering and construction projects are prepared in a timely and cost-effective manner.

Subd. 2. [PRELIMINARY DESIGN AND ENGINEERING PLANS; PUBLIC HEARING.] ~~Before preparing final design plans for a light rail transit facility, the~~ A political subdivision ~~proposing the~~ that has prepared preliminary design and preliminary engineering plans for a proposed facility must hold a public hearing on the physical design component of the preliminary design plans and the preliminary engineering plans. The proposer must provide appropriate public notice of the hearing and publicity to ensure that affected parties have an opportunity to present their views at the hearing.

Subd. 3. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; LOCAL APPROVAL.] At least 30 days before the hearing under subdivision 2, the proposer shall submit the ~~physical design component of the preliminary design~~ plans to the governing body of each statutory and home rule charter city, county, and town in which the route is proposed to be located. The city, county, or town shall hold a public hearing, except that a county board need not hold a hearing if the county board membership is identical to the membership of the regional railroad authority submitting the plan for review. Within 45 days after the hearing under subdivision 2, the city, county, or town shall review and approve or disapprove the plans for the route to be located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within 45 days after the hearing is deemed to be approval, unless an extension of time is agreed to by the city, county, or town and the proposer.

Subd. 4. [PRELIMINARY DESIGN AND PRELIMINARY ENGINEERING PLANS; REGIONAL TRANSIT BOARD REFERRAL.] If the governing body of one or more cities, counties, or towns disapproves the preliminary design or *preliminary engineering* plans within the period allowed under subdivision 3, the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall hold a hearing on the plans, giving the proposer, any disapproving local governmental units, and other persons an opportunity to present their views on the plans. The board may conduct independent study as it deems desirable and may mediate and attempt to resolve disagreements about the plans. Within 90 days after the referral, the board shall review the plans submitted by the proposer and may recommend amended plans to accommodate the objections presented by the disapproving local governmental units.

Subd. 5. [FINAL DESIGN PLANS.] (a) Before beginning construction, the proposer shall submit the physical design component of final design plans to the governing body of each statutory and home rule city, county, and town in which the route is proposed to be located. Within 60 days after the submission of the plans, the city, county, or town shall review and approve or disapprove the plans for the route located in the city, county, or town. A local unit of government that disapproves the plans shall describe specific amendments to the plans that, if adopted, would cause the local unit to withdraw its disapproval. Failure to approve or disapprove the plans in writing within the time period is deemed to be approval, unless an extension is agreed to by the city, county, or town and the proposer.

(b) If the governing body of one or more cities, counties, or towns disapproves the plans within the period allowed under paragraph (a), the proposer may refer the plans, along with any comments of local jurisdictions, to the regional transit board. The board shall review the final design plans under the same procedure and with the same effect as provided in subdivision 4 for preliminary design plans.

Subd. 6. [COUNTY APPROVAL.] The proposer of a light rail transit facility in the metropolitan area ~~must~~ shall submit the preliminary and final design plans for the facility to the governing board of the county in which the route is proposed to be located for approval or disapproval. The proposer of the facility may not proceed with construction of the facility without the approval of the county.

Subd. 7. [COUNCIL REVIEW.] Before proceeding with construction of a light rail transit facility, ~~a regional rail authority established under chapter 398A must the proposer of the facility shall~~ submit preliminary design plans, preliminary engineering plans, and final design plans to the metropolitan council. The council ~~must~~ shall review the plans for consistency with the council's development guide and comment on the plans.

Subd. 8. [METROPOLITAN SIGNIFICANCE.] This section does not diminish or replace the authority of the council under section 473.173.

Sec. 9. Minnesota Statutes 1990, section 473.3996, is amended to read:

473.3996 [LIGHT RAIL TRANSIT FACILITY ~~DESIGN~~ PLANS; REVIEW BY BOARD.]

Subdivision 1. [PRELIMINARY DESIGN AND ENGINEERING PLANS; BOARD REVIEW.] Before submitting the physical design component of final design plans of a light rail transit facility for local review under section

473.3994, subdivision 5, the proposer shall submit preliminary design *and preliminary engineering* plans to the regional transit board for review. The board shall review the ~~preliminary design~~ plans to determine the compatibility of the plans with other light rail transit plans and facilities in the metropolitan area, *the adequacy of the plans for operation and maintenance of facilities*, the adequacy of the plans for handicapped accessibility, and the conformity of the plans with the *council's transportation policy plan and the board's regional light rail transit plan* prepared under section 473.399. *The board shall submit the plans to the metropolitan transit commission for recommendations on specifications and other matters affecting operation and maintenance of facilities. The board shall submit the plans to the council for recommendations on the conformity of the plans with the council's transportation policy plan.* The board may comment on any aspect of the plans. The board has 90 days to complete its review, unless an extension of time is agreed to by the proposer. If the board determines that the plans do not satisfy the standards stated in this subdivision, the board shall recommend modifications in the plans that are necessary in order to satisfy the board. After adopting or amending the regional plan required by section 473.399, the board may again review any previously reviewed preliminary design plans and recommend modifications that are necessary to satisfy the board.

Subd. 2. [FINAL DESIGN PLANS; BOARD APPROVAL.] Before acquiring or constructing light rail transit facilities, other than land for right of way, the proposer shall submit final design plans to the regional transit board for review. The board shall review the final design plans under the same *procedure and schedule* and according to the same standards as provided for its review of preliminary design plans. The board shall either approve the plans, or if it determines that the plans do not satisfy the standards, disapprove the plans, in whole or in part, and recommend modifications in the plans that are necessary to secure approval. A proposer may not proceed with acquisition or construction of a light rail transit facility, other than land for right of way, unless the final design plans for the facility have been approved by the board. ~~Following approval of final design plans by the board, if a regional railroad authority wishes to select a bid or a response to a request for proposal that is more than ten percent higher than the capital costs indicated in the final design plans for the facility, the authority may not proceed with construction until it has resubmitted the final design plans to the transit board for further review and approval or disapproval. The board has ten working days to review and approve or disapprove and recommend modification, unless an extension of time is agreed to by the authority.~~

Sec. 10. [LIGHT RAIL FUNDING.]

If funds are appropriated by the legislature or received from the proceeds of a metropolitan sales tax provided by section 2 for construction of light rail transit facilities, the funds must be used first for construction of the central corridor in accordance with section 11. A regional rail authority may on its own seek federal funds to design and construct a demonstration light rail facility and may construct a facility using a combination of federal and county funds as described in the light rail transit regional development plan as approved by the regional transit board.

Sec. 11. [CENTRAL CORRIDOR FACILITIES.]

Subdivision 1. [CONSTRUCTION.] The commissioner of transportation shall review and approve preliminary engineering plans, prepare final design

plans, and construct light rail transit facilities in the central corridor. The commissioner shall submit final design plans for review in the manner provided under Minnesota Statutes, sections 473.3994 and 473.3996.

Subd. 2. [TUNNEL.] The commissioner may not construct underground light rail transit facilities, except that the commissioner may enter into agreements providing for underground construction if the additional costs of underground construction are paid by the city or the regional railroad authority in which the facility is located.

Subd. 3. [OWNERSHIP.] By January 1, 1993, the commissioner shall present to the legislature a plan for transferring or sharing ownership in the land and facilities for light rail transit, and providing for maintenance of the facilities. The plan must be prepared in consultation with the regional transit board, the metropolitan transit commission, and affected local government units.

Subd. 4. [REPORT TO BOARD.] The commissioner shall report to the transportation study board on the status of the preliminary engineering plans, including cost estimates, for the central corridor by November 15, 1991.

Sec. 12. [APPLICATION.]

Sections 1 to 8 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 8

TRANSPORTATION STUDIES

Section 1. [161.53] [RESEARCH ACTIVITIES.]

The commissioner may set aside for transportation research in each fiscal year up to one percent of the total amount of all funds appropriated to the commissioner other than county state-aid and municipal state-aid highway funds. The commissioner shall spend this money for (1) research to improve the design, construction, maintenance, management, and environmental compatibility of transportation systems; (2) research on transportation policies that enhance energy efficiency and economic development; (3) programs for implementing and monitoring research results; and (4) development of transportation education and outreach activities. The commissioner shall spend 0.15 percent of the research money, but not exceeding \$800,000 in any fiscal year, for research and related activities performed by the center for transportation studies of the University of Minnesota. The center shall establish a technology transfer and training center for Minnesota transportation professionals.

Sec. 2. [DEPARTMENT OF TRANSPORTATION; CORRIDOR STUDIES.]

Subdivision 1. [FINDING.] The legislature finds that a system of improved highways between regional centers in greater Minnesota and the Twin Cities metropolitan area is needed to promote economic development and to enhance commercial access, personal mobility, and traffic safety in Minnesota. It is therefore in the public interest to provide financing methods that accelerate construction of trunk highways linking regional centers in greater Minnesota with the Twin Cities metropolitan area.

Subd. 2. [STUDY.] The commissioner of transportation shall study and report to the governor and legislature on the feasibility of establishing a

comprehensive system of multilane divided highways connecting regional centers with the Twin Cities metropolitan area. The study must include:

- (1) existing highways on corridors between regional centers and the metropolitan area;*
- (2) improvements needed to bring the highways to expressway standards and the cost of the improvements;*
- (3) the role of these improvements in the department of transportation's trunk highway programming priorities; and*
- (4) a schedule for completing the improvements.*

The commissioner shall complete the study and submit the report not later than January 15, 1992.

Sec. 3. [3.862] [TRANSPORTATION STUDY BOARD.]

Subdivision 1. [BOARD EXTENDED; MEMBERSHIP.] The transportation study board created under Laws 1988, chapter 603, section 6, is hereby extended. The board shall consist of the following members:

- (1) five members of the senate from both political parties, appointed by the senate committee on rules and administration subcommittee on committees; and*
- (2) five members of the house of representatives from both political parties, appointed by the speaker of the house. Appointments are for two-year terms beginning July 1 of each odd-numbered year. Vacancies must be filled in the same manner as the original appointments.*

Subd. 2. [OFFICERS.] The board shall elect a chair and vice-chair from among its members. The chair must alternate biennially between a member of the house of representatives and a member of the senate. The vice-chair must be a house member when the chair is a senate member, and a senate member when the chair is a house member.

Subd. 3. [STAFF] The board may employ professional, technical, consulting, and clerical services. The board may use legislative staff to provide legal counsel, research, secretarial, and clerical assistance.

Subd. 4. [EXPENSES AND REIMBURSEMENT.] The members of the board may receive per diem when attending meetings and other commission business. Members, employees, and legislative staff must be reimbursed for expenses actually and necessarily incurred in the performance of their duties under the rules governing legislators and legislative employees.

Sec. 4. [3.863] [DUTIES.]

The transportation study board shall perform the following duties:

- (1) review and participate with the house of representatives and senate transportation committees in developing recommendations for state transportation policies;*
- (2) monitor state transportation programs, expenditures, and activities;*
- (3) review and participate in the coordination of legislative initiatives that affect state and local transportation agencies; and*
- (4) propose special studies to the legislature and conduct studies at the direction of the legislature.*

Sec. 5. [3.864] [SPECIAL STUDIES.]

Subdivision 1. [STUDIES.] The board shall conduct the studies in subdivisions 2 to 8 by January 1, 1993. The board may request the commissioner of transportation to conduct any of the studies and report to the board and the legislature.

Subd. 2. [HIGHWAY PLANNING PROCESS.] The board shall review the department of transportation's policies and procedures for identifying, evaluating, prioritizing, and implementing trunk highway development projects. The board shall not propose, identify, or otherwise select any specific project or category of projects. The board shall report to the legislature and the commissioner of transportation on the results of the study with recommendations to the commissioner of transportation on changes in the department's policies and procedures and to the legislature on changes in law governing those policies and procedures.

Subd. 3. [HIGHWAY JURISDICTION.] The board shall conduct a study of the functional classification of all streets and highways in Minnesota. The study shall include:

(1) development of a state jurisdiction plan, including:

(i) criteria for determining the functional class of every street and highway in the state;

(ii) identification of the appropriate jurisdiction of every street and highway, based on functional class; and

(iii) criteria for determining when jurisdiction should be based on factors other than functional class;

(2) recommendations for implementing the jurisdiction plan; and

(3) recommendations for changes in law to facilitate future jurisdiction transfers, including establishment of a highway jurisdiction board.

The board shall report to the legislature and the commissioner of transportation on the results of the study.

Subd. 4. [LIGHT RAIL TRANSIT.] The board shall review and report to the legislature on preliminary engineering plans for light rail transit adopted by the commissioner of transportation under article 7.

Subd. 5. [STATE-AID DISTRIBUTION.] The board shall study unresolved issues relating to distribution of the county state-aid highway fund and the municipal state-aid street fund. These issues may include, but are not limited to:

(1) formulas for distributing money;

(2) methods of measuring and quantifying the factors used in the formulas;

(3) the role of screening boards in the distribution of state-aid funds;

(4) methods to mitigate reductions in state aid resulting from changes in state-aid formulas and distribution procedures; and

(5) appropriate levels of state participation in the cost of constructing and maintaining county state-aid highways and municipal state-aid streets.

Subd. 6. [LOCAL PARTICIPATION IN TRUNK HIGHWAY PROJECTS.] The board shall study the role of local units of government in funding

trunk highway construction or reconstruction projects. The study must recommend guidelines for local participation and the types of projects for which participation is feasible and desirable.

Subd. 7. [INCREASED USE OF HIGH-OCCUPANCY VEHICLES.] The board shall study incentives for increasing the use of high-occupancy vehicles and shall evaluate:

- (1) tax incentives to employees;*
- (2) tax incentives and other incentives to employers;*
- (3) parking charges designed to discourage single-occupant vehicles and promote high-occupancy vehicles;*
- (4) road pricing on freeways and other commuting routes;*
- (5) staggered work hours;*
- (6) expanded availability and reduced cost of regular-route transit; and*
- (7) increased use of demand-responsive transit to meet the needs of persons otherwise automobile dependent.*

Subd. 8. [LOCAL FINANCING STUDY.] Before the 1992 legislative session, the board and the legislature shall study the use and effect of methods other than property tax revenues to finance local transportation improvements, including impact fees, transportation utility fees, and similar methods.

Sec. 6. [APPROPRIATION.]

\$ is appropriated from the highway user tax distribution fund to the transportation study board.

Sec. 7. [REPEALER.]

Laws 1988, chapter 603, section 6, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 1 to 7 are effective June 1, 1991."

Delete the title and insert:

"A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; directing the commissioner to take certain actions relating to grade crossings; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; establishing a transportation utility; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unfunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; authorizing regional rail authorities to seek federal funds and construct a demonstration project; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision

3a; 162.09, subdivision 3a; 162.14, subdivision 6; 168.54, subdivisions 5 and 6; 169.09, subdivision 13; 169.14, by adding a subdivision; 169.26; 170.23; 171.13, subdivision 1, and by adding a subdivision; 171.185; 171.26; 171.36; 173.13, subdivision 4; 173.231; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 221.036, subdivision 14; 222.50, subdivision 7; 296.16, subdivision 1a; 296.421, subdivision 8; 297A.02, by adding a subdivision; 297.44, subdivision 1; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; 221; and 444; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1988, chapter 603, section 6."

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

SECOND READING OF SENATE BILLS

S.F. Nos. 743, 798, 237, 447, 950, 588, 928, 1050, 324, 689, 147, 688, 796, 139, 800, 880, 84, 1251, 1265, 998, 535, 1128, 918, 274 and 601 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 614, 415, 41 and 137 were read the second time.

MOTIONS AND RESOLUTIONS

Ms. Johnson, J.B. moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 837. The motion prevailed.

Ms. Johnson, J.B. moved that the name of Mr. Frederickson, D.R. be added as a co-author to S.F. No. 966. The motion prevailed.

Mr. Frederickson, D.R. moved that the name of Mr. Sams be added as a co-author to S.F. No. 976. The motion prevailed.

Ms. Reichgott moved that her name be stricken as chief author, shown as a co-author and the name of Ms. Traub be added as chief author to S.F. No. 1005. The motion prevailed.

Mr. Johnson, D.E. moved that his name be stricken as a co-author to S.F. No. 1240. The motion prevailed.

Mr. Bertram moved that his name be stricken as a co-author to S.F. No. 1281. The motion prevailed.

Mr. Chmielewski moved that the name of Mr. Novak be added as a co-author to S.F. No. 306. The motion prevailed.

Mr. Chmielewski moved that the name of Mrs. Adkins be added as a co-author to S.F. No. 1040. The motion prevailed.

Mr. Moe, R.D. moved that H.F. No. 1209 be taken from the table. The motion prevailed.

H.F. No. 1209: A resolution memorializing the President and Congress to condemn the use of Soviet military force in the Baltic Republics and support the Baltic Republics for their self-determination.

SUSPENSION OF RULES

Mr. Moe, R.D. moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 1209 and that the rules of the Senate be so far suspended as to give H.F. No. 1209 its second and third reading and place it on its final passage. The motion prevailed.

H.F. No. 1209 was read the second time.

H.F. No. 1209 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	DeCramer	Johnston	Mondale	Riveness
Belanger	Dicklich	Kelly	Morse	Sams
Benson, D.D.	Finn	Kroening	Neuville	Samuelson
Benson, J.E.	Flynn	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Larson	Pappas	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bertram	Gustafson	Luther	Piper	Traub
Brataas	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkins	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the resolution passed and its title was agreed to.

Mr. Riveness moved that S.F. No. 1068, No. 74 on General Orders, be stricken and laid on the table. The motion prevailed.

CALENDAR

S.F. No. 531: A bill for an act relating to waste; authorizing a water or sewer commission to issue bonds; amending Minnesota Statutes 1990, section 116A.24, subdivisions 2 and 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkins	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

H.F. No. 598: A bill for an act relating to insurance; regulating agent

rehabilitations and cancellations of agency contracts by fire and casualty companies; amending Minnesota Statutes 1990, sections 60A.171; and 60A.175.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Beckman	Dicklich	Johnston	Mondale	Renneke
Benson, D.D.	Finn	Kelly	Morse	Sams
Benson, J.E.	Flynn	Kroening	Neuville	Samuelson
Berg	Frank	Laidig	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Chmielewski	Halberg	Marty	Piper	Traub
Cohen	Hottinger	McGowan	Pogemiller	Vickerman
Davis	Johnson, D.E.	Mehrkins	Price	Waldorf
Day	Johnson, D.J.	Metzen	Ranum	
DeCramer	Johnson, J.B.	Moe, R.D.	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 732: A bill for an act relating to natural resources; offering an alternative to bond or deposit requirements on contracts for cutting timber; allowing reduction in value of letters of credit given as security for timber permits; amending Minnesota Statutes 1990, section 90.173; proposing coding for new law in Minnesota Statutes, chapter 90.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Renneke
Beckman	DeCramer	Johnston	Moe, R.D.	Riveness
Belanger	Dicklich	Kelly	Mondale	Sams
Benson, D.D.	Finn	Kroening	Morse	Samuelson
Benson, J.E.	Flynn	Laidig	Neuville	Solon
Berg	Frank	Langseth	Novak	Spear
Berglin	Frederickson, D.J.	Larson	Olson	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Stumpf
Bertram	Gustafson	Luther	Piper	Traub
Brataas	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkins	Ranum	
Davis	Johnson, D.J.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 328: A bill for an act relating to insurance; Medicare supplement; conforming state Medicare supplement policy requirements to federal law; requiring certain foreign travel coverages to be added to the basic plan; amending Minnesota Statutes 1990, sections 62A.31, subdivision 1; 62A.316; 62A.36, subdivision 1a; and 62A.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 61 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Morse	Sams
Beckman	Finn	Kroening	Neuville	Samuelson
Belanger	Flynn	Laidig	Novak	Solon
Benson, J.E.	Frank	Langseth	Olson	Spear
Berg	Frederickson, D.J.	Larson	Pappas	Storm
Berglin	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bernhagen	Gustafson	Luther	Piper	Traub
Bertram	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Mehrkens	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	
Day	Johnson, J.B.	Moe, R.D.	Renneke	
DeCramer	Johnston	Mondale	Riveness	

So the bill passed and its title was agreed to.

S.F. No. 925: A bill for an act relating to insurance; medical expense benefits; including language translation services as medical expense benefits for insurance; amending Minnesota Statutes 1990, section 65B.44, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 16, as follows:

Those who voted in the affirmative were:

Adkins	Dicklich	Kelly	Morse	Sams
Beckman	Finn	Kroening	Novak	Solon
Belanger	Flynn	Laidig	Pappas	Spear
Berglin	Frank	Langseth	Piper	Storm
Bernhagen	Frederickson, D.J.	Lessard	Pogemiller	Stumpf
Bertram	Frederickson, D.R.	Luther	Price	Traub
Chmielewski	Halberg	Marty	Ranum	Vickerman
Cohen	Hottinger	Metzen	Reichgott	
Davis	Johnson, D.J.	Moe, R.D.	Renneke	
DeCramer	Johnson, J.B.	Mondale	Riveness	

Those who voted in the negative were:

Benson, D.D.	Day	Johnston	Mehrkens	Olson
Benson, J.E.	Gustafson	Larson	Merriam	Pariseau
Berg	Johnson, D.E.	McGowan	Neuville	Samuelson
Brataas				

So the bill passed and its title was agreed to.

S.F. No. 339: A bill for an act relating to taxation; providing that certain nonprofit organizations that provide athletic programs qualify for a sales tax exemption on their purchases.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

S.F. No. 473: A bill for an act relating to health; allowing nursing homes to transfer medical assistance certification among beds; amending Minnesota Statutes 1990, section 144A.071, by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Moe, R.D.	Renneke
Beckman	DeCramer	Johnston	Mondale	Riveness
Belanger	Dicklich	Kelly	Morse	Sams
Benson, D.D.	Finn	Kroening	Neuville	Samuelson
Benson, J.E.	Flynn	Laidig	Novak	Solon
Berg	Frank	Langseth	Olson	Spear
Berglin	Frederickson, D.J.	Larson	Pappas	Storm
Bernhagen	Frederickson, D.R.	Lessard	Pariseau	Stumpf
Bertram	Gustafson	Luther	Piper	Traub
Brataas	Halberg	Marty	Pogemiller	Vickerman
Chmielewski	Hottinger	McGowan	Price	Waldorf
Cohen	Johnson, D.E.	Merriam	Ranum	
Davis	Johnson, D.J.	Metzen	Reichgott	

So the bill passed and its title was agreed to.

CONSENT CALENDAR

H.F. No. 795: A bill for an act relating to counties; removing certain restrictions on county morgues; amending Minnesota Statutes 1990, sections 390.06 and 390.07.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Metzen	Reichgott
Beckman	DeCramer	Johnston	Moe, R.D.	Renneke
Belanger	Dicklich	Kelly	Mondale	Riveness
Benson, D.D.	Finn	Kroening	Morse	Sams
Benson, J.E.	Flynn	Laidig	Neuville	Samuelson
Berg	Frank	Langseth	Novak	Solon
Berglin	Frederickson, D.J.	Larson	Olson	Spear
Bernhagen	Frederickson, D.R.	Lessard	Pappas	Storm
Bertram	Gustafson	Luther	Pariseau	Stumpf
Brataas	Halberg	Marty	Piper	Traub
Chmielewski	Hottinger	McGowan	Pogemiller	Vickerman
Cohen	Johnson, D.E.	Mehrkens	Price	Waldorf
Davis	Johnson, D.J.	Merriam	Ranum	

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

RECONSIDERATION

Mr. Moe, R.D. moved that the vote whereby House Concurrent Resolution No. 3 was adopted by the Senate on April 11, 1991, be now reconsidered. The motion prevailed.

House Concurrent Resolution No. 3: A House concurrent resolution providing for a joint convention of the Senate and the House of Representatives to elect members of the Board of Regents of the University of Minnesota.

Mr. Moe, R.D. moved to amend House Concurrent Resolution No. 3 as follows:

Page 1, lines 9 and 10, delete "12 o'clock, noon" and insert "1:00 p.m."

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that House Concurrent Resolution No. 3, as amended, be adopted. The motion prevailed. So the resolution, as amended, was adopted.

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

REPORTS OF COMMITTEES

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

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

S.F. No. 781: A bill for an act relating to human services; permitting energy conservation activities to be funded through the Minnesota future resources fund; describing community action program grants; appropriating money; amending Minnesota Statutes 1990, sections 116P.13, subdivision 3; and 268.52, subdivision 2, and by adding a subdivision.

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

Page 1, delete sections 1 and 2

Page 3, delete lines 1 to 15 and insert:

"Subd. 5. [COMMUNITY ACTION PROGRAM GRANTS.] (a) The commissioner shall make community action program grants to community action agencies, Indian reservation governments, and the Minnesota migrant council to enable them to help low-income individuals and families attain economic self-sufficiency. The recipient agencies shall assist low-income individuals and families by providing comprehensive support services and by making appropriate referrals to other service providers. Grants must be used to serve low-income individuals and families who are ineligible for, or otherwise cannot obtain, self-sufficiency services through governmental agencies."

Page 3, after line 29, insert:

"(b) The commissioner may adopt rules to implement this subdivision."

Renumber the sections in sequence

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

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Morse moved that S.F. No. 842, No. 66 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Bernhagen; Benson, D.D.; Frank and Price introduced—

S.F. No. 1422: A bill for an act relating to taxation; providing for the collection of delinquent personal property taxes; requiring a manufactured home tax permit; requiring certain reports by certain manufactured home park operators and dealers; imposing a penalty; amending Minnesota Statutes 1990, sections 271.06, subdivision 1; 271.09, subdivision 3; 273.123, subdivision 1; 274.19; 290A.03, subdivisions 6 and 13; 290A.04, subdivision 3; 290A.07, subdivision 2a; proposing coding for new law in Minnesota Statutes, chapter 277; repealing Minnesota Statutes 1990, sections 272.50; 272.51; 272.52; 272.53; 277.02; 277.05; 277.06; 277.07; 277.08; 277.09; 277.10; 277.11; 277.12; and 277.13.

Referred to the Committee on Taxes and Tax Laws.

Mr. Renneke introduced—

S.F. No. 1423: A bill for an act relating to transportation; authorizing advance funding by local governments to expedite trunk highway projects; proposing coding for new law in Minnesota Statutes, chapter 161.

Referred to the Committee on Transportation.

Messrs. Benson, D.D. and Larson introduced—

S.F. No. 1424: A bill for an act relating to insurance; regulating the comprehensive health insurance plan; increasing access to the plan; providing tax credits to certain employers who provide qualified health insurance; establishing requirements for minimum benefits plans; requiring offers of additional coverages; amending Minnesota Statutes 1990, sections 62E.03; 62E.14, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62A; 62C; 62D; 62E; and 290.

Referred to the Committee on Commerce.

Ms. Ranum, Messrs. Hottinger and Neuville introduced—

S.F. No. 1425: A bill for an act relating to education; requiring post-secondary governing boards to report on cultural diversity.

Referred to the Committee on Education.

Messrs. Beckman, Vickerman, Renneke, Ms. Berglin and Mr. Sams introduced—

S.F. No. 1426: A bill for an act relating to health; requiring physicians and outpatient health clinics to publish fees and provide cost estimates and other information; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Messrs. Beckman, Vickerman, DeCramer, Renneke and Sams introduced—

S.F. No. 1427: A bill for an act relating to public safety; including certain commercial vehicle inspectors in the public safety officer's survivor benefit program; amending Minnesota Statutes 1990, section 299A.41, subdivision 4.

Referred to the Committee on Governmental Operations.

Messrs. Davis, Sams, Morse, Vickerman and Beckman introduced—

S.F. No. 1428: A bill for an act relating to agriculture; appropriating money for farm advocates within the farmer-lender mediation act.

Referred to the Committee on Finance.

Mr. Neuville introduced—

S.F. No. 1429: A bill for an act relating to education; authorizing the Waterville-Elysian and Morristown school districts to combine according to the cooperation and combination program without a time period of cooperation; authorizing the districts to conduct the referendum on the combination; providing a schedule for cooperation and combination revenue; authorizing a temporary operating debt levy in the Morristown school district.

Referred to the Committee on Education.

Mrs. Pariseau and Ms. Berglin introduced—

S.F. No. 1430: A bill for an act relating to manufactured homes; creating the office of ombudsman for manufactured home residents; authorizing the commissioner of finance to adopt rules for collection of fees from park owners; appropriating money; amending Minnesota Statutes 1990, sections 327C.01, subdivision 1; and 327C.12; proposing coding for new law in Minnesota Statutes, chapters 16A and 327C.

Referred to the Committee on Economic Development and Housing.

Mr. Price introduced—

S.F. No. 1431: A bill for an act relating to natural resources; modifying certain provisions regarding special receipts of the department of natural resources; amending Minnesota Statutes 1990, section 84.0855.

Referred to the Committee on Environment and Natural Resources.

Mr. Frederickson, D.J. introduced—

S.F. No. 1432: A bill for an act relating to utilities; prohibiting multiparty line telephone service to more than two subscribers per line; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Energy and Public Utilities.

Mr. Solon introduced—

S.F. No. 1433: A bill for an act relating to self-insurance; regulating custodial accounts; amending Minnesota Statutes 1990, sections 79A.02, subdivision 2, and by adding a subdivision; 79A.03, subdivisions 3, 7, and 9; 79A.04, subdivision 2; and 79A.06, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 79A; repealing Minnesota Rules, part 2780.0400, subparts 2, 3, 6, and 7.

Referred to the Committee on Commerce.

Messrs. Novak; Johnson, D.J. and Mrs. Brataas introduced—

S.F. No. 1434: A bill for an act relating to utilities; allowing electric utilities to extend electric lines to serve their own property and facilities; amending Minnesota Statutes 1990, section 216B.42, subdivision 2.

Referred to the Committee on Energy and Public Utilities.

Ms. Pappas, Messrs. Kelly, Metzen, Knaak and Marty introduced—

S.F. No. 1435: A bill for an act relating to education; permitting the Roseville area, St. Paul, and South St. Paul school districts to form joint powers agreement to integrate schools and programs; appropriating money.

Referred to the Committee on Education.

Messrs. Vickerman, Sams, Bertram and Renneke introduced—

S.F. No. 1436: A bill for an act relating to agriculture; prohibiting certain farming operations by corporations and limited partnerships; amending Minnesota Statutes 1990, section 500.24, subdivision 3.

Referred to the Committee on Agriculture and Rural Development.

Messrs. Larson and Berg introduced—

S.F. No. 1437: A bill for an act relating to railroads; permitting the commissioner of transportation to authorize increased financing for regional rail authorities to acquire abandoned rail lines with high value rail; amending Minnesota Statutes 1990, section 222.50, subdivision 7.

Referred to the Committee on Transportation.

Mr. Pogemiller introduced—

S.F. No. 1438: A bill for an act relating to employment; providing a wage subsidy program for unemployed persons in a category with high unemployment; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Employment.

Mrs. Benson, J.E. introduced—

S.F. No. 1439: A bill for an act relating to the city of St. Cloud; authorizing the commissioner of administration to sell certain surplus lands to the city.

Referred to the Committee on Environment and Natural Resources.

Messrs. Cohen, Metzen, Belanger and Spear introduced—

S.F. No. 1440: A bill for an act relating to motor vehicles; providing for certain indemnities in lease agreements; proposing coding for new law in Minnesota Statutes, chapter 168.

Referred to the Committee on Judiciary.

Mr. Larson introduced—

S.F. No. 1441: A bill for an act relating to state building projects; requiring the commissioner of finance to issue bonds for a project authorized by the 1990 legislature.

Referred to the Committee on Finance.

Mrs. Benson, J.E.; Ms. Johnston, Mr. Neuville, Ms. Traub and Mr. Frederickson, D.J. introduced—

S.F. No. 1442: A bill for an act relating to education; authorizing a land exchange between the city of St. Cloud and St. Cloud State University.

Referred to the Committee on Environment and Natural Resources.

Ms. Reichgott, Messrs. Pogemiller and Johnson, D.J. introduced—

S.F. No. 1443: A bill for an act relating to tax increment financing; clarifying and modifying provisions relating to administration and enforcement of the tax increment financing law; clarifying effective dates; extending the application of provisions of the tax increment financing law for the city of Moorhead; providing for the computation of original net tax capacity of a district in the city of Fergus Falls; amending Minnesota Statutes 1990, sections 273.1399, subdivisions 1 and 3; 469.012, subdivision 8; 469.174,

subdivision 10; 469.176, subdivision 1; 469.1763, subdivisions 1, 2, 3, and 4; 469.177, subdivisions 1 and 8; 469.1771, subdivisions 2 and 4; 469.179, by adding a subdivision; and 469.1831, subdivision 4; Laws 1989, First Special Session chapter 1, article 14, section 16; and Laws 1990, chapter 604, article 7, section 31.

Referred to the Committee on Taxes and Tax Laws. Mr. Metzen questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Storm introduced—

S.F. No. 1444: A bill for an act proposing an amendment to the Minnesota Constitution; changing article IV, section 4, and article V, section 1; providing limits for legislative and executive service.

Referred to the Committee on Elections and Ethics.

Mr. Stumpf introduced—

S.F. No. 1445: A bill for an act relating to state government; appropriating money for the construction of a noncommercial television station tower in northwestern Minnesota.

Referred to the Committee on Finance.

Mr. Lessard introduced—

S.F. No. 1446: A bill for an act relating to conservation; defining old growth forest stand; adding old growth forest stands to those that may be placed in the conservation reserve program; amending Minnesota Statutes 1990, sections 103F.511, by adding a subdivision; and 103F.515, subdivision 2.

Referred to the Committee on Environment and Natural Resources.

Mr. Davis introduced—

S.F. No. 1447: A bill for an act relating to agriculture; appropriating money for the state's portion of the interstate compact on grain marketing.

Referred to the Committee on Finance.

Mr. Metzen introduced—

S.F. No. 1448: A bill for an act relating to claims; appropriating money for payment of a claim for Keith Hennes.

Referred to the Committee on Finance.

Mr. Metzen introduced—

S.F. No. 1449: A bill for an act relating to economic development; requiring a study on the economic development and social impact of riverboat gambling.

Referred to the Committee on Gaming Regulation. Mr. Berg questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Monday, April 15, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate