

FIFTY-SECOND DAY

St. Paul, Minnesota, Monday, May 13, 1991

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

CALL OF THE SENATE

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

Prayer was offered by Senator Pat Piper.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

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

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 10, 1991

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

The Honorable Jerome M. Hughes
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1991 Session of the State Legislature have been received from the Office

of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1991	Date Filed 1991
	954	66	9:10 a.m. May 10	May 10
	246	68	2:15 p.m. May 9	May 9
	274	69	9:13 a.m. May 10	May 10
	415	70	9:15 a.m. May 10	May 10
	832	71	9:18 a.m. May 10	May 10
	877	72	2:18 p.m. May 9	May 9
	620	73	9:21 a.m. May 10	May 10
	179	74	2:23 p.m. May 9	May 9

Sincerely,
Joan Anderson Growe
Secretary of State

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted, with the exception of the reports pertaining to appointments. The motion prevailed.

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

S.F. No. 806: A bill for an act relating to public safety; repealing sunset provision relating to position of public fire safety educator; repealing Laws 1989, chapter 322, section 7.

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

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

S.F. No. 716: A bill for an act relating to domestic abuse; requiring domestic abuse petitions to state whether there is an existing order for protection; providing for verification of terms of orders; requiring notice to court with jurisdiction over a dissolution or legal separation; increasing the penalty for violation of an order for protection after a previous conviction; clarifying and conforming arrest provisions; authorizing arrests without a warrant for violation of orders for protection relating to the petitioner's place of employment; increasing the period of probation for misdemeanor domestic assaults; appropriating money; amending Minnesota Statutes 1990, sections 518B.01, subdivisions 4, 6, and 14; 609.135, subdivision 2; and 629.72, subdivision 2.

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

Page 8, delete section 6

Amend the title as follows:

Page 1, line 13, delete "appropriating money;"

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

adopted.

Mr. Merriam from the Committee on Finance, to which was re-referred S.F. No. 819: A bill for an act relating to human services; providing funding for various pilot projects.

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

Delete everything after the enacting clause and insert:

"Section 1. [MENTAL HEALTH RESIDENTIAL SERVICES PILOT PROGRAMS.]

Subdivision 1. [OLMSTED COUNTY.] The commissioner of human services shall provide the grant money allocated to Olmsted county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and Minnesota Rules, parts 9535.2000 to 9535.3000, in the form of a grant to Olmsted county and the local housing and redevelopment authority for enhanced community support services for persons with mental illness through the dispersed apartment pilot program.

Subd. 2. [GOODHUE COUNTY.] The commissioner of human services shall provide the grant money allocated to Goodhue county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and Minnesota Rules, parts 9535.2000 to 9535.3000, in the form of a grant to Goodhue county to provide supportive housing services for persons who are chronically mentally ill.

Subd. 3. [FILLMORE COUNTY.] The commissioner of human services shall provide the grant money allocated to Fillmore county for the biennium ending June 30, 1993, under Minnesota Statutes, section 245.73, and Minnesota Rules, parts 9535.2000 to 9535.3000, in the form of a grant to Fillmore county to provide supportive housing services for persons who are chronically mentally ill."

Amend the title as follows:

Page 1, line 2, delete "providing funding for" and insert "authorizing"

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

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

H.F. No. 1657 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.
				1657	1528

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. 1190 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.
1190	1380				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1190 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1190 and insert the language after the enacting clause of S.F. No. 1380, the first engrossment; further, delete the title of H.F. No. 1190 and insert the title of S.F. No. 1380, the first engrossment.

And when so amended H.F. No. 1190 will be identical to S.F. No. 1380, and further recommends that H.F. No. 1190 be given its second reading and substituted for S.F. No. 1380, 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. 118 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.
				118	853

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 118 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 118 and insert the language after the enacting clause of S.F. No. 853, the first engrossment; further, delete the title of H.F. No. 118 and insert the title of S.F. No. 853, the first engrossment.

And when so amended H.F. No. 118 will be identical to S.F. No. 853, and further recommends that H.F. No. 118 be given its second reading and substituted for S.F. No. 853, 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. 1142 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.
1142	969				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1142 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1142 and insert the language after the enacting clause of S.F. No. 969, the first engrossment; further, delete the title of H.F. No. 1142 and insert the title of S.F. No. 969, the first engrossment.

And when so amended H.F. No. 1142 will be identical to S.F. No. 969, and further recommends that H.F. No. 1142 be given its second reading and substituted for S.F. No. 969, 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. 958 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.
958	945				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 958 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 958 and insert the language after the enacting clause of S.F. No. 945, the second engrossment; further, delete the title of H.F. No. 958 and insert the title of S.F. No. 945, the second engrossment.

And when so amended H.F. No. 958 will be identical to S.F. No. 945, and further recommends that H.F. No. 958 be given its second reading and substituted for S.F. No. 945, 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. 20 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.
				20	440

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 20 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 20 and insert the language after the enacting clause of S.F. No. 440, the second engrossment; further, delete the title of H.F. No. 20 and insert the title of S.F. No. 440, the second engrossment.

And when so amended H.F. No. 20 will be identical to S.F. No. 440, and further recommends that H.F. No. 20 be given its second reading and substituted for S.F. No. 440, 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. 202 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.
				202	173

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 202 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 202 and insert the language after the enacting clause of S.F. No. 173, the second engrossment; further, delete the title of H.F. No. 202 and insert the title of S.F. No. 173, the second engrossment.

And when so amended H.F. No. 202 will be identical to S.F. No. 173, and further recommends that H.F. No. 202 be given its second reading and substituted for S.F. No. 173, 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. 1147 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.
1147	1168				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 1147 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 1147 and insert the language after the enacting clause of S.F. No. 1168, the first engrossment; further, delete the title of H.F. No. 1147 and insert the title of S.F. No. 1168, the first engrossment.

And when so amended H.F. No. 1147 will be identical to S.F. No. 1168, and further recommends that H.F. No. 1147 be given its second reading and substituted for S.F. No. 1168, 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. Bertram from the Committee on Veterans and General Legislation, to which was referred the following appointment as reported in the Journal for February 4, 1991:

**DEPARTMENT OF VETERANS AFFAIRS
COMMISSIONER**

Bernard Melter

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Chmielewski from the Committee on Employment, to which were referred the following appointments as reported in the Journal for April 4, 1991:

WORKERS' COMPENSATION COURT OF APPEALS

Debra A. Wilson
Steven D. Wheeler

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Chmielewski from the Committee on Employment, to which was referred the following appointment as reported in the Journal for April 8, 1991:

**BUREAU OF MEDIATION SERVICES
COMMISSIONER**

Peter E. Obermeyer

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for January 14, 1991:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

William Jones

Jonelle Moore

Harry A. Sieben, Jr.

MINNESOTA HIGHER EDUCATION FACILITIES AUTHORITY

Tom Martinson

STATE BOARD OF VOCATIONAL TECHNICAL EDUCATION

Gary Mohrenweiser

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which was referred the following appointment as reported in the Journal for January 18, 1991:

BOARD OF THE MINNESOTA CENTER FOR ARTS EDUCATION

Steven Watson

Reports the same back with the recommendation that the appointment be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for March 7, 1991:

MINNESOTA HIGHER EDUCATION COORDINATING BOARD

Verne E. Long

Robert D. Decker

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

Mr. Dahl from the Committee on Education, to which were referred the following appointments as reported in the Journal for April 24, 1991:

STATE BOARD FOR COMMUNITY COLLEGES

Robert M. Bigwood
Stephen Lloyd Maxwell

STATE BOARD OF TECHNICAL COLLEGES

F. B. Daniel
Billeigh H. Riser
Robert L. Cahlander

Reports the same back with the recommendation that the appointments be confirmed.

Mr. Moe, R.D. moved that the foregoing committee report be laid on the table. The motion prevailed.

SECOND READING OF SENATE BILLS

S.F. Nos. 806, 716 and 819 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 1657, 1190, 118, 1142, 958, 20, 202 and 1147 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Samuelson moved that the name of Mr. Davis be added as a co-author to S.F. No. 115. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Davis be added as a co-author to S.F. No. 1265. The motion prevailed.

Messrs. Laidig; Benson, D.D.; Mrs. Pariseau, Ms. Johnston and Mr. Moe, R.D. introduced—

Senate Resolution No. 71: A Senate resolution congratulating Dr. Edward B. Kiolbasa on his retirement after 36 years of service as a physician and administrator.

Referred to the Committee on Rules and Administration.

Mr. Spear introduced—

Senate Resolution No. 72: A Senate resolution congratulating the Uniform Laws Conference on 100 years of service to the people of Minnesota and the United States.

Referred to the Committee on Rules and Administration.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Stumpf moved that the following members be excused for a Conference Committee on S.F. No. 1535 at 1:30 p.m.:

Messrs. Dicklich, Stumpf, Waldorf, Mrs. Brataas and Ms. Piper. The motion prevailed.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Langseth moved that the following members be excused for a Conference Committee on H.F. No. 53 at 1:30 p.m.:

Messrs. Beckman, DeCramer, Mehrkens, Metzen and Langseth. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Hughes in the chair.

After some time spent therein, the committee arose, and Mr. Hughes reported that the committee had considered the following:

S.F. Nos. 836, 1238, 1402, 1340, 100, 109 and H.F. Nos. 1299, 459, 1125, 1189, 564, 499, 365, 1127, 696, which the committee recommends to pass.

S.F. No. 1182, which the committee recommends to pass, after the following motion:

Mr. Benson, D.D. moved to amend S.F. No. 1182 as follows:

Page 7, after line 25, insert:

"Sec. 14. [EXECUTIVE BRANCH AUTHORITY.]

Legislators may not improve their personal appearance without the express approval of the governor."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 21 and nays 23, as follows:

Those who voted in the affirmative were:

Belanger	Day	Morse	Reichgott	Waldorf
Benson, D.D.	Johnston	Neuville	Renneke	
Benson, J.E.	Knaak	Olson	Spear	
Berglin	Larson	Pariseau	Storm	
Bernhagen	McGowan	Piper	Traub	

Those who voted in the negative were:

Adkins	Dahl	Johnson, J.B.	Merriam	Ranum
Berg	Flynn	Kroening	Moe, R.D.	Rivenness
Bertram	Frederickson, D.R.	Lessard	Mondale	Solon
Chmielewski	Hottinger	Luther	Pappas	
Cohen	Johnson, D.J.	Marty	Price	

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

S.F. No. 202, which the committee recommends to pass with the following amendments offered by Messrs. Dahl, Luther and Mrs. Benson, J.E.:

Mr. Dahl moved to amend S.F. No. 202 as follows:

Page 6, line 11, after "*contractors*" insert "*and report to the legislature*

by January 31, 1992, with the recommended types of specialty groups and the licensing procedures"

Page 8, line 32, delete "category two"

Page 9, line 1, delete "category two"

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend S.F. No. 202 as follows:

Page 12, line 7, delete "325.92" and insert "326.92"

Page 12, line 19, after "unlicensed" insert "or licensed"

Page 13, line 2, before the period, insert "*and all contracts entered into*" and after "*The*" insert "*annual*"

Page 13, line 6, delete everything after the first "bond"

Page 13, line 7, delete "force"

Page 13, line 13, delete "*and not to exceed \$50,000*"

The motion prevailed. So the amendment was adopted.

Mrs. Benson, J.E. moved to amend S.F. No. 202 as follows:

Page 6, line 9, delete "determine" and insert "recommend"

Page 7, line 21, delete "commissioner" and insert "legislature"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend S.F. No. 202 as follows:

Page 5, after line 16, insert:

"Subd. 6. [MUNICIPALITY.] "Municipality" means a home rule charter or statutory city, county, or town meeting the requirements of section 368.01, subdivision 1."

Renumber the subdivisions in sequence

Page 6, line 6, after the comma, insert "*a municipality may require by ordinance that*"

Page 6, line 9, after the period, insert "*Sections 1 to 22 apply within a municipality that adopts an ordinance requiring licensure of a residential building contractor, remodeler, or specialty contractor. A person may also elect to be licensed as provided under sections 1 to 24."*

Page 10, line 32, before "A" insert "*Except as provided in section 8, subdivision 1,"*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 19 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Hottinger	Lessard	Riveness
Berg	Day	Johnson, D.E.	Mondale	Sams
Bertram	Flynn	Johnson, J.B.	Morse	Vickerman
Chmielewski	Frederickson, D.R.	Larson	Neuville	

Those who voted in the negative were:

Benson, J.E.	Hughes	Laidig	Novak	Solon
Cohen	Johnston	Luther	Olson	Storm
Dahl	Kelly	Marty	Pappas	Traub
Frank	Knaak	McGowan	Pariseau	
Halberg	Kroening	Merriam	Ranum	

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

The question was taken on the recommendation to pass S.F. No. 202.

The roll was called, and there were yeas 26 and nays 12, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Frank	Larson	Novak	Storm
Cohen	Hottinger	Luther	Olson	Traub
Dahl	Johnston	Marty	Pariseau	
Davis	Knaak	McGowan	Ranum	
Finn	Kroening	Merriam	Riveness	
Flynn	Laidig	Mondale	Solon	

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, J.B.	Morse	Sams
Berg	Day	Lessard	Neuville	Vickerman
Bertram	Johnson, D.E.			

The motion prevailed. So S.F. No. 202 was recommended to pass.

S.F. No. 371, which the committee recommends to pass with the following amendment offered by Ms. Flynn:

Page 6, after line 32, insert:

"Sec. 9. Minnesota Statutes 1990, section 609.26, subdivision 5, is amended to read:

Subd. 5. [DISMISSAL OF CHARGE.] A felony charge brought under this section shall be dismissed if:

(a) the person voluntarily returns the child within ~~14 days~~ *48 hours* after taking, detaining, or failing to return the child in violation of this section; or

(b)(1) the person taking the action and the child have not left the state of Minnesota; and (2) within a period of ~~14~~ *seven* days after taking the action, (i) a motion or proceeding under chapter 518, 518A, 518B, or 518C is commenced by the person taking the action, or (ii) the attorney representing the person taking the action has consented to service of process by the party whose rights are being deprived, for any motion or action pursuant to chapter 518, 518A, 518B, or 518C.

Clause (a) does not apply if the person returns the child as a result of being located by law enforcement authorities.

This subdivision does not prohibit the filing of felony charges or an offense report before the expiration of the ~~14 days~~ *48 hours*."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 9, after the first semicolon, insert "amending restrictions on felony prosecutions for taking, detaining, or failing to return a child;"

Page 1, line 11, delete the second "and"

Page 1, line 12, before the semicolon, insert "; and 609.26, subdivision

5"

The motion prevailed. So the amendment was adopted.

S.F. No. 256, which the committee recommends to pass with the following amendments offered by Messrs. Bernhagen, Merriam and Dahl:

Mr. Bernhagen moved to amend S.F. No. 256 as follows:

Page 23, line 30, delete "\$2" and insert "\$5"

The motion prevailed. So the amendment was adopted.

Mr. Bernhagen then moved to amend S.F. No. 256 as follows:

Page 20, line 30, delete everything after the period

Page 20, delete lines 31 to 34

Page 20, line 35, delete everything before "Subdivision"

Page 20, line 36, delete "subdivision" and insert "paragraph"

Page 20, after line 36, insert:

"(b) A county may by ordinance impose civil and criminal penalties for delivery of mixed municipal solid waste to a processing or disposal facility in the county that is not a facility designated to receive the waste under a designation ordinance adopted by another county under this section.

(c) A civil penalty adopted under paragraph (a) or (b) may not exceed a fine of \$10,000 per day of violation plus the cost of mitigating any damages caused by the violation and the attorney fees and court costs incurred by the county to enforce the ordinance."

The motion prevailed. So the amendment was adopted.

Mr. Merriam moved to amend S.F. No. 256 as follows:

Pages 42 to 45, delete section 64

Page 58, lines 3 and 4, delete "65, 67, 68, 69, 71, 73, 74, 75, 76, 78, 79, 83, 84, 85, and 87" and insert "66, 67, 68, 70, 72, 73, 74, 75, 77, 78, 82, 83, 84, and 86"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 31, delete "1a,"

The motion prevailed. So the amendment was adopted.

Mr. Dahl moved to amend S.F. No. 256 as follows:

Page 57, after line 29, insert:

"Sec. 87. [AIR QUALITY ADVISORY TASK FORCE.]

Subdivision 1. [CREATION.] (a) The air quality advisory task force consists of 23 members. The speaker of the house of representatives and the majority leader of the senate shall each appoint four members from their respective bodies. The commissioner of the pollution control agency shall serve as the chair of the task force. The chair shall appoint the 14 other members as follows:

(1) a representative of a major industrial facility holding an air emission permit issued by the pollution control agency;

(2) a representative of a mining facility holding an air emission permit issued by the pollution control agency;

(3) a representative of a petroleum refining facility holding an air emission permit issued by the pollution control agency;

(4) a representative of a manufacturing facility holding an air emission permit issued by the pollution control agency;

(5) a representative of a fossil fuel combustion facility holding an air emission permit issued by the pollution control agency;

(6) three representatives of environmental and natural resource groups;

(7) three members of the public;

(8) the commissioner of the department of health or the commissioner's designee;

(9) the commissioner of the department of transportation or the commissioner's designee; and

(10) the commissioner of the department of natural resources or the commissioner's designee.

(b) The task force terminates on September 1, 1992.

Subd. 2. [DUTIES.] (a) The task force shall conduct a comprehensive review of the state's air quality. In conducting the review the task force shall:

(1) identify the air pollution issues of importance to the state; the past, present, and projected changes in pollution levels by source category; and the results of existing pollution prevention and control programs; and

(2) examine all federal and state laws and regulations related to the identified air quality issues, including the state's strategies to implement the federal Clean Air Act, the Minnesota acid deposition control act, the Minnesota toxic pollution prevention act, and other relevant laws and regulations, and resources required to implement these programs.

(b) The task force shall report to the legislature on the results of the review required in paragraph (a) and shall include recommendations on how best to address the identified air quality issues, including ways to improve implementation of existing programs. The recommendations must be based on sound scientific principles and cost-effective approaches to pollution prevention and reduction.

(c) The task force shall submit an interim report to the legislature by January 31, 1992, and a final report by August 31, 1992."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 820, which the committee recommends to pass with the following amendment offered by Mr. Chmielewski:

Page 1, delete lines 24 to 26 and insert:

"(d) The society may enter into contracts without regard to section 16B.06 except that all contracts shall be reviewed by the attorney general or a delegate as to form and execution and provided that the attorney general

may sue to avoid the obligation of the society to pay under a contract or to recover payments made if services performed under the contract are so unsatisfactory, incomplete, or inconsistent with the price that payment would constitute unjust enrichment."

The motion prevailed. So the amendment was adopted.

H.F. No. 289, which the committee recommends to pass with the following amendments offered by Messrs. Larson and Luther:

Mr. Larson moved to amend H.F. No. 289, as amended pursuant to Rule 49, adopted by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1117.)

Page 1, line 20, delete "75" and insert "65"

Page 1, line 22, delete "65" and insert "55"

Page 1, after line 23, insert:

"(c) An insurer may only issue or renew a policy on a guaranteed renewable or noncancelable basis."

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend H.F. No. 289, as amended pursuant to Rule 49, adopted by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1117.)

Page 1, line 9, delete "(a)" and insert "Subdivision 1. [APPLICATION.]" and after "policies" insert ", certificates, and other evidence of coverage"

Page 1, line 12, delete everything after "basis" and insert "offered"

Page 1, line 13, delete "1991,"

Page 1, line 14, delete "(b)" and insert "Subd. 2. [LOSS RATIOS.]"

Page 1, after line 23, insert:

"Subd. 3. [COMPLIANCE.] Noncomprehensive policies, certificates, and other evidence of coverage subject to the provisions of this section are also subject to the requirements, penalties, and remedies applicable to Medicare supplement policies as specified in section 62A.36, subdivisions 1a, 1b, and 2."

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective for policies, certificates, and other evidence of coverage issued or offered to a Minnesota resident on or after August 1, 1991. The first supplement to the annual statement required to be filed under section 1, subdivision 3, must be filed with the annual statement required to be submitted on or after January 1, 1993."

Amend the title as follows:

Page 1, line 3, after "for" insert "and imposing requirements on"

The motion prevailed. So the amendment was adopted.

H.F. No. 786, which the committee recommends to pass with the following amendments offered by Mr. Luther:

Amend H.F. No. 786, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 895.)

Page 6, line 8, before "*Section*" insert "*(a) Except as provided in paragraph (b),*"

Page 6, after line 17, insert:

"(b) Section 1, subdivision 5, is effective the day following final enactment and applies to proceedings pending on or commenced on or after that date."

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 786, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 895.)

Page 4, line 30, strike "common law"

Page 4, line 31, delete "*all*" and insert "*the*" and after "*claims*" insert "*of all parties*"

Page 4, line 33, delete "*a*"

Page 5, line 4, before the period, insert "*unless the arbitrator determines a more equitable distribution*"

Page 5, line 13, delete "*for its breach*"

Page 5, line 26, strike everything after "(c)"

Page 5, line 27, strike "arbitration act" and delete the new language and strike the comma

Page 6, line 12, after "*agreement*" insert "*has expired or*"

Page 6, line 13, after "*relationship*" insert "*has continued or*"

Page 6, line 16, after "*consent*" insert "*or acquiescence*"

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 786, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 895.)

Page 3, lines 11 and 34, reinstate the stricken "90" and delete "75"

Page 3, line 14, reinstate the stricken "60" and delete "45"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 22, as follows:

Those who voted in the affirmative were:

Beckman	DeCramer	Kroening	Mondale	Reichgott
Chmielewski	Frederickson, D.J.	Luther	Novak	Riveness
Cohen	Hottinger	Marty	Piper	Sams
Dahl	Hughes	Metzen	Price	Solon
Davis	Johnson, J.B.	Moe, R.D.	Ranum	Waldorf

Those who voted in the negative were:

Adkins	Bernhagen	Johnson, D.E.	McGowan	Traub
Belanger	Bertram	Johnston	Neuville	Vickerman
Benson, D.D.	Brataas	Knaak	Pariseau	
Benson, J.E.	Day	Laidig	Storm	
Berg	Frank	Larson	Stumpf	

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 786, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 895.)

Pages 1 to 6, delete sections 1 and 2 and insert:

"Section 1. [REPEALER.]

Minnesota Statutes 1990, section 325E.37, is repealed."

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 16 and nays 32, as follows:

Those who voted in the affirmative were:

Belanger	Bernhagen	Day	Knaak	Neuville
Benson, D.D.	Bertram	Johnson, D.E.	Laidig	Pariseau
Benson, J.E.	Brataas	Johnston	McGowan	Storm
Berg				

Those who voted in the negative were:

Adkins	Finn	Marty	Piper	Stumpf
Beckman	Frank	Merriam	Price	Traub
Chmielewski	Hottinger	Metzen	Ranum	Vickerman
Cohen	Hughes	Moe, R.D.	Reichgott	Waldorf
Dahl	Johnson, J.B.	Mondale	Riveness	
Davis	Kelly	Morse	Sams	
DeCramer	Luther	Pappas	Solon	

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

H.F. No. 606, which the committee recommends to pass with the following amendment offered by Ms. Johnston:

Amend H.F. No. 606, the unofficial engrossment, as follows:

Page 2, line 20, reinstate the stricken "final" and delete "preliminary"

Page 9, line 27, delete "and" and insert a comma and after "10" insert ", and 11"

The motion prevailed. So the amendment was adopted.

S.F. No. 740, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Page 4, after line 32, insert:

"Sec. 7. Minnesota Statutes 1990, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and

outstanding under this section at any time may not exceed ~~\$150,000,000~~
~~\$250,000,000.~~"

Page 4, line 34, delete "*This act takes effect*" and insert "*Sections 1 to 7 are effective*" and delete "*and*" and insert a period

Page 4, line 35, delete "*applies*" and insert "*Sections 1 to 6 apply*" and delete "*it*" and insert "*this act*"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 205, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 205, the unofficial engrossment, as follows:

Page 1, after line 20, insert:

"(b) Refusing to insure or refusing to continue to insure the life of a member of a reserve component of the armed forces of the United States, or the national guard due to that person's status as a member, or duty assignment while a member of any of these military organizations, constitutes an unfair method of competition and an unfair and deceptive act or practice unless the individual has received an order for active duty."

Page 1, line 21, delete "*(b)*" and insert "*(c)*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1050, which the committee recommends to pass with the following amendments offered by Messrs. Frank and Knaak:

Mr. Frank moved to amend H.F. No. 1050, as amended pursuant to Rule 49, adopted by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1008.)

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1990, section 16B.37, subdivision 1, is amended to read:

Subdivision 1. [COMMISSIONER'S AUTHORITY.] To improve efficiency and avoid duplication, the commissioner may transfer personnel, powers, or duties, or any combination of them, from a state agency to another state agency that has been in existence for at least one year prior to the date of transfer. *For purposes of this section, "state agency" includes the metropolitan council established by section 473.123 and a metropolitan agency as defined in section 473.121, subdivision 5a.* A transfer must have received the prior approval of the governor. The commissioner shall no later than January 15 of each year submit to the legislature a bill making all statutory changes required by reorganization orders issued by the commissioner during the preceding calendar year."

Page 1, line 10, delete "*chairs*" and insert "*speaker*"

Page 1, line 11, delete "*governmental operations committees in the*"

Page 1, line 12, after "*and*" insert "*the president of*"

Page 2, line 6, delete "*Section*" and insert "*Sections*" and delete "*is*"

and insert "*and 2 are*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "subdivision" and insert "subdivisions 1 and"

The motion prevailed. So the amendment was adopted.

Mr. Knaak moved to amend H.F. No. 1050, as amended pursuant to Rule 49, adopted by the Senate May 9, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1008.)

Page 1, line 20, after the period, insert "*No reorganization order is invalidated by failure to meet deadlines imposed under this subdivision.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 1197, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 1197, as amended pursuant to Rule 49, adopted by the Senate May 10, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1118.)

Page 1, line 25, after the period, insert "*This subdivision does not apply to a franchisee who transfers the franchise to a business corporation, provided that the franchisee retains a controlling interest in the corporation.*"

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as kept by the Secretary, was adopted.

MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate revert to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills. The motion prevailed.

REPORTS OF COMMITTEES

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

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

S.F. No. 496: A bill for an act relating to horse racing; providing for licensing of teleracing facilities; allowing for pari-mutuel wagering at teleracing facilities; amending Minnesota Statutes 1990, sections 240.01, subdivisions 1, 10, and by adding subdivisions; 240.03; 240.05, subdivision 1; 240.06, subdivision 1; 240.10; 240.11; 240.13, subdivisions 1, 2, 3, 4, 5, 6, and 8; 240.15, subdivision 6; 240.16, subdivision 1a; 240.19; 240.23; 240.25, subdivision 2; 240.27; 240.28, subdivision 1; and 240.29; proposing coding for new law in Minnesota Statutes, chapter 240; repealing Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; and 240.14, subdivision 1a.

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

as follows:

Page 23, after line 6, insert:

“Sec. 32. [APPROPRIATION.]

\$234,000 is appropriated from the general fund to the racing commission to license teleracing facilities. \$88,000 is for fiscal year 1992 and \$146,000 is for fiscal year 1993. The approved complement of the racing commission is increased by two positions in fiscal year 1992 and one additional position in fiscal year 1993.”

Page 23, line 11, delete “32” and insert “31 and 33”

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after the semicolon, insert “appropriating money;”

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

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

S.F. No. 257: A bill for an act relating to waste management expenditures; requiring the state resource recovery program to establish a central materials recovery facility and centralized collection and transportation of recyclable materials from state offices and operations; appropriating money; amending Minnesota Statutes 1990, section 115A.15, subdivision 6, and by adding a subdivision.

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

Page 3, line 2, delete “\$170,000” and insert “\$140,000” and delete “\$205,000” and insert “\$175,000”

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

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

H.F. No. 744: A bill for an act relating to the environment; petrofund; amending Minnesota Statutes 1990, sections 115C.07, subdivision 3; 115C.09, subdivisions 1, 2, 3, 3b, 5, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 103I.

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

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

H.F. No. 381: A bill for an act relating to education; authorizing construction at Dakota County Technical College.

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

Page 1, after line 10, insert:

“Sec. 2. [NORTHEAST METRO TECHNICAL COLLEGE.]

Intermediate school district No. 916, Northeast Metro Technical College, may spend up to \$325,500 to construct a media center and to make electrical and mechanical renovations at Northeast Metro Technical College. The expenditure must be made entirely from local money.

Sec. 3. [MOORHEAD TECHNICAL COLLEGE.]

Independent school district No. 152, Moorhead Technical College, may spend up to \$350,000 to construct classroom and related space for farm business, small business, and other management programs at Moorhead Technical College. The expenditure must be made entirely from local money."

Page 1, line 12, delete "Section 1 is" and insert "Sections 1 to 3 are"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "County" insert ", Northeast Metro, and Moorhead" and delete "College" and insert "Colleges"

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

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

H. F. No. 961: A bill for an act relating to agriculture; appropriating money for the farmer-lender mediation program.

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

Delete everything after the enacting clause and insert:

"Section 1. Laws 1985, chapter 19, section 6, subdivision 6, as amended by Laws 1986, chapter 398, article 11, section 4, Laws 1987, chapter 396, article 5, section 3, and Laws 1989, chapter 350, article 3, section 3, is amended to read:

Subd. 6. [EXPIRATION.] The agricultural data collection task force expires ~~April 15, 1991, or 15 days after reporting to the legislature, whichever date comes later, but in no circumstance later than June 30, 1991~~ 1993.

Sec. 2. Laws 1986, chapter 398, article 1, section 18, as amended by Laws 1987, chapter 292, section 37, Laws 1989, chapter 350, article 16, section 8, and Laws 1990, chapter 525, section 1, is amended to read:

Sec. 18. [REPEALER.]

Sections 1 to 17 and Minnesota Statutes, section 336.9-501, subsections (6) and (7), and sections 583.284, 583.285, 583.286, and 583.305, are repealed on July 1, ~~1992~~ 1993.

Sec. 3. [AGRICULTURAL DATA COLLECTION TASK FORCE; APPROPRIATION.]

\$15,000 is appropriated from the general fund to the commissioner of agriculture to fund the activities of the agricultural data collection task force. This appropriation is available for the biennium ending June 30, 1993.

Sec. 4. [APPROPRIATION.]

\$200,000 is appropriated from the general fund to the Minnesota extension

service for the fiscal year ending June 30, 1992, for operation of the farmer-lender mediation program.

This appropriation may be used only for mediation related to adjusting farm indebtedness under Minnesota Statutes, chapter 583.

Sec. 5. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; extending the agricultural data collection task force and the farmer-lender mediation act; appropriating money; amending Laws 1985, chapter 19, section 6, subdivision 6, as amended; and Laws 1986, chapter 398, article 1, section 18, as amended."

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

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

H.F. No. 702: A bill for an act relating to agriculture; transferring the rural finance authority to the department of agriculture; changing the makeup and certain duties and procedures of the authority; providing for an agricultural development bond program to finance agricultural business enterprises and beginning farmers; establishing a dairy upgrading program; appropriating funds; amending Minnesota Statutes 1990, sections 41B.025, subdivisions 1, 3, 5, and 6; 41B.211; 474A.02, subdivisions 13a and 23a; 474A.03, subdivision 1; 474A.061, subdivisions 1, 2b, 3, and 4; 474A.091; 474A.14; proposing coding for new law in Minnesota Statutes, chapter 41B; proposing coding for new law as Minnesota Statutes, chapter 41C.

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

Page 1, delete lines 17 and 18

Page 1, line 22, delete "*within the department of agriculture*"

Page 1, line 28, after "*commerce,*" insert "*trade and economic development,*"

Page 1, line 29, delete "*seven*" and insert "*five*"

Page 2, delete sections 2 to 4

Page 2, lines 35 and 36, delete "*6 to 17*" and insert "*3 to 14*"

Page 6, line 14, after "*rules*" insert "*and under federal tax law governing qualified small issue bonds*"

Page 6, line 20, after "*authority*" insert "*and under federal tax law governing qualified small issue bonds*"

Page 12, delete lines 34 to 36

Page 13, delete lines 1 to 14

Page 13, line 15, delete "*5*" and insert "*4*"

Page 13, line 23, delete "*6*" and insert "*5*"

Page 15, line 28, delete "*Subdivision 1. [DISCLOSURE; PROHIBITIONS.]*"

Page 16, delete lines 1 to 10

Page 16, lines 11 and 12, delete “; FUND CREATED”

Page 16, delete lines 13 to 21

Page 16, line 22, delete “(b)”

Page 16, lines 28 and 29, delete “*rural finance authority administrative fund created in paragraph (a)*” and insert “*state treasury and credited to the general fund*”

Page 16, line 31, delete “*efficient*”

Page 16, line 32, delete “*The rules need not be adopted*”

Page 16, delete line 33

Page 17, lines 6 and 27, delete “6 to 17” and insert “3 to 14”

Page 18, line 8, delete “6 to 17” and insert “3 to 14”

Page 25, line 28, delete “\$150,000” and insert “\$300,000”

Page 25, line 29, delete “*rural finance authority administrative fund*” and insert “*commissioner of finance*”

Page 25, line 30, delete “*This*” and insert “\$150,000 is for fiscal year 1992 and \$150,000 is for fiscal year 1993.”

Page 25, delete lines 31 to 33

Page 25, line 35, delete “*agriculture*” and insert “*finance*” and delete “*special revenue*” and delete “*One*”

Page 25, delete line 36

Page 26, delete lines 1 to 29

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 8, delete everything before “appropriating”

Page 1, line 10, delete “subdivisions 1, 3, 5, and 6” and insert “sub-division 1”

Page 1, line 13, delete everything after the second semicolon

Page 1, line 14, delete everything before “proposing”

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

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

S.F. No. 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; appropriating money.

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

Page 4, line 20, after the second comma, insert “86A.05,”

Page 4, after line 30, insert:

"Sec. 3. [NON-PARK USE OF LAND IN FORT SNELLING STATE PARK; STUDY OF CERTAIN LANDS WITHIN THE PARK.]

(a) Notwithstanding Minnesota Statutes, chapters 85 and 86A, the commissioner of natural resources may authorize the United States Army to use, occupy, and maintain without charge by the state, but at no expense to the commissioner, the portion of Fort Snelling state park that is designated in the official records and drawings of the former Veterans Administration Hospital Reserve as area "J," and being that part of the property conveyed to the state of Minnesota by the United States of America on August 17, 1971, lying east of Taylor avenue, which contains 35.38 acres, more or less. The use, occupancy, and maintenance may be conditioned upon terms prescribed by the commissioner.

(b) The commissioner of natural resources shall examine whether the continued inclusion in Fort Snelling state park of the property described in paragraph (a), together with that portion of land conveyed in the same deed that lies west of Taylor avenue and is commonly referred to as officers row, which contains 10.5 acres, more or less, is appropriate. The examination must include recommendations on the appropriate use of the area and an analysis of the options available to the state for use of the area under the 1971 conveyance agreement. The commissioner shall report the findings to the legislature by January 15, 1992."

Page 4, line 31, delete "APPROPRIATION" and insert "GRANT AUTHORITY"

Page 4, line 32, delete "\$ is appropriated from the general fund to"

Page 4, line 33, delete "for" and insert "may make"

Page 4, line 35, after "grant" insert "must be made from money appropriated to the commissioner for acquisition and enhancement of state parks and"

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the first "of" and insert "land in Interstate and Fort Snelling state parks;"

Page 1, line 5, delete the semicolon

Page 1, line 6, delete "appropriating money"

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

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

S.F. No. 506: A bill for an act relating to lawful gambling; lotteries; expanding requirements relating to compulsive gambling; exempting lawful gambling profits from the tax on unrelated business income; 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 requirements relating to posting of pull-tab winners; 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; 290.05, subdivision 3; 299L.01, subdivision 1; 349.12, subdivision 25, and by adding subdivisions; 349.15; 349.151, subdivision 4; 349.154, subdivision 2; 349.16, 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; 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.

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

Page 2, line 10, after "*tickets*" insert "*, in a manner approved by the commissioner of human services,*"

Page 2, line 13, delete everything after "245.98" and insert a period

Page 2, delete line 14

Page 2, line 20, delete "33" and insert "34"

Page 3, line 11, delete "*charitable contributions*" and insert "*lawful purpose expenditures under chapter 349*"

Page 22, line 35, after "*tickets*" insert "*, in a manner approved by the commissioner of human services,*"

Page 23, line 2, delete "*in a manner approved by the commissioner*"

Page 25, line 5, after "*holiday*" insert "*by use of a religious theme or symbol*"

Page 25, after line 13, insert:

"Sec. 33. Minnesota Statutes 1990, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) The director may not credit in any fiscal year amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall

disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend after July 1, ~~1992~~ 1991, more than 2-3/4 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the division is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services."

Page 27, line 23, delete "4" and insert "5"

Page 28, line 20, delete "34 to 37" and insert "35 to 38"

Page 29, after line 13, insert:

"Sec. 43. [TASK FORCE ON COMPULSIVE GAMBLING ASSESSMENTS.]

The commissioner of human services, in consultation with the commissioner of corrections, shall appoint a task force to recommend methods of implementing the compulsive gambling assessments required by sections 2 and 34. The task force shall consist of members appointed to include representatives of state and local human services, court services, and corrections and the state advisory commission on compulsive gambling treatment programs. By February 1, 1992, the commissioner of human services shall report the findings of the task force to the chairs of the senate committees on judiciary, health and human services, and gaming regulation and the chairs of the house of representatives committees on judiciary, health and human services, and general legislation, veterans, and gaming."

Page 29, line 15, delete "\$767,000" and insert "\$667,000" and delete "\$756,000" and insert "\$656,000"

Page 29, line 20, delete "33" and insert "34"

Page 29, line 21, delete "\$" and insert "\$91,500"

Page 29, line 23, delete "\$375,000" and insert "\$275,000"

Page 29, line 24, delete "\$375,000" and insert "\$275,000"

Page 29, line 25, delete the first "fund" and insert "operations account"

Page 29, line 27, delete everything after the period

Page 29, delete lines 28 to 35

Page 30, line 2, delete "349.212, subdivision 6;"

Page 30, line 5, delete "32, and 43" and insert "33, 43, and 45"

Page 30, line 9, delete "2," and delete "33, and 41" and insert "and 42"

Page 30, line 12, after the period, insert "Section 39 is effective August 1, 1991, and applies to crimes committed on or after that date."

Page 30, line 15, delete "34 to 37, and 39" and insert "and 40"

Page 30, line 16, after the period, insert "Sections 35 to 38 are effective January 1, 1992, and apply to crimes committed on or after that date."

Page 30, after line 17, insert:

"Sections 2 and 34 are effective July 1, 1993."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 17

Page 1, line 18, delete "religious holiday" and insert "changing requirements relating to lottery advertising"

Page 1, line 20, after "fees;" insert "establishing a task force on compulsive gambling assessments;"

Page 1, line 32, after "2;" insert "349A.10, subdivision 3;"

Page 1, line 38, delete "349.212, subdivision 6;"

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

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

S.F. No. 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; 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.

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

Page 2, line 18, delete the new language

Page 3, line 21, delete everything after "2"

Page 3, delete line 22

Page 3, line 23, delete everything before the period

Page 3, line 25, delete everything after "but"

Page 3, delete line 26

Page 3, line 27, delete "lesser of" and insert "the amount required by the commissioner under this subdivision may not exceed"

Page 3, line 29, after the semicolon, insert "or"

Page 3, line 32, delete " ; or" and insert a period

Page 3, delete lines 33 and 34 and insert:

"Load management may be used to meet up to a third of the requirements for energy conservation improvements under this section if it delays the need to construct new electric power generating facilities."

Page 4, line 3, after the period, insert *"To fulfill part of the spending requirement under this subdivision, a utility may contribute to the account established by subdivision 2a. Any amount contributed must be remitted to the commissioner of public service by February 1 of each year."*

Page 4, delete lines 4 to 36

Page 5, delete lines 1 to 15 and insert:

"Subd. 1b. [CONSERVATION IMPROVEMENTS; COOPERATIVES AND MUNICIPALITIES.] (a) This subdivision applies to:

(1) a cooperative electric association that generates and transmits electricity to associations and others that provide electricity at retail, including a cooperative electric association not located in this state that serves associations or others in this state;

(2) a municipality that provides electric service to retail customers and that purchases 85 percent or less of its electricity from a public utility governed by subdivision 1a or a cooperative electric association governed by this subdivision; and

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

(b) A cooperative electric association or municipality governed by this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amount, based on its gross operating revenues in the previous year:

(1) for a municipality, .5 percent of its gross operating revenues from the sale of gas and one percent of its gross operating revenues from the sale of electricity; or

(2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in this state.

(c) A municipality or cooperative electric association governed by this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association. Load management may be used to meet the requirements of this subdivision if it reduces the demand for or increases the efficiency of electric service. A generation and transmission cooperative electric association may include as spending and investment required under this subdivision conservation improvement spending and investment by cooperative electric associations that provide electric service at retail to consumers and that are served by the generation and transmission association. By February 1 of each year, each municipality or association shall report to the commissioner its energy conservation improvement spending and investment with a brief analysis of its effectiveness in reducing consumption of electricity or natural gas. The commissioner shall review each report and make recommendations, when appropriate, to the municipality or association to increase the effectiveness of its conservation improvement activities.

(d) As part of its spending for conservation improvements, a municipality or association may contribute to the energy and conservation account established by subdivision 2a. Any amount contributed must be remitted to the

commissioner of revenue by February 1 of each year."

Page 7, line 12, delete "*general*" and insert "*special revenue*" and after the second "*account*" insert "*, other than money directly appropriated for administrative expenses,*"

Page 7, line 13, delete "*department*" and insert "*commissioner*"

Page 7, line 15, after "*in*" insert "*geographic regions and program*"

Page 7, line 16, delete everything after the period

Page 7, delete line 17

Page 7, line 18, delete "*programs.*"

Page 8, line 6, delete everything after "*utility*"

Page 8, line 7, delete everything before the comma and insert "*furnishing gas service is spending and investing .5 percent, or a utility furnishing electric service is spending and investing 1.5 percent, of its Minnesota jurisdictional gross operating revenues for energy conservation improvements*"

Page 10, after line 31, insert:

"Sec. 4. [TRANSITIONAL SPENDING REQUIREMENTS.]

Notwithstanding section 2, subdivision 1b, a municipality or cooperative electric association governed by that subdivision shall increase its spending and investments in energy conservation improvements in accordance with this section. The municipality or association shall:

(1) subtract the amount it spent and invested in energy conservation improvements in 1991 from its 1991 gross operating revenues; and

(2) in each of the four years, beginning in 1992, increase its spending on energy conservation improvements by one fourth of the remainder computed under clause (1).

After December 31, 1995, the municipality or association shall spend the amount required by, and determined under, section 2, subdivision 1b.

Sec. 5. [APPROPRIATION.]

\$100,000 for fiscal year 1992 and \$100,000 for fiscal year 1993 is appropriated to the commissioner of public service from the low-income energy and conservation account in the special revenue fund for costs associated with administering section 2, subdivision 2a. The approved complement of the department is increased by two."

Pages 16 to 18, delete sections 1 to 3

Page 18, line 21, delete "*shall*" and insert "*should*"

Pages 19 and 20, delete section 6

Page 20, line 30, delete "*4*" and insert "*1*"

Renumber the sections of article 5 in sequence

Page 23, after line 6, insert:

"Sec. 3. [APPROPRIATION.]

\$55,000 is appropriated from the general fund to the commissioner of public service to cover costs associated with the studies required by sections

1 and 2.”

Amend the title as follows:

Page 1, line 22, delete “16A.28,”

Page 1, line 23, delete the first “subdivision 3;”

Page 1, line 27, delete everything after “subdivision” and insert a period

Page 1, delete lines 28 and 29

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

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

S.F. No. 842: A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; clarifying the authority of political subdivisions under delegation agreements; expanding county eligibility for well sealing assistance; amending Minnesota Statutes 1990, sections 1031.005, subdivisions 2, 22, and by adding a subdivision; 1031.101, subdivisions 2, 4, 5, and 6; 1031.111, subdivisions 2a, 2b, 3, and by adding a subdivision; 1031.205, subdivisions 1, 3, 4, 7, 8, and 9; 1031.208, subdivision 2; 1031.231; 1031.235; 1031.301, subdivision 1, and by adding a subdivision; 1031.311, subdivision 3; 1031.331, subdivision 2; 1031.525, subdivisions 1, 4, 8, and 9; 1031.531, subdivisions 8 and 9; 1031.535, subdivisions 8 and 9; 1031.541, subdivisions 4 and 5; 1031.545, subdivision 2; 1031.621, subdivision 3; 1031.701, subdivisions 1 and 4; 1031.705, subdivisions 2, 3, 4, and 5; and 1031.711, subdivision 1; repealing Minnesota Statutes 1990, section 1031.005, subdivision 18.

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

Page 13, line 4, delete “on” and insert “for”

Page 13, line 5, before the period, insert “for filing”

Page 13, lines 8 and 9, delete the new language

Page 13, line 10, delete everything before the period and after the period, insert “By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health \$4 of the fee for each well disclosure certificate received during the quarter.”

Page 17, after line 11, insert:

“Sec. 29. Minnesota Statutes 1990, section 1031.531, subdivision 5, is amended to read:

Subd. 5. [BOND.] (a) As a condition of being issued a limited well contractor's license for constructing, repairing, and sealing drive point wells or dug wells, sealing wells, or constructing, repairing, and sealing dewatering wells, the applicant must submit a corporate surety bond for \$10,000 approved by the commissioner. As a condition of being issued a limited well contractor's license for installing or repairing well screens or pitless units or pitless adaptors and well casings from the pitless adaptor or pitless unit to the upper termination of the well casing, or installing well pumps or pumping equipment, the applicant must submit a corporate surety bond for \$2,000 approved by the commissioner. The ~~bond~~ bonds required in this

paragraph must be conditioned to pay the state on unlawful performance of work regulated by this chapter in this state. The ~~bond is~~ bonds are in lieu of other license bonds required by a political subdivision of the state.

(b) From proceeds of ~~the bond~~ a bond required in paragraph (a), the commissioner may compensate persons injured or suffering financial loss because of a failure of the applicant to properly perform work or duties."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "of" insert ", and other activities relating to,"

Page 1, line 16, delete "8" and insert "5, 8,"

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

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

S.F. No. 720: A bill for an act relating to housing; authorizing the Minnesota housing finance agency to establish a shallow rent subsidy program, a family stabilization demonstration project, a lease-purchase housing program, a blighted property acquisition program, and a housing capital reserve program; appropriating money; amending Minnesota Statutes 1990, sections 462A.03, by adding a subdivision; and 462A.05, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

LANDLORD AND TENANT

Section 1. Minnesota Statutes 1990, section 481.02, subdivision 3, is amended to read:

Subd. 3. [PERMITTED ACTIONS.] The provisions of this section shall not prohibit:

(1) any person from drawing, without charge, any document to which the person, an employer of the person, a firm of which the person is a member, or a corporation whose officer or employee the person is, is a party, except another's will or testamentary disposition or instrument of trust serving purposes similar to those of a will;

(2) a person from drawing a will for another in an emergency if the imminence of death leaves insufficient time to have it drawn and its execution supervised by a licensed attorney-at-law;

(3) any insurance company from causing to be defended, or from offering to cause to be defended through lawyers of its selection, the insureds in policies issued or to be issued by it, in accordance with the terms of the policies;

(4) a licensed attorney-at-law from acting for several common-carrier corporations or any of its subsidiaries pursuant to arrangement between the corporations;

(5) any bona fide labor organization from giving legal advice to its members in matters arising out of their employment;

(6) any person from conferring or cooperating with a licensed attorney-at-law of another in preparing any legal document, if the attorney is not, directly or indirectly, in the employ of the person or of any person, firm, or corporation represented by the person;

(7) any licensed attorney-at-law of Minnesota, who is an officer or employee of a corporation, from drawing, for or without compensation, any document to which the corporation is a party or in which it is interested personally or in a representative capacity, except wills or testamentary dispositions or instruments of trust serving purposes similar to those of a will, but any charge made for the legal work connected with preparing and drawing the document shall not exceed the amount paid to and received and retained by the attorney, and the attorney shall not, directly or indirectly, rebate the fee to or divide the fee with the corporation;

(8) any person or corporation from drawing, for or without a fee, farm or house leases, notes, mortgages, chattel mortgages, bills of sale, deeds, assignments, satisfactions, or any other conveyances except testamentary dispositions and instruments of trust;

(9) a licensed attorney-at-law of Minnesota from rendering to a corporation legal services to itself at the expense of one or more of its bona fide principal stockholders by whom the attorney is employed and by whom no compensation is, directly or indirectly, received for the services;

(10) any person or corporation engaged in the business of making collections from engaging or turning over to an attorney-at-law for the purpose of instituting and conducting suit or making proof of claim of a creditor in any case in which the attorney-at-law receives the entire compensation for the work;

(11) any regularly established farm journal or newspaper, devoted to general news, from publishing a department of legal questions and answers to them, made by a licensed attorney-at-law, if no answer is accompanied or at any time preceded or followed by any charge for it, any disclosure of any name of the maker of any answer, any recommendation of or reference to any one to furnish legal advice or services, or by any legal advice or service for the periodical or any one connected with it or suggested by it, directly or indirectly;

(12) any authorized management agent of an owner of rental property used for residential purposes, whether the management agent is a natural person, corporation, partnership, limited partnership, or any other business entity, from commencing, maintaining, conducting, or defending in its own behalf any action in any court in this state to recover or retain possession of the property, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal; and

(13) any person from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state pursuant to the provisions of section 566.175 or sections 566.18 to ~~566.33~~ 566.35 or from commencing, maintaining, conducting, or defending on behalf of the plaintiff or defendant any action in any court of this state for the recovery of rental property used for residential purposes pursuant to

the provisions of section 566.02 or 566.03, subdivision 1, except that the provision of this clause does not authorize a person who is not a licensed attorney-at-law to conduct a jury trial or to appear before a district court or the court of appeals or supreme court pursuant to an appeal, and provided that, except for a nonprofit corporation, a person who is not a licensed attorney-at-law shall not charge or collect a separate fee for services rendered pursuant to this clause.

Sec. 2. Minnesota Statutes 1990, section 504.02, is amended to read:

504.02 [CANCELLATION OF LEASES IN CERTAIN CASES; ABANDONMENT OR SURRENDER OF POSSESSION.]

Subdivision 1. [ACTION TO RECOVER.] (a) In case of a lease of real property, when the landlord has a subsisting right of reentry for the failure of the tenant to pay rent the landlord may bring an action to recover possession of the property and such action is equivalent to a demand for the rent and a reentry upon the property; but if, at any time before possession has been delivered to the plaintiff on recovery in the action, the lessee or a successor in interest as to the whole or any part of the property pays to the plaintiff or brings into court the amount of the rent then in arrears, with interest and costs of the action, and an attorney's fee not exceeding \$5, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease.

(b) If the lessee or successor in interest brings into court the amount of the rent in arrears and the court finds:

(1) that for reasons beyond the defendant's reasonable control the defendant could not pay the rent in arrears prior to the bringing of the action; and

(2) that the defendant meets the financial eligibility criteria in section 563.01, subdivision 3;

the court shall order the court administrator to refund to the plaintiff the filing fee in the action and order the defendant to pay the remainder of the costs of the action to the plaintiff.

(c) If the tenant has paid to the plaintiff or brought into court the amount of rent in arrears but is unable to pay the interest, costs of the action, and attorney fees required by this subdivision, the court may permit the defendant to pay these amounts into court and be restored to possession within the same period of time, if any, which the court stays the issuance of the writ of restitution pursuant to section 566.09.

(d) Prior to or after commencement of an action to recover possession for nonpayment of rent, the parties may agree only in writing that partial payment of rent in arrears which is accepted by the landlord prior to issuance of the order granting restitution of the premises pursuant to section 566.09 may be applied to the balance due and does not waive the landlord's action to recover possession of the premises for nonpayment of rent.

(e) Rental payments under this subdivision must first be applied to rent claimed as due in the complaint from prior rental periods before applying any payment toward rent claimed in the complaint for the current rental period, unless the court finds that under the circumstances the claim for rent from prior rental periods has been waived.

Subd. 2. [LEASE GREATER THAN 20 YEARS.] (a) If the lease under which the right of reentry is claimed is a lease for a term of more than 20 years, reentry cannot be made into the land or such action commenced by the landlord unless, after default, the landlord shall serve upon the tenant, also upon all creditors having a lien of record legal or equitable upon the leased premises or any part thereof, a written notice that the lease will be canceled and terminated unless the payment or payments in default shall be made and the covenants in default shall be performed within 30 days after the service of such notice, or within such greater period as the lessor shall specify in the notice, and if such default shall not be removed within the period specified within the notice, then the right of reentry shall be complete at the expiration of the period and may be exercised as provided by law. If any such lease shall provide that the landlord, after default, shall give more than 30 days' notice in writing to the tenant of the landlord intention to terminate the tenancy by reason of default in terms thereof, then the length of the notice to terminate shall be the same as provided for and required by the lease.

(b) As to such leases for a term of more than 20 years, if at any time before the expiration of six months after possession obtained by the plaintiff by abandonment or surrender of possession by the tenant or on recovery in the action, the lessee or a successor in interest as to the whole or part of the property, or any creditor having a lien legal or equitable upon the leased premises or any part thereof, pays to the plaintiff, or brings into court, the amount of rent then in arrears, with interest and the costs of the action, and performs the other covenants on the part of the lessee, the lessee or successor may be restored to the possession and hold the property according to the terms of the original lease. The provisions of this section shall not apply to any action or proceeding now pending in any of the courts of this state.

Subd. 3. [JUDGMENT TO BE RECORDED.] Upon recovery of possession by the landlord in the action a certified copy of the judgment shall be recorded in the office of the county recorder of the county where the land is situated if unregistered land or in the office of the registrar of titles of such county if registered land and upon recovery of possession by the landlord by abandonment or surrender by the tenant an affidavit by the landlord or the landlord's attorney setting forth such fact shall be recorded in a like manner and such recorded certified copy of such judgment or such recorded affidavit shall be prima facie evidence of the facts stated therein in reference to the recovery of possession by such landlord.

Sec. 3. Minnesota Statutes 1990, section 504.18, subdivision 1, is amended to read:

Subdivision 1. In every lease or license of residential premises, whether in writing or parol, the lessor or licensor covenants:

(a) That the premises and all common areas are fit for the use intended by the parties.

(b) To keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

(c) To maintain the premises in compliance with the applicable health and safety laws of the state, *including the weatherstripping, caulking, storm*

window, and storm door energy efficiency standards for renter-occupied residences prescribed by section 216C.27, subdivisions 1 and 3, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the lessee or licensee or a person under the direction or control of the lessee or licensee.

The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 4. Minnesota Statutes 1990, section 504.185, subdivision 2, is amended to read:

Subd. 2. [PROCEDURE.] When a municipality, utility company, or other company supplying home heating oil, propane, natural gas, electricity, or water to a building has issued a final notice or has posted the building proposing to disconnect or discontinued the service to the building because an owner who has contracted for the service has failed to pay for it or because an owner is required by law or contract to pay for the service and fails to do so, a tenant or group of tenants may pay to have the service continued or reconnected as provided under this section. Before paying for the service, the tenant or group of tenants shall give oral or written notice to the owner of the tenant's intention to pay after 48 hours, or a shorter period that is reasonable under the circumstances, if the owner has not already paid for the service. In the case of oral notification, written notice shall be mailed or delivered to the owner within 24 hours after oral notice is given.

(a) In the case of natural gas, electricity, or water, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may pay the outstanding bill for the most recent billing period, if the utility company or municipality will restore the service for at least one billing period.

(b) In the case of home heating oil or propane, if the owner has not yet paid the bill by the time of the tenant's intended payment, or if the service remains discontinued, the tenant or tenants may order and pay for one month's supply of the proper grade and quality of oil or propane.

After submitting receipts for the payment to the owner, a tenant may deduct the amount of the tenant's payment from the rental payment next paid to the owner. Any amount paid to the municipality, utility company, or other company by a tenant under this subdivision is considered payment of rent to the owner for purposes of section 504.02.

Sec. 5. Minnesota Statutes 1990, section 504.20, subdivision 3, is amended to read:

Subd. 3. Every landlord shall, within three weeks after termination of the tenancy or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant, and after receipt of the tenant's mailing address or delivery instructions, return the deposit to the tenant, with interest thereon as above provided, or furnish to the tenant a written statement showing the specific reason for the withholding of the deposit or any portion thereof. It shall be sufficient compliance with the time requirement of this subdivision if the deposit or written statement required by this subdivision

is placed in the United States mail as first class mail, postage prepaid, in an envelope with a proper return address, correctly addressed according to the mailing address or delivery instructions furnished by the tenant, within the time required by this subdivision. The landlord may withhold from the deposit only amounts reasonably necessary:

(a) To remedy tenant defaults in the payment of rent or of other funds due to the landlord pursuant to an agreement; or

(b) To restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

In any action concerning the deposit, the burden of proving, by a fair preponderance of the evidence, the reason for withholding all or any portion of the deposit shall be on the landlord.

Sec. 6. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy *or within five days of the date when the tenant leaves the building or dwelling due to the legal condemnation of the building or dwelling in which the tenant lives for reasons not due to willful, malicious, or irresponsible conduct of the tenant*, and after receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, shall be liable to the tenant for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 7. Minnesota Statutes 1990, section 504.27, is amended to read:

504.27 [REMEDIES ARE ADDITIONAL.]

The remedies provided in sections 504.24 to 504.26 are in addition to and shall not limit other rights or remedies available to landlords and tenants. Any provision, whether oral or written, of any lease or other agreement, whereby any provision of sections 504.24 to 504.27 is waived by a tenant is contrary to public policy and void. The provisions of sections 504.24 to 504.27 shall apply only to tenants as that term is defined in section 566.18, subdivision 2, and buildings as that term is defined in section 566.18, subdivision 7. *The provisions of sections 504.24, 504.25, 504.255, and 504.26 apply to occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired.*

ARTICLE 2

UNLAWFUL DETAINER

Section 1. Minnesota Statutes 1990, section 566.03, subdivision 1, is amended to read:

Subdivision 1. *The person entitled to the premises may recover possession in the manner provided in this section when:*

(1) any person holds over lands or tenements after a sale thereof on an execution or judgment, or on foreclosure of a mortgage, and expiration of the time for redemption, or after termination of contract to convey the same, provided that if the person holding such lands or tenements after the ~~sale,~~

~~foreclosure~~, expiration of the time for redemption or termination is a tenant, the person has received:

(i) at least one month's written notice ~~of the termination of tenancy as a result of to vacate no sooner than one month after the sale, foreclosure,~~ expiration of the time for redemption or termination, provided that the tenant pays the rent and abides by all terms of the lease; or ~~when~~

(ii) at least one month's written notice to vacate no later than the date of the expiration of the time for redemption or termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the mortgage is redeemed or the contract is reinstated;

(2) any person holds over lands or tenements after termination of the time for which they are demised or let to that person or to the persons under whom that person holds possession, or contrary to the conditions or covenants of the lease or agreement under which that person holds, or after any rent becomes due according to the terms of such lease or agreement; or ~~when~~

(3) any tenant at will holds over after the determination of ~~any such~~ the estate by notice to quit; ~~in all such cases the person entitled to the premises may recover possession thereof in the manner hereinafter provided.~~

Sec. 2. Minnesota Statutes 1990, section 566.17, is amended by adding a subdivision to read:

Subd. 2a. In the second and fourth judicial districts, the housing calendar consolidation project shall retain jurisdiction in matters relating to removal of property under this section. If the plaintiff refuses to return the property after proper demand is made as provided in section 504.24, the court shall enter an order requiring the plaintiff to return the property to the defendant and awarding reasonable expenses including attorney fees to the defendant.

Sec. 3. Minnesota Statutes 1990, section 566.175, subdivision 6, is amended to read:

Subd. 6. ~~The provisions of~~ This section ~~shall apply only~~ applies to:

(1) tenants as ~~that term~~ is defined in section 566.18, subdivision 2, and including occupants and owners of residential real property which is the subject of a mortgage foreclosure or contract for deed cancellation and as to which the period for redemption or reinstatement of the contract has expired;

(2) buildings as that term is defined in section 566.18, subdivision 7; and

(3) landlords as the term "owner" is defined in section 566.18, subdivision 3, but also including mortgagees and contract for deed vendors.

Sec. 4. Minnesota Statutes 1990, section 566.18, subdivision 9, is amended to read:

Subd. 9. [NEIGHBORHOOD ORGANIZATION.] "Neighborhood organization" means a nonprofit corporation incorporated under chapter 317A that satisfies clauses (1) and (2).

The corporation shall:

(1) designate in its articles of incorporation or bylaws a specific geographic community to which its activities are limited; and

(2) be formed for the purposes of promoting community safety, crime prevention, and housing quality in a nondiscriminatory manner.

For purposes of this chapter, an action taken by a neighborhood organization with the written permission of a tenant means, with respect to a building with multiple dwelling units, an action taken by the neighborhood organization with the written permission of the tenants of a majority of the *occupied* units.

Sec. 5. Minnesota Statutes 1990, section 566.29, subdivision 2, is amended to read:

Subd. 2. Such person *or neighborhood organization* shall post bond to the extent of the rents expected by the court to be necessary to be collected to correct the violation or violations. Administrators appointed from the governmental agencies shall not be required to give bond.

Sec. 6. Minnesota Statutes 1990, section 566.29, subdivision 4, is amended to read:

Subd. 4. [POWERS.] The administrator is authorized to:

(a) Collect rents from tenants and commercial tenants, evict tenants and commercial tenants for nonpayment of rent or other cause, enter into leases for vacant dwelling units, rent vacant commercial units with the consent of the owner and exercise all other powers necessary and appropriate to carry out the purposes of Laws 1973, chapter 611;

(b) Contract for the reasonable cost of materials, labor and services necessary to remedy the violation or violations found by the court to exist and for the rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and make disbursements for payment therefor from funds available for the purpose;

(c) Provide any services to the tenants which the owner is obligated to provide but refuses or fails to provide, and pay for them from funds available for the purpose;

(d) Petition the court, after notice to the parties, for an order allowing the administrator to encumber the ~~premise~~ *premises* to secure funds to the extent necessary to cover the cost of materials, labor, and services, including reasonable fees for the administrator's services, necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and to pay for them from funds derived from the encumbrance; and

(e) Petition the court, after notice to the parties, for an order allowing the administrator to receive funds made available for this purpose by the *federal or state governing body or the municipality* to the extent necessary to cover the cost of materials, labor, and services necessary to remedy the violation or violations found by the court to exist and for rehabilitation of the property in order to maintain safe and habitable conditions over the useful life of the property, and pay for them from funds derived from ~~the municipal sources~~ *this source*. The municipality shall recover disbursements by special assessment on the real estate affected, bearing interest at the rate determined by the municipality, not exceeding the rate established for

finance charges for open-end credit sales under section 334.16, subdivision 1, clause (b), with the assessment, interest and any penalties to be collected the same as special assessments made for other purposes under state statute or municipal charter.

Sec. 7. [609.606] [UNLAWFUL OUSTER OR EXCLUSION.]

A landlord, agent of the landlord, or person acting under the landlord's direction or control who unlawfully and intentionally removes or excludes a tenant from lands or tenements or intentionally interrupts or causes the interruption of electrical, heat, gas, or water services to the tenant with intent to unlawfully remove or exclude the tenant from lands or tenements is guilty of a misdemeanor.

ARTICLE 3

STATE HOUSING PROGRAMS

Section 1. Minnesota Statutes 1990, section 47.58, is amended by adding a subdivision to read:

Subd. 8. [COUNSELING; REQUIREMENT; PENALTY.] Any lender or any mortgage banking company or any other mortgage lender not related to the mortgagor must keep a certificate on file documenting that the borrower, prior to entering into the reverse mortgage loan, received counseling as defined in this subdivision from an organization that meets the requirements of section 462A.28, subdivision 1, and is a housing counseling agency approved by the United States Department of Housing and Urban Development. The certificate must be signed by the mortgagor and the counselor and include the date of the counseling, the name, address, and telephone number of both the mortgagor and the organization providing counseling. Lenders must provide to the mortgagor a copy of the certificate of counseling upon request. A failure by a lender to provide certification results in a loss of any future interest due on the loan. For the purposes of this subdivision, "counseling" means the following services are provided to the borrower:

(1) a review of the advantages and disadvantages of reverse mortgage programs;

(2) an explanation of how the reverse mortgage affects the borrower's estate and public benefits;

(3) an explanation of the lending process;

(4) a discussion of the borrower's supplemental income needs; and

(5) an opportunity to ask questions of the counselor.

Sec. 2. Minnesota Statutes 1990, section 462A.03, subdivision 10, is amended to read:

Subd. 10. "Persons and families of low and moderate income" means persons and families, irrespective of race, creed, national origin or sex, or status with respect to guardianship or conservatorship, determined by the agency to require such assistance as is made available by sections 462A.01 to 462A.24 on account of personal or family income not sufficient to afford adequate housing. In making such determination the agency shall take into account the following: (a) The amount of the total income of such persons and families available for housing needs, (b) the size of the family, (c) the cost and condition of housing facilities available, (d) the eligibility of such persons and families to compete successfully in the normal housing

market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing. In the case of federally subsidized mortgages with respect to which income limits have been established by any agency of the federal government having jurisdiction thereover for the purpose of defining eligibility of low and moderate income families, the limits so established shall govern under the provision of sections 462A.01 to 462A.24. In all other cases income limits for the purpose of defining low or moderate income persons shall be established by the agency by emergency or permanent rules.

Sec. 3. Minnesota Statutes 1990, section 462A.03, subdivision 13, is amended to read:

Subd. 13. "Eligible mortgagor" means a nonprofit or cooperative housing corporation, *the department of human services for the purpose of developing community-based programs as defined in sections 252.50 and 253.28*, limited profit entity or a builder as defined by the agency in its rules, which sponsors or constructs residential housing as defined in subdivision 7, or a natural person of low or moderate income, except that the return to a limited dividend entity shall not exceed ten percent of the capital contribution of the investors or such lesser percentage as the agency shall establish in its rules; provided that residual receipts funds of a limited dividend entity may be used for agency-approved, housing-related investments owned by the limited dividend entity without regard to the limitation on returns. Owners of existing residential housing occupied by renters shall be eligible for rehabilitation loans, only if, as a condition to the issuance of the loan, the owner agrees to conditions established by the agency in its rules relating to rental or other matters that will insure that the housing will be occupied by persons and families of low or moderate income. The agency shall require by rules that the owner give preference to those persons of low or moderate income who occupied the residential housing at the time of application for the loan.

Sec. 4. Minnesota Statutes 1990, section 462A.05, is amended by adding a subdivision to read:

Subd. 14d. [ACCESSIBILITY LOAN PROGRAM.] Rehabilitation loans authorized under subdivision 14 may be made to eligible persons and families whose income does not exceed the maximum income limits authorized under section 143(f) of the Internal Revenue Code of 1986, as amended through December 31, 1990. Notwithstanding subdivision 14, loans may be made under this subdivision which cause the amount of total indebtedness secured by the property to exceed the market value of the property, as determined by the agency.

A person or family is eligible to receive an accessibility loan under the following conditions:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with mental retardation or related conditions;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

Sec. 5. Minnesota Statutes 1990, section 462A.222, subdivision 3, is amended to read:

Subd. 3. [ALLOCATION PROCEDURE.] (a) Projects will be awarded tax credits in three competitive rounds on an annual basis. The date for applications for each round must be determined by the agency. No allocating agency may award tax credits prior to the application dates established by the agency.

(b) Each allocating agency must meet the requirements of section 42(m) of the Internal Revenue Code of 1986, as amended through December 31, 1989, for the allocation of tax credits and the selection of projects.

(c) For applications submitted for the first round, an allocating agency may allocate tax credits only to the following types of projects:

(1) single-room occupancy projects which are affordable by households whose income does not exceed 30 percent of the median income;

(2) family housing projects in which at least 75 percent of the units contain two or more bedrooms and at least one-third of the 75 percent contain three or more bedrooms;

(3) projects in which ~~at least 50 percent~~ *a percentage* of the units are for ~~mentally ill, mentally retarded, drug dependent, developmentally disabled, or physically handicapped~~ *set aside and rented to persons:*

(i) with a serious and persistent mental illness as defined in section 245.462, subdivision 20, paragraph (c);

(ii) with a developmental disability as defined in United States Code, title 42, section 6001, paragraph (7), as amended through December 31, 1990;

(iii) with a brain injury as defined in section 256B.093, subdivision 4, paragraph (a);

(iv) who have been assessed as drug dependent persons as defined in section 254A.02, subdivision 5, and are receiving or will receive care and treatment services provided by an approved treatment program as defined in section 254A.02, subdivision 2; or

(v) with physical disabilities if at least 50 percent of the units are accessible as provided under Minnesota Rules, chapter 1340;

(4) projects which preserve existing subsidized housing which is subject to prepayment if the use of tax credits is necessary to prevent conversion to market rate use; or

(5) projects financed by the Farmers Home Administration which meet statewide distribution goals.

(d) Before the date for applications for the second round, the allocating agencies other than the agency shall return all uncommitted and unallocated tax credits to the pool from which they were allocated, along with copies of any allocation or commitment. In the second round, the agency shall allocate the remaining credits from the regional pools to projects from the respective regions.

(e) In the third round, all unallocated tax credits must be transferred to a unified pool for allocation by the agency on a statewide basis.

(f) Unused portions of the state ceiling for low-income housing tax credits reserved to cities and counties for allocation may be returned at any time to the agency for allocation.

ARTICLE 4

ASSIGNMENT OF RENTS AND RECEIVERSHIP

Section 1. Minnesota Statutes 1990, section 504.20, subdivision 4, is amended to read:

Subd. 4. Any landlord who fails to provide a written statement within three weeks of termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, as required in subdivision 3, ~~shall be or fails to transfer or return a deposit as required under subdivision 5,~~ is liable to the tenant *or the successor in interest* for damages in an amount equal to the portion of the deposit withheld by the landlord and interest thereon as provided in subdivision 2, as a penalty, in addition to the portion of the deposit wrongfully withheld by the landlord and interest thereon.

Sec. 2. Minnesota Statutes 1990, section 504.20, subdivision 5, is amended to read:

Subd. 5. Upon termination of the landlord's interest in the premises, whether by sale, assignment, death, appointment of receiver or otherwise, the landlord or the landlord's agent shall, ~~within a reasonable time~~ *60 days of termination of the interest or when the successor in interest is required to return or otherwise account for the deposit to the tenant, whichever occurs first,* do one of the following acts, either of which shall relieve the landlord or agent of further liability with respect to such deposit:

(a) Transfer such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the landlord's successor in interest and thereafter notify the tenant of such transfer and of the transferee's name and address; or

(b) Return such deposit, or any remainder after any lawful deductions made under subdivision 3, with interest thereon as provided in subdivision 2, to the tenant.

Sec. 3. Minnesota Statutes 1990, section 504.20, subdivision 7, is amended to read:

Subd. 7. The bad faith retention by a landlord of ~~the a~~ deposit, the interest thereon, or any portion thereof, in violation of this section shall subject the landlord to punitive damages not to exceed \$200 *for each deposit* in addition to the damages provided in subdivision 4. If the landlord has failed to comply with the provisions of subdivision 3 *or 5*, retention of ~~the a~~ deposit shall be presumed to be in bad faith unless the landlord returns the deposit within two weeks after the commencement of any action for the recovery of the deposit.

Sec. 4. Minnesota Statutes 1990, section 559.17, subdivision 2, is amended to read:

Subd. 2. A mortgagor may assign, as additional security for the debt secured by the mortgage, the rents and profits from the mortgaged real property, if the mortgage:

(1) Was executed, modified or amended subsequent to August 1, 1977;

(2) Secured an original principal amount of ~~\$500,000~~ *\$100,000* or more *or is a lien upon residential real estate containing more than four dwelling units;* and

(3) Is not a lien upon property which was entirely homesteaded as, *residential real estate containing four or less dwelling units where at least one of the units is homesteaded, or agricultural property.* The assignment may be enforced as follows:

(a) If, by the terms of an assignment, a receiver is to be appointed upon the occurrence of some specified event, and a showing is made that the event has occurred, the court shall, without regard to waste, adequacy of the security, or solvency of the mortgagor, appoint a receiver who shall, with respect to the excess cash remaining after application as provided in section 576.01, subdivision 2, apply it as prescribed by the assignment. If the assignment so provides, the receiver shall apply the excess cash in the manner set out herein from the date of appointment through the entire redemption period from any foreclosure sale. Subject to the terms of the assignment, the receiver shall have the powers and duties as set forth in section 576.01, subdivision 2; or

(b) If no provision is made for the appointment of a receiver in the assignment *or if by the terms of the assignment a receiver may be appointed*, the assignment shall be binding upon the assignor *unless or until a receiver is appointed* without regard to waste, adequacy of the security or solvency of the mortgagor, but only in the event of default in the terms and conditions of the mortgage, and only in the event the assignment requires the holder thereof to first apply the rents and profits received as provided in section 576.01, subdivision 2, in which case the same shall operate against and be binding upon the occupiers of the premises from the date of filing by the holder of the assignment in the office of the county recorder or the office of the registrar of titles for the county in which the property is located of a notice of default in the terms and conditions of the mortgage and service of a copy of the notice upon the occupiers of the premises. The holder of the assignment shall apply the rents and profits received in accordance with the terms of the assignment, and, if the assignment so provides, for the entire redemption period from any foreclosure sale. A holder of an assignment who enforces it in accordance with this clause shall not be deemed to be a mortgagee in possession with attendant liability.

Nothing contained herein shall prohibit the right to reinstate the mortgage debt granted pursuant to section 580.30, nor the right to redeem granted pursuant to sections 580.23 and 581.10, and any excess cash, as that term is used herein, collected by the receiver under clause (a), or any rents and profits taken by the holder of the assignment under clause (b), shall be credited to the amount required to be paid to effect a reinstatement or redemption.

Sec. 5. Minnesota Statutes 1990, section 576.01, subdivision 2, is amended to read:

Subd. 2. A receiver shall be appointed in the following case:

After the first publication of notice of sale for the foreclosure of a mortgage pursuant to chapter 580, or with the commencement of an action to foreclose a mortgage pursuant to chapter 581, and during the period of redemption, if the mortgage being foreclosed secured an original principal amount of ~~\$500,000~~ \$100,000 or more *or is a lien upon residential real estate containing more than four dwelling units* and was not a lien upon property which was entirely homesteaded, *residential real estate containing four or less dwelling units where at least one unit is homesteaded*, or agricultural property, the foreclosing mortgagee or the purchaser at foreclosure sale may

at any time bring an action in the district court of the county in which the mortgaged premises or any part thereof is located for the appointment of a receiver; provided, however, if the foreclosure is by action under chapter 581, a separate action need not be filed. Pending trial of the action on the merits, the court may make a temporary appointment of a receiver following the procedures applicable to temporary injunctions under the rules of civil procedure. If the motion for temporary appointment of a receiver is denied, the trial of the action on the merits shall be held as early as practicable, but not to exceed 30 days after the motion for temporary appointment of a receiver is heard. The court shall appoint a receiver upon a showing that the mortgagor has breached a covenant contained in the mortgage relating to any of the following:

- (1) Application of tenant security deposits as required by section 504.20;
- (2) Payment when due of prior or current real estate taxes or special assessments with respect to the mortgaged premises, or the periodic escrow for the payment of the taxes or special assessments;
- (3) Payment when due of premiums for insurance of the type required by the mortgage, or the periodic escrow for the payment of the premiums;
- (4) Keeping of the covenants required of a lessor or licensor pursuant to section 504.18, subdivision 1.

The receiver shall be an experienced property manager. The court shall determine the amount of the bond to be posted by the receiver.

The receiver shall collect the rents, profits and all other income of any kind, manage the mortgaged premises so to prevent waste, execute leases within or beyond the period of the receivership if approved by the court, pay the expenses listed in clauses (1), (2), and (3) in the priority as numbered, pay all expenses for normal maintenance of the mortgaged premises and perform the terms of any assignment of rents which complies with section 559.17, subdivision 2. Reasonable fees to the receiver shall be paid prior thereto. The receiver shall file periodic accountings as the court determines are necessary and a final accounting at the time of discharge.

The purchaser at foreclosure sale shall have the right, at any time and without limitation as provided in section 582.03, to advance money to the receiver to pay any or all of the expenses which the receiver should otherwise pay if cash were available from the mortgaged premises. Sums so advanced, with interest, shall be a part of the sum required to be paid to redeem from the sale. The sums shall be proved by the affidavit of the purchaser, an agent or attorney, stating the expenses and describing the mortgaged premises. The affidavit must be filed for record with the county recorder or the registrar of titles, and a copy thereof shall be furnished to the sheriff and the receiver at least ten days before the expiration of the period of redemption.

Any sums collected which remain in the possession of the receiver at termination of the receivership shall, in the event the termination of the receivership is due to the reinstatement of the mortgage debt or redemption of the mortgaged premises by the mortgagor, be paid to the mortgagor; and in the event termination of the receivership occurs at the end of the period of redemption without redemption by the mortgagor or any other party entitled to redeem, interest accrued upon the sale price pursuant to section 580.23 or section 581.10 shall be paid to the purchaser at foreclosure sale. Any net sum remaining shall be paid to the mortgagor, except if the receiver

was enforcing an assignment of rents which complies with section 559.17, subdivision 2, in which case any net sum remaining shall be paid pursuant to the terms of the assignment.

This subdivision shall apply to all mortgages executed on or after August 1, 1977, and to amendments or modifications of such mortgages, and to amendments or modifications made on or after August 1, 1977, to mortgages executed before August 1, 1977, if the amendment or modification is duly recorded and is for the principal purpose of curing a default.

ARTICLE 5

HOUSING AND REDEVELOPMENT AUTHORITIES

Section 1. Minnesota Statutes 1990, section 469.002, subdivision 24, is amended to read:

Subd. 24. [SECTION 8 PROGRAM.] "Section 8 program" means an existing housing assistance payments program under section 8 of the United States Housing Act of 1937, United States Code, title 42, section 1437f, as amended through December 31, ~~1989~~ 1990.

Sec. 2. Minnesota Statutes 1990, section 469.011, subdivision 4, is amended to read:

Subd. 4. [EXPENSES; COMPENSATION.] Each commissioner may receive necessary expenses, including traveling expenses, incurred in the performance of duties. Each commissioner may be paid ~~\$35~~ \$55 for attending each regular and special meeting of the authority. ~~The aggregate of all payments to each commissioner for any one year shall not exceed \$2,500. Commissioners who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may not receive the daily payment, but they may suffer no loss in compensation or benefits from the state or a political subdivision as a result of their service on the board. Commissioners who are full-time state employees or full-time employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Commissioners who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their normal working hours.~~

Sec. 3. Minnesota Statutes 1990, section 469.012, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE OF POWERS.] An authority shall be a public body corporate and politic and shall have all the powers necessary or convenient to carry out the purposes of sections 469.001 to 469.047, except that the power to levy and collect taxes or special assessments is limited to the power provided in sections 469.027 to 469.033. Its powers include the following powers in addition to others granted in sections 469.001 to 469.047:

(1) to sue and be sued; to have a seal, which shall be judicially noticed, and to alter it; to have perpetual succession; and to make, amend, and repeal rules consistent with sections 469.001 to 469.047;

(2) to employ an executive director, technical experts, and officers, agents,

and employees, permanent and temporary, that it requires, and determine their qualifications, duties, and compensation; for legal services it requires, to call upon the chief law officer of the city or to employ its own counsel and legal staff; so far as practicable, to use the services of local public bodies in its area of operation, provided that those local public bodies, if requested, shall make the services available;

(3) to delegate to one or more of its agents or employees the powers or duties it deems proper;

(4) within its area of operation, to undertake, prepare, carry out, and operate projects and to provide for the construction, reconstruction, improvement, extension, alteration, or repair of any project or part thereof;

(5) subject to the provisions of section 469.026, to give, sell, transfer, convey, or otherwise dispose of real or personal property or any interest therein and to execute leases, deeds, conveyances, negotiable instruments, purchase agreements, and other contracts or instruments, and take action that is necessary or convenient to carry out the purposes of these sections;

(6) within its area of operation, to acquire real or personal property or any interest therein by gifts, grant, purchase, exchange, lease, transfer, bequest, devise, or otherwise, and by the exercise of the power of eminent domain, in the manner provided by chapter 117, to acquire real property which it may deem necessary for its purposes, after the adoption by it of a resolution declaring that the acquisition of the real property is necessary to eliminate one or more of the conditions found to exist in the resolution adopted pursuant to section 469.003 or to provide decent, safe, and sanitary housing for persons of low and moderate income, or is necessary to carry out a redevelopment project. Real property needed or convenient for a project may be acquired by the authority for the project by condemnation pursuant to this section. This includes any property devoted to a public use, whether or not held in trust, notwithstanding that the property may have been previously acquired by condemnation or is owned by a public utility corporation, because the public use in conformity with the provisions of sections 469.001 to 469.047 shall be deemed a superior public use. Property devoted to a public use may be so acquired only if the governing body of the municipality has approved its acquisition by the authority. An award of compensation shall not be increased by reason of any increase in the value of the real property caused by the assembly, clearance or reconstruction, or proposed assembly, clearance or reconstruction for the purposes of sections 469.001 to 469.047 of the real property in an area;

(7) within its area of operation, and without the adoption of an urban renewal plan, to acquire, by all means as set forth in clause (6) but without the adoption of a resolution provided for in clause (6), real property, and to demolish, remove, rehabilitate, or reconstruct the buildings and improvements or construct new buildings and improvements thereon, or to so provide through other means as set forth in Laws 1974, chapter 228, or to grade, fill, and construct foundations or otherwise prepare the site for improvements. The authority may dispose of the property pursuant to section 469.029, provided that the provisions of section 469.029 requiring conformance to an urban renewal plan shall not apply. The authority may finance these activities by means of the redevelopment project fund or by means of tax increments or tax increment bonds or by the methods of financing provided for in section 469.033 or by means of contributions from the

municipality provided for in section 469.041, clause (9), or by any combination of those means. Real property with buildings or improvements thereon shall only be acquired under this clause when the buildings or improvements are substandard. The exercise of the power of eminent domain under this clause shall be limited to real property which contains, *or has contained within the three years immediately preceding the exercise of the power of eminent domain and is currently vacant*, buildings and improvements which are vacated and substandard. For the purpose of this clause, substandard buildings or improvements mean hazardous buildings as defined in section 463.15, subdivision 3, or buildings or improvements that are dilapidated or obsolescent, faultily designed, lack adequate ventilation, light, or sanitary facilities, or any combination of these or other factors that are detrimental to the safety or health of the community;

(8) within its area of operation, to determine the level of income constituting low or moderate family income. The authority may establish various income levels for various family sizes. In making its determination, the authority may consider income levels that may be established by the Department of Housing and Urban Development or a similar or successor federal agency for the purpose of federal loan guarantees or subsidies for persons of low or moderate income. The authority may use that determination as a basis for the maximum amount of income for admissions to housing development projects or housing projects owned or operated by it;

(9) to provide in federally assisted projects any relocation payments and assistance necessary to comply with the requirements of the Federal Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, and any amendments or supplements thereto;

(10) to make an agreement with the governing body or bodies creating the authority which provides exemption from all real and personal property taxes levied or imposed by the state, city, county, or other political subdivisions, for which the authority shall make payments in lieu of taxes to the state, city, county, or other political subdivisions as provided in section 469.040. The governing body shall agree on behalf of all the applicable governing bodies affected that local cooperation as required by the federal government shall be provided by the local governing body or bodies in whose jurisdiction the project is to be located, at no cost or at no greater cost than the same public services and facilities furnished to other residents;

(11) to cooperate with or act as agent for the federal government, the state or any state public body, or any agency or instrumentality of the foregoing, in carrying out any of the provisions of sections 469.001 to 469.047 or of any other related federal, state, or local legislation; and upon the consent of the governing body of the city to purchase, lease, manage, or otherwise take over any housing project already owned and operated by the federal government;

(12) to make plans for carrying out a program of voluntary repair and rehabilitation of buildings and improvements, and plans for the enforcement of laws, codes, and regulations relating to the use of land and the use and occupancy of buildings and improvements, and to the compulsory repair, rehabilitation, demolition, or removal of buildings and improvements. The authority may develop, test, and report methods and techniques, and carry out demonstrations and other activities for the prevention and elimination of slums and blight;

(13) to borrow money or other property and accept contributions, grants,

gifts, services, or other assistance from the federal government, the state government, state public bodies, or from any other public or private sources;

(14) to include in any contract for financial assistance with the federal government any conditions that the federal government may attach to its financial aid of a project, not inconsistent with purposes of sections 469.001 to 469.047, including obligating itself (which obligation shall be specifically enforceable and not constitute a mortgage, notwithstanding any other laws) to convey to the federal government the project to which the contract relates upon the occurrence of a substantial default with respect to the covenants or conditions to which the authority is subject; to provide in the contract that, in case of such conveyance, the federal government may complete, operate, manage, lease, convey, or otherwise deal with the project until the defaults are cured if the federal government agrees in the contract to reconvey to the authority the project as then constituted when the defaults have been cured;

(15) to issue bonds for any of its corporate purposes and to secure the bonds by mortgages upon property held or to be held by it or by pledge of its revenues, including grants or contributions;

(16) to invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in property or securities in which savings banks may legally invest funds subject to their control or in the manner and subject to the conditions provided in section 475.66 for the deposit and investment of debt service funds;

(17) within its area of operation, to determine where blight exists or where there is unsafe, unsanitary, or overcrowded housing;

(18) to carry out studies of the housing and redevelopment needs within its area of operation and of the meeting of those needs. This includes study of data on population and family groups and their distribution according to income groups, the amount and quality of available housing and its distribution according to rentals and sales prices, employment, wages, desirable patterns for land use and community growth, and other factors affecting the local housing and redevelopment needs and the meeting of those needs; to make the results of those studies and analyses available to the public and to building, housing, and supply industries;

(19) if a local public body does not have a planning agency or the planning agency has not produced a comprehensive or general community development plan, to make or cause to be made a plan to be used as a guide in the more detailed planning of housing and redevelopment areas;

(20) to lease or rent any dwellings, accommodations, lands, buildings, structures, or facilities included in any project and, subject to the limitations contained in sections 469.001 to 469.047 with respect to the rental of dwellings in housing projects, to establish and revise the rents or charges therefor;

(21) to own, hold, and improve real or personal property and to sell, lease, exchange, transfer, assign, pledge, or dispose of any real or personal property or any interest therein;

(22) to insure or provide for the insurance of any real or personal property or operations of the authority against any risks or hazards;

(23) to procure or agree to the procurement of government insurance or guarantees of the payment of any bonds or parts thereof issued by an

authority and to pay premiums on the insurance;

(24) to make expenditures necessary to carry out the purposes of sections 469.001 to 469.047;

(25) to enter into an agreement or agreements with any state public body to provide informational service and relocation assistance to families, individuals, business concerns, and nonprofit organizations displaced or to be displaced by the activities of any state public body;

(26) to compile and maintain a catalog of all vacant, open and undeveloped land, or land which contains substandard buildings and improvements as that term is defined in clause (7), that is owned or controlled by the authority or by the governing body within its area of operation and to compile and maintain a catalog of all authority owned real property that is in excess of the foreseeable needs of the authority, in order to determine and recommend if the real property compiled in either catalog is appropriate for disposal pursuant to the provisions of section 469.029, subdivisions 9 and 10;

(27) to recommend to the city concerning the enforcement of the applicable health, housing, building, fire prevention, and housing maintenance code requirements as they relate to residential dwelling structures that are being rehabilitated by low- or moderate-income persons pursuant to section 469.029, subdivision 9, for the period of time necessary to complete the rehabilitation, as determined by the authority;

(28) to recommend to the city the initiation of municipal powers, against certain real properties, relating to repair, closing, condemnation, or demolition of unsafe, unsanitary, hazardous, and unfit buildings, as provided in section 469.041, clause (5);

(29) to sell, at private or public sale, at the price or prices determined by the authority, any note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made for the purpose of economic development, job creation, redevelopment, or community revitalization by a public agency to a business, for-profit or nonprofit organization, or an individual;

(30) within its area of operation, to acquire and sell real property that is benefited by federal housing assistance payments, other rental subsidies, interest reduction payments, or interest reduction contracts for the purpose of preserving the affordability of low- and moderate-income multifamily housing; and

(31) to apply for, enter into contracts with the federal government, administer, and carry out a section 8 program. Authorization by the governing body creating the authority to administer the program at the authority's initial application is sufficient to authorize operation of the program in its area of operation for which it was created without additional local governing body approval. Approval by the governing body or bodies creating the authority constitutes approval of a housing program for purposes of any special or general law requiring local approval of section 8 programs undertaken by city, county, or multicounty authorities; and

(32) to secure a mortgage or loan for a rental housing project by obtaining the appointment of receivers or assignments of rents and profits under sections 559.17 and 576.01, except that the limitation relating to the minimum amounts of the original principal balances of mortgages specified in sections 559.17, subdivision 2, clause (2); and 576.01, subdivision 2, does

not apply.

Sec. 4. Minnesota Statutes 1990, section 469.012, subdivision 3, is amended to read:

Subd. 3. [EXERCISE OF POWERS.] An authority may exercise all or any part or combination of the powers granted by sections 469.001 to 469.047 within its area of operation. Any two or more authorities may join with one another in the exercise, either jointly or otherwise, of any or all of their powers for the purpose of financing, including the issuance of bonds and giving security therefor, planning, undertaking, owning, constructing, operating, or contracting with respect to a housing project located within the area of operation of any one or more of the authorities. For that purpose an authority may by resolution prescribe and authorize any other housing authority, so joining with it, to act on its behalf with respect to any or all powers, as its agent or otherwise, in the name of the authority so joining or in its own name.

A city, county, or multicounty authority may by resolution authorize another housing authority to exercise its powers within the authorizing authority's area of operation at the same time that the authorizing authority is exercising the same powers.

A county or city may join with any authority to permit the authority, on behalf of the county, town within the county, or city, to plan, undertake, administer, and carry out a leased existing housing assistance payments program, pursuant to section 8 of the United States Housing Act of 1937 as amended, 42 United States Code, section 1437f. A city may so join with an authority unless there is an authority in the city which has been authorized by resolution under section 469.003 to transact business or exercise powers. A county may so join with an authority unless (a) there is a county authority which has been authorized by resolution under section 469.004 to exercise powers, or the county is a member of a multicounty authority, and (b) the authority has initiated or has in progress an active program or has applied for federal assistance in a public housing, section 8, or redevelopment program within 12 months after its establishment.

Notwithstanding the provisions of this subdivision, an authority administering and carrying out a leased existing housing assistance payments program, under section 8 of the United States Housing Act of 1937, United States Code, title 42, section 1437f, as amended through December 31, 1990, may administer the leased existing housing assistance payments program under the statutory and regulatory portability provisions of the federal section 8 existing housing assistance payments program, United States Code, title 42, section 1437f(r), as amended through December 31, 1990.

Sec. 5. Minnesota Statutes 1990, section 469.015, subdivision 3, is amended to read:

Subd. 3. [PERFORMANCE BONDS.] Performance bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31 except for contracts entered into by an authority for an expenditure of less than ~~\$15,000~~ \$25,000.

Sec. 6. Minnesota Statutes 1990, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

- (i) for which financial assistance is provided by the federal government;
- (ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and
- (iii) for which the contract provides for the construction of the project upon land not owned by the authority at the time of the contract, or owned by the authority for redevelopment purposes, and provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

- (i) constructed in conjunction with, and directly above or below, a development; and
- (ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of a housing development project if:

- (i) the project is financed with the proceeds of bonds issued under section 469.034;
- (ii) the project is located on land that is not owned by the authority at the time the contract is entered into, or is owned by the authority only for development purposes, and provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and
- (iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond in the case of for the following projects:

- (1) a contract described in paragraph (a), clause (1);
- (2) a construction change order for a housing project in which 30 percent of the construction has been completed;
- (3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or
- (4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts.

Sec. 7. Minnesota Statutes 1990, section 469.015, is amended by adding a subdivision to read:

Subd. 5. [SECURITY IN LIEU OF BOND.] The authority may accept a certified check or cashier's check in the same amount as required for a bond in lieu of a performance bond for contracts entered into by an authority for an expenditure of less than \$25,000. The check must be held by the authority for 90 days after the contract has been completed. If no suit is brought within the 90 days, the authority must return the amount of the check to the person making it. If a suit is brought within the 90-day period, the authority must disburse the amount of the check pursuant to the order of the court.

ARTICLE 6

LOCAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAMS

Section 1. Minnesota Statutes 1990, section 462C.03, subdivision 10, is amended to read:

Subd. 10. Notwithstanding any provision of this chapter, not more than 20 percent of the aggregate dollar amount of *tax-exempt* bond proceeds and any other funds appropriated by any city within any calendar year to make or purchase loans providing single family housing or dwelling units for sale within multifamily housing developments described in section 462C.05, subdivision 3, shall be appropriated to provide single family housing for persons or families, including renters of the single family housing, whose gross income exceeds the limit in section 462C.03, subdivision 2. If 20 percent of the total amount of funds so appropriated by the city in any calendar year is expended for housing not within the limit, no additional funds may be expended pursuant to any other similar appropriation until the remaining 80 percent is expended for housing within the limit. *Notwithstanding subdivision 2, the city may use taxable bond proceeds for the rehabilitation of single family housing for persons and families with adjusted gross incomes of up to 175 percent of the median family income as estimated by the United States Department of Housing and Urban Development for the nonmetropolitan county or standard metropolitan statistical area, as the case may be.*

Sec. 2. Laws 1974, chapter 285, section 4, as amended by Laws 1989, chapter 328, article 4, section 6, is amended to read:

Sec. 4. [ISSUANCE OF BONDS.] To finance the programs authorized in sections 2, 2a, and 3 of this act, the governing body of the city may by resolution authorize, issue, and sell general obligation bonds of the city ~~in accordance with the provisions of Minnesota Statutes, Chapter 475 without submission of the question to the electors of the city, notwithstanding any provision of the city charter or local ordinance. Minnesota Statutes, chapter 475, applies to the issuance of the bonds.~~ The total amount of all bonds outstanding for the programs shall not exceed \$25,000,000. The amount of all bonds issued shall be ~~included in~~ excluded from the net indebtedness of the city for the purpose of any charter or statutory debt limitation.

Sec. 3. Laws 1988, chapter 594, section 6, is amended to read:

Sec. 6. [SMALL BUSINESS LOANS.]

The city council or the agency may make or guarantee working capital loans in an aggregate principal amount not exceeding ~~\$450,000~~ \$2,000,000 outstanding at any time, subject to such terms and conditions as established by ordinance by the city, to expanding small businesses which are located in the city for the purpose of increasing the tax base and providing employment opportunities within the city. As used in this subdivision, the term "small business" has the meaning given it in Minnesota Statutes, section 645.445, subdivision 2. ~~This section expires June 30, 1991.~~

Sec. 4. [ST. PAUL ECONOMIC DEVELOPMENT PROGRAM.]

Subdivision 1. [AUTHORIZATION.] The city of St. Paul and the housing and redevelopment authority of the city of St. Paul may implement a citywide economic development program. The program may:

(1) provide working capital financing for any for-profit or nonprofit enterprise, except from the proceeds of bonds or other obligations which may be issued only to provide the capital costs of a project;

(2) acquire an equity interest in a for-profit business entity through investment in a partnership or corporation;

(3) apply funds of the city or housing and redevelopment authority within or without the boundaries of a presently existing or future redevelopment project area, housing development project, housing project, municipal development district, economic development district, development district, mined underground space development, industrial development district, or tax increment district, except that tax increments shall only be applied in accordance with Minnesota Statutes, sections 469.174 to 469.179;

(4) exercise the powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.108, and the powers granted to a city by Minnesota Statutes, sections 469.090 to 469.108, or Minnesota Statutes, sections 469.048 to 469.068, or other law, provided that: (i) only the city shall have the power under Minnesota Statutes, section 469.084, subdivision 11, to approve the issuance of revenue bonds by the port authority; and (ii) the housing and redevelopment authority shall not exercise the other powers of the city under sections 469.090 to 469.108 or sections 469.048 to 469.068 until and unless the city, by resolution, delegates the exercise of all or some of those powers to the housing and redevelopment authority; and

(5) apply funds as permitted by clauses (1) to (4) for the financing of a public or private parking facility, child care facility, or a project as defined by Minnesota Statutes, section 469.153, subdivision 2.

Subd. 2. [SUPPLEMENTAL POWERS.] The powers authorized under this section are in addition and supplemental to any other provisions of general or special law or charter.

Sec. 5. [EFFECTIVE DATE.]

Section 3 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Minneapolis. Section 4 is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of St. Paul.

ARTICLE 7

TAXES

Section 1. Minnesota Statutes 1990, section 273.1399, subdivision 1, is amended to read:

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

(a) "Qualifying captured tax capacity" means the following amounts:

(1) the captured tax capacity of an economic development or soils condition tax increment financing district for which certification was requested after April 30, 1990; and

(2) the captured tax capacity of a tax increment financing district, other than a housing district or an economic development or soils condition

district, for which certification was requested after April 30, 1990, multiplied by the following percentage based on the number of years that have elapsed since the district was first certified (measured from January 2 immediately preceding certification of the original tax capacity). In no case may the final amounts be less than zero or greater than the total captured tax capacity of the district.

Number of years	Renewal and Renovation Districts	All other Districts
0 to 5	0	0
6	12.5	6.25
7	25	12.5
8	37.5	18.75
9	50	25
10	62.5	31.25
11	75	37.5
12	87.5	43.75
13	100	50
14	100	56.25
15	100	62.5
16	100	68.75
17	100	75
18	100	81.25
19	100	87.5
20	100	93.75
21 or more	100	100

In the case of a hazardous substance subdistrict, the number of years must be measured from the date of certification of the subdistrict for purposes of the additional captured tax capacity resulting from the reduction in the subdistrict's or site's original tax capacity.

(b) The terms defined in section 469.174 have the meanings given in that section.

Sec. 2. Minnesota Statutes 1990, section 469.176, subdivision 4f, is amended to read:

Subd. 4f. [INTEREST REDUCTION.] Revenues derived from tax increment may be used to finance the costs of an interest reduction program operated pursuant to section 469.012, subdivisions 7 to 10, or pursuant to other law granting interest reduction authority and power by reference to those subdivisions only under the following conditions: (1) tax increments may not be collected for a program for a period in excess of 42 15 years after the date of the first interest rate reduction payment for the program, and (2) tax increments may not be used for an interest reduction program, if the proceeds of bonds issued pursuant to section 469.178 after December 31, 1985, have been or will be used to provide financial assistance to the specific project which would receive the benefit of the interest reduction program, and (3) tax increments may not be used to finance an interest reduction program for *construction of new owner-occupied single-family dwellings*.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective for districts certified after April 30, 1990. Section 2 is effective the day following final enactment.

ARTICLE 8

MINNESOTA HOUSING FINANCE AGENCY

Section 1. Minnesota Statutes 1990, section 268.39, is amended to read:
268.39 [LIFE SKILLS AND EMPLOYMENT GRANTS.]

The commissioner may provide grants to organizations for the development and administration of life skills and employment plans for homeless individuals that reside in residential units constructed or rehabilitated under section 462A.05, subdivision 29 20. Grants awarded under this section may also be used for the management of these residential units. The organizations that receive grants under this section must coordinate their efforts with organizations that receive grants under section 462A.05, subdivision 29 20.

A life skills and employment plan must be developed for each tenant residing in a dwelling that receives funding under section 462A.05, subdivision 29 20. The plan may include preapprentice and apprenticeship training in the area of housing rehabilitation. If preapprentice and apprenticeship training is part of a plan, the organization must consult with labor organizations experienced in working with apprenticeship programs. The completion or compliance with the individual life skills and employment plan must be required for a tenant to remain in a unit constructed or rehabilitated under section 462A.05, subdivision 29 20.

The application for a grant under this section must include a plan that must provide for:

- (1) training for tenants in areas such as cleaning and maintenance, payment of rent, and roommate skills, and
- (2) tenant selection and rental policies that ensure rental of units to people who are homeless if applicable.

The applicant must provide a proposed occupancy contract if applicable, the name and address of the rental agent if applicable, and other information the commissioner considers necessary with the application.

The commissioner may adopt permanent rules to administer this grant program.

Sec. 2. Minnesota Statutes 1990, section 462A.03, subdivision 16, is amended to read:

Subd. 16. "Mentally ill person" ~~shall have the meaning prescribed by section 253B.02, subdivision 13~~ means a person with a mental illness, an adult with an acute mental illness, or a person with a serious and persistent mental illness, as prescribed by section 245.462, subdivision 20.

Sec. 3. Minnesota Statutes 1990, section 462A.05, subdivision 20, is amended to read:

Subd. 20. [SPECIAL NEEDS HOUSING FOR HOMELESS PERSONS.]
(a) The agency may make loans or grants to ~~for profit, limited dividend, or nonprofit sponsors, as defined by the agency,~~ eligible mortgagors for the acquisition, rehabilitation, and construction of residential housing to be used ~~to provide for the following purposes:~~

- (1) temporary or transitional housing ~~to low- and moderate-income for low-income persons and families having an immediate need for temporary~~

or transitional housing as a result of natural disaster, resettlement, condemnation, displacement, lack of habitable housing, or other cause as defined by the agency. *Loans or grants for residential housing for migrant farmworkers may be made under this paragraph. Residential housing for migrant farmworkers must contain cooking, sleeping, and bathroom facilities and hot and cold running water in the same structure;*

(2) *housing to be used by low-income persons living alone; and*

(3) *housing for homeless individuals and families.*

(b) Housing under this subdivision must be for low-income families and individuals.

(c) Loans or grants pursuant to under this subdivision shall must not be used for residential care facilities or, for facilities that provide housing available for occupancy on less than a 24-hour continuous basis, or for any residential housing that requires occupants to accept board as well as lodging. To the extent possible, a sponsor shall combine the loan or grant with other funds obtained from public and private sources. In making loans or grants, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion thereof will be repaid and the appropriate security should repayment be required.

(d) Loans or grants under this subdivision must not exceed 50 percent of the development costs. Donated property may be used to satisfy the match requirement.

(e) All occupants of permanent housing financed under this subdivision must be offered a written lease that complies with section 325G.31, offers the occupants the option to renew, and prohibits eviction of an occupant without good cause.

(f) Priority must be given to viable proposals with the total lowest cost per person served.

(g) The selection criteria for the program must include the following: the extent to which proposals use donated, leased, abandoned, or empty dwellings owned by a public entity or property being sold by the Resolution Trust Corporation or the Department of Housing and Urban Development; and the extent to which applicants consulted with advocates for the homeless, representatives from neighborhood groups, and representatives from labor organizations in preparing the proposal.

Sec. 4. Minnesota Statutes 1990, section 462A.08, subdivision 2, is amended to read:

Subd. 2. The agency from time to time may issue bonds or notes for the purpose of refunding any bonds or notes of the agency then outstanding, *or, with the consent of the original issuer, any bonds or notes then outstanding issued by an issuer other than the agency for the purpose of making or purchasing loans for single-family housing or multifamily housing developments, including the payment of any redemption premiums thereon and any interest accrued or to accrue to the redemption date next succeeding the date of delivery of such refunding bonds or notes. The proceeds of any such refunding bonds or notes may, in the discretion of the agency, be applied to the purchase or payment at maturity of the bonds or notes to be refunded, or to the redemption of such outstanding bonds or notes on the redemption date next succeeding the date of delivery of such refunding bonds or notes and may, pending such application, be placed in escrow to*

be applied to such purchase, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations issued or guaranteed by the state or the United States or by any agency or instrumentality thereof, or in certificates of deposit or time deposits secured in such manner as the agency shall determine, maturing at such time or times as shall be appropriate to assure the prompt payment of the principal of and interest and redemption premiums, if any, on the bonds or notes to be refunded. The income earned or realized on any such investment may also be applied to the payment of the bonds or notes to be refunded. After the terms of the escrow have been fully satisfied, any balance of such proceeds and investment income may be returned to the agency for use by it in any lawful manner. All refunding bonds or notes issued under the provisions of this subdivision shall be issued and secured in the manner provided by resolution of the agency. *If bonds or notes are issued by the agency to refund bonds or notes issued by an issuer other than the agency, as authorized by this subdivision, the agency and the issuer may enter into agreements as they may consider appropriate to facilitate the transaction.*

Sec. 5. Minnesota Statutes 1990, section 462A.21, subdivision 4k, is amended to read:

Subd. 4k. [HOUSING DEVELOPMENT FUND.] The agency may make grants for residential housing for low-income persons under section 462A.05, subdivision ~~28~~ 20, and may pay the costs and expenses for the development and operation of the program.

Sec. 6. Minnesota Statutes 1990, section 462A.21, subdivision 12a, is amended to read:

Subd. 12a. [PROGRAM MONEY TRANSFER.] Grants authorized under section 462A.05, ~~subdivisions 20, 28, and 29~~ subdivision 20, may be made only with specific appropriations by the legislature, but unencumbered balances of money appropriated for the purpose of loans or grants for agency programs under these subdivisions may be transferred between programs created by these subdivisions or in accordance with section 462A.20, subdivision 3.

Sec. 7. Minnesota Statutes 1990, section 462A.21, subdivision 14, is amended to read:

Subd. 14. It may make housing grants for homeless individuals as provided in section 462A.05, subdivision ~~29~~ 20, and may pay the costs and expenses for the development and operation of the program.

Sec. 8. Minnesota Statutes 1990, section 462A.22, subdivision 9, is amended to read:

Subd. 9. [BIENNIAL REPORT.] The agency shall also submit a biennial report of its activities, ~~projected activities, and receipts, and expenditures~~ a plan for the next biennium, to the governor and the legislature on or before ~~January~~ February 15 in each odd-numbered year. The report shall include the distribution of money under each agency program by county, except for counties containing a city of the first class, where the distribution shall be reported by municipality.

In addition, the report shall include the cost to the agency of the issuance of its bonds for each issue in the biennium, along with comparable information for other state housing finance agencies.

Sec. 9. Minnesota Statutes 1990, section 474A.048, subdivision 2, is

amended to read:

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

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

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

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

(4) the new housing is accessible housing and the borrower or a member of the borrower's family is a person with a disability. For the purposes of this clause, "accessible housing" means a dwelling unit with the modifications necessary to enable a person with a disability to function in a residential setting. "A person with a disability" means a person who has a permanent physical condition which is not correctable and which substantially reduces the person's ability to function in a residential setting. A person with a physical condition which does not require the use of a device to increase mobility must be deemed a person with a disability upon written certification of a licensed physician that the physical condition substantially limits the person's ability to function in a residential setting.

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

Sec. 10. Laws 1987, chapter 404, section 28, subdivision 1, is amended to read:

Sec. 28. [HOUSING FINANCE AGENCY.]

Subdivision 1. Total Appropriation	\$9,526,700	\$9,526,700
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Approved complement - 129

Spending limit on cost of general administration of agency programs:

1988	1989
\$6,235,000	\$6,547,000

This appropriation is for transfer to the housing development fund for the programs specified.

\$150,000 the first year and \$150,000 the second year are for home sharing programs under Minnesota Statutes, section

462A.05, subdivision 24.

\$990,000 the first year and \$990,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$2,225,000 the first year and \$2,225,000 the second year are for home ownership, home improvement, and multifamily bond leveraging interest rate write-downs under Minnesota Statutes, sections 462A.21, subdivisions 4b and 8a.

\$1,885,000 the first year and \$1,885,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14, of which \$125,000 the first year and \$125,000 the second year are for *either* a demonstration program to make off-reservation loans in combination with bond proceeds from the agency *or other mortgage financing approved by the agency, or a home improvement loan program approved by the agency. Home improvement loans may be made without regard to household income.*

\$235,000 the first year and \$235,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$3,716,700 the first year and \$3,716,700 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, sections 462A.05, subdivisions 14a and 15a.

\$500,000 is appropriated to the housing development fund created in section 462A.20 for grants for residential housing for low income persons living alone. The agency may pay the costs and expenses for the development and operation of this program out of this appropriation.

\$75,000 the first year and \$75,000 the second year are for temporary housing programs under Minnesota Statutes, section 462A.05, subdivision 20.

Sec. 11. Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended by Laws 1990, chapter 429, section 9, is amended to read:

Subdivision 1. Total

Appropriation	12,583,000	12,584,000
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Approved Complement - 134

Spending limit on cost of general administration of agency programs:

1990	1991
\$7,130,000	\$7,560,000

This appropriation is for transfer to the housing development fund for the programs specified.

\$225,000 the first year and \$225,000 the second year are for housing programs for the elderly under Minnesota Statutes, section 462A.05, subdivision 24.

\$2,115,000 the first year and \$2,115,000 the second year are for home ownership assistance under Minnesota Statutes, section 462A.21, subdivision 8.

\$1,887,000 the first year and \$1,887,000 the second year are for tribal Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 14, of which \$125,000 the first year and \$125,000 the second year are for *either* a demonstration program to make off-reservation loans in combination with bond proceeds from *the agency* or other mortgage financing approved by the agency, *or a home improvement loan program approved by the agency. Home improvement loans may be made without regard to household income.*

\$233,000 the first year and \$233,000 the second year are for urban Indian housing programs under Minnesota Statutes, section 462A.07, subdivision 15, to be distributed by the agency without regard to any allocation formula.

\$4,842,000 the first year and \$4,842,000 the second year are for housing rehabilitation and accessibility loans under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

\$569,000 the first year and \$569,000 the second year are for temporary housing programs under Minnesota Statutes, sections 462A.05, subdivision 20; and 462A.21.

Notwithstanding any law to the contrary, in the event that the housing finance agency assumes servicing responsibility for its home improvement loans, energy loans, and rehabilitation loans, the agency may apply for an increase in its complement and administrative cost ceiling through the regular legislative advisory commission process.

Sec. 12. [REPEALER.]

Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29, are repealed.

Sec. 13. [EFFECTIVE DATE.]

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

Delete the title and insert:

"A bill for an act relating to housing and economic development; modifying procedures relating to rent escrow actions; modifying procedures relating to the tenant's loss of essential services; modifying provisions relating to tenant remedy actions, retaliatory eviction proceedings, and receivership proceedings; modifying provisions relating to Minnesota housing finance agency low- and moderate-income housing programs; requiring counseling for reverse mortgage loans; modifying certain receivership, assignment of rents and profits, and landlord and tenant provisions; modifying provisions relating to housing and redevelopment authorities; providing for the issuance of general obligation bonds for housing by the cities of Minneapolis and St. Paul; authorizing the city of Minneapolis to make small business loans; authorizing certain economic development activities within the city of St. Paul; excluding housing districts from the calculation of local government aid reductions; modifying the interest rate reduction program; appropriating money; amending Minnesota Statutes 1990, sections 47.58, by adding a subdivision; 268.39; 273.1399, subdivision 1; 462A.03, subdivisions 10, 13, and 16; 462A.05, subdivision 20, and by adding a subdivision; 462A.08, subdivision 2; 462A.21, subdivisions 4k, 12a, and 14; 462A.22, subdivision 9; 462A.222, subdivision 3; 462C.03, subdivision 10; 469.002, subdivision 24; 469.011, subdivision 4; 469.012, subdivisions 1 and 3; 469.015, subdivisions 3, 4, and by adding a subdivision; 469.176, subdivision 4f; 474A.048, subdivision 2; 481.02, subdivision 3; 504.02; 504.18, subdivision 1; 504.185, subdivision 2; 504.20, subdivisions 3, 4, 5, and 7; 504.27; 559.17, subdivision 2; 566.03, subdivision 1; 566.17, by adding a subdivision; 566.175, subdivision 6; 566.18, subdivision 9; 566.29, subdivisions 2 and 4; and 576.01, subdivision 2; Laws 1974, chapter 285, section 4, as amended; Laws 1987, chapter 404, section 28, subdivision 1; Laws 1988, chapter 594, section 6; Laws 1989, chapter 335, article 1, section 27, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1990, section 462A.05, subdivisions 28 and 29."

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

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

S.F. No. 3: A bill for an act relating to wetlands; providing for preservation, enhancement, restoration, and establishment of wetlands; requiring identification of wetlands; requiring adoption of wetland public value and classification criteria; requiring designation of priority areas to establish and preserve wetlands; requiring local water plans to include wetlands with high public value; providing for establishment of wetland preservation areas; authorizing a tax exemption for wetland preservation areas; establishing a wetland restoration and compensation fund; requiring permits for alternative uses of wetlands; requiring compensation for denied uses of wetlands; creating a cost-share program for establishment and restoration of wetlands; requiring a report on simplification and coordination of state and federal wetland permitting procedures; designating and regulating activities in peatland scientific and natural areas; requiring the commissioner of natural resources to accept donated wetlands with certain exceptions; requiring a study of farmland valuation; requiring the state to apply for authority to administer the permit program under section 404 of the federal Clean Water Act; appropriating money; amending Minnesota Statutes 1990, sections 84.085; 103B.155; 103B.231, subdivision 6; 103B.311, subdivision 6; 103G.005, subdivisions 15 and 18; 103G.141; 103G.221; 103G.225; 103G.231; 103G.235; 272.02, subdivision 1; 282.018, subdivision 2; and 645.44, subdivision 8a; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; 103G; and 116P.

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

Page 2, line 17, delete "IDENTIFICATION" and insert "CLASSIFICATION"

Page 6, delete lines 8 to 36

Page 7, delete lines 1 to 34 and insert:

"Sec. 4. [103G.2363] [EFFECT OF WETLAND STATUS.]

The wetland status of an area:"

Page 7, line 36, delete "wetlands" and insert "wetland"

Page 8, lines 2 and 7, delete "designated wetlands" and insert "wetland"

Page 8, delete line 8 and insert:

"Sec. 5. [103G.2364] [PROPERTY OWNER'S USE OF WETLANDS.]

(a) A"

Page 8, delete line 18 and insert:

"Sec. 6. [103G.2365] [CONTROL OF NOXIOUS WEEDS.]

Noxious weeds, as"

Page 8, delete line 21 and insert:

"Sec. 7. [103G.2366] [PUBLIC VALUE.]

(a) *The board of water and soil*"

Page 9, line 15, delete "commissioner" and insert "board" and delete the second "board" and insert "commissioner"

Page 9, delete line 20 and insert:

"Sec. 8. [103G.2367] [CLASSIFICATION OF WETLANDS.]

(a) *The board of*"

Page 10, delete line 11 and insert:

"Sec. 9. [103G.2368] [RULEMAKING.]

In adopting the rules required"

Page 10, line 12, delete "*subdivisions 6 and 7*" and insert "*sections 7 and 8*"

Page 10, line 13, delete "*subdivision 1, paragraph (b),*" and insert "*section 10*"

Page 10, after line 19, insert:

"Sec. 10. [AVAILABILITY OF NATIONAL WETLANDS INVENTORY MAPS.]

By February 1, 1993, the commissioner of natural resources shall file with each soil and water conservation district copies of the national wetlands inventory maps covering the district and shall publish notice of the availability of the maps in an official newspaper of general circulation in each county.

For purposes of this paragraph, "notice" means the following information in 8-point or larger type:

**"NOTICE OF AVAILABILITY OF NATIONAL WETLANDS
INVENTORY MAPS**

National wetlands inventory maps for (name of county) county are available from the Minnesota Department of Natural Resources. The national wetlands inventory maps are for general informational use only, and should not be relied upon in determining the exact location or boundaries of wetlands. Persons wishing to obtain further information regarding the maps should contact (name, address, and telephone number of regional contact person at the department) or their local soil and water conservation district office. WETLANDS ARE SUBJECT TO REGULATION BY THE STATE AND ACTIVITIES AFFECTING WETLANDS MAY BE RESTRICTED OR PROHIBITED UNDER RULES TO BE ADOPTED BY THE BOARD OF WATER AND SOIL RESOURCES AND THE DEPARTMENT OF NATURAL RESOURCES. Persons wishing to participate in the rulemaking process should contact (name, address, and telephone number of contact person at the board) or (name, address, and telephone number of contact person at the department).

THE NATIONAL WETLANDS INVENTORY MAPS, MAPS PREPARED BY THE UNITED STATES SOIL CONSERVATION SERVICE, AND OTHER AVAILABLE MAPS MAY PROVIDE USEFUL INFORMATION, BUT PERSONS PLANNING TO CONDUCT ACTIVITIES THAT MAY AFFECT WETLANDS SHOULD FIRST CONSULT THEIR LOCAL SOIL AND WATER CONSERVATION DISTRICT OFFICE."

Page 10, line 28, delete "*the county's*" and insert "*a*" and after "*comprehensive*" insert "*local*" and after "*plan*" insert "*, as defined in section 103B.3363, subdivision 3,*"

Page 17, line 26, strike "(1)" and insert ":(i)"

Page 17, line 27, strike " , or (2)" and insert " ; (ii)"

Page 17, line 33, before the period, insert “; or (iii) land in a wetland preservation area under sections 1 to 5” and strike “shall” and insert “under items (i) and (ii)”

Page 17, line 35, strike “: “Wetlands” shall” and insert “, but do”

Page 18, lines 1 and 2, delete the new language

Page 22, line 5, delete “1991” and insert “1992”

Page 22, line 6, delete “1992” and insert “1993”

Page 22, line 9, delete “FUND” and insert “ACCOUNT”

Pages 22 to 24, delete sections 1 to 3 and insert:

“Section 1. [103F.906] [WETLAND PRESERVATION, ENHANCEMENT, RESTORATION, AND ESTABLISHMENT ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] A wetland preservation, enhancement, restoration, and establishment account is established in the natural resources fund.

Subd. 2. [REVENUE SOURCES.] The account consists of appropriations and contributions.

Subd. 3. [EXPENDITURES.] (a) Money in the account may only be spent for:

- (1) compensation to landowners for denied uses of wetlands;*
- (2) compensation to landowners for land used to restore or establish wetlands; and*
- (3) preservation, enhancement, restoration, and establishment of wetlands.*

(b) Money in the account may be spent only to the extent that it is matched equally with money from the environment and natural resources trust fund.

Subd. 4. [APPROPRIATION.] Money in the account is appropriated to the board of water and soil resources for the purposes listed in subdivision 3.

Subd. 5. [ACCOUNT ADMINISTRATION.] The board of water and soil resources shall administer the wetland preservation, enhancement, restoration, and establishment account. The board shall prepare a budget plan for allocations for:

- (1) compensation to landowners;*
- (2) establishment of new wetlands;*
- (3) restoration of wetlands; and*
- (4) enhancement and preservation of existing wetlands.*

Subd. 6. [PRIORITY PLAN.] By November 1 of each even-numbered year, the commissioners of health, natural resources, and the pollution control agency shall jointly submit a plan to the board of water and soil resources identifying high priority areas for preservation, enhancement, restoration, and establishment of wetlands. The board shall utilize the plan in making allocations of money appropriated from the wetland preservation, enhancement, restoration, and establishment account.

Subd. 7. [APPLICATIONS.] (a) Public and private entities may apply to

the board of water and soil resources for grants and cost sharing to preserve, enhance, restore, and establish wetlands. Applications must be made on forms prescribed by the board.

(b) The board of water and soil resources shall give preference to applications for projects that would preserve, enhance, restore, or establish wetlands with the highest public value."

Page 26, line 15, after "to" insert "*the lesser of \$20,000 or*"

Page 26, line 20, delete "*fund established in*" and insert "*account as provided in article 4, section 1.*"

Page 26, delete line 21

Page 27, delete lines 13 to 18

Page 27, line 20, delete "5" and insert "4"

Page 30, line 36, delete "*section 4*" and insert "*sections 4 to 9*"

Page 32, lines 3, 7, 12, and 18, delete "*section 4*" and insert "*sections 4 to 9*"

Page 32, line 25, delete "[103G.2364]" and insert "[103G.2369]"

Page 32, line 27, delete "*4, subdivision 4*" and insert "*7 or 8,*"

Page 32, line 28, delete "*or 5,*"

Page 32, after line 30, insert:

"Subd. 2. [DELINEATION.] The "Federal Manual for Identifying and Delineating Jurisdictional Wetlands" (January 1989) must be used in identifying and delineating wetlands."

Page 35, after line 34, insert:

"(b) The permitting authority may charge a permit application fee of up to \$75."

Page 35, line 35, delete "*(b)*" and insert "*(c)*"

Page 36, line 3, delete "*(c)*" and insert "*(d)*"

Page 36, line 9, delete "4" and insert "8"

Page 36, line 10, delete "*subdivision 4,*"

Page 36, line 12, delete "*(d)*" and insert "*(e)*"

Page 37, lines 2 and 30, delete "5" and insert "6"

Page 37, line 27, delete "*mitigation*" and insert "*replacement*"

Page 38, line 13, after "*wetland*" insert "*under subdivision 4*"

Page 38, line 15, after "*permit*" insert "*under subdivision 6,*"

Page 38, line 22, delete "5" and insert "6"

Renumber the subdivisions in sequence

Page 38, line 23, delete "[103G.2365]" and insert "[103G.237]"

Page 39, line 2, after "*permit*" insert "*under section 9, subdivision 4*"

Page 40, line 28, delete "[103G.2366]" and insert "[103G.2371]"

Page 40, line 31, delete "[103G.2367]" and insert "[103G.2372]"

Page 40, line 33, delete “and” and insert a comma and after “officers” insert “, and peace officers”

Page 40, line 35, after “resources” insert “, a conservation officer, or a peace officer”

Page 41, line 1, after “commissioner” insert “, conservation officer, or peace officer”

Page 41, line 4, delete “by”

Page 41, line 5, delete everything before “under”

Page 41, line 12, delete “[103G.2368]” and insert “[103G.2373]”

Page 48, delete section 2

Page 48, line 17, delete everything after “5” and insert a period

Page 48, delete lines 18 and 19 and insert:

“Subd. 2. [DELINEATION.] *The “Federal Manual for Identifying and Delineating Jurisdictional Wetlands” (January 1989) must be used in identifying and delineating wetlands.*”

Page 48, lines 21 and 23, delete “3” and insert “4”

Page 48, lines 28 and 31, delete “2” and insert “3”

Page 49, after line 7, insert:

“Subd. 5. [CERTIFICATION FEE.] *A soil and water conservation district or other local permitting authority may charge a fee of up to \$75 for a certification under subdivision 4, clause (3).*”

Renumber the subdivisions in sequence

Page 53, line 13, delete “college” and insert “university”

Page 54, after line 10, insert:

“ARTICLE 12

APPROPRIATIONS

Section 1. [DEPARTMENT OF NATURAL RESOURCES.]

\$480,000 in fiscal year 1992 and \$267,000 in fiscal year 1993 is appropriated from the general fund to the commissioner of natural resources for the purposes specified in articles 1 to 11.

Sec. 2. [BOARD OF WATER AND SOIL RESOURCES.]

\$806,500 in fiscal year 1992 and \$818,500 in fiscal year 1993 is appropriated to the board of water and soil resources for the purposes specified in articles 1 to 11. Of these amounts, \$100,000 in each fiscal year must be used for grants under article 8.

Sec. 3. [WETLAND PRESERVATION, ENHANCEMENT, RESTORATION, AND ESTABLISHMENT ACCOUNT.]

\$628,000 in fiscal year 1993 is appropriated to the wetland preservation, enhancement, restoration, and establishment account.”

Amend the title as follows:

Page 1, line 4, delete everything after the first semicolon

Page 1, line 12, delete "restoration and compensation fund" and insert "preservation, enhancement, restoration, and establishment account"

Page 1, line 19, after the semicolon, insert "authorizing grants; providing for interim regulation of activities affecting wetlands;"

Page 1, line 31, delete "103G; and" and insert "and 103G."

Page 1, delete line 32

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

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

H.F. No. 977: A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing cooperation between public and private responders; requiring the establishment of a single answering point system; authorizing citizens advisory groups; providing penalties; amending Minnesota Statutes 1990, section 116.072, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 115E.

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

Delete everything after the enacting clause and insert:

"Section 1. [115E.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to this chapter. Terms that are not defined have the meanings given in the Oil Pollution Act of 1990.

Subd. 2. [AGRICULTURAL CHEMICAL.] "Agricultural chemical" has the meaning given in section 18D.01, subdivision 3.

Subd. 3. [COMMISSIONERS.] "Commissioners" means the commissioner of public safety and

(1) the commissioner of agriculture, with respect to agricultural chemicals; or

(2) the commissioner of the pollution control agency, with respect to other hazardous substances and oil.

Subd. 4. [DISCHARGE.] "Discharge" means an intentional or unintentional emission, other than natural seepage, and includes, but is not limited to, spilling, leaking, pumping, pouring, emitting, emptying, or dumping; and also includes release as defined in section 115B.02, subdivision 15.

Subd. 5. [FACILITY.] "Facility" means a structure, group of structures, equipment, or device, other than a vessel, that is used for one or more of the following purposes: exploring for, drilling for, producing, storing, handling, transferring, processing, or transporting oil or a hazardous substance. Facility includes a motor vehicle, rolling stock, or pipeline used for one or more of these purposes. A facility may be in, on, or under land, or in, on, or under waters of the state as defined in section 115.01, subdivision 9.

Subd. 6. [HAZARDOUS SUBSTANCE.] "Hazardous substance" has the meaning given in section 115B.02, subdivision 8.

Subd. 7. [LEAD AGENCY.] "Lead agency" means:

(1) the department of agriculture, with respect to agricultural chemicals; or

(2) the pollution control agency, for other hazardous substances or oil.

Subd. 8. [OIL.] "Oil" means oil of any kind or in any form including, but not limited to, petroleum, fuel oil, sludge, oil refuse, and oil mixed with wastes other than dredged spoils; and also includes petroleum as defined in section 115C.02, subdivision 10.

Subd. 9. [OIL POLLUTION ACT OF 1990.] "Oil Pollution Act of 1990" means the Oil Pollution Act of 1990, Statutes at Large, volume 104, pages 484 to 575.

Subd. 10. [PERSON.] "Person" has the meaning given in section 115B.02, subdivision 12.

Subd. 11. [RESPONSE.] "Response" has the meaning given in section 115B.02, subdivision 18, and the meaning of corrective action given in section 115C.02, subdivision 4. Response includes restoration, rehabilitation, replacement, or acquisition of the equivalent of the natural resources affected by the discharge of hazardous substances or oil.

Subd. 12. [VESSEL.] "Vessel" means a watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water. It includes a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue.

Subd. 13. [WORST CASE DISCHARGE.] "Worst case discharge" means:

(1) in the case of a vessel, sudden loss of the entire contents of the vessel in weather conditions that impede cleanup;

(2) for each tank of a storage tank facility, sudden loss of the entire contents of the tank in weather conditions that impede cleanup;

(3) in the case of railroad rolling stock facilities, sudden loss of the contents of the maximum expected number of the rail cars containing oil or hazardous substance of a train onto land or into water in weather conditions that impede cleanup;

(4) in the case of truck and trailer rolling stock facilities, sudden loss of the entire contents of the truck or trailer onto land or into water in weather conditions that impede cleanup;

(5) in the case of a pipeline facility, sudden loss of the contents of the pipeline which would be expected from complete failure of the pipeline onto land or into water in weather conditions that impede cleanup;

(6) in the case of oil or hazardous substance transfer facilities, sudden loss of the largest volume which could occur during transfer into or out of a facility; or

(7) the worst case discharge for the facility as described by regulations under the Oil Pollution Act of 1990 if the regulations, when adopted, describe a discharge worse than one described in clauses (1) to (6).

Sec. 2. [115E.02] [DUTY TO PREVENT DISCHARGES.]

A person who owns or operates a vessel or facility transporting, storing, or otherwise handling hazardous substances or oil or who is otherwise in control of hazardous substances or oil shall take reasonable steps to prevent the discharge of those materials in a place or manner that might cause pollution of the land, waters, or air of the state or that might threaten the public's safety or health.

Sec. 3. [115E.03] [DUTY TO PREPARE FOR RESPONSE TO DISCHARGES.]

Subdivision 1. [GENERAL PREPAREDNESS.] A person who owns or operates a vessel or facility transporting, storing, or otherwise handling hazardous substances or oil or who is otherwise in control of hazardous substances or oil shall be prepared at all times to rapidly and thoroughly recover discharged hazardous substances or oil that were under that person's control and to take all other actions necessary to minimize or abate pollution of land, waters, and air of the state and to protect the public's safety and health.

Subd. 2. [SPECIFIC PREPAREDNESS.] The following persons shall comply with the specific requirements of subdivisions 3 and 4 and section 4:

(1) persons who own or operate a vessel that is constructed or adapted to carry, or that carried, oil or hazardous substances in bulk as cargo or cargo residue;

(2) persons who own or operate trucks or cargo trailer rolling stock transporting an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota;

(3) persons who own or operate railroad car rolling stock transporting an aggregate total of more than 100,000 gallons of oil or hazardous substance as cargo in Minnesota in any calendar month;

(4) persons who own or operate facilities containing 100,000 gallons or more of oil or hazardous substance in tank storage at any time;

(5) persons who own or operate facilities where there is transfer of an average monthly aggregate total of more than 100,000 gallons of oil or hazardous substances to or from vessels, tanks, rolling stock, or pipelines, except for facilities where the primary transfer activity is the retail sales of motor fuels;

(6) persons who own or operate hazardous liquid pipeline facilities through which more than 100,000 gallons of oil or hazardous substance is transported in any calendar month; and

(7) persons required to demonstrate preparedness under section 5.

Subd. 3. [LEVEL OF PREPAREDNESS.] A person described in subdivision 2 shall maintain a level of preparedness that ensures that effective response can reliably be made to worst case discharges.

Subd. 4. [DEMONSTRATION OF SATISFACTORY PREPAREDNESS.] A person required to maintain preparedness under subdivision 2 may demonstrate satisfactory preparedness to the commissioner of the lead agency through one or a combination of the following means:

(1) adequate response personnel and equipment in the usual employ of

the person;

(2) adequate response personnel and equipment available from for-hire cleanup contractors with arrangements made for their deployment;

(3) adequate response personnel and equipment from a response cooperative or community awareness and emergency response organization meeting guidelines prepared by the lead agency with arrangements made for their deployment; or

(4) adequate response personnel and equipment of local, state, or federal public sector response organizations with arrangements made for their deployment.

Subd. 5. [DEPARTMENT OF TRANSPORTATION.] The commissioner of transportation may examine the evidence of financial responsibility required under section 1016 of the Oil Pollution Act of 1990 for a vessel and may apply the sanctions in that section.

Sec. 4. [115E.04] [PREVENTION AND RESPONSE PLANS.]

Subdivision 1. [PLAN CONTENTS.] Persons required to show specific preparedness under section 3, subdivision 2, shall prepare and maintain a prevention and response plan for a worst case discharge. The plan must:

(1) describe how it is consistent with the requirements of the national or area contingency plans developed under the Oil Pollution Act of 1990;

(2) describe the measures taken to prevent discharges from occurring, including prevention of a worst case discharge, prevention of discharges of lesser magnitude, and prevention of discharges similar to those that have occurred from the vessel or facility during its history of operation;

(3) identify the individual or individuals having full authority to implement response actions, and those individuals' qualifications and titles;

(4) identify how communication and incident command relationships will be established between the individuals in command of a vessel or facility response and the following persons:

(i) individuals in the employ of the owner or operator of the vessel or facility who are responding to the discharge;

(ii) appropriate federal, state, and local officials; and

(iii) other persons providing emergency response equipment and personnel;

(5) describe the facility or vessel and identify the locations and characteristics of potential worst case discharges from the vessel or facility;

(6) identify the means under section 3, subdivision 4, that will be used to satisfy the requirement to have adequate equipment and personnel to respond to a worst case discharge;

(7) contain copies of contracts, correspondence, or other documents showing that adequate personnel and equipment as described in section 3, subdivision 4, will be available to respond to a worst case discharge;

(8) describe the actions that will be taken by the persons described in section 3, subdivision 4, in the event of a worst case discharge; and

(9) describe the training, equipment testing, periodic drills, and unannounced drills that will be used to ensure that the persons and equipment

described in section 3, subdivision 4, are ready for response.

A plan submitted to the federal government under the Oil Pollution Act of 1990 or prepared under other law may be used to satisfy the requirements in clauses (1) to (9) provided that the information required by clauses (1) to (9) is included in the plan.

Subd. 2. [TIMING.] A person required to be prepared under section 3 shall complete the response plan required by this section by March 1, 1993, unless one of the commissioners orders the person to demonstrate preparedness at an earlier date under section 5. Plans must be updated every three years. Plans must be updated before three years following a significant discharge, upon significant change in vessel or facility operation or ownership, upon significant change in the national or area contingency plans under the Oil Pollution Act of 1990, or upon change in the capabilities or role of a person named in a plan who has an important response role.

Subd. 3. [NOTIFICATION.] (a) The commissioner of public safety must be notified when any of the following takes place:

- (1) submission of the plan to the federal government;*
- (2) granting of exemptions or extensions of time by the federal government for submission of the plan; or*
- (3) completion of the plan if submission to the federal government is not required.*

(b) Notification under this subdivision must be on a form prescribed by the commissioner of public safety and must include:

- (1) a description of the facility or vessel;*
- (2) a description of the activities involving oil or hazardous substances;*
- (3) a description of the types of materials being handled, including whether agricultural chemicals are involved; and*
- (4) other information required by the commissioner.*

(c) The commissioner of public safety shall transmit a copy of the notification to the other commissioners as appropriate, depending on the types of materials involved.

Subd. 4. [REVIEW OF PREVENTION AND RESPONSE PLAN.] (a) A copy of the prevention and response plan must be submitted to any of the commissioners who request it and to an official of a political subdivision with appropriate jurisdiction upon the official's request, or the plan and equipment and material named in the plan may be examined upon the request of an authorized agent of a commissioner or official.

(b) Upon the request of one or more of the commissioners, a person shall demonstrate the adequacy of prevention and response plans and preparedness measures by conducting announced or unannounced drills, calling persons and organizations named in a prevention and response plan and verifying roles and capabilities, locating and testing response equipment, questioning response personnel, or other means that in the judgment of the requesting commissioner demonstrate preparedness. Before requesting an unannounced drill, the requesting commissioner shall notify the other commissioners that a drill will be requested and invite them to participate in or witness the drill. If an unannounced drill is conducted to the satisfaction of the commissioners, the person conducting the drill may not be required

to conduct an additional unannounced drill in the same calendar year.

Sec. 5. [115E.05] [ORDERS AND INJUNCTIONS; ENFORCEMENT.]

Subdivision 1. [AMENDMENT TO PLAN.] If one or more of the commissioners finds the prevention and response plans or preparedness measures of a person do not meet the requirements of this chapter, the commissioner or commissioners making the finding may by order require that reasonable amendments to the plan or reasonable additional preventive or preparedness measures be implemented in a timely fashion. If more than one commissioner makes the finding, the order must be a joint order.

Subd. 2. [COMPLIANCE.] If oil or a hazardous substance is discharged while it is under the control of a person identified in section 3, subdivision 2, any one of the commissioners may by order require the person to comply with the prevention and response plan requirements of sections 3 and 4 in a timely manner if:

(1) land, water, or air of the state is polluted or threatened; or

(2) human life, safety, health, natural resources, or property is damaged or threatened.

Subd. 3. [ADMINISTRATIVE PENALTY ORDER.] In addition to the authority of the commissioner of the pollution control agency under other law, the commissioner may issue an order that requires violations to be corrected and that administratively assesses monetary penalties for violations under this chapter or section 115.061 and violations of rules adopted by the pollution control agency under sections 115.03, subdivision 1, paragraph (e), clause (3), and 116.49. The order must be issued as provided in section 116.072, subdivisions 2 to 11.

Subd. 4. [FINANCIAL ASSURANCE FOR RESPONSE.] The commissioner of the pollution control agency, the department of natural resources, or the department of agriculture may issue an order under this subdivision if the commissioner determines that adequate response is not being made or that other circumstances exist which indicate adequate response will not continue. When ordered by the commissioner of the pollution control agency, the commissioner of natural resources, or the commissioner of agriculture, the owner or operator of a vessel or facility responsible for the discharge of a hazardous substance or oil shall provide financial assurance acceptable to the ordering commissioner. The financial assurance must be in the amount necessary to cover the reasonable response costs, as determined within one year after discharge by the ordering commissioner, of any additional response that is determined to be reasonable and necessary under applicable laws and regulations. This subdivision may be enforced by the ordering commissioner under section 115.071. An order issued under this subdivision shall cease to be effective upon completion of a response in accordance with applicable laws and regulations.

Subd. 5. [OTHER ENFORCEMENT POWERS.] For the purposes of enforcing this chapter, the commissioner of the pollution control agency may exercise the regulatory and enforcement powers in chapters 115 and 116 and the commissioner of the department of agriculture may exercise the regulatory and enforcement powers in chapters 18B, 18C, and 18D.

Sec. 6. [115E.06] [GOOD SAMARITAN.]

(a) A person listed in this paragraph who is rendering assistance in response to a discharge of a hazardous substance or oil is not liable for

response costs that result from actions taken or failed to be taken in the course of the assistance unless the person is grossly negligent or engages in willful misconduct:

(1) a member of a cooperative or community awareness and emergency response group in compliance with standards in rules adopted by the pollution control agency;

(2) an employee or official of the political subdivision where the response takes place, or a political subdivision that has a mutual aid agreement with that subdivision;

(3) a member or political subdivision sponsor of a hazardous materials incident response team or special chemical assessment team designated by the commissioner of the department of public safety;

(4) a person carrying out the directions of: (i) the commissioner of the pollution control agency, the commissioner of agriculture, the commissioner of natural resources, or the commissioner of public safety; or (ii) the United States Coast Guard or Environmental Protection Agency on-scene coordinator consistent with a national contingency plan under the Oil Pollution Act of 1990; and

(5) a for-hire response contractor.

(b) This section does not exempt from liability responsible persons with respect to the discharge under chapter 115B or 115C or responsible parties with respect to the discharge under chapter 18B or 18D.

Sec. 7. [115E.07] [COOPERATION BETWEEN PRIVATE AND PUBLIC RESPONDERS.]

Political subdivisions and state agencies may arrange with persons to provide resources of state and local government so that the persons may comply with section 3, subdivision 4.

Sec. 8. [115E.08] [COORDINATION.]

Subdivision 1. [APPOINTMENT.] The commissioner of public safety shall coordinate state agency preparedness for response to discharges of oil or hazardous substances.

Subd. 2. [DUTIES.] The commissioner of public safety shall at least annually assess the preparedness of each state agency for carrying out its responsibilities under sections 1 to 10 and shall chair regular meetings of representatives of each agency to prepare for coordinated response. The commissioner shall develop an incident command system for use by state agency responders in consultation with the affected state agencies. Following each major incident, the commissioner shall review the performance of each responding agency and the adequacy of the overall response and shall report to the agencies involved and the governor. The commissioner shall also identify opportunities for state agencies to coordinate with federal departments and agencies and political subdivisions of the state for preparedness and response actions.

Subd. 3. [JURISDICTION.] Except as otherwise provided, the following agencies have primary responsibility for the specified areas in carrying out the duties and authorities of this chapter:

(1) the department of agriculture, for agricultural chemicals;

(2) the department of public safety, for public safety and protection of

property;

(3) the department of natural resources, for assessment and rehabilitation of water resources; and

(4) the pollution control agency, for all other matters subject to this chapter.

Subd. 4. [ANNUAL REPORT.] The commissioner shall annually report to the appropriate committees of the legislature on the readiness of state government to respond appropriately to discharges of oil or hazardous substances.

Sec. 9. [115E.09] [SINGLE ANSWERING POINT SYSTEM.]

The commissioner of public safety shall establish a single answering point system for use by persons responsible for reporting emergency incidents and conditions involving hazardous substances or oil to agencies of the state. The single answering point system must include personnel on duty 24 hours a day and equipment adequate to support communication to and from the parties responsible for an incident and all state agencies responsible for state response to the incident. The persons at the answering point must be trained in the jurisdictions, responsibilities, and capabilities of each state agency and basic hazardous substance hazard recognition and response procedures. All state agencies shall cooperate with the commissioner by including the single answering point system telephone number in files, permits, correspondence, and similar written material, and by appointing staff to coordinate the receipt of reports with the staff of the single answering point system.

Sec. 10. [REPORTS.]

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

(b) "Discharge" has the meaning given in section 1, subdivision 4.

(c) "Response" has the meaning given in section 1, subdivision 11.

Subd. 2. [COMMUNICATION REVIEW; REPORT.] The commissioners of public safety, transportation, natural resources, agriculture, military affairs, the pollution control agency, and other state agencies shall review the adequacy of existing radio, telephone, and other communications between local, state, federal, private, and other responders to discharges of oil or hazardous substances. The commissioners shall consult with representatives of the emergency management and public safety agencies of political subdivisions. The commissioners shall jointly report to the legislature by January 1, 1992, on the current abilities of public safety, environmental, health, and cleanup personnel to communicate, and may prepare recommendations for improving communications including designation of statewide radio frequencies for emergency use.

Subd. 3. [RESPONSE REVIEW; REPORT.] The commissioner of the pollution control agency, in consultation with public and private responders, shall review state practices for response and follow-up to discharges and shall report to the legislature by January 1, 1992. The report must include:

(1) recommendations on preparing, training, and directing state, local, and private responders;

(2) evaluation of and recommendations on procedures for oversight of

responses to pipeline and tank discharges, including discharges occurring before the effective date of this section;

(3) evaluation of the adequacy of resources and authorities for response oversight;

(4) review of procedures and policies for ordering financial assurance under section 5, subdivision 4; and

(5) recommendations on the need for amendments to liability provisions in existing law relating to discharges.

Sec. 11. [FUNDS; TRAINING.]

The commissioners of public safety, the pollution control agency, natural resources, agriculture, and transportation shall seek federal funding for activities undertaken under this act. A portion of any funds received under this section must be used by the agencies to train state agency and political subdivision personnel in proper recognition of and response to discharges and releases.

The commissioner of public safety may accept gifts for the purpose of ensuring adequate training of state agency and political subdivision personnel.

Sec. 12. [EFFECTIVE DATE.]

Section 5, subdivision 4, is effective the day following final enactment and applies to discharges of hazardous substances or oil on or after March 1, 1991."

Delete the title and insert:

"A bill for an act relating to the environment; prescribing who must prevent, prepare for, and respond to worst case discharges of oil and hazardous substances; describing response plans; authorizing the commissioners of the pollution control agency and departments of agriculture and public safety to order compliance; providing for good samaritan assistance; authorizing cooperation between public and private responders; requiring the establishment of a single answering point system; providing penalties; proposing coding for new law as Minnesota Statutes, chapter 115E."

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

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

S.F. No. 37: A bill for an act relating to insurance solvency and safe investments; limiting insurer investments; specifying procedures for the valuation of commercial mortgage loans and real estate owned by insurers; modifying insurer examination provisions; adopting model legislation proposed by the National Association of Insurance Commissioners; amending Minnesota Statutes 1990, sections 60A.02, subdivision 6, and by adding subdivisions; 60A.03, subdivision 5; 60A.031; 60A.07, by adding a subdivision; 60A.09, subdivision 5; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding subdivisions; 60A.13, subdivision 1; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivision 6, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1;

60C.13, subdivision 1; 61A.25, subdivisions 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding subdivisions; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62D.044; 62D.045, subdivision 1; 72A.061, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 60A and 61B; proposing coding for new law as Minnesota Statutes, chapters 60G and 60H; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 61A.28, subdivisions 4 and 5; 61B.01; 61B.02; 61B.03; 61B.04; 61B.05; 61B.06; 61B.07; 61B.08; 61B.09; 61B.10; 61B.11; 61B.12; 61B.13; 61B.14; 61B.15; and 61B.16.

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

Page 11, line 4, delete "*these*" and insert "*the*" and after "*standards*" insert "*of clause (1) or this clause*"

Page 19, line 8, after "*request*" insert ", *within 30 days of issuance of the order.*"

Page 24, delete lines 24 to 29

Page 24, line 30, delete "3" and insert "2"

Page 24, line 35, delete "4" and insert "3"

Page 25, line 4, delete "5" and insert "4"

Page 25, line 13, delete "6" and insert "5"

Page 25, line 21, delete "7" and insert "6"

Page 32, line 24, delete "*insolvency,*" and insert "*association becomes obligated:*"

Page 32, line 25, delete "*insolvency*" and insert "*the association becoming obligated*"

Page 34, line 15, before "*403(b)*" insert "*403(a) or*"

Page 34, line 19, delete "*including*" and insert "*but no more than \$100,000 in*"

Page 37, delete lines 7 to 11

Page 38, line 3, delete "*governmental*"

Page 38, line 4, before "*403(b)*" insert "*403(a) or*"

Page 40, delete lines 30 to 36 and insert:

"The association shall prepare a plan approved by the commissioner for prioritization of payments for emergency or hardship claims if the association determines that the assessments under section 61B.24 are inadequate to promptly pay all obligations of the impaired insurer that are or become due and owing."

Page 41, delete lines 1 and 2

Page 41, line 3, delete "*approved by the commissioner.*"

Page 41, line 14, delete "*impaired*" and insert "*insolvent*"

Page 58, line 8, after "*insurance*" insert "*and annuity*"

Page 58, delete line 9 and insert "*surrender value, \$300,000 in present*"

value of annuity payments,"

Page 60, line 33, delete "*impairment or insolvency occurring*" and insert "*insurer who becomes impaired or insolvent*"

Page 60, line 34, after the period, insert "*Minnesota Statutes 1990, chapter 61B, applies to an insurer who becomes impaired or insolvent before the effective date.*"

Page 135, after line 22, insert:

"Sec. 15. Minnesota Statutes 1990, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. [FEES OTHER THAN EXAMINATION FEES.] In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies:

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10.

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges:

(1) for filing certified copy of certificate of articles of incorporation, \$100;

(2) for filing annual statement, \$225;

(3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;

(4) for filing bylaws, \$75 or amendments thereto, \$75;

(5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$15;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$1,000 \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted,

or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(6) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(7) for issuing an initial license to an individual agent, \$20 per license, for issuing an initial agent's license to a partnership or corporation, \$50, and for issuing an amendment (variable annuity) to a license, \$20, and for renewal of amendment, \$20;

(8) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

(9) for renewing an individual agent's license, \$20 per year per license, and for renewing a license issued to a corporation or partnership, \$50 per year;

(10) for issuing and renewing a surplus lines agent's license, \$150;

(11) for issuing duplicate licenses, \$5;

(12) for issuing licensing histories, \$10;

(13) for filing forms and rates, \$50 per filing;

(14) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee."

Page 140, line 7, delete "1993" and insert "1992"

Page 140, after line 18, insert:

"Sec. 22. [APPROPRIATION.]

\$1,718,000 is appropriated from the general fund to the commissioner of commerce for the purposes of this act. \$858,000 is for fiscal year 1992 and \$860,000 is for fiscal year 1993. The approved complement of the department of commerce is increased by 15 positions in fiscal year 1992 and 17 positions in fiscal year 1993.

\$200,000 is appropriated from the general fund to the attorney general for the purposes of this act. \$100,000 is for fiscal year 1992 and \$100,000 is for fiscal year 1993. The approved complement of the office of attorney general is increased by two positions."

Renumber the sections of article 10 in sequence

Amend the title as follows:

Page 1, line 14, after the second semicolon, insert "60A.14, subdivision 1;"

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

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

S.F. No. 263: A bill for an act relating to elections; mail balloting; requiring the presidential primary to be conducted by mail; limiting certain special

elections; setting times and procedures for certain boundary changes; changing requirements for polling places; requiring the designation of a local government election for election of county, municipal, and school district officers, and officers of all other political subdivisions except towns; requiring that certain questions be voted on only at the local government election for the political subdivision; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; superseding certain inconsistent general and special laws and home rule charter provisions; appropriating money; amending Minnesota Statutes 1990, sections 122.23, subdivisions 12, 17, and 18; 122.25, subdivision 2; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 128.01, subdivision 3; 200.02, by adding a subdivision; 201.071, subdivisions 1, 3, and 8; 203B.06, subdivision 3; 204B.135, by adding a subdivision; 204B.14, subdivisions 3, 4, 6, and by adding a subdivision; 204B.16, subdivisions 1 and 2; 204B.18, by adding a subdivision; 204C.14; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5; 204D.16; 205.02, subdivision 2; 205.13, subdivision 6; 205.185, subdivisions 2, 3, and by adding a subdivision; 205.84, subdivision 2; 205A.02; 205A.06, subdivision 5; 205A.12, subdivision 6; 375.03; 375.101, by adding a subdivision; 382.01; 397.06; 397.07; 398.04; 410.21; 412.02, subdivision 2; 412.021, subdivision 2; 412.571, subdivision 5; and 447.32, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 204B and 205; repealing Minnesota Statutes 1990, sections 123.11, subdivisions 2, 3, 4, 5, and 6; 200.015; 204D.28, subdivision 5; 205.065, subdivisions 1, 2, 3, 4, 5, 6, and 7; 205.07; 205.10; 205.121; 205.175; 205.18, subdivisions 1 and 2; 205.20; 206.76; 207A.03, subdivision 1; 207A.07; 375.101, subdivisions 1 and 2; and 447.32, subdivisions 3 and 4.

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

Delete everything after the enacting clause and insert:

“ARTICLE 1

PRESIDENTIAL PRIMARY—MAIL BALLOTING

Section 1. [204B.461] [MAIL BALLOTING FOR PRESIDENTIAL PRIMARY.]

Subdivision 1. [CONDUCT OF PRIMARY BY MAIL; RULES.] The presidential primary required by section 207A.01 shall be conducted by mail under section 204B.45, subdivisions 2 and 3, except as provided in this section. The secretary of state may adopt rules governing the procedures for conducting the primary by mail.

Subd. 2. [DUTIES OF COUNTY AUDITOR.] Each county auditor shall designate the county auditor's office or one central location in each county as the single place to obtain a replacement ballot. The county auditor also may designate one or more places of deposit for the ballots cast in the election. The places designated under this subdivision shall be open continuously on the date of the election from 7:00 a.m. to 8:00 p.m.

The county auditor shall process and count absentee ballots, replacement ballots, and any ballots cast or returned on election day. The county auditor may begin examining return envelopes, removing completed ballots from the ballot secrecy envelopes, and placing the completed ballots in sealed containers at any time on election day. The county auditor shall count the ballots immediately after the close of voting and shall report the results in

the manner specified by the secretary of state. The municipal clerks shall provide the county auditor with ballot boxes, voting booths, and an adequate number of election judges to process and count the ballots.

Subd. 3. [MAILING OF BALLOTS.] The secretary of state shall mail the official ballots by nonforwardable mail with a return envelope, a ballot secrecy envelope, and instructions for marking and returning the ballot not sooner than the 20th day before the date of the presidential primary and not later than the 14th day before the date of the presidential primary, to each person registered to vote as of 5:00 p.m. on the 21st day before the date of the presidential primary.

The secretary of state may prepare the mail ballots in a manner that permits the votes on the ballots, the voter's party choice, and information included on the return envelope to be read electronically. The mail ballots must be prepared in the format provided for the white ballot to the extent practicable. The envelopes included in the mail ballot must be prepared in the format provided in the rules for mail balloting adopted by the secretary of state to the extent practicable.

Subd. 4. [COSTS.] The secretary of state shall pay the costs of the following for the presidential primary: printing the mail ballots; providing first class postage for the mailing enclosure and the return envelope included with the mail ballot; use of equipment to process the return envelopes and count the ballots; and acquisition of adequate space and staff needed to process the return envelopes and count the ballots. The county auditor shall pay the costs of preparing absentee and replacement ballots, and for first class postage for absentee ballots. The municipal clerks shall pay the costs of the election judges needed by the county auditor to process return envelopes and count the ballots, and the costs of providing ballot boxes and voting booths to the county auditor.

Subd. 5. [WARNING.] The ballot shall contain the following warning:

"Any person who, by use of force or other means, unduly influences a voter to vote in any particular manner or to refrain from voting, is guilty of a felony and is subject, upon conviction, to imprisonment or to a fine, or both."

Subd. 6. [PROCESSING AND COUNTING BALLOTS.] The secretary of state may begin examining the return envelopes, removing completed ballots from the ballot secrecy envelopes, transferring the ballot information to magnetic tape, and placing the completed ballots and tape in sealed containers immediately upon receipt of the return envelopes from the voters. The secretary of state may begin counting the votes at any time on the day of the presidential primary. No results may be compiled or released to the public until after 8:00 p.m. on election day. The secretary of state may use equipment designed for optical character recognition on an experimental basis for the purpose of processing and counting the ballots.

The secretary of state shall provide adequate staff to process and count the completed ballots. Any staff employed must receive training in counting ballots similar to that required for election judges. The county auditors shall provide assistance to the secretary of state in the recruitment and training of staff and in the processing and counting of the ballots.

Subd. 7. [VOTING ON ELECTION DAY.] Presidential primary ballots may be obtained and cast in person at the locations designated by the county auditor from 7:00 a.m. until 8:00 p.m. on election day. The county auditor

shall verify that persons voting on election day have not already submitted a completed mail ballot.

Subd. 8. [REPORTING RESULTS.] The secretary of state shall prepare a report on the results of the presidential primary for the state canvassing board. The report must include statewide vote totals for each candidate.

Subd. 9. [CHALLENGES.] Any ballot and any voter casting a ballot may be challenged under rules adopted by the secretary of state.

Sec. 2. Minnesota Statutes 1990, section 204C.14, is amended to read:
204C.14 [UNLAWFUL VOTING; PENALTY.]

No individual shall intentionally:

(a) Misrepresent the individual's identity in applying for a ballot, depositing a ballot in a ballot box or attempting to vote by means of a voting machine or electronic voting system;

(b) Vote more than once at the same election;

(c) Put a ballot in a ballot box for any illegal purpose;

(d) Give more than one ballot of the same kind and color to an election judge to be placed in a ballot box;

(e) Aid, abet, counsel or procure another to go into any precinct for the purpose of voting in that precinct, knowing that the other individual is not eligible to vote in that precinct; or

(f) By use of force or other means unduly influence a voter to vote in any particular manner or to refrain from voting in an election by mail; or

(g) Aid, abet, counsel or procure another to do any act in violation of this section.

A violation of this section is a felony.

Sec. 3. [VOTER REGISTRATION COMBINED WITH DRIVER'S LICENSE APPLICATION.]

By January 1, 1992, the secretary of state shall, in coordination and cooperation with the commissioner of public safety, develop a system for a single registration form to serve as a combined application for an original or change of address driver's license or state identification card and for voter registration.

Sec. 4. [REPEALER.]

Minnesota Statutes 1990, sections 207A.03, subdivision 1; and 207A.07, are repealed.

Sec. 5. [EFFECTIVE DATE.]

Section 2 is effective August 1, 1991, and applies to crimes committed on or after that date.

ARTICLE 2

REDISTRICTING AMENDMENTS

Section 1. [204B.133] [LEGISLATIVE AND CONGRESSIONAL REDISTRICTING DEADLINE.]

The legislature finds that the process of redrawing the boundaries of

legislative and congressional districts must be completed at least 25 weeks before the state primary in the year ending in two in order to permit counties and municipalities to redraw precincts, wards, and other local government election districts and to complete all other actions necessary to conduct the state primary in an orderly manner.

Sec. 2. Minnesota Statutes 1990, section 204B.135, is amended to read:

204B.135 [REDISTRICTING OF ELECTION DISTRICTS.]

Subdivision 1. [CITIES WITH WARDS.] A city that elects its council members by wards may not redistrict those wards in a year ending in one or before the legislature has been redistricted in a year ending in two. The wards must be redistricted within 45 days after the legislature has been redistricted ~~or by May 10 but no later than 19 weeks before the state primary, whichever is earlier, in the year ending in two; whichever is first.~~

Subd. 2. [OTHER ELECTION DISTRICTS.] For purposes of this subdivision, "local government election district" means a county district, park and recreation district, school district, or soil and water conservation district. Local government election districts, other than city wards covered by subdivision 1, may not be redistricted until precinct boundaries are reestablished under section 204B.14, subdivision 3, paragraph (c); ~~or by May 10 in a year ending in two; whichever comes first.~~ Election districts covered by this subdivision must be redistricted within 65 days of the time when the legislature has been redistricted ~~or by June 1 but no later than 15 weeks before the state primary, whichever is earlier, in the year ending in two; whichever comes first.~~

Subd. 3. [VOTERS' RIGHTS.] *An eligible voter may apply to the district court for either a writ of mandamus requiring the redistricting of wards or local government election districts or to revise any arbitrary action or abuse of discretion by the governing body responsible for redistricting of wards or local government election districts. An application for revision of a plan to redistrict wards must be filed with the district court within one week after the plan has been adopted and no later than 18 weeks before the state primary in the year ending in two, notwithstanding any charter provision. An application for revision of a plan to redistrict local government election districts must be filed with the district court within one week after the plan has been adopted and no later than 14 weeks before the state primary in the year ending in two.*

Subd. 4. [SPECIAL ELECTIONS; LIMITATIONS.] *No municipality or school district may conduct a special election during the 19 weeks before the state primary in the year ending in two, except for special elections conducted on the date of the school district general election. A school district special election required by any other law may be deferred until the date of the next school district general election, the state primary, or the state general election.*

Sec. 3. Minnesota Statutes 1990, section 204B.14, subdivision 3, is amended to read:

Subd. 3. [BOUNDARY CHANGES; PROHIBITIONS; EXCEPTION.] Notwithstanding other law or charter provisions to the contrary, during the period from January 1 in any year ending in seven to the time when the legislature has been redistricted in a year ending in two, no changes may be made in the boundaries of any election precinct except as provided in this subdivision.

(a) If a city annexes an unincorporated area located in the same county as the city and adjacent to the corporate boundary, the annexed area may be included in an election precinct immediately adjacent to it.

(b) A municipality or county may establish new election precincts lying entirely within the boundaries of any existing precinct and shall assign names to the new precincts which include the name of the former precinct.

(c) Precinct boundaries must be reestablished within 45 days of the time when the legislature has been redistricted, ~~or by May 10 but no later than 19 weeks before the state primary whichever is earlier~~ in a year ending in two, ~~whichever comes first~~. *The adoption of reestablished precinct boundaries becomes effective on the date of the state primary in the year ending in two.*

Precincts must be arranged so that no precinct lies in more than one legislative district.

Sec. 4. Minnesota Statutes 1990, section 204B.14, subdivision 4, is amended to read:

Subd. 4. [BOUNDARY CHANGE PROCEDURE.] Any change in the boundary of an election precinct shall be adopted at least 90 days before the date of the next election and shall not take effect until notice of the change has been posted in the office of the municipal clerk or county auditor for at least 60 days. Except in the case of the combination or separation of municipalities for election purposes under subdivision 8, the municipal clerk or county auditor shall notify each affected registered voter of the change in election precinct boundaries at least ~~30~~ 14 days prior to the first election held after the change takes effect.

The county auditor must publish a notice illustrating or describing the congressional, legislative, and county commissioner district boundaries in the county in one or more qualified newspapers in the county at least 14 days prior to the first day to file affidavits of candidacy for the state general election in the year ending in two.

Alternate dates for adopting changes in precinct boundaries, posting notices of boundary changes, and notifying voters affected by boundary changes pursuant to this subdivision may be established in the manner provided in the rules of the secretary of state.

Sec. 5. Minnesota Statutes 1990, section 204B.14, subdivision 6, is amended to read:

Subd. 6. [PRECINCT BOUNDARIES TO FOLLOW PHYSICAL FEATURES.] The boundaries of election precincts shall follow visible, clearly recognizable physical features. If it is not possible to establish the boundary between any two adjacent precincts along such features, the boundary around the two precincts combined shall be established *in the manner provided in the rules of the secretary of state* to comply with the provisions of this subdivision. The maps required by subdivision 5 shall clearly indicate which boundaries do not follow visible, clearly recognizable physical features.

For the purposes of this subdivision, "visible, clearly recognizable physical feature" means a street, road, boulevard, parkway, river, stream, shoreline, drainage ditch, railway right-of-way, or any other line which is clearly visible from the ground. A street or other roadway which has been platted but not graded is not a visible, clearly recognizable physical feature for the purposes of this subdivision.

Sec. 6. [204B.145] [DUTIES OF SECRETARY OF STATE.]

Subdivision 1. [CONFERENCES FOR AUDITORS AND CLERKS.] The secretary of state shall conduct conferences with the county auditors, municipal clerks, and school district clerks to instruct them on procedures to redraw election districts and establish election precincts in the year ending in one.

Subd. 2. [REDISTRICTING INFORMATION; COORDINATION.] Following the completion of legislative redistricting, the secretary of state may coordinate and facilitate the exchange of information between the legislative redistricting computer system, the statewide registration system, and a computer system developed to assist the counties, municipalities, and school districts in redrawing election districts and establishing election precincts.

Subd. 3. [RULES.] The secretary of state may adopt permanent rules governing the procedures for redrawing local government election districts and establishing election precincts under sections 204B.135, 204B.14, 204B.145, and 205A.12 and to provide alternate procedures to implement sections 204B.135, 204B.14, 204B.145, and 205A.12 if litigation prevents the enactment of the legislative redistricting plan by the deadline provided in section 1 or a local government election district plan in the time provided by section 204B.135. The establishment of congressional or legislative districts is not affected by the adoption of rules under this subdivision.

Sec. 7. Minnesota Statutes 1990, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY; LOCATION.] The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a ~~municipality~~ city or in a school district located in whole or in part in the metropolitan area defined by section 473.121 shall be located within the boundaries of the precinct or within ~~1,500~~ 3,000 feet of one of those boundaries unless a single polling place is designated for a city pursuant to subdivision 2 or a school district pursuant to section 205A.11. ~~The polling place for a precinct may be located up to 3,000 feet outside one of the boundaries of the precinct if necessary to locate a polling place that is accessible to and usable by elderly and handicapped individuals as required in subdivision 5.~~ The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within ~~the~~ a town or within a school district located outside the metropolitan area defined by section 473.121, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 8. Minnesota Statutes 1990, section 204B.16, subdivision 2, is amended to read:

Subd. 2. [SINGLE POLLING PLACE PERMITTED.] The governing body of any city of the third or fourth class having more than one precinct or of any city with territory in more than one county may by ordinance or resolution designate a single, accessible, centrally located polling place where all the voters of the city shall cast their ballots. A single polling place

may also be established for two precincts combined in the manner provided in section 204B.14, subdivision 6. A single board of election judges may be appointed to serve at this polling place. The number of election judges appointed shall be determined by considering the number of voters in the entire city as if they were voters in a single precinct. Separate ballot boxes shall be provided and separate returns made for each precinct in the city.

Sec. 9. Minnesota Statutes 1990, section 205.84, subdivision 2, is amended to read:

Subd. 2. [REDEFINING WARD BOUNDARIES.] The governing body of the city may by ordinance redefine ward boundaries after a municipal general election. The council shall hold a public hearing on the proposed ordinance before its adoption. One week's published notice of the hearing shall be given. ~~Within six months~~ After the official certification of ~~each the~~ federal decennial or special census, the governing body of the city shall either confirm the existing ward boundaries as conforming to the standards of subdivision 1 or redefine ward boundaries to conform to those standards *as provided in section 204B.135, subdivision 1.* If the governing body of the city fails to take either action within the time required, no further compensation shall be paid to the mayor or council member until the wards of the city are either reconfirmed or redefined as required by this section. An ordinance establishing new ward boundaries ~~shall apply to the first election held at least six months after adoption of the ordinance pursuant to section 204B.135, subdivision 1, becomes effective on the date of the state primary in the year ending in two. Ward boundaries established at other times become effective 90 days after the adoption of the ordinance.~~

Sec. 10. Minnesota Statutes 1990, section 205A.12, subdivision 6, is amended to read:

Subd. 6. [REDEFINING ELECTION DISTRICT BOUNDARIES.] The school board may by resolution redefine district boundaries after a school district general election. The board shall hold a public hearing on the proposed resolution before its adoption. One week's published notice of the hearing must be given. ~~Within six months~~ After the official certification of ~~each the~~ federal decennial or special census, the school board shall either confirm the existing election district boundaries as conforming to the standards of subdivision 4 or redefine election district boundaries to conform to those standards *as provided in section 204B.135, subdivision 2.* If the school board fails to take either action within the time required, no further compensation may be paid to the school board members until the districts are either reconfirmed or redefined as required by this section. A resolution establishing ~~original or new~~ election district boundaries ~~apply to the first election held at least six months after adoption of the resolution pursuant to section 204B.135, subdivision 2, becomes effective on the date of the state primary in the year ending in two. Election district boundaries established at other times become effective 90 days after the adoption of the resolution.~~

Sec. 11. Minnesota Statutes 1990, section 375.025, subdivision 2, is amended to read:

Subd. 2. [VOTERS RIGHTS.] Any qualified voter may apply to the district court of the county for a writ of mandamus (a) requiring the county to be redistricted if the county board has not redistricted the county within the time specified in subdivision 1, or (b) to revise any arbitrary action or abuse of discretion by the county board in redistricting the county. Any application for revision of a redistricting plan shall be filed with the district

court within 30 days after the filing of the redistricting plan with the county auditor within one week after the plan has been filed with the county auditor and no later than 14 weeks before the state primary in the year ending in two. The district court may direct the county board to show cause why it has not redistricted the county or why the redistricting plan prepared by it should not be revised. On hearing the matter it may allow the county board additional time in which to redistrict the county or to correct errors in the redistricting plan. If it appears to the court that the county board has not been sufficiently diligent in performing its redistricting duties, the court may appoint a redistricting commission to redistrict the county in accordance with the standards set forth in subdivision 1 and any other conditions the court shall deem advisable and appropriate. If a redistricting commission is appointed, the county board shall be without authority to redistrict the county.

ARTICLE 3

LOCAL GOVERNMENT ELECTION

Section 1. [205.001] [LOCAL GOVERNMENT ELECTION DATES.]

Subdivision 1. [ESTABLISHMENT.] Except as otherwise provided by this section, the general election for elective officers in the political subdivisions specified in subdivision 2 must be conducted on the first Tuesday after the first Monday in November of either the odd-numbered or even-numbered year. By April 1, 1992, the governing body of each political subdivision specified in subdivision 2 shall designate by ordinance or resolution whether the general election for elective officers of that political subdivision must be held in the odd-numbered year, the even-numbered year, or annually. The clerk of the governing body of each political subdivision shall file with the county auditor of the county where the political subdivision is located, a notice of the year designated for the local government election in that political subdivision.

Subd. 2. [OFFICERS ELECTED.] The general election of the elective officers of every county, city, and school district, and the elective officers of every other political subdivision of the state, except towns, must be held at the local government election for the political subdivision next preceding the expiration of the officers' terms.

Subd. 3. [BOND ISSUE QUESTIONS.] A referendum authorizing the issuance of bonds must be held the first Tuesday after the first Monday in November, but a political subdivision may hold a bond issue referendum on another date if the political subdivision certifies that an emergency exists because the capital improvement for which the bond proceeds will be used was rendered unusable through natural disaster or vandalism. If the capital improvement is an educational facility, the political subdivision shall certify this emergency finding to the commissioner of education before scheduling the emergency bond issue election. For other capital improvements, the political subdivision shall certify the emergency finding to the secretary of state before scheduling the emergency bond issue election. In addition, a school district may hold an emergency bond issue election on another date if the school district requests and receives certification of the commissioner of education that rapidly expanding enrollment in the district constitutes an emergency that warrants an election on another date.

Subd. 4. [PRIMARY.] A primary must be held by each political subdivision specified in subdivision 2 on the first Tuesday after the second Monday

in September of the year in which the political subdivision holds its local government election, to select the nominees for the offices to be filled at the local government election, except for municipal offices in municipalities of less than 2,500 inhabitants.

No primary may be held to select candidates for a nonpartisan office if only two persons file for nomination for that office, or if not more than twice the number of persons to be elected file for nomination for that office.

Subd. 5. [PLACE OF ELECTION.] The election precincts and polling places for elections held at the local government election must be those established according to sections 204B.14 to 204B.17. Ballots must be distributed and available so that no voter is required to vote in more than one polling place in order to vote in every election in which the voter is eligible to vote at the local government election.

Subd. 6. [HOURS FOR VOTING.] The hours for voting in a precinct in which an election is held under this section must be as provided in section 204C.05 for the state general election and the state primary.

Subd. 7. [TIME FOR FILING.] If a primary is required for nomination of candidates for an office to be filled at the local government election, the time for filing an affidavit, application, petition, or other document required to place an individual's name on the ballot at the local government election must begin ten weeks before the primary election day and conclude eight weeks before that day. If no primary is required, the time for filing must commence ten weeks before the local government election and conclude eight weeks before that day.

Subd. 8. [INTENT; OTHER LAWS AND CHARTERS SUPERSEDED.] It is the intent of this section to establish that the election of all officers described in subdivision 2 must occur at the times and in the manner provided in this section. To the extent inconsistent with this intent, general and special laws and municipal charter provisions providing otherwise are superseded. In all other respects, those laws and charter provisions continue in force and effect.

No general or special law enacted after August 1, 1991, may be construed to authorize or require that the election of officers described in subdivision 2 be held at a time or in a manner different from that required by this section, unless that law expressly provides for an exception by specific reference to this section.

Sec. 2. [EFFECTIVE DATE.]

This article is effective August 1, 1991.

ARTICLE 4

ELECTION LAWS; LOCAL GOVERNMENT ELECTIONS

Section 1. [205.003] [NOTICE OF OFFICES TO BE FILLED; COUNTIES, CITIES, AND SCHOOL DISTRICTS.]

No later than 15 days before the first day for filing affidavits of candidacy for offices to be filled at a local government election, each county auditor and each school district, hospital district, and soil and water conservation district clerk, and each municipal clerk of a municipality subject to article 3, section 1, shall prepare, post in each respective office, and publish a notice specifying the officers whose certificates of election were issued by the office of that auditor or clerk and who are to be voted on at the next

local government election for the respective political subdivision. The notice must also state the opening and closing dates for filing affidavits and the place for filing. Immediately upon preparation, the county auditor and school district, hospital district, and soil and water conservation district clerks shall deliver copies of the notice to the clerk of each municipality in the county or district. The clerk of each municipality shall post in the clerk's office copies of the notices delivered to the clerk under this section.

Sec. 2. [205.005] [COORDINATION OF LOCAL ELECTIONS; DUTIES OF LOCAL ELECTION OFFICIALS AND THE SECRETARY OF STATE.]

Subdivision 1. [DUTIES OF OFFICIALS.] In order to effectively coordinate the various elections held at a local government election, all local election officials of political subdivisions subject to article 3, section 1, including county auditors, municipal clerks, and clerks of school, hospital, and other special purpose districts shall cooperate with one another and with the secretary of state in the manner required by the rules of the secretary of state adopted under subdivision 2.

Subd. 2. [ADOPTION OF RULES.] By March 1, 1992, the secretary of state shall adopt rules to facilitate the coordination of the various elections held at the local government election each year. The rules must provide:

(1) standards and guidelines to aid those municipalities, counties, school districts, and other political subdivisions that are subject to article 3, section 1, in allocating election costs, designating boundaries for election purposes, and administering elections in precincts split by an election district boundary;

(2) requirements and procedures for preparation by county auditors and municipal clerks of precinct maps or precinct finders that indicate the boundary and district number of each school district and each school district election district in the precinct and that enable the judges in a precinct with more than one district to determine the district in which a voter residing in the precinct is entitled to vote;

(3) a procedure to be followed by local elections officials to ensure that the number of the school district in which the voter resides is placed on every voter registration card in the manner and by the time required in article 5, sections 2 and 4;

(4) procedures for efficient distribution of sample and official school district ballots to the polling places; and

(5) procedures for resolving disputes regarding the conduct of elections among municipalities, counties, school districts, and other political subdivisions subject to article 3, section 2.

Subd. 3. [PREPARATION OF LOCAL ELECTION BOOKLET.] By August 1, 1992, and every two years after that date, the secretary of state shall prepare a booklet for distribution to local election officials containing election laws that are applicable to elections held at a local government election.

Sec. 3. Minnesota Statutes 1990, section 205.02, subdivision 2, is amended to read:

Subd. 2. [CITY ELECTIONS.] *In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as*

according to the statutes governing the state general election and the primary preceding the state general election as far as practicable, except as otherwise provided in this chapter; except that this section and sections 205.065, subdivisions 2 to 7; 205.07 to 205.121; and 205.175 and 205.185 do not apply to a city whose charter provides the manner of holding its primary, general or special elections.

Sec. 4. [205.125] [OPTIONAL PRIMARY.]

The governing body of a municipality subject to article 3, section 1, that has fewer than 2,500 inhabitants may elect by ordinance or resolution to hold a municipal primary on the date designated by the governing body under article 3, section 1. An ordinance or resolution under this section must be adopted at least 16 weeks before the primary day and must be effective for all ensuing elections until revoked. The governing body of the municipality shall file a copy of the ordinance or resolution with the secretary of state.

Sec. 5. [205.165] [SAMPLE BALLOTS AT EACH POLLING PLACE.]

For every primary and general or special election held within a municipality, the municipal clerk shall cause to be posted in each polling place a sample of every ballot to be voted upon at that polling place, including a sample of the state, county, city, school district, or other ballot that may be voted upon.

Sec. 6. Minnesota Statutes 1990, section 205.185, subdivision 2, is amended to read:

Subd. 2. [ELECTION, CONDUCT.] A municipal primary and general election shall be by secret ballot and shall be held and the returns made in the manner provided for the state general election and the primary preceding the state general election, so far as practicable.

Sec. 7. Minnesota Statutes 1990, section 205.185, is amended by adding a subdivision to read:

Subd. 2a. [PRIMARY RESULTS.] *Within two days after the municipal primary, the governing body of the municipality shall canvass the returns of the primary, and the two candidates for each office who receive the highest number of votes, or a number of candidates equal to twice the number of persons to be elected to the office and who receive the highest number of votes, are the nominees for the office named. If a tie vote causes more candidates than may be nominated to an office to receive the highest number of votes, the governing body shall determine the result by lot. The names of the nominees must be certified to the municipal clerk who shall place them on the municipal general election ballot without payment of an additional fee.*

Sec. 8. Minnesota Statutes 1990, section 205.185, subdivision 3, is amended to read:

Subd. 3. [CANVASS OF RETURNS, CERTIFICATE OF ELECTION, BALLOTS, DISPOSITION.] *Within two days after the municipal general election, the governing body shall canvass the returns and declare the results of the election. After the time for contesting elections has passed, the municipal clerk shall issue a certificate of election to each successful candidate. In case of a contest, the certificate shall not be issued until the outcome of the contest has been determined by the proper court. In case of a tie vote, the governing body shall determine the result by lot. The clerk*

shall certify the results of the election to the county auditor, and the clerk shall be the final custodian of the ballots and the returns of the election.

Sec. 9. [205.208] [HOSPITAL DISTRICT ELECTIONS.]

Subdivision 1. [APPLICABLE STATUTES.] Except as otherwise provided in this chapter, the statutes governing the general election and the primary preceding the general election govern hospital district elections, as far as practicable.

Subd. 2. [APPLICATION FOR CANDIDACY.] Any person desiring to be a candidate for member of a hospital board shall file with the clerk of the town or city in which the person resides an affidavit of candidacy as a member at large or member representing the town or city. Affidavits must be substantially in the same form as required for municipal elections and be filed during the time for filing prescribed by article 3, section 1, subdivision 7. The clerk of the town or city shall transmit all affidavits of candidacy for member at large or member representing the town or city to the clerk of the district.

Subd. 3. [PREPARATION OF BALLOTS.] The district clerk shall certify to the municipal clerk the names of the candidates for nomination and election as members representing the town or city and members at large. The municipal clerk shall place the names of the candidates for nomination or election as members representing the town or city or members at large on the town or city light green ballot. The hospital district shall reimburse the town or city for its pro rata share of the cost of preparing the light green ballot, as provided in the rules of the secretary of state.

Subd. 4. [ELECTION RETURNS.] For the primary and the general election, each clerk of the district shall supply to the clerk of each town and city in the district a number of blank summary statements sufficient for recording the results of the hospital district election in each precinct. Summary statements must be prepared in the manner required by the secretary of state. After counting the votes, the election judges in each precinct shall complete a summary statement supplied by the district and shall submit the completed statement to the clerk of the town or city in which the precinct is located. The clerk of each town and city shall transmit the hospital district election summary statements to the clerk of the district within 48 hours after the closing of the polls.

Subd. 5. [CANVASSING OF RESULTS.] Upon receiving the completed summary statements containing the primary results, the hospital board shall immediately canvass the results of the primary and certify the names of the candidates to appear on the hospital district general election ballot. If a tie vote causes more candidates than may be nominated to an office to receive the highest number of votes, the board shall determine the result by lot. Upon receiving the summary statements containing the general election results, the board shall immediately canvass the results and issue certificates of election to the candidates receiving the highest number of votes for each office. The clerk shall deliver a certificate to the person entitled to it in person or by registered mail, and each certified person shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. In a hospital district created under section 447.31, the board may fill an office under section 447.32, subdivision 1, if the person elected to the office fails to qualify within the 30-day period, but the qualification of the person elected is effective if made at any time before action to fill the vacancy has been taken.

Subd. 6. [APPLICATION.] The election procedures in this section apply to hospital districts created under section 397.05 or 447.31.

Sec. 10. [EFFECTIVE DATE.]

This article is effective August 1, 1991, except that section 2 is effective the day following final enactment.

**ARTICLE 5
CONFORMING PROVISIONS FOR UNIFORM
LOCAL ELECTION DAY**

Section 1. Minnesota Statutes 1990, section 200.02, is amended by adding a subdivision to read:

Subd. 2a. [LOCAL GOVERNMENT ELECTION.] "Local government election" means the general election of elective officers of every county, city, and school district and the elective officers of every other political subdivision of the state, except for towns, that is held on the first Tuesday after the first Monday in November, as designated under article 3, section 1, subdivision 1.

Sec. 2. Minnesota Statutes 1990, section 201.071, subdivision 1, is amended to read:

Subdivision 1. [FORM.] Registration cards shall be of suitable size and weight for mailing, and shall contain the following information in substantially the following form:

VOTER REGISTRATION CARD
(Please print or type)

- Date: School District No.
1. Name:
Last First Middle Initial
2. Address:
Street or Route No.
City (or Township) County Zip
3. Telephone Number:
4. Date of birth: Month: Day: Year:
5. Last registration if any
Street or Route Number
..... None
City (or Township) Zip
6. I certify that I will be at least 18 years old on election day and am a citizen of the United States, that I reside at the address shown and will have resided in Minnesota for 20 days immediately preceding election day, and that I am not under guardianship of the person, have not been found by a court to be legally incompetent to vote, and have not been convicted of a felony without having my civil rights restored. I understand that giving false information to procure a registration is a felony punishable by not more than five years imprisonment and a fine of not more than \$10,000, or both.

.....
Signature of Voter

Sec. 3. Minnesota Statutes 1990, section 201.071, subdivision 3, is amended to read:

Subd. 3. [DEFICIENT REGISTRATION.] No registration is deficient if it contains the voter's name, address, date of birth, prior registration if any and signature. The absence of a zip code number *or school district number* does not cause the registration to be deficient. The election judges shall request an individual to correct a registration card if it is deficient or illegible or if the name or number of the voter's school district is missing or obviously incorrect. No eligible voter may be prevented from voting unless the voter's registration card is deficient or the voter is duly and successfully challenged in accordance with section 201.195 or 204C.12.

A registration card accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality may attempt to obtain the date of birth for a registration card accepted prior to August 1, 1983, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the registration deficient.

Sec. 4. Minnesota Statutes 1990, section 201.071, subdivision 8, is amended to read:

Subd. 8. [SCHOOL DISTRICT ASSISTANCE.] School districts shall assist county auditors in determining the school district in which a voter resides. *Voter registration cards on file on and after August 1, 1991, must have the number of the school district in which the voter resides recorded on the card and in the data base of the central registration system.*

Sec. 5. Minnesota Statutes 1990, section 203B.06, subdivision 3, is amended to read:

Subd. 3. [DELIVERY OF BALLOTS.] If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(a) Mail the ballots to the voter whose signature appears on the application if the application is submitted by mail; or

(b) Deliver the absentee ballots directly to the voter if the application is submitted in person.

If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed to an applicant for any election.

This subdivision does not apply to applications for absentee ballots received pursuant to sections 203B.04, subdivision 2, and 203B.11. *The auditor or municipal clerk is not required to mail or deliver a school district ballot to an applicant if the auditor or clerk cannot determine the school district in which the applicant resides.*

Sec. 6. Minnesota Statutes 1990, section 204B.14, is amended by adding

a subdivision to read:

Subd. 1a. [COORDINATION WITH SCHOOL DISTRICTS.] In the course of developing precinct boundaries, the governing body shall take into account the boundaries of each school district and the boundaries of election districts, if any, within each school district located within the municipality, and shall consult with the board of each of those school districts and each municipality which includes territory of those school districts before taking final action on designating the precinct boundaries.

Sec. 7. Minnesota Statutes 1990, section 204B.18, is amended by adding a subdivision to read:

Subd. 3. [SAMPLE BALLOTS.] Each polling place must be provided with a sample ballot for every ballot to be voted upon at that polling place. The sample ballots must be posted in a prominent place in the polling place and be open to inspection by the voters during the time that the polling place is open.

Sec. 8. Minnesota Statutes 1990, section 204D.02, subdivision 1, is amended to read:

Subdivision 1. [OFFICERS.] All elective state and county officers, justices of the supreme court, judges of the court of appeals, district, county and county municipal courts, state senators and state representatives, and senators and representatives in congress shall be elected at the state general election held in the year before their terms of office expire. Presidential electors shall be chosen at the state general election held in the year before the expiration of a term of a president of the United States. County officers must be elected at the local government election for their respective counties; but, except as otherwise provided in chapter 205, the statutes governing the state general election and the primary preceding the state general election govern the primary and general election of county officers.

Sec. 9. Minnesota Statutes 1990, section 204D.02, subdivision 2, is amended to read:

Subd. 2. [TERM OF OFFICE.] The term of office of all elective state and county, city, and school district officers and of every officer of any political subdivision of the state, except towns, shall begin on the first Monday in January of the odd-numbered year following their election.

Sec. 10. Minnesota Statutes 1990, section 204D.11, subdivision 5, is amended to read:

Subd. 5. [BALLOT HEADINGS.] The white, pink and special federal white ballot shall be headed with the words "State General Election Ballot." The canary ballot shall be headed with the words "County and Judicial District Nonpartisan General Election Ballot."

Sec. 11. Minnesota Statutes 1990, section 204D.16, is amended to read:

204D.16 [SAMPLE GENERAL ELECTION BALLOTS; POSTING; PUBLICATION.]

Two weeks before the state general election at which the white, pink, or canary ballots are to be cast, the county auditor shall prepare sample copies of the white and canary ballots each ballot to be cast and shall post copies of these sample ballots and a sample of the pink ballot in the auditor's office for public inspection. No earlier than 15 days and no later than two days before the state general election the county auditor shall cause the

~~sample white and canary ballots~~ each ballot to be published in at least one newspaper of general circulation in the county. *The auditor shall also supply each municipal clerk in the county with a sufficient number of samples of the white ballot and, before the local government election, the canary ballot, so that one copy of each sample ballot may be posted at each polling place in every municipality in the county. The county auditor shall cause to be posted in each polling place in an unorganized territory in the county a sample ballot of every ballot to be voted upon at that polling place, including a sample school district ballot.*

Sec. 12. Minnesota Statutes 1990, section 205A.02, is amended to read:
205A.02 [ELECTION LAW APPLICABLE.]

Except as provided in this chapter, the Minnesota election law applies to school district elections, as far as practicable. ~~Elections in common school districts shall be governed by section 123.11.~~

Sec. 13. [REPEALER.]

Minnesota Statutes 1990, sections 205.13, subdivision 6, and 205A.06, subdivision 5, are repealed.

Sec. 14. [EFFECTIVE DATE.]

This article is effective August 1, 1991, except that sections 2 and 3 are effective July 1, 1992.

ARTICLE 6

ORGANIC LAWS; SOIL AND WATER CONSERVATION DISTRICTS, SCHOOL DISTRICTS, PARK DISTRICTS, HOSPITAL DISTRICTS, COUNTIES, COUNTY AND MUNICIPAL COURTS, HOME RULE CHARTER CITIES

Section 1. Minnesota Statutes 1990, section 122.23, subdivision 12, is amended to read:

Subd. 12. The school board shall determine the date of the election, the number of boundaries of voting precincts, and the location of the polling places where voting shall be conducted, and the hours the polls will be open. The school board shall also provide official ballots which shall be used exclusively and shall be in the following form:

For consolidation

Against consolidation

The school board shall appoint three election judges for each polling place who shall act as clerks of election. ~~The school board may pay these election judges not to exceed \$1 per hour.~~ *The election judges must be compensated as provided in section 204B.31.* The ballots and results shall be certified to the school board who shall canvass and tabulate the total vote cast for and against the proposal.

Sec. 2. Minnesota Statutes 1990, section 122.23, subdivision 17, is amended to read:

Subd. 17. If all of the territory of one and only one independent district maintaining a secondary school is included in the new independent district, the board of that previously existing independent district shall assume the

duties and responsibilities of the board of the newly organized district for the balance of the term to which the members were elected. At the next ~~annual~~ school district general election the successors to the members whose terms then expire shall be elected by the legally qualified voters of the newly organized district. Thereafter, board members shall be elected according to the election procedure established for the election of board members in independent districts.

Sec. 3. Minnesota Statutes 1990, section 122.23, subdivision 18, is amended to read:

Subd. 18. (a) If no board is provided for under the foregoing provision, upon receipt of the assigned identification number, the county auditor shall determine a date, not less than 20 nor more than 60 days from the date of the receipt of the assigned identification number, upon which date shall be held a special election in the district for the purpose of electing a board of six members for terms as follows: ~~two~~

(1) for school districts that designated biennial elections under article 3, section 1, three until the July 1 one year after the effective date of the consolidation, two until the expiration of one year from said July 1, and two until the expiration of two years from said July 1, to hold first Monday in January following the next school district general election and three until the first Monday in January following the second succeeding school district general election; and

(2) for school districts that designated annual elections under article 3, section 1, three until the first Monday in January following the second succeeding annual school district election, and three until the first Monday in January following the third succeeding annual school district election. A member holds office until a successor is elected and qualifies according to provisions of law governing the election of board members in independent districts. If the resolution or petition for consolidation pursuant to subdivision 2 proposed that the board of the newly created district consists of seven members, then seven members shall be elected at this election for the terms provided in this clause except that ~~three~~ four members shall hold office until the expiration of two years from said July 1 the first Monday in January following the next school district general election for school districts with biennial elections. For school districts of seven members with annual elections, two members shall hold office until the expiration of two years from the first Monday in January following the next annual election, and two members shall hold office until the expiration of three years from the first Monday in January following the second succeeding annual election. If the resolution or petition for consolidation pursuant to subdivision 2 proposed the establishment of separate election districts, these members shall be elected from separate election districts according to the provisions of that resolution or petition and of chapter 205A.

(b) The county auditor shall give ten days' posted notice of election in the area in which the election is to be held and also if there be a newspaper published in the proposed new district, one weeks' published notice shall be given. The notice shall specify the time, place, and purpose of the election.

(c) ~~The county may pay the election judges not to exceed \$1 per hour for their services. Election judges must be compensated in the manner provided in section 204B.31.~~

(d) Any person desiring to be a candidate for a school election shall file an *application affidavit of candidacy* with the county auditor to have the applicant's name placed on the ballot for such office, specifying the term for which the *application affidavit* is made. The *application affidavit* shall be filed ~~not less than 42 days before the election during the period specified in article 3, section 1, subdivision 7.~~

(e) The county auditor shall prepare, at the expense of the county, necessary ballots for the election of officers, placing thereon the names of the proposed candidates for each office. The ballots shall be marked and signed as official ballots and shall be used exclusively at the election. The county auditor shall determine the number of voting precincts and the boundaries of each. The county auditor shall determine the location of polling places and the hours the polls shall be open and shall appoint three election judges for each polling place who shall act as clerks of election. Election judges shall certify ballots and results to the county auditor for tabulation and canvass.

(f) After making a canvass and tabulation, the county auditor shall issue a certificate of election to the candidate for each office who received the largest number of votes cast for the office. The county auditor shall deliver such certificate to the person entitled thereto by certified mail, and each person so certified shall file an acceptance and oath of office with the county auditor within 30 days of the date of mailing of the certificate. A person who fails to qualify prior to the time specified shall be deemed to have refused to serve, but such filing may be made at any time before action to fill vacancy has been taken.

(g) The board of each district included in the new enlarged district shall continue to maintain school therein until the effective date of the consolidation. Such boards shall have power and authority only to make such contracts, to do such things as are necessary to maintain properly the schools for the period prior to that date, and to certify to the county auditor according to levy limitations applicable to the component districts the taxes collectible in the calendar year when the consolidation becomes effective.

(h) It shall be the immediate duty of the newly elected board of the new enlarged district, when the members thereof have qualified and the board has been organized, to plan for the maintenance of the school or schools of the new district for the next school year, to enter into the necessary negotiations and contracts for the employment of personnel, purchase of equipment and supplies, and other acquisition and betterment purposes, when authorized by the voters to issue bonds under the provisions of chapter 475; and on the effective date of the consolidation to assume the full duties of the care, management and control of the new enlarged district. The board of the new enlarged district shall give due consideration to the feasibility of maintaining such existing attendance centers and of establishing such other attendance centers, especially in rural areas, as will afford equitable and efficient school administration and assure the convenience and welfare of the pupils residing in the enlarged district. The obligations of the new board to teachers employed by component districts shall be governed by the provisions of section 122.532.

Sec. 4. Minnesota Statutes 1990, section 122.25, subdivision 2, is amended to read:

Subd. 2. At the annual meeting, if a majority of the votes cast on the

question favors the conversion to an independent district, a board of six members shall be elected. Nominations may be made from the floor of the meeting and election shall be by secret ballot. All board members elected at this meeting shall serve for terms expiring on the ~~third Tuesday in May next~~ *first Monday in January following the next biennial school district general election on which date a regular annual election shall be held in the manner provided by law or following the second succeeding annual school district general election.* At this ~~first annual~~ *next school district general election for independent districts*, six directors shall be elected, ~~two three~~ *two* to hold office ~~until July 1~~ *following the next annual election*, ~~two~~ *two* to hold office ~~until the expiration of one year from said July 1~~ *until the expiration of two years from said July 1* and ~~two~~ *three* for a term of four years; the time which each director shall hold office being designated on the ballot.

Sec. 5. Minnesota Statutes 1990, section 123.34, subdivision 1, is amended to read:

Subdivision 1. Within ten days after the election of the first board in independent districts and annually thereafter on ~~July 1~~ *the first Monday in January*, or as soon thereafter as practicable, the board shall meet and organize by selecting a chair, clerk, and a treasurer, who shall hold their offices for one year and until their successors are selected and qualify. The persons who perform the duties of the clerk and treasurer need not be members of the board and the board by resolution may combine the duties of the offices of clerk and treasurer in a single person in the office of business affairs. They may appoint a superintendent who shall be ex officio a member of the board, but not entitled to vote therein. ~~In districts in which board members are elected at the general election in November, the annual meeting of the board shall be held on the first Monday of January or as soon thereafter as practicable.~~

Sec. 6. Minnesota Statutes 1990, section 123.351, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] Two or more independent school districts may enter into an agreement to establish a cooperative center to provide for vocational education and other educational services upon the vote of a majority of the full membership of each of the boards of the districts entering into the agreement. When a resolution approving this action has been adopted by the board of a district, the resolution shall be published once in a newspaper of general circulation in the district. If a petition for referendum on the question of the district entering into the agreement, containing signatures of qualified voters of the district equal to five percent of the number of voters at the last school district general election, is filed with the clerk of the board within 60 days after publication of the resolution, the board shall not enter into the agreement until the question has been submitted to the voters of the district at a ~~special~~ *the next school district general election*. This election shall be conducted and canvassed in the same manner as school district general elections. If a majority of the total number of votes cast on the question within the district is in favor of the proposition, the board may enter into an agreement to establish the center for purposes described in this section.

Sec. 7. Minnesota Statutes 1990, section 123.351, subdivision 3, is amended to read:

Subd. 3. [GOVERNING BOARD.] (a) The center shall be operated by a center board of not less than five members which shall consist of members from school boards of each of the participating school districts within the

center, appointed by their respective school boards. Each participating school district shall have at least one member on the board. The board shall choose an administrative officer to administer board policy and directives who shall serve as an ex officio member of the board but shall not have a vote.

(b) The terms of office of the first members of the board shall be determined by lot as follows: one-third of the members for one year, one-third for two years, and the remainder for three years, all terms to expire on ~~June 30~~ *the first Monday in January* of the appropriate year; provided that if the number of members is not evenly divisible by ~~three~~ *two*, the membership will be as evenly distributed as possible among one, two and three year terms with the remaining members serving the three year term. Thereafter the terms shall be for three years commencing on ~~July 1~~ *the first Monday in January* of ~~each~~ *the appropriate* year. If a vacancy occurs on the center board, it shall be filled by the appropriate school board within 90 days. A person appointed to the center board shall qualify as a board member by filing with the chair a written certificate of appointment from the appointing school board.

(c) The first meeting of a center board shall be at a time mutually agreed upon by board members. At this meeting, the center board shall choose its officers and conduct any other necessary organizational business. Thereafter the center board shall meet on the first of ~~July~~ *Monday in January* of each year or as soon thereafter as practicable pursuant to notice sent to all center board members by the chief executive officer of the center.

(d) The officers of the center board shall be a chair, vice-chair, clerk and treasurer, no two of whom when possible shall be from the same school district. The chair shall preside at all meetings of the center board except in the chair's absence the vice-chair shall preside. The clerk shall keep a complete record of the minutes of each meeting and the treasurer shall be the custodian of the funds of the center. Insofar as applicable, sections 123.33 and 123.34, shall apply to the board and officers of the center.

(e) Each participating school district shall have equal voting power with at least one vote. A majority of the center board shall be a quorum. Any motion other than adjournment shall pass only upon receiving a majority of the votes of the entire center board.

Sec. 8. Minnesota Statutes 1990, section 128.01, subdivision 3, is amended to read:

Subd. 3. [STAGGERED ELECTIONS.] Three school board members are elected at one ~~state~~ *school district* general election and two are elected at the next ~~state~~ *school district* general election.

Sec. 9. Minnesota Statutes 1990, section 375.03, is amended to read:
375.03 [TERM OF COMMISSIONERS.]

In each new county, and in each county that has an increase of the number of commissioners, a commissioner shall be elected *at the next county general election* from each odd-numbered district for a term of two years, and from each even-numbered district for a term of four years. Thereafter all commissioners shall be elected for a term of four years, except that elections to fill vacancies shall be for the unexpired term only. In counties having a population of more than 150,000, every commissioner, before beginning duties, shall give bond to the state in the sum of \$10,000, with a legally authorized

surety company as surety, conditioned for the faithful performance of official duties. The bond shall be approved by a judge of the district court, and together with the oath of office and certificate of election, be filed with the county recorder. The premium on the bond shall not exceed that prescribed by law for county treasurers, and shall be paid by the county.

Sec. 10. Minnesota Statutes 1990, section 375.101, is amended by adding a subdivision to read:

Subd. 1a. [MANNER OF FILING.] A vacancy must be filled by the board of commissioners. If the vacancy occurs before the first day to file affidavits of candidacy for the next county general election and more than two years remain in the unexpired term, a special election must be held at the next county general election and the appointed person shall serve until the qualification of the successor elected at that special election to fill the unexpired portion of the term. If the vacancy occurs on or after the first day to file affidavits of candidacy for the county general election or when less than two years remain in the unexpired term, there must be no special election to fill the vacancy and the appointed person shall serve until the qualification of a successor elected at the next county general election.

Sec. 11. Minnesota Statutes 1990, section 382.01, is amended to read:

382.01 [OFFICERS ELECTED; TERMS.]

In every county in this state there shall be elected at the general election in 1918 a The election of the county auditor, a county treasurer, sheriff, county recorder, county attorney, and coroner, and surveyor, if elected, must be held at the local government election designated under article 3, section 1.

The terms of office of these officers shall be four years and shall begin on the first Monday in January next succeeding their election. They shall hold office until their successors are elected and qualified. ~~These offices shall be filled by election every four years thereafter.~~

Sec. 12. Minnesota Statutes 1990, section 397.06, is amended to read:

397.06 [DISTRICT HOSPITAL BOARDS.]

The board or boards of county commissioners may also authorize and direct the construction and equipment of a district hospital in any such district, to be constructed, equipped and operated under the supervision of a district hospital board comprising one member from each city and town in the district elected by the voters at the ~~respective regular local elections thereof~~ election held at the local government election designated under article 3, section 1, for a term of ~~three~~ four years or until a successor has been elected and has qualified, commencing on the first day of April ~~next~~ Monday in January following the election. When the district is first created, the governing body of each such city and town shall appoint a member of the board to serve until the commencement of the term of a successor. Thereafter whenever a vacancy occurs, the governing body of the city or town affected shall appoint a member to serve until April ~~4~~ the first Monday in January following the next ~~regular municipal or town~~ local government election day, when a successor shall be elected for a full ~~three-year~~ four-year term. Procedures for election of board members must be as provided in article 4, section 9.

Sec. 13. Minnesota Statutes 1990, section 397.07, is amended to read:

397.07 [ANNUAL MEETINGS OF BOARDS.]

The annual meetings of the hospital board shall be in ~~April~~ *January* of each year, at which time the members shall elect from among themselves a chair and a clerk for a term of one year.

Sec. 14. Minnesota Statutes 1990, section 398.04, is amended to read:

398.04 [ELECTION OF COMMISSIONERS.]

Except in the case of the first boards and when vacancies occur before the expiration of a term, park district commissioners shall be elected without party designation at the same time and in the same manner as county commissioners. In single county park districts the three commissioners at large shall be elected by all the qualified voters in the park district while the successors in office to the four commissioners representing the four election districts, whether appointed, candidates for election or elected, must reside when appointed or elected and while serving, in the election district which they represent and shall be elected by the qualified voters residing in such district. Park district commissioners shall be elected for terms of four years or until their respective successors are elected and qualify, except where a commissioner is being elected to finish out an unexpired term when election shall be for the balance of such term. Vacancies resulting from the death, resignation or removal of a commissioner shall be filled by appointment by the board of county commissioners, such appointment to be effective only until the first Monday in January following the next *county* general election or until a successor has been elected and qualifies for office. The four commissioners representing the election districts shall be elected at the first *county* primary and general elections after the activation of the district and each four years thereafter and the commissioners elected at large shall be elected at the second *county* primary and general election after such activation and each four years thereafter. The terms of elected commissioners shall commence on the first Monday in January following their election.

Sec. 15. Minnesota Statutes 1990, section 410.21, is amended to read:

410.21 [APPLICATION OF GENERAL ELECTION LAWS.]

Except as otherwise provided in article 3, section 1, the provisions of any charter of any such city adopted pursuant to this chapter shall be valid and shall control as to nominations, primary elections, and elections for municipal offices, notwithstanding that such charter provisions may be inconsistent with any general law relating thereto, and such general laws shall apply only in so far as consistent with such charter.

Sec. 16. Minnesota Statutes 1990, section 412.02, subdivision 2, is amended to read:

Subd. 2. Terms of elective officers shall commence on the first ~~business day~~ *Monday* of January following the election at which the officer is chosen. All officers chosen and qualified as such shall hold office until their successors qualify.

Sec. 17. Minnesota Statutes 1990, section 412.021, subdivision 2, is amended to read:

Subd. 2. [OFFICERS TO BE ELECTED.] There shall be elected at the election a mayor for a term expiring the first ~~business day~~ *Monday* of January ~~of following the next odd-numbered year~~ *first local government election for the city*, and four or six council members, for terms so arranged that half expire the first ~~business day~~ *Monday* of January ~~of following the next odd-numbered year~~ *first local government election for the city* and half the first

~~business day Monday of January of following the second odd-numbered year local government election for the city. No candidate for council member shall run for a particular term but the number of years in the term of each successful candidate shall be determined by the relative standing among the candidates for office, the longest terms going to the half of the elected candidates who received the highest number of votes. If the election occurs in the last four months of the even-numbered year, no election shall be held in the city on the annual city election day that year, and the next following year shall be disregarded in fixing the expiration of terms of officers chosen under this subdivision at the initial election.~~

Sec. 18. Minnesota Statutes 1990, section 412.571, subdivision 5, is amended to read:

Subd. 5. [ABANDONMENT; INCUMBENT CLERK AND TREASURER TRANSITION.] When any optional plan is abandoned and the standard form of city government is resumed, the office of clerk, or clerk-treasurer shall remain appointive until the first ~~business day of Monday~~ in January following the next ~~regular city municipal general~~ election and the office of treasurer, if there is no clerk-treasurer, shall remain appointive until the first ~~business day of Monday~~ in January following the first subsequent ~~city municipal general~~ election at which the clerk is not elected; and the successor to the incumbent clerk, clerk-treasurer, and treasurer shall be chosen at the ~~regular city municipal general~~ election immediately preceding the January in which the office becomes elective.

Sec. 19. Minnesota Statutes 1990, section 447.32, subdivision 1, is amended to read:

Subdivision 1. [TERMS OF OFFICE.] Each hospital district shall be governed by a hospital board composed of one member elected from each city and town in the district and one member elected at large. A member's term of office is four years and until a successor qualifies. At the first election, however, members must be elected for terms set by the governing body calling the election, so that half the terms, as nearly as may be, expire on ~~December 31 the first Monday in January of the next even-numbered year~~ and the remaining terms expire two years from that date. After that, before a member's term expires, a new member shall be elected for a term of four years from the expiration date.

If a member dies, resigns, fails to qualify, or moves from the hospital district, a successor may be appointed by a majority of the remaining members of the board. The successor shall hold office until ~~December 31 the first Monday in January after the next regular~~ hospital district general election. At the election a successor must be elected to fill the unexpired term.

When an additional city or town is annexed to the district, in accordance with section 447.36, its governing body shall by resolution appoint a member to the board. The member shall hold office until ~~December 31 the first Monday in January after the next regular~~ hospital district general election. At the election a successor must be elected for a term of either two or four years, to be set by the hospital board so that the number of members of the board whose terms expire in any later year will not exceed one-half of the members plus one.

Sec. 20. Minnesota Statutes 1990, section 447.32, subdivision 2, is amended to read:

Subd. 2. [ELECTIONS.] ~~Regular elections~~ A general election must be held

in each hospital district at the ~~same time~~ *local government election day designated by the hospital board*, in the same election precincts, and at the same polling places as general elections of state and county officers. ~~Alternatively, the hospital board may by resolution fix a date for an election, not later than December 7 just before the expiration of board members' terms. It~~ *The hospital board may establish the whole district as a single election precinct or establish two or more different election precincts and polling places for the elections. If there is more than one precinct, the boundaries of the election precincts and the locations of the polling places must be defined in the notice of election, either in full or by reference to a description or map on file in the office of the clerk.*

Special elections may be called by the hospital board at any time, *except as otherwise provided by article 3, section 1, subdivision 3, or other law*, to vote on any matter required by law to be submitted to the voters. Special elections must be held within the election precinct or precincts and at the polling place or places designated by the board. In the case of the first election of officers of a new district, precincts and polling places must be set by the governing body of the most populous city or town included in the district.

Advisory ballots may be submitted by the hospital board on any question it wishes, concerning the affairs of the district, but only at a ~~regular~~ *hospital district general election* or at a special election required for another purpose.

Sec. 21. [EFFECTIVE DATE.]

This article is effective August 1, 1991.

ARTICLE 7

LOCAL GOVERNMENT ELECTIONS; OTHER PROVISIONS

Section 1. [205.012] [LOCAL GOVERNMENT ELECTION; IMPLEMENTATION.]

Subdivision 1. [ELECTION PROHIBITED ON OTHER DAYS; FIRST LOCAL GOVERNMENT ELECTION.] No general election of any of the officers described in article 3, section 1, subdivision 2, may be held after June 30, 1992, unless it is held at the local government election designated by the governing body of the respective political subdivision and in accordance with the provisions of articles 3 to 7. For a political subdivision that designates the even-numbered year for its local government election or designates annual elections, the first election must be held November 3, 1992, and the first primary to select nominees for the offices to be filled at that election must be held September 15, 1992. For a political subdivision that designates the odd-numbered year for its local government election, the first election must be held November 2, 1993, and the first primary to select nominees for the offices to be filled at that election must be held September 14, 1993.

The governing body of each political subdivision subject to article 3, section 1, subdivisions 2 and 3, shall designate in ordinance or resolution adopted by April 1, 1992, either the odd-numbered year, the even-numbered year, or annually, for its local government election.

Subd. 2. [TERMS ALTERED; ODD-NUMBERED YEAR ELECTION.] (a) In a political subdivision that designates the odd-numbered year for its local government election, pursuant to article 3, section 1, the terms of elected officers must be altered as provided by this subdivision.

(b) *The terms of all county officers that would otherwise expire on the first Monday of January in 1993 and 1995 are extended until the first Monday of January in 1994 and 1996 respectively, effective July 1, 1993, except that if county officials are required to run for reelection in 1992 because of redistricting, half shall be for a term of two years and half shall be for a term of four years.*

(c) *The terms of all elective statutory city officers that would otherwise expire on the first business day of January in 1994 expire instead on the first Monday of January in 1994. The terms of statutory city officers that would otherwise expire on the first business day of January in 1993 expire instead on the first Monday of January in 1994.*

(d) *The terms of all independent school district board members that would otherwise expire on July 1, 1993, expire instead on the first Monday of January of 1994; terms of members that otherwise expire on July 1, 1994, expire instead on the first Monday of January in 1994; and the terms of members that otherwise would expire on July 1, 1995, expire instead on the first Monday of January in 1996.*

(e) *The governing body of a home rule charter city, by ordinance adopted before December 1, 1991, may extend or reduce the term of an elective city officer whose term ends on a different date to the first Monday of January of an even-numbered year. The governing body shall, in that ordinance, designate a new term of an even number of years for an officer who would otherwise be elected to a term of an odd number of years and may designate a new term of four years for an officer who would otherwise be elected for a term of two years.*

For a home rule charter city that does not adopt an ordinance as provided in this subdivision before December 1, 1991, the terms of elective city officers must be extended or shortened automatically, effective December 1, 1991, as follows:

(1) *the term of an officer that ends on a date other than the first Monday in January of an even-numbered year must be extended to the first Monday in January of the even-numbered year first following the date the term would otherwise expire, unless this extension would be more than 13 months. If the extension would be more than 13 months, the term must be shortened to the first Monday in January of the even-numbered year first preceding the date the term would otherwise expire; and*

(2) *every term of an odd number of years to which any officer would otherwise be elected must be changed to a term of an even number of years, one year longer than the term otherwise provided.*

(f) *The term of an elective officer of a political subdivision required to hold the general election of its officers at the local government election, which term is not extended or reduced under paragraphs (b) to (e), and which ends on a date different from the first Monday in January of an even-numbered year, is extended or reduced under paragraph (e), clause (1), effective August 1, 1992. Every term of an odd number of years to which any officer of one of those political subdivisions may otherwise be elected, which term is not changed under paragraphs (b) to (e), is changed to a term of an even number of years, one year longer than would otherwise be provided.*

Subd. 3. [TERMS ALTERED; EVEN-NUMBERED YEAR ELECTION.] (a) *In a political subdivision that designates the even-numbered*

year for its local government election and that did not hold the general election of its elected officers on the first Tuesday after the first Monday in November of even-numbered years prior to the effective date of this article, the terms of elected officials must be altered as provided by this subdivision.

(b) The terms of all elective statutory city officers that would otherwise expire on the first business day of January in 1992 expire instead on the first Monday of January in 1993.

(c) The terms of all independent school district board members that would otherwise expire on July 1, 1993, expire instead on the first Monday of January in 1994; terms of members that otherwise expire on July 1, 1994, expire instead on the first Monday of January in 1995; and the terms of members that otherwise would expire on July 1, 1995, expire instead on the first Monday of January in 1996.

(d) The governing body of a home rule charter city, by ordinance adopted before December 1, 1991, may extend or reduce the term of an elective city officer whose term ends on a different date to the first Monday of January of an odd-numbered year. The governing body shall, in that ordinance, designate a new term of an even number of years for an officer who would otherwise be elected to a term of an odd number of years and may designate a new term of four years for an officer who would otherwise be elected for a term of two years.

For a home rule charter city that does not adopt an ordinance as provided in this subdivision before December 1, 1991, the terms of elective city officers must be extended or shortened automatically, effective December 1, 1991, as follows:

(1) the term of an officer that ends on a date other than the first Monday in January of an odd-numbered year must be extended to the first Monday in January of the odd-numbered year first following the date the term would otherwise expire, unless this extension would be more than 13 months. If the extension would be more than 13 months, the term must be shortened to the first Monday in January of the odd-numbered year first preceding the date the term would otherwise expire; and

(2) every term of an odd number of years to which any officer would otherwise be elected must be changed to a term of an even number of years, one year longer than the term otherwise provided.

(e) The term of an elective officer of a political subdivision required to hold the general election of its officers at the local government election, which term is not extended or reduced under paragraphs (b) to (d), and which ends on a date different from the first Monday in January of an odd-numbered year, is extended or reduced under paragraph (d), clause (1), effective August 1, 1992. Every term of an odd number of years to which any officer of one of those political subdivisions may otherwise be elected, which term is not changed under paragraphs (b) to (d), is changed to a term of an even number of years, one year longer than would otherwise be provided.

Subd. 4. [TERMS UNCHANGED; EVEN-NUMBERED YEAR ELECTION.] There must be no change in the length of terms of elected officials in any political subdivision required to hold the general election of its elected officials at a local government election under article 3, section 1, if the political subdivision:

(1) held the general election of its elected officials on the first Tuesday after the first Monday in November of even-numbered years before the effective date of this article; and

(2) designates the even-numbered year for the general election of its elected officials after August 1, 1992.

Subd. 5. [MODIFICATIONS PERMITTED FOR STAGGERED TERMS.]
The governing body of a political subdivision required to hold its general election at the local government election, except a county, may provide, by ordinance or resolution adopted at least 30 days before the opening of filings for any affected office, that members of an elected body or other officers of the subdivision may be elected for a different term than is otherwise provided, to achieve staggered terms for the members of that body or other officers. With respect to the members of an elected body, an ordinance or resolution adopted under this subdivision must require that, to the extent mathematically possible, the same number of persons is chosen at each election, exclusive of those chosen to fill vacancies for the unexpired terms. This subdivision is repealed August 1, 1995.

Subd. 6. [PURPOSE.] *It is the purpose of this section to implement article 3, section 1, by requiring the adjustment of terms, postponement of certain elections, and other procedures. To the extent inconsistent with this purpose, all general and special laws and municipal charter provisions providing otherwise are superseded. In all other respects, those laws and charter provisions continue in full force and effect.*

Sec. 2. [REVISOR'S INSTRUCTION.]

The revisor of statutes shall examine Minnesota Statutes to determine whether any coded sections of law have been superseded by this article and articles 3, 4, 5, and 6, and prepare appropriate amendments of coded sections in revisor's bills submitted in 1992 and thereafter.

Sec. 3. [REPEALER.]

Minnesota Statutes 1990, sections 123.11, subdivisions 2, 3, 4, 5, and 6; 204D.28, subdivision 5; 205.065, subdivisions 1, 2, 3, 4, 5, 6, and 7; 205.07; 205.10; 205.121; 205.175; 205.18, subdivisions 1 and 2; 205.20; 206.76; 375.101, subdivisions 1 and 2; 447.32, subdivisions 3 and 4, are repealed. Article 7, section 1, subdivision 5, is repealed effective August 1, 1995.

Sec. 4. [EFFECTIVE DATE.]

This article is effective August 1, 1991.

ARTICLE 8

LOCAL GOVERNMENT ETHICS

Section 1. Minnesota Statutes 1990, section 6.76, is amended to read:

6.76 [LOCAL GOVERNMENTAL EXPENDITURES FOR LOBBYISTS.]

On or before January 31, ~~1990~~, and each year thereafter, all counties, cities, school districts, metropolitan agencies, regional railroad authorities, and the regional transit board shall report to the state auditor and the ethical practices board, on forms prescribed by the auditor, their estimated expenditures paid for the previous calendar year to a lobbyist as defined in section 10A.01, subdivision 11, and to any staff person not registered as a lobbyist

but who spends over 25 percent of his or her time during the legislative session on legislative matters.

Sec. 2. Minnesota Statutes 1990, section 10A.01, subdivision 25, is amended to read:

Subd. 25. [LOCAL OFFICIAL.] "Local official" means a person, *other than a public official*, who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person *is a full-time, part-time, or acting official* and has authority to make, ~~to recommend,~~ or to vote on as a member of the governing body, ~~major final recommendations and decisions~~ regarding the expenditure or investment of public money.

Sec. 3. Minnesota Statutes 1990, section 10A.01, subdivision 26, is amended to read:

Subd. 26. [METROPOLITAN GOVERNMENTAL UNIT.] "Metropolitan governmental unit" means any of the seven counties in the metropolitan area as defined in section 473.121, subdivision 2; a regional railroad authority established by one or more of those counties under section 398A.03; a city with a population, *as defined in section 275.14*, of over 50,000 located in the seven-county metropolitan area; the metropolitan council; a metropolitan agency as defined in section 473.121, subdivision 5a; the Minnesota state high school league; and the Greater Minnesota Corporation.

Sec. 4. Minnesota Statutes 1990, section 10A.09, subdivision 2, is amended to read:

Subd. 2. [NOTIFICATION.] (a) The secretary of state or the appropriate county auditor, ~~upon~~ *within seven days after* receiving an affidavit of candidacy or petition to appear on the ballot from an individual required by this section to file a statement of economic interest, and any official who nominates or employs a public ~~or local~~ official required by this section to file a statement of economic interest, shall notify the board of the name of the individual required to file a statement and the date of the affidavit; ~~or petition; or nomination.~~

(b) *The city clerk or chief administrative officer of a metropolitan governmental unit shall notify the board within seven days after the nomination or appointment by the metropolitan governmental unit of a public or local official required by this section to file a statement of economic interest. The clerk or officer shall report to the board the individual's name, position, and the date of the nomination or appointment.*

Sec. 5. Minnesota Statutes 1990, section 10A.09, subdivision 5, is amended to read:

Subd. 5. [FORM.] A statement of economic interest required by this section shall be on a form prescribed by the board. The individual filing shall provide the following information:

(a) Name, address, occupation and principal place of business;

(b) The name of each associated business and the nature of that association;

(c) A listing of all real property within the state, excluding homestead property, in which the individual holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct

or indirect, and which interest is valued in excess of \$2,500; or (ii) an option to buy, which property has a fair market value of \$50,000 or more;

(d) A listing of all real property within the state in which a partnership of which the individual is a member holds: (i) a fee simple interest, a mortgage, a contract for deed as buyer or seller, or an option to buy, whether direct or indirect, if the individual's share of the partnership interest is valued in excess of \$2,500 or (ii) an option to buy, which property has a fair market value of \$50,000 or more. Any listing under clause (c) or (d) shall indicate the street address and the municipality or the section, township, range and approximate acreage, whichever applies, and the county wherein the property is located; ~~and~~

(e) A listing of any investments, ownership, or interests in property connected with pari-mutuel horse racing in the United States and Canada, including a race horse, in which the individual directly or indirectly holds a partial or full interest or an immediate family member holds a partial or full interest; ~~and~~

(f) For an elected local official or an elected public official, the giver, nature, and approximate value of a gift with a fair market value of \$100 or more, or of gifts with an aggregate fair market value of \$100 or more, received during the period covered by the report from an association, or a person other than a member of the reporting individual's extended family, with a financial interest in a matter with which the official deals in the course of the official's duties. For purposes of this paragraph, "gift" means money, real or personal property, a favor, a service, a loan, a forbearance or forgiveness of indebtedness, or a promise of future employment, except a contribution as defined in section 10A.01, subdivision 7, that is given and received without the giver receiving consideration of equal or greater value in return.

Sec. 6. Minnesota Statutes 1990, section 10A.09, subdivision 6a, is amended to read:

Subd. 6a. [LOCAL OFFICIALS.] A local official required to file a statement under this section shall file it with the *board and the* governing body of the official's political subdivision. The *board and the* governing body shall maintain statements filed with ~~it~~ *them* under this subdivision as public data.

ARTICLE 9

ETHICS ENFORCEMENT

Section 1. Minnesota Statutes 1990, section 10A.02, subdivision 5, is amended to read:

Subd. 5. The board shall appoint an executive director who shall be in the unclassified service. The board may also employ and prescribe the duties of other permanent or temporary employees in the unclassified service as may be necessary to administer ~~sections 10A.01 to 10A.34~~ *this chapter*, subject to appropriation. The executive director and all other employees shall serve at the pleasure of the board. Expenses of the board shall be approved by the chair or such other member as the rules of the board may provide and the expenses shall then be paid in the same manner as other state expenses are paid.

Sec. 2. Minnesota Statutes 1990, section 10A.02, subdivision 8, is amended to read:

Subd. 8. The board shall:

(a) Report at the close of each fiscal year to the legislature, the governor, and the public concerning the action it has taken, the names, salaries, and duties of all individuals in its employ, and the money it has disbursed. The board shall include and identify in its report any other reports it has made during the fiscal year. It may indicate apparent abuses and offer legislative recommendations;

(b) Prescribe forms for statements and reports required to be filed under ~~sections 10A.01 to 10A.34 this chapter~~ and make the forms available to individuals required to file them;

(c) Make available to the individuals required to file the reports and statements a manual setting forth the recommended uniform methods of bookkeeping and reporting;

(d) Develop a filing, coding, and cross-indexing system consistent with the purposes of ~~sections 10A.01 to 10A.34 this chapter~~;

(e) Make the reports and statements filed with it available for public inspection and copying by the end of the second day following the day on which they were received. Any individual may copy a report or statement by hand or by duplicating machine and the board shall provide duplicating services at cost for this purpose. No information copied from reports and statements shall be sold or utilized by any individual or association for any commercial purpose. "Commercial purpose" does not include purposes related to elections, political activities, or law enforcement. Any individual or association violating the provisions of this clause may be subject to a civil penalty of up to \$1,000. An individual who knowingly violates this subdivision is guilty of a misdemeanor;

(f) Notwithstanding the provisions of section 138.163, preserve reports and statements for a period of five years from the date of receipt;

(g) Compile and maintain a current list and summary of all statements or parts of statements pertaining to each candidate; and

(h) Prepare and publish reports as it may deem appropriate.

Sec. 3. Minnesota Statutes 1990, section 10A.02, subdivision 9, is amended to read:

Subd. 9. [DOCUMENTS; INFORMATION.] The executive director of the board or the director's staff shall inspect all material filed with the board as promptly as is necessary to comply with the provisions of ~~sections 10A.01 to 10A.34 this chapter, and other provisions of law requiring the filing of a document with the board.~~ The executive director shall immediately notify the individual required to file a document with the board if a written complaint is filed with the board by any registered voter alleging, or it otherwise appears, that a document filed with the board is inaccurate or does not comply with the provisions of ~~sections 10A.01 to 10A.34 this chapter~~, or that the individual has failed to file a document required by ~~sections 10A.01 to 10A.34 this chapter.~~ *The executive director and staff may provide an individual required to file a document under this chapter with factual information concerning the limitations on corporate campaign contributions imposed by section 211B.15.*

Sec. 4. Minnesota Statutes 1990, section 10A.02, subdivision 10, is amended to read:

Subd. 10. The board may make audits and investigations with respect to statements and reports which are filed or which should have been filed under the provisions of ~~sections 10A.01 to 10A.34 this chapter~~. In all matters relating to its official duties, the board shall have the power to issue subpoenas and cause them to be served. If a person does not comply with a subpoena, the board may apply to the district court of Ramsey county for issuance of an order compelling obedience to the subpoena. A person failing to obey the order is punishable by the court as for contempt.

Sec. 5. Minnesota Statutes 1990, section 10A.02, subdivision 12, is amended to read:

Subd. 12. The board may issue and publish advisory opinions on the requirements of ~~sections 10A.01 to 10A.34 this chapter~~ based upon real or hypothetical situations. An application for an advisory opinion may be made only by an individual or association who wishes to use the opinion to guide the individual's or the association's own conduct. The board shall issue written opinions on all such questions submitted to it within 30 days after receipt of written application, unless a majority of the board agrees to extend the time limit. An advisory opinion shall lapse the day the regular session of the legislature adjourns in the second year following the date of the opinion.

Sec. 6. Minnesota Statutes 1990, section 10A.02, subdivision 13, is amended to read:

Subd. 13. The provisions of chapter 14 apply to the board. The board may ~~promulgate~~ *adopt* rules to carry out the purposes of ~~sections 10A.01 to 10A.34 this chapter~~.

Sec. 7. Minnesota Statutes 1990, section 10A.03, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION; FEE.] Each lobbyist shall file a registration form with the board within five days after becoming a lobbyist. *A lobbyist who receives over \$500 in annual compensation other than reimbursement of expenses shall pay an annual reporting fee of \$50. The principal of a lobbyist who receives compensation other than reimbursement of expenses shall pay an annual reporting fee of \$100. These annual fees shall be paid in the manner prescribed by the board. Proceeds from the registration and reporting fees shall be deposited in the treasury and credited to the general fund.*

Sec. 8. Minnesota Statutes 1990, section 10A.03, subdivision 2, is amended to read:

Subd. 2. The registration form shall be prescribed by the board and shall include (a) the name and address of the lobbyist, (b) the principal place of business of the lobbyist, (c) the name and address of each person, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears, *and, if different, of each principal by which the lobbyist is engaged, compensated, or authorized to lobby*, and (d) a general description of the subject or subjects on which the lobbyist expects to lobby, *and whether the lobbying is to influence legislative action, administrative action, or the official actions of a metropolitan governmental unit*. If the lobbyist lobbies on behalf of an association the registration form shall include the name and address of the officers and directors of the association.

Sec. 9. Minnesota Statutes 1990, section 10A.04, subdivision 4, is

amended to read:

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

(b) Each lobbyist shall report the lobbyist's total disbursements on lobbying, separately listing lobbying to influence legislative action, lobbying to influence administrative action, and lobbying to influence the official actions of a metropolitan governmental unit, and a breakdown of disbursements for each of those kinds of lobbying into categories specified by the board, including but not limited to the cost of publication and distribution of each publication used in lobbying; other printing; media, including the cost of production; postage; travel; fees, including allowances; entertainment; telephone and telegraph; and other expenses.

(c) Each lobbyist shall report the amount and nature of each honorarium, gift, loan, item or benefit, ~~excluding~~ *including* contributions to a candidate *made or solicited by the lobbyist*, equal in value to ~~\$50~~ *\$100* or more *individually or in aggregate*, given or paid to any public or local official by the lobbyist *or under the lobbyist's direction* or by any employer or ~~any~~ employee of the lobbyist. The list shall include the name and address of each public or local official to whom the honorarium, gift, loan, item or benefit was given or paid and the date it was given or paid.

(d) Each lobbyist shall report each original source of funds in excess of \$500 in any year used for the purpose of lobbying to influence legislative action, each such source of funds used to influence administrative action, and each such source of funds used to influence the official action of metropolitan governmental units. The list shall include the name, address and employer, or, if self-employed, the occupation and principal place of business, of each payer of funds in excess of \$500.

Sec. 10. Minnesota Statutes 1990, section 10A.04, subdivision 5, is amended to read:

Subd. 5. [LATE FILING PENALTIES.] The board shall notify by certified mail or personal service any lobbyist who fails after seven days after a filing date imposed by this section to file a report or statement required by this section. If a lobbyist fails to file a report within seven days after receiving this notice, the board may impose a late filing fee of ~~\$5~~ *\$25* per day, not to exceed ~~\$400~~ *\$500*, commencing with the eighth day after receiving notice. The board shall further notify by certified mail or personal service any lobbyist who fails to file a report within 21 days after receiving a first notice that the lobbyist may be subject to a criminal penalty for failure to file the report. A lobbyist who knowingly fails to file such a report or statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 11. Minnesota Statutes 1990, section 10A.04, subdivision 6, is amended to read:

Subd. 6. [~~PRINCIPALS TO REPORT LOBBYIST AND PRINCIPAL REPORTS.~~] (a) Each principal shall report to the board as required in this subdivision by March 15 for the preceding calendar year.

(b) Each principal shall report which of the following categories includes the total amount, rounded to the nearest dollar, spent by the principal during the preceding calendar year to influence legislative action, administrative

action, and the official action of metropolitan governmental units:

- (1) \$501 to ~~\$50,000~~ \$10,000;
- (2) \$10,001 to \$25,000;
- (3) \$25,001 to \$50,000;
- (4) \$50,001 to ~~\$150,000~~ \$100,000; ~~or~~
- (5) \$100,001 to \$150,000; *or*
- ~~(3)~~ (6) \$150,001 to \$250,000.

(c) Beyond \$250,000, each additional \$250,000 constitutes an additional category, and each principal shall report which of the categories includes the total amount spent by the principal for the purposes provided in this subdivision.

(d) The principal shall report under this subdivision a total amount that includes:

(1) all direct payments by the principal to lobbyists in Minnesota;

(2) all expenditures for advertising, mailing, research, analysis, compilation and dissemination of information, and public relations campaigns related to legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota; and

(3) all salaries and administrative expenses attributable to activities of the principal relating to efforts to influence legislative action, administrative action, or the official action of metropolitan governmental units in Minnesota.

(e) The principal shall also report the names of all lobbyists registered to represent the principal in Minnesota during the calendar year covered by the report.

Sec. 12. Minnesota Statutes 1990, section 10A.04, subdivision 7, is amended to read:

Subd. 7. [FINANCIAL RECORDS.] The board may randomly audit the financial records of lobbyists and principals required to report under this section. *Lobbyists and principals shall retain for four years all records concerning the matters requiring disclosure under this chapter, including vouchers, canceled checks, bills, invoices, worksheets, and receipts.*

Sec. 13. Minnesota Statutes 1990, section 10A.065, subdivision 3, is amended to read:

Subd. 3. ~~[CIVIL PENALTY ENFORCEMENT.]~~ (a) A candidate or political committee that violates this section is subject to a civil fine of up to \$500.

(b) If the board makes a public finding that there is probable cause to believe a violation of this section has occurred, the board shall *make every effort for a period of not less than 14 days after a finding to correct the matter by informal methods of conference and conciliation and to enter a conciliation agreement with the person involved. A conciliation agreement made under this section is a matter of public record. Unless violated, a conciliation agreement is a bar to any civil proceeding under this subdivision.*

(c) If the board is unable after a reasonable time to correct by informal

methods any matter that constitutes probable cause, the board shall bring an action, or transmit the finding to a county attorney who shall bring an action, in the district court of Ramsey county, to impose a civil fine as prescribed by the board. Fines paid under this section must be deposited in the general fund in the state treasury.

Sec. 14. Minnesota Statutes 1990, section 10A.09, subdivision 7, is amended to read:

Subd. 7. [LATE FILING PENALTIES.] The board shall notify by certified mail or personal service any individual who fails within the prescribed time to file a statement of economic interest required by this section. If an individual fails to file a statement within seven days after receiving this notice, the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$500, commencing on the eighth day after receiving notice. *For a person who receives only per diem compensation for service in the position that requires the filing of a statement of economic interest, the late filing fee is \$5 per day, not to exceed \$100.* The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after receiving a first notice that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 15. Minnesota Statutes 1990, section 10A.14, subdivision 1, is amended to read:

Subdivision 1. The treasurer of a political committee or political fund shall register with the board by filing a statement of organization no later than 14 days after the date upon which the committee or fund has made a contribution, received contributions or made expenditures in excess of \$100. *A political committee or fund, other than a principal campaign committee or a political party committee, shall pay an annual registration fee in the amount of \$75, in the manner prescribed by the board, with the proceeds deposited in the treasury and credited to the general fund.*

Sec. 16. Minnesota Statutes 1990, section 10A.20, subdivision 12, is amended to read:

Subd. 12. [LATE FILING FEES; MISDEMEANOR.] (a) The board shall notify by certified mail or personal service any individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within seven days after receiving a notice, the board may impose a late filing fee of ~~\$5~~ \$25 per day, not to exceed ~~\$100~~ \$500, commencing on the eighth day after receiving notice *by certified mail or personal service. For an unreimbursed volunteer treasurer of a principal campaign committee or political committee or fund, who is not a registered lobbyist, the late filing fee is \$5 per day, not to exceed \$100.* If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of ~~\$50~~ \$200 per day, not to exceed ~~\$500~~ \$5,000, commencing on the fourth day after the date the statement was due. *For an unreimbursed volunteer treasurer of a principal campaign committee or political committee or fund, who is not a registered lobbyist, the late filing fee is \$50 per day, not to exceed \$500.*

(b) The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after receiving

a first notice from the board that the individual may be subject to a criminal penalty for failure to file a statement. An individual who knowingly fails to file the statement within seven days after receiving a second notice from the board is guilty of a misdemeanor.

Sec. 17. Minnesota Statutes 1990, section 10A.23, is amended to read:

10A.23 [CHANGES AND CORRECTIONS.]

Subdivision 1. [TEN DAYS TO CORRECT ERRORS.] Any material changes in information previously submitted and any corrections to a report or statement shall be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected. Any person who willfully fails to report a material change or correction is guilty of a gross misdemeanor.

Subd. 2. [INCOMPLETE DOCUMENTS.] *The board shall treat a manifestly incomplete or inaccurate document as though it had not been filed and may impose a late filing fee.*

Sec. 18. Minnesota Statutes 1990, section 383B.053, subdivision 1, is amended to read:

Subdivision 1. [OFFICIALS REQUIRED TO FILE; DEADLINES.] Every candidate for county office, every elected official of Hennepin county, every candidate for office and every elected official of a home rule charter city or statutory city located wholly within Hennepin county and having a population of 75,000 or more, and every candidate for school board and every elected official in special school district No. 1, Minneapolis shall file statements of economic interest as required by this section with the filing officer. A candidate shall file an original statement within 14 days of the filing of an affidavit or petition to appear on the ballot. All elected officials of Hennepin county and of a home rule charter city or statutory city located wholly in Hennepin county and having a population of 75,000 or more who are in office on March 19, 1980, shall file an original statement of economic interest 60 days after forms for disclosure are provided to the filing officer. Every individual required to file a statement shall file a supplementary statement on April 15 of each year in which the individual remains a candidate or elected official. An official or a candidate required to file a statement of economic interest under section 10A.09 is not required to comply with this section.

Sec. 19. [REPORTS OF PRINCIPALS.]

The first reports of principals required by Minnesota Statutes, section 10A.04, subdivision 6, shall be filed with the ethical practices board by March 15, 1992, for calendar year 1991.

ARTICLE 10

CAMPAIGN FINANCE

Section 1. Minnesota Statutes 1990, section 10A.01, subdivision 10, is amended to read:

Subd. 10. [CAMPAIGN EXPENDITURE.] "Campaign expenditure" or "expenditure" means a purchase or payment of money or anything of value, or an advance of credit, made or incurred for the purpose of influencing the nomination or election of a candidate or for the purpose of promoting

or defeating a ballot question.

An expenditure is considered to be made in the year in which the ~~goods or services for which it was made are used or consumed~~ *candidate made the purchase of goods or services or incurred an obligation to pay for goods or services.*

An expenditure made for the purpose of defeating a candidate is considered made for the purpose of influencing the nomination or election of that candidate or any opponent of that candidate.

Except as provided in clause (a), expenditure includes the dollar value of a donation in kind.

Expenditure does not include:

(a) Noncampaign disbursements as defined in subdivision 10c;

(b) Transfers as defined in subdivision 7a;

(c) Services provided without compensation by an individual volunteering personal time on behalf of a candidate, ballot question, political committee, or political fund; or

(d) The publishing or broadcasting of news items or editorial comments by the news media.

Sec. 2. Minnesota Statutes 1990, section 10A.01, subdivision 10c, is amended to read:

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign disbursement" means a purchase or payment of money or anything of value made, or an advance of credit incurred, by a political committee, political fund, or principal campaign committee for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

Noncampaign disbursement includes:

(a) Payment for accounting and legal services;

(b) Return of a contribution to the source;

(c) Repayment of a loan made to the political committee, political fund, or principal campaign committee by that committee or fund;

(d) Return of money from the state elections campaign fund;

(e) Payment for food, beverages, entertainment, and facility rental for a fundraising event;

(f) Services for a constituent by a member of the legislature or a constitutional officer in the executive branch, performed from the beginning of the term of office to 60 days after adjournment sine die of the legislature in the election year for the office held; ~~and~~

(g) A donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f). The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision; *and*

(h) Payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities.

Sec. 3. Minnesota Statutes 1990, section 10A.065, subdivision 1, is

amended to read:

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.] A candidate for the legislature *or for constitutional office*, a candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, shall not solicit or accept a contribution on behalf of the candidate's principal campaign committee, any other political committee with the candidate's name or title, or any committee authorized by the candidate, from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

Sec. 4. Minnesota Statutes 1990, section 10A.065, subdivision 5, is amended to read:

Subd. 5. [POLITICAL COMMITTEE.] This section does not apply to a political committee established by a state political party; by the party organization within a congressional district, county, legislative district, municipality, or precinct; by all or part of the party organization within each house of the legislature, except for individual members; by a candidate ~~for an office other than the legislature~~ *a judicial office*; or to a member of such a political committee acting solely on behalf of the committee.

Sec. 5. Minnesota Statutes 1990, section 10A.14, subdivision 2, is amended to read:

Subd. 2. The statement of organization shall include:

- (a) The name and address of the political committee or political fund;
- (b) The name and address of any supporting association of a political fund;
- (c) The name and address of the chair, the treasurer, and any deputy treasurers;
- (d) A listing of all depositories or safety deposit boxes used;
- (e) A statement as to whether the committee is ~~a~~ *the single* principal campaign committee *of a candidate*; and
- (f) For political parties only, a list of categories of substate units as defined in section 10A.27, subdivision 4.

Sec. 6. Minnesota Statutes 1990, section 10A.19, subdivision 1, is amended to read:

Subdivision 1. [SINGLE COMMITTEE.] No candidate shall accept contributions from any source, other than self, in aggregate in excess of \$100 or any money from the state elections campaign fund unless the candidate designates and causes to be formed a single principal campaign committee. *A candidate may not authorize, designate, or cause to be formed any other political committee bearing the candidate's name or title or otherwise operating under the direct or indirect control of the candidate. However, a candidate may be involved in the direct or indirect control of a party unit as defined in section 10A.275, subdivision 3.*

Sec. 7. Minnesota Statutes 1990, section 10A.20, subdivision 2, is amended to read:

Subd. 2. [REPORTS REQUIRED.] The reports shall be filed with the board on or before January 31 of each year and additional reports shall be

filed as required and in accordance with clauses (a) and (b).

(a) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee shall be filed *according to the following schedule*:

- (1) ten days before a primary ~~and~~;
- (2) 30 days before a general election; and
- (3) ten days before a general election~~7~~.

(b) *For special primaries and special elections, the reports shall be filed seven days before a the special primary ~~and a~~, seven days before the special election, and 30 days after a the special election. The report due after a special election may be filed on January 31 following the special election if the special election is held not more than 60 days before that date.*

~~(b)~~ (c) In each general election year political committees and political funds other than principal campaign committees shall file reports ten days before a primary and general election.

(d) If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.

Sec. 8. Minnesota Statutes 1990, section 10A.20, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF REPORT.] Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political committee or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund, including the purchase of tickets for all fund raising efforts, which in aggregate exceed \$100 for legislative or statewide candidates or ballot questions, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political committee or political fund during the reporting period;

(d) Each loan made or received by the political committee or political fund within the year in aggregate in excess of \$100, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) The sum of all receipts of the political committee or political fund during the reporting period;

(g) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political committee or political fund within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate;

(h) The sum of all expenditures made by or on behalf of the political committee or political fund during the reporting period;

(i) The amount and nature of any advance of credit incurred by the political committee or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) The name and address of each political committee, political fund, or principal campaign committee to which aggregate transfers in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) The sum of all transfers made by the political committee, political fund, or principal campaign committee during the reporting period; ~~and~~

(l) Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1, the name and address of each individual or association to whom aggregate noncampaign disbursements in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political committee, or political fund, together with the amount, date, and purpose of each noncampaign disbursement; *and*

(m) The sum of all noncampaign disbursements made within the year by or on behalf of a principal campaign committee, political committee, or political fund.

Sec. 9. Minnesota Statutes 1990, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [PREELECTION REPORTS.] In any statewide election any *loan*, contribution, or contributions from any one source totaling \$2,000 or more, or in any legislative election totaling more than \$400, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by telegram or mailgram within 48 hours after its receipt; or
- (3) by certified mail sent within 48 hours after its receipt.

These *loans and* contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary

if the statewide or legislative candidate is unopposed in that primary.

Sec. 10. Minnesota Statutes 1990, section 10A.25, subdivision 5, is amended to read:

Subd. 5. [PRIMARY RACES.] Notwithstanding the limits imposed by subdivision 2, the winning candidate in a contested race in a primary who ~~receives less~~ *received fewer* than twice as many votes as any one of the candidate's opponents in that primary may make aggregate expenditures and approved expenditures equal to 120 percent of the applicable amount as set forth in subdivision 2, as adjusted by section 10A.255. *A candidate in a contested primary race may not, under this subdivision, make aggregate expenditures and approved expenditures of more than 100 percent of the expenditure limits imposed by subdivision 2 until after the primary.*

Sec. 11. Minnesota Statutes 1990, section 10A.25, subdivision 7, is amended to read:

Subd. 7. On or before December 31 of each *nonelection* year the board shall determine and publish in the State Register the expenditure limits for each office for the next calendar year as prescribed by subdivision 2.

Sec. 12. Minnesota Statutes 1990, section 10A.25, subdivision 10, is amended to read:

Subd. 10. [EFFECT OF OPPONENT'S AGREEMENT.] (a) The expenditure limits imposed by this section apply only to candidates whose major political party opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving a public subsidy for their campaigns in the form of an allocation of money from the state elections campaign fund.

(b) A candidate of a major political party who agrees to be bound by the limits and receives a public subsidy, who has an opponent who: (1) is a candidate of a major political party; and (2) does not agree to be bound by the limits but is otherwise eligible to receive a public subsidy:

(i) is no longer bound by the limits, including those in section 10A.324, subdivision 1, paragraph (c); ~~but~~;

(ii) is ~~still~~ eligible to receive a public subsidy; and

(iii) *also receives the opponent's share of the general account public subsidy under section 10A.31.*

For purposes of this subdivision, "otherwise eligible to receive a public subsidy" means that a candidate meets the requirements of sections 10A.31, 10A.315, 10A.321, and 10A.322, but does not mean that the candidate has filed an affidavit of matching funds under section 10A.323.

Sec. 13. Minnesota Statutes 1990, section 10A.255, subdivision 3, is amended to read:

Subd. 3. [PUBLICATION OF EXPENDITURE LIMIT.] By June 15 of each *election* year the board shall publish in the State Register the expenditure limit for each office for that calendar year under section 10A.25 as adjusted by this section.

Sec. 14. Minnesota Statutes 1990, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTION LIMITS.] Except as provided in subdivisions 2 and 6, no candidate shall permit the candidate's principal campaign committee to accept contributions from any individual, political committee, or political fund in excess of the following:

(a) To candidates for governor and lieutenant governor running together, ~~\$60,000~~ \$1,500 in an election year for the office sought and ~~\$12,000~~ one-third of that amount in other years;

(b) To a candidate for attorney general, ~~\$40,000~~ \$1,000 in an election year for the office sought and ~~\$2,000~~ \$500 in other years;

(c) To a candidate for the office of secretary of state, state treasurer or state auditor, ~~\$5,000~~ \$750 in an election year for the office sought and ~~\$1,000~~ one-third of that amount in other years;

(d) To a candidate for state senator, \$1,500 in an election year for the office sought and one-third of that amount in other years; and

(e) To a candidate for state representative, \$750 in an election year for the office sought and one-third of that amount in the other year.

Sec. 15. Minnesota Statutes 1990, section 10A.27, subdivision 9, is amended to read:

Subd. 9. [TRANSFERS PROHIBITED.] *A treasurer of a candidate's principal campaign committee shall may not accept in any calendar year aggregate contributions in an amount greater than the maximum amount allowed under subdivision 4 from make a transfer or contribution to another candidate's principal campaign committee or any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate. A treasurer of a candidate's principal campaign committee may not accept a transfer or contribution to that committee from another candidate's principal campaign committee or any other committee bearing the candidate's name or title or otherwise authorized by the candidate.*

Sec. 16. Minnesota Statutes 1990, section 10A.30, subdivision 2, is amended to read:

Subd. 2. [SEPARATE ACCOUNT.] Within the state elections campaign fund account there shall be maintained a separate political party account for the *state committee and the* candidates of each political party and a general account.

Sec. 17. Minnesota Statutes 1990, section 10A.31, subdivision 3, is amended to read:

Subd. 3. [FORM.] The commissioner of the department of revenue shall provide on the first page of the income tax form and the renter and homeowner property tax refund return a space for the individual to indicate a wish to allocate \$5 (\$10 if filing a joint return) from the general fund of the state to finance the election campaigns of state candidates. The form shall also contain language prepared by the commissioner which permits the individual to direct the state to allocate the \$5 (or \$10 if filing a joint return) to: (i) one of the major political parties; (ii) any minor political party as defined in section 10A.01, subdivision 13, which qualifies under the provisions of subdivision 3a; or (iii) all qualifying candidates as provided by subdivision 7. The renter and homeowner property tax refund return shall include instructions that the individual filing the return may designate

\$5 on the return only if the individual has not designated \$5 on the income tax return.

Sec. 18. Minnesota Statutes 1990, section 10A.31, subdivision 5, is amended to read:

Subd. 5. (a) In each calendar year the money in the general account shall be allocated to candidates as follows:

- (1) 21 percent for the offices of governor and lieutenant governor together;
- (2) 3.6 percent for the office of attorney general;
- (3) 1.8 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative.

(b) In each calendar year the money in each party account shall be allocated as follows:

- (1) 14 percent for the offices of governor and lieutenant governor together;
- (2) 2.4 percent for the office of attorney general;
- (3) 1.2 percent each for the offices of secretary of state, state auditor, and state treasurer;
- (4) In each calendar year during the period in which state senators serve a four-year term, 23-1/3 percent for the office of state senator, and 46-2/3 percent for the office of state representative;

(5) In each calendar year during the period in which state senators serve a two-year term, 35 percent each for the offices of state senator and state representative;

(6) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275; money allocated to a state committee under this clause must be paid to the committee by the state treasurer as notified by the state ethical practices board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the department of revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the department of revenue to the state ethical practices board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the department of revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the

underpayment is distributed.

To assure that moneys will be returned to the counties from which they were collected; and to assure that the distribution of those moneys rationally relates to the support for particular parties or for particular candidates within legislative districts, money from the party accounts for legislative candidates shall be distributed as follows:

Each candidate for the state senate and state house of representatives whose name is to appear on the ballot in the general election shall receive money from the candidate's party account set aside for candidates of the state senate or state house of representatives, whichever applies, according to the following formula:

For each county within the candidate's district the candidate's share of the dollars allocated in that county to the candidate's party account and set aside for that office shall be:

(a) The sum of the votes cast in the last general election in that part of the county in the candidate's district for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct of the state and (ii) for the state senate and state house of representatives, divided by

(b) The sum of the votes cast in that county in the last general election for all candidates of that candidate's party (i) whose names appeared on the ballot in each voting precinct in the state and (ii) for the state senate and state house of representatives, multiplied by

(c) The amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's party account.

In a year in which an election for the state senate occurs, with respect to votes for candidates for the state senate only, "last general election" means the last general election in which an election for the state senate occurred.

For any party under whose name no candidate's name appeared on the ballot in each voting precinct in the state in the last general election, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's district" means the newly drawn district, and voting data from the last general election will be applied to the area encompassing the newly drawn district notwithstanding that the area was in a different district in the last general election.

If in a district there was no candidate of a party for the state senate or state house of representatives in the last general election, or if a candidate for the state senate or state house of representatives was unopposed, the vote for that office for that party shall be the average vote of all the remaining candidates of that party in each county of that district whose votes are included in the sums in clauses (a) and (b). The average vote shall be added to the sums in

~~clauses (a) and (b) before the calculation is made for all districts in the county.~~

(c) Money from a party account not distributed to candidates for state senator and representative in any election year shall be returned to the general fund of the state. Money from a party account not distributed to candidates for other offices in an election year shall be returned to the party account for reallocation to candidates as provided in clauses (1) to (6) in the following year. Money from the general account refused by any candidate shall be distributed to all other qualifying candidates in proportion to their shares as provided in this subdivision.

Sec. 19. Minnesota Statutes 1990, section 10A.31, subdivision 10, is amended to read:

Subd. 10. [DISTRIBUTION.] In the event that on the date of either certification by the commissioner of revenue as provided in subdivisions 6 and 7, less than 98 percent of the tax returns have been processed, the commissioner of revenue shall certify to the board on December 7 the amount accumulated in each account since the previous certification. Within one week thereafter, the board shall certify to the state treasurer the amount to be distributed to each candidate according to the allocations as provided in subdivision 5. As soon as practicable thereafter, the state treasurer shall distribute the amounts to the candidates *in the form of checks made "payable to the campaign fund of (name of candidate)"* Any money accumulated after the final certification shall be maintained in the respective accounts for distribution in the next general election year.

Sec. 20. Minnesota Statutes 1990, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. *The board shall also provide agreement forms to candidates on request at any time.* The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board ~~by the following at any time before September 1 preceding the general election.~~ An agreement may not be signed or rescinded after that date.

(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

Sec. 21. Minnesota Statutes 1990, section 10A.322, subdivision 4, is amended to read:

Subd. 4. [~~CREDIT~~ REFUND RECEIPT FORMS; PENALTY.] The board shall make available to a political party on request and to any candidate for whom an agreement under this section is effective, a supply of official ~~credit~~ refund receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a ~~credit~~ refund as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures

as provided in this section. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate who does not sign an agreement under this section and who willfully issues an official ~~credit~~ refund receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

Sec. 22. Minnesota Statutes 1990, section 10A.322, is amended by adding a subdivision to read:

Subd. 5. [ADDITIONAL AGREEMENTS.] As a condition of receiving a public subsidy from the state elections campaign fund, a candidate shall agree to:

(1) refuse to accept total contributions from political associations other than political parties in an amount that exceeds 50 percent of the total amount of nonpublic political contributions received by the candidate during the calendar year in which the general election is held; and

(2) provide evidence to the board before receiving the public subsidy from the party account that the candidate is complying with clause (1).

Sec. 23. Minnesota Statutes 1990, section 10A.323, is amended to read:

10A.323 [MATCHING REQUIREMENTS.]

Subdivision 1. [AFFIDAVIT.] In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy from the state elections campaign fund a candidate shall file an affidavit with the board stating that:

(1) during that calendar year the candidate has accumulated contributions, including unexpended balances from the year before, equal to 20 percent or more of the minimum amount that the board estimates, on August 15 of the general election year, would be received by the candidate from the state elections campaign fund; and

(2) the candidate has received 50 percent of the amount required under clause (1) from individual contributors who reside for voting purposes in the candidate's legislative district, if the candidate is seeking a legislative office, or from individual contributors who reside for voting purposes in the state of Minnesota, if the candidate is seeking a statewide constitutional office.

Subd. 2. [DEADLINE.] The candidate or the candidate's treasurer shall submit the affidavit required by this subdivision to the board in writing by ~~October 1~~ September 15 of the general election year.

Subd. 3. [FALSE AFFIDAVITS.] If the board makes a finding that an affidavit of matching funds filed under this section is false, the board shall not distribute any additional public subsidy to the candidate. The board may also refer the matter to the appropriate county attorney for further investigation.

Sec. 24. Minnesota Statutes 1990, section 10A.324, subdivision 3, is amended to read:

Subd. 3. [HOW RETURN DETERMINED.] Whether or not a candidate is required under subdivision 1 to return all or a portion of the public subsidy received from the state elections campaign fund must be determined from the report required to be filed with the board by that candidate by January 31 of the year following an election. For purposes of this section, a transfer from one principal campaign committee to another principal campaign committee or to a political party is considered to be a noncampaign disbursement. Any amount required to be returned must be submitted in the

form of a check or money order and must accompany the report filed with the board. The board shall forward the check or money order to the state treasurer for deposit in the general fund. The amount returned must not exceed the amount of public subsidy received by the candidate from the state elections campaign fund.

Sec. 25. Minnesota Statutes 1990, section 10A.324, is amended by adding a subdivision to read:

Subd. 5. [RETURN OF OPPONENT'S PUBLIC SUBSIDY.] If a candidate received the candidate's opponent's public subsidy under section 10A.25, subdivision 10, the candidate shall return all or a portion of the opponent's public subsidy if required under subdivision 1. In addition, the candidate shall return all of the opponent's public subsidy to the ethical practices board if the opponent fails to file any campaign spending reports under section 10A.20 or if the opponent's postelection report due on January 31 indicates that the opponent raised and spent \$1,000 or less during the campaign.

Sec. 26. Minnesota Statutes 1990, section 10A.43, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL INCENTIVE.] (a) The state treasurer shall pay a financial incentive to each congressional candidate of a major political party or minor political party whose name will appear on the ballot in a general or special election, who has signed an agreement to limit campaign expenditures as provided in this section, and who is abiding by the agreement. In the case of an independent or new political party candidate, the congressional candidate must in addition receive more than three percent of the vote cast at the general election for the office sought. An incentive is not payable to a congressional candidate whose name appears only on the ballot in a primary election, but an incentive paid to a candidate in a general or special election may be used to pay expenses or retire debt incurred in the primary campaign. *The state treasurer shall distribute the financial incentive in the form of a check made "payable to the campaign fund of (name of candidate)"*

(b) The amount of the incentive is up to 25 percent of the expenditure limit for a congressional candidate for the office of United States senator and up to 25 percent of the expenditure limit for a congressional candidate for the office of representative in Congress.

Sec. 27. Minnesota Statutes 1990, section 10A.43, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION OF AGREEMENT.] (a) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. *The board shall also make agreement forms available to congressional candidates on request at any time.*

(b) The congressional candidate may sign an agreement and submit it, along with a copy of the candidate's federal designation of a principal campaign committee, to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, for a general election the congressional candidate may obtain an agreement form from the board and submit the agreement, along with a copy of the candidate's federal designation of a principal campaign committee, directly to the board ~~by~~ at any time before September 1 preceding the general election.

(c) An agreement may not be *signed or rescinded after that date September 1 preceding the general election.*

(d) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

Sec. 28. Minnesota Statutes 1990, section 10A.43, subdivision 4, is amended to read:

Subd. 4. [HOW LONG AGREEMENT IS EFFECTIVE.] The agreement, insofar as it relates to the expenditure limits in section 10A.44, remains effective for congressional candidates until the termination of the authorized committees of the congressional candidate, as provided under United States Code, title 2, section 433(d), *or the day filings open for the next succeeding election to the office held or sought at the time of agreement, or the agreement is rescinded by the candidate within the time limits provided by law, whichever occurs first.*

Sec. 29. Minnesota Statutes 1990, section 10A.44, subdivision 1, is amended to read:

Subdivision 1. [LIMITS.] During the calendar year in which an election is held for an office sought by a congressional candidate, no expenditures may be made by the authorized committees of that congressional candidate that result in an aggregate amount in excess of the following:

- (1) for United States senator, \$3,400,000; and
- (2) for representative in Congress, \$425,000.

A congressional candidate whose name will appear on the ballot in more than one general or special election in a year is subject to a separate spending limit for each election. For a candidate for representative in Congress in a special election, the expenditure limits apply during the ten months before and the two months after the special election. *For purposes of this section, an expenditure does not include a transfer from the candidate's principal campaign committee to another committee of that congressional candidate or state political party.*

Sec. 30. Minnesota Statutes 1990, section 10A.44, subdivision 4, is amended to read:

Subd. 4. [POSTELECTION YEAR EXPENDITURES.] In any year *preceding or following* an election year for the office held or sought, the aggregate amount of expenditures on behalf of a congressional candidate for or holder of that office must not exceed 20 percent of the expenditure limit in subdivisions 1 and 2.

Sec. 31. Minnesota Statutes 1990, section 10A.44, subdivision 6, is amended to read:

Subd. 6. [CERTAIN POSTELECTION COSTS.] After the election, a congressional candidate who is not a congressional incumbent and has been elected to Congress may spend an amount up to ten percent of the limits under subdivision 1 or 2 to defray transition costs, *unless restricted by federal law.* This money may be spent only for the costs of the transition that are incurred between the election and the date on which the elected candidate begins congressional service and cannot be used to retire debts remaining from the primary or general election campaign.

Sec. 32. Minnesota Statutes 1990, section 211A.02, subdivision 2, is

amended to read:

Subd. 2. [INFORMATION REQUIRED.] The report to be filed by a candidate or committee must include:

- (1) the name of the candidate or ballot question;
- (2) the name and address of the person responsible for filing the report;
- (3) the total amount of receipts and expenditures for the period from the last previous report to five days before the current report is due;
- (4) the purpose for each expenditure; and
- (5) the name of any individual or committee that during the year has made one or more contributions that in the aggregate are equal to or greater than ~~\$500~~ \$100.

Sec. 33. [211A.071] [CONTRIBUTION LIMITS.]

A candidate for a town, statutory or home rule charter city, county, or school district office may not allow the candidate's campaign committee to accept aggregate contributions from an individual, political committee, or political fund in excess of \$750 in any calendar year.

Sec. 34. Minnesota Statutes 1990, section 211B.05, subdivision 2, is amended to read:

Subd. 2. [ADVERTISING RATES.] Rates charged for advertising to support or oppose a candidate ~~or ballot question~~ must be the same as the charges made for any other political candidate and may be no greater than ~~charges made for any other comparable purpose or use according to the seller's lowest-paying commercial client rate schedule.~~

Sec. 35. Minnesota Statutes 1990, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a ~~credit~~ refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum ~~credit~~ refund for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A ~~credit~~ refund for a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official ~~credit~~ refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the party chair. A claim must be filed with the commissioner not sooner than September 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution is made must include interest at the rate specified in section 270.76.

(b) No ~~credit~~ refund is allowed under this subdivision for a contribution to any candidate ~~who~~ unless the candidate:

(1) has ~~not~~ signed an agreement to limit campaign expenditures as provided in section 10A.322; or 10A.43; and;

(2) is seeking an office for ~~whom~~ which voluntary spending limits are specified in section 10A.25 or 10A.43; and

(3) *has designated a principal campaign committee.*

This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a ~~credit~~ refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a. A "major or minor party" includes the aggregate of the party organization within each house of the legislature, the state party organization, and the party organization within congressional districts, counties, legislative districts, municipalities, and precincts. "Candidate" means a *congressional candidate as defined in section 10A.41, subdivision 4, or a candidate as defined in section 10A.01, subdivision 5, but does not include except* a candidate for judicial office. ~~Beginning January 1, 1991, "candidate" also means a candidate for the United States Senate or United States House of Representatives from Minnesota.~~

(d) The commissioner shall include a copy of the ~~credit refund~~ form with the instructions for the long and short individual taxation forms. The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a ~~credit refund~~, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The amount necessary to pay claims for the ~~credit refund~~ provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 36. [REPEALER.]

Minnesota Statutes 1990, section 10A.25, subdivision 2a, is repealed.

Sec. 37. [EFFECTIVE DATE.]

Section 1 is effective retroactively to August 8, 1985.

ARTICLE 11

ELECTIONS

Section 1. Minnesota Statutes 1990, section 202A.14, subdivision 1, is amended to read:

Subdivision 1. [TIME AND MANNER OF HOLDING; POSTPONE-MENT.] At 7:30 p.m. on the ~~fourth first~~ Tuesday in ~~February~~ after the first Monday in March in every state general election year there shall be held for every election precinct a party caucus in the manner provided in sections 202A.14 to 202A.19, except that in the event of severe weather a major political party may request the secretary of state to postpone caucuses. If a major political party makes a request, or upon the secretary of state's own initiative, after consultation with all major political parties and on the advice of the federal weather bureau and the department of transportation, the secretary of state may declare precinct caucuses to be postponed for a week in counties where weather makes travel especially dangerous. The secretary of state shall submit a notice of the postponement to news media covering the affected counties by 6:00 p.m. on the scheduled day of the caucus. A

postponed caucus may also be postponed pursuant to this subdivision.

Sec. 2. Minnesota Statutes 1990, section 204B.06, subdivision 4, is amended to read:

Subd. 4. [PARTICULAR OFFICES.] Candidates who seek nomination for the following offices shall state the following additional information on the affidavit:

(a) for United States senator, that the candidate will be 30 years of age or older and a citizen of the United States for not less than nine years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

(b) for United States representative, that the candidate will be 25 years of age or older and a citizen of the United States for not less than seven years on the next January 3 or, in the case of an election to fill a vacancy, within 21 days after the special election;

(c) for governor or lieutenant governor, that on the first Monday of the next January the candidate will be 25 years of age or older and, on the day of the state general election, a resident of Minnesota for not less than one year;

(d) for supreme court justice, court of appeals judge, or district court judge, that the candidate is learned in the law;

(e) for county or county municipal court judge or other judicial officer, that the candidate is qualified as prescribed by law;

(f) for senator or representative in the legislature, that on the day of the general or special election to fill the office the candidate will have resided not less than one year in the state and not less than six months in the legislative district from which the candidate seeks election;

(g) for county attorney, that the candidate is licensed to practice law in Minnesota;

(h) for county sheriff, that the candidate has a certificate of satisfactory completion of the basic course of training, issued by the executive director of the peace officer standards and training board.

Sec. 3. Minnesota Statutes 1990, section 204C.32, subdivision 2, is amended to read:

Subd. 2. [STATE CANVASS.] The state canvassing board shall meet at the secretary of state's office on the second Tuesday after the state primary to canvass the certified copies of the county canvassing board reports received from the county auditors. No later than two days after the canvassing board declares the results, the secretary of state shall certify the names of the nominees to the county auditors and shall mail to each nominee a notice of nomination. *The secretary of state shall send to the ethical practices board a copy of the notices sent to the county auditors.*

Sec. 4. Minnesota Statutes 1990, section 204C.33, subdivision 3, is amended to read:

Subd. 3. [STATE CANVASS.] The state canvassing board shall meet at the secretary of state's office on the second Tuesday following the state general election to canvass the certified copies of the county canvassing board reports received from the county auditors and shall prepare a report that states:

- (a) The number of individuals voting in the state and in each county;
- (b) The number of votes received by each of the candidates, specifying the counties in which they were cast; and
- (c) The number of votes counted for and against each constitutional amendment, specifying the counties in which they were cast.

All members of the state canvassing board shall sign the report and certify its correctness. The state canvassing board shall declare the result within three days after completing the canvass. *The secretary of state shall send to the ethical practices board a copy of the report certified under this subdivision.*

Sec. 5. Minnesota Statutes 1990, section 388.01, is amended to read:
388.01 [ELECTION; QUALIFICATIONS; TERM; BOND.]

There shall be elected in each county a county attorney who shall be ~~learned in the law~~ *licensed to practice law in Minnesota*, and whose term of office shall be four years and until a successor qualifies. Before entering upon duties the county attorney shall give bond to the state in the penal sum of \$1,000, to be approved by the county board, conditioned that the county attorney will faithfully and impartially discharge the duties of office and pay over without delay to the county treasurer all moneys received by virtue thereof, which bond and an oath shall be filed for record with the county recorder.

ARTICLE 12

FINANCING

Section 1. Minnesota Statutes 1990, section 5.14, is amended to read:
5.14 [TRANSACTION SURCHARGE.]

The secretary of state may impose a surcharge of ~~\$5~~ *\$10* on each transaction involving over-the-counter expedited service, other than simple copying requests, that takes place at the office of the secretary of state.

Sec. 2. Minnesota Statutes 1990, section 302A.153, is amended to read:
302A.153 [EFFECTIVE DATE OF ARTICLES.]

Articles of incorporation are effective and corporate existence begins when the articles of incorporation are filed with the secretary of state accompanied by a payment of ~~\$135~~ *\$160*, which includes a ~~\$100~~ *\$125* incorporation fee in addition to the \$35 filing fee required by section 302A.011, subdivision 11. Articles of amendment and articles of merger are effective when filed with the secretary of state or at another time within 30 days after filing if the articles of amendment so provide. Articles of merger must be accompanied by a fee of \$60, which includes a \$25 merger fee in addition to the \$35 filing fee required by section 302A.011, subdivision 11.

Sec. 3. Minnesota Statutes 1990, section 303.07, is amended to read:
303.07 [LICENSE FEES.]

Subdivision 1. [INITIAL FEE.] At the time of making application for a certificate of authority the foreign corporation making the application shall pay to the state treasurer the sum of ~~\$150~~ *\$200* as an initial license fee.

Subd. 2. [ANNUAL FEE.] The secretary of state shall collect an annual

license fee from each foreign corporation holding a certificate of authority to transact business in this state. A foreign corporation shall pay ~~\$20~~ \$30 per \$100,000 or fraction thereof of its Minnesota taxable net income for the last taxable year ending prior to the payment of the fee. If the taxable year ended less than 75 days before the date the fee is received by the secretary of state, the taxable net income from the preceding taxable year shall determine the fee. In no event shall the annual license fee be less than ~~\$40~~ \$60. The corporation shall pay this fee by April 1 of each year.

Sec. 4. Minnesota Statutes 1990, section 303.19, subdivision 2, is amended to read:

Subd. 2. [FEE.] If the certificate of authority was revoked by the secretary of state pursuant to section 303.17, the corporation shall pay to the state treasurer ~~\$250~~ \$300 before it may be reinstated.

If the certificate of authority was canceled by a judgment pursuant to section 303.18, the corporation shall pay to the state treasurer \$500 before it may be reinstated.

Sec. 5. Minnesota Statutes 1990, section 303.21, subdivision 3, is amended to read:

Subd. 3. [OTHER INSTRUMENTS.] A fee of \$35 shall be paid to the secretary of state for filing any instrument, other than the annual report required by section 303.14, required or permitted to be filed under the provisions of this chapter. For filing the annual report a fee of ~~\$20~~ \$40 must be paid to the secretary of state. The fees shall be paid at the time of the filing of the instrument.

Sec. 6. Minnesota Statutes 1990, section 322A.71, is amended to read:
322A.71 [ISSUANCE OF REGISTRATION.]

(a) If the secretary of state finds that an application for registration conforms to law and a \$25 filing fee and a ~~\$60~~ \$100 initial registration fee has been paid, the secretary shall:

(1) endorse on the application the word "Filed," and the month, day and year of the filing thereof;

(2) file a duplicate original of the application; and

(3) issue a certificate of registration to transact business in this state.

(b) The certificate of registration, together with a duplicate original of the application, shall be returned to the person who filed the application or a representative of that person.

Sec. 7. Minnesota Statutes 1990, section 331A.02, subdivision 1, is amended to read:

Subdivision 1. [QUALIFICATION.] No newspaper in this state shall be entitled to any compensation or fee for publishing any public notice unless it is qualified as a medium of official and legal publication. A newspaper that is not qualified must inform a public body that presents a public notice for publication that it is not qualified. To be qualified as a medium of official and legal publication, a newspaper shall:

(a) be printed in the English language in newspaper format and in column and sheet form equivalent in printed space to at least 1,000 square inches;

(b) if a daily, be distributed at least five days each week, or if not a daily,

be distributed at least once each week, for 50 weeks each year. In any week in which a legal holiday is included, not more than four issues of a daily paper are necessary;

(c) in at least half of its issues each year, have no more than 75 percent of its printed space comprised of advertising material and paid public notices. In all of its issues each year, have 25 percent, if published more often than weekly, or 50 percent, if weekly, of its news columns devoted to news of local interest to the community which it purports to serve. Not more than 25 percent of its total nonadvertising column inches in any issue may wholly duplicate any other publication unless the duplicated material is from recognized general news services;

(d) be circulated in the local public corporation which it purports to serve, and either have at least 500 copies regularly delivered to paying subscribers, or have at least 500 copies regularly distributed without charge to local residents;

(e) have its known office of issue established in either the county in which lies, in whole or in part, the local public corporation which the newspaper purports to serve, or in an adjoining county;

(f) file a copy of each issue immediately with the state historical society;

(g) be made available at single or subscription prices to any person, corporation, partnership, or other unincorporated association requesting the newspaper and making the applicable payment, or be distributed without charge to local residents;

(h) have complied with all the foregoing conditions of this subdivision for at least one year immediately preceding the date of the notice publication; and

(i) between October 1 and December 31 of each year publish and submit to the secretary of state, along with a filing fee of ~~\$25~~ \$35, a sworn United States Post Office second-class statement of ownership and circulation or a statement of ownership and circulation verified by a recognized independent circulation auditing agency covering a period of not less than one year ending no earlier than the June 30 preceding the filing deadline, provided that a filing published and submitted after December 31 and before July 1 shall be effective from the date of filing through December 31 of that year.

Sec. 8. Minnesota Statutes 1990, section 333.22, subdivision 1, is amended to read:

Subdivision 1. Registration of a mark hereunder shall be effective for a term of ten years from the date of registration and, upon application filed within six months prior to the expiration of such term or a renewal thereof, on a form to be furnished by the secretary of state, the registration may be renewed for additional ten-year terms provided that the mark is in use by the applicant at the time of the application for renewal and that there are no intervening rights. A renewal fee of ~~\$22~~ \$35 payable to the secretary of state shall accompany the application for renewal of the registration.

Sec. 9. Minnesota Statutes 1990, section 336.9-413, is amended to read:

336.9-413 [UNIFORM COMMERCIAL CODE ACCOUNT.]

(a) The uniform commercial code account is established as an account in the state treasury.

(b) The filing officer with whom a financing statement, amendment, assignment, statement of release, or continuation statement is filed, or to whom a request for search is made, shall collect a \$3 \$4 surcharge on each filing or search. By the 15th day following the end of each fiscal quarter, each county recorder shall forward the receipts from the surcharge accumulated during that fiscal quarter to the secretary of state. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as a part of the search.

(c) The surcharge amounts received from county recorders and the surcharge amounts collected by the secretary of state's office must be deposited in the state treasury and credited to the general fund.

(d) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under sections 336.9-411 to 336.9-413 must be deposited in the state treasury and credited to the uniform commercial code account.

(e) Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the uniform commercial code account.

(f) Money in the uniform commercial code account is continuously appropriated to the secretary of state to implement and maintain the computerized uniform commercial code filing system under section 336.9-411 and to provide electronic-view-only access to other computerized records maintained by the secretary of state.

Sec. 10. [APPROPRIATIONS.]

Subdivision 1. \$3,266,000 is appropriated from the general fund to the agencies named for the purposes of this act, to be available until June 30, 1993.

Subd. 2. SECRETARY OF STATE

(a) Presidential primary, under article 1 \$2,804,000

The secretary of state shall apportion the cost of conducting the presidential primary that exceeds \$2,400,000 among the counties in this state according to the number who voted in the primary in each county. Each county shall pay its apportionment to the secretary of state, who shall deposit it in the state treasury and credit it to the general fund.

(b) Redistricting, under article 2, section 6 202,000

(c) Local elections, under article 4, section 2 15,000

(d) Office operations 200,000

Subd. 3. ETHICAL PRACTICES BOARD

Limiting campaign spending, under article 10 33,000

Subd. 4. PUBLIC SAFETY

Voter registration, under article 1

12,000"

Delete the title and insert:

"A bill for an act relating to elections and government ethics; requiring the presidential primary to be conducted by mail; limiting certain special elections; setting times and procedures for certain boundary changes; changing requirements for polling places; requiring the designation of a local government election for election of county, municipal, and school district officers, and officers of all other political subdivisions except towns; requiring that certain questions be voted on only at the local government election for the political subdivision; requiring uniform and coordinated election precincts and polling places for municipalities and school districts; superseding certain inconsistent general and special laws and home rule charter provisions; reducing the contribution limits to constitutional officer candidates; limiting preprimary expenditures to the spending limit; including cost of food and beverages for volunteers as a noncampaign disbursement; requiring candidates to file a campaign spending report 30 days before the general election; increasing late filing fees; requiring lobbyists to report names and addresses of principals; providing for administrative enforcement of the prohibition on fundraising during legislative sessions; requiring the reporting of last-minute loans; imposing a late filing fee for filing incorrect documents; providing for withholding of public subsidy for filing a false affidavit of matching funds; requiring candidates for county attorney to be licensed to practice law in Minnesota; increasing surcharges and fees; appropriating money; amending Minnesota Statutes 1990, sections 5.14; 6.76; 10A.01, subdivisions 10, 10c, 25, and 26; 10A.02, subdivisions 5, 8, 9, 10, 12, and 13; 10A.03, subdivisions 1 and 2; 10A.04, subdivisions 4, 5, 6, and 7; 10A.065, subdivisions 1, 3, and 5; 10A.09, subdivisions 2, 5, 6a, and 7; 10A.14, subdivisions 1 and 2; 10A.19, subdivision 1; 10A.20, subdivisions 2, 3, 5, and 12; 10A.23; 10A.25, subdivisions 5, 7, and 10; 10A.255, subdivision 3; 10A.27, subdivisions 1 and 9; 10A.30, subdivision 2; 10A.31, subdivisions 3, 5, and 10; 10A.322, subdivisions 1, 4, and by adding a subdivision; 10A.323; 10A.324, subdivision 3, and by adding a subdivision; 10A.43, subdivisions 1, 3, and 4; 10A.44, subdivisions 1, 4, and 6; 122.23, subdivisions 12, 17, and 18; 122.25, subdivision 2; 123.34, subdivision 1; 123.351, subdivisions 1 and 3; 128.01, subdivision 3; 200.02, by adding a subdivision; 201.071, subdivisions 1, 3, and 8; 202A.14, subdivision 1; 203B.06, subdivision 3; 204B.06, subdivision 4; 204B.135; 204B.14, subdivisions 3, 4, 6, and by adding a subdivision; 204B.16, subdivisions 1 and 2; 204B.18, by adding a subdivision; 204C.14; 204C.32, subdivision 2; 204C.33, subdivision 3; 204D.02, subdivisions 1 and 2; 204D.11, subdivision 5; 204D.16; 205.02, subdivision 2; 205.185, subdivisions 2, 3, and by adding a subdivision; 205.84, subdivision 2; 205A.02; 205A.12, subdivision 6; 211A.02, subdivision 2; 211B.05, subdivision 2; 290.06, subdivision 23; 302A.153; 303.07; 303.19, subdivision 2; 303.21, subdivision 3; 322A.71; 331A.02, subdivision 1; 333.22, subdivision 1; 336.9-413; 375.025, subdivision 2; 375.03; 375.101, by adding a subdivision; 382.01; 383B.053, subdivision 1; 388.01; 397.06; 397.07; 398.04; 410.21; 412.02, subdivision 2; 412.021, subdivision 2; 412.571, subdivision 5; and 447.32, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 204B, 205, and 211A; repealing Minnesota Statutes 1990, sections 10A.25, subdivision 2a; 123.11, subdivisions 2 to 6; 204D.28, subdivision 5; 205.065, subdivisions 1 to 7; 205.07; 205.10; 205.121; 205.13, subdivision 6; 205.175; 205.18, subdivisions 1 and 2; 205.20; 205A.06, subdivision 5; 206.76; 207A.03, subdivision 1; 207A.07;

375.101, subdivisions 1 and 2; and 447.32, subdivisions 3 and 4.”

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

SECOND READING OF SENATE BILLS

S.F. Nos. 496, 257, 966, 506, 944, 842, 720, 3, 37 and 263 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. Nos. 744, 381, 961, 702 and 977 were read the second time.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 187, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 187: A bill for an act relating to mental health; authorizing competent persons to make advance declarations regarding mental health treatment; requiring certain notices to be given to the designated agency; amending Minnesota Statutes 1990, sections 253B.03; 253B.18, subdivisions 4b and 5; and 253B.19, subdivision 2.

Senate File No. 187 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 13, 1991

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House Concurrent Resolution No. 1, and repassed said concurrent resolution in accordance with the report of the Committee, so adopted.

House Concurrent Resolution No. 1 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1991

CONFERENCE COMMITTEE REPORT ON H.C.R. NO. 1

A House concurrent resolution relating to congressional redistricting; establishing standards for redistricting plans.

May 9, 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.C.R. No. 1, 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.C.R. No. 1 be further amended as follows:

Page 1, line 14, after the period insert "To the extent consistent with the other standards in this resolution, districts should be compact."

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

House Conferees: (Signed) Peter Rodosovich, Jerry Knickerbocker, Richard H. Jefferson

Senate Conferees: (Signed) Lawrence J. Pogemiller, William P. Luther, Donald A. Storm

Mr. Moe, R.D. moved that the foregoing recommendations and Conference Committee Report on House Concurrent Resolution No. 1 be now adopted, and that the resolution be readopted as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

The question was taken on the readoption of the resolution, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kelly	Mondale	Sams
Beckman	Davis	Knaak	Morse	Solon
Belanger	Day	Kroening	Neuville	Spear
Benson, D.D.	DeCramer	Laidig	Pappas	Storm
Benson, J.E.	Finn	Larson	Pariseau	Stumpf
Berg	Frank	Luther	Piper	Traub
Bernhagen	Hottinger	Marty	Pogemiller	Vickerman
Bertram	Hughes	McGowan	Price	
Brataas	Johnson, D.E.	Merriam	Ranum	
Chmielewski	Johnson, J.B.	Metzen	Reichgott	
Cohen	Johnston	Moe, R.D.	Riveness	

So the resolution, as amended by the Conference Committee, was readopted.

MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House Concurrent Resolution No. 2, and repassed said bill in accordance with the report of the Committee, so adopted.

House Concurrent Resolution No. 2 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1991

CONFERENCE COMMITTEE REPORT ON H.C.R. NO. 2

A House concurrent resolution relating to legislative redistricting; establishing standards for redistricting plans.

May 9, 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.C.R. No. 2, 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.C.R. No. 2 be further amended as follows:

Page 1, line 18, after the period insert "To the extent consistent with the other standards in this resolution, districts should be compact."

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

House Conferees: (Signed) Peter Rodosovich, Jerry Knickerbocker, Richard H. Jefferson

Senate Conferees: (Signed) Lawrence J. Pogemiller, William P. Luther, Donald A. Storm

Mr. Moe, R.D. moved that the foregoing recommendations and Conference Committee Report on House Concurrent Resolution No. 2 be now adopted, and that the resolution be readopted as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

The question was taken on the readoption of the resolution, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Johnston	Moe, R.D.	Riveness
Beckman	Davis	Kelly	Mondale	Sams
Belanger	Day	Knaak	Morse	Solon
Benson, D.D.	DeCramer	Kroening	Neuville	Spear
Benson, J.E.	Finn	Laidig	Pappas	Storm
Berg	Frank	Larson	Pariseau	Stumpf
Bernhagen	Frederickson, D.J.	Luther	Piper	Traub
Bertram	Hottinger	Marty	Pogemiller	Vickerman
Brataas	Hughes	McGowan	Price	Waldorf
Chmielewski	Johnson, D.E.	Merriam	Ranum	
Cohen	Johnson, J.B.	Metzen	Reichgott	

So the resolution, as amended by the Conference Committee, was readopted.

MESSAGES FROM THE HOUSE - CONTINUED

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. 132, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 132 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1991

CONFERENCE COMMITTEE REPORT ON H.F. NO. 132

A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy non-incandescent bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

May 8, 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. 132, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 132 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [16B.126] [FUNDS FOR ENERGY EFFICIENT BULBS.]

State agencies in the executive, legislative, and judicial branches that purchase replacement bulbs in accordance with section 16B.61, subdivision 3, paragraph (k), must use money allocated for utility expenditures for the purchase.

Sec. 2. 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, except for battery-powered back-up bulbs, in internally illuminated exit signs.*

Sec. 3. 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, except for battery-powered back-up bulbs, in internally illuminated exit signs.

Sec. 4. [ENERGY EFFICIENCY IN BUILDING CODES.]

Subdivision 1. [ENERGY EFFICIENCY.] By August 1, 1991, the commissioner of public service, in consultation with the commissioner of administration, shall solicit outside information under Minnesota Statutes, section 14.10, on proposed amendments to the Minnesota building code. The commissioner shall begin rulemaking to adopt the amendments by February 1, 1993. So far as is compatible with interests of public health and safety, the amendments must be designed to equal or exceed the most energy-conserving codes adopted by any other state. To the extent practicable, the codes must equal or exceed the model conservation standards proposed by the Pacific Northwest Power Planning Council for climate zones having 8,000 to 10,000 heating degree days.

Subd. 2. [ENERGY EFFICIENCY; COMMERCIAL HEATING, VENTILATION, AND AIR CONDITIONING.] By August 1, 1991, the commissioner of public service shall solicit outside information under Minnesota Statutes, section 14.10, on proposed codes or standards for commercial heating, ventilation, and air conditioning systems and installations to assure that new and remodeled commercial development in Minnesota is as energy efficient as practicable and compatible with public health and safety. The commissioner shall begin rulemaking to adopt the codes by February 1, 1993.

Sec. 5. [EFFECTIVE DATE.]

Sections 2 and 3 are effective January 1, 1994, and apply to all internally illuminated exit signs in use on or after that date."

Delete the title and insert:

"A bill for an act relating to energy; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring amendments to building codes and standards to increase energy efficiency; requiring state agencies to use funds allocated for utility expenditures to buy certain replacement bulbs; amending Minnesota Statutes 1990, sections 16B.61, subdivision 3; and 299F.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B."

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

House Conferees: (Signed) Andy Dawkins, Mary Murphy, Dean Hartle

Senate Conferees: (Signed) John Marty, Harold R. "Skip" Finn, Joanne E. Benson

Mr. Marty moved that the foregoing recommendations and Conference

Committee Report on H.F. No. 132 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. 132 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 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Dahl	Kelly	Mondale	Solon
Beckman	Davis	Knaak	Morse	Spear
Belanger	Day	Kroening	Neuville	Storm
Benson, D.D.	DeCramer	Laidig	Pappas	Stumpf
Benson, J.E.	Finn	Larson	Piper	Traub
Berg	Frank	Luther	Price	Vickerman
Bernhagen	Frederickson, D.J.	Marty	Ranum	Waldorf
Bertram	Hottinger	McGowan	Reichgott	
Brataas	Johnson, D.E.	Merriam	Renneke	
Chmielewski	Johnson, J.B.	Metzen	Riveness	
Cohen	Johnston	Moe, R.D.	Sams	

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

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

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Messrs. Benson, D.D. and Moe, R.D. introduced—

S.F. No. 1565: A bill for an act relating to education; providing for due process for college athletes with respect to national collegiate athletic association's rules; proposing coding for new law in Minnesota Statutes, chapter 135A.

Referred to the Committee on Education.

Mr. Frank introduced—

S.F. No. 1566: A bill for an act relating to health; requiring the licensing of radiologic technologists; proposing coding for new law in Minnesota Statutes, chapter 144.

Referred to the Committee on Health and Human Services.

Ms. Berglin introduced—

S.F. No. 1567: A bill for an act relating to child support; establishing an income shares method of determining the child support obligation based on the income of both parents; modifying the child support guidelines; amending Minnesota Statutes 1990, section 518.551, subdivision 5, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 719 at 2:00 p.m.:

Messrs. Renneke, Spear, Solon, Ms. Berglin and Mr. Samuelson. The motion prevailed.

MEMBERS EXCUSED

Mr. Gustafson was excused from the Session of today. Messrs. Johnson, D.J.; Frederickson, D.J.; Pogemiller; Price and Ms. Reichgott were excused from the Session of today at 2:00 p.m. Mr. Novak was excused from the Session of today from 12:30 to 2:00 p.m. and at 5:45 p.m. Messrs. Halberg and Lessard were excused from the Session of today at 4:00 p.m. Mrs. Pariseau was excused from the Session of today at 6:00 p.m. Mr. Frederickson, D.R. was excused from the Session of today at 5:20 p.m.

ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Tuesday, May 14, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate