

## FIFTY-THIRD DAY

St. Paul, Minnesota, Tuesday, May 14, 1991

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

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Norman E. Norland.

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

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

The President declared a quorum present.

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

### MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 687: A bill for an act relating to the environment; requiring recycled CFCs used in refrigerant applications to comply with certain standards; proposing coding for new law in Minnesota Statutes, chapter 239.

There has been appointed as such committee on the part of the House:

Trimble, Lynch and McGuire.

Senate File No. 687 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 acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 880: A bill for an act relating to checks; increasing bank verification requirements for opening checking accounts; prohibiting service charges for dishonored checks on persons other than the issuer; regulating check numbering procedures; requiring the commissioner of commerce to adopt rules regarding verification procedure requirements; modifying procedures and liability for civil restitution for holders of worthless checks; authorizing service charges for use of law enforcement agencies; clarifying criminal penalties; increasing information that banks must provide to holders of worthless checks; imposing penalties; amending Minnesota Statutes 1990, sections 48.512, subdivisions 3, 4, 5, 7, and by adding subdivisions; 332.50, subdivisions 1 and 2; and 609.535, subdivisions 2a and 7.

There has been appointed as such committee on the part of the House: Sparby, Hasskamp and Frerichs.

Senate File No. 880 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 acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1027: A bill for an act relating to natural resources; establishing a Minnesota adopt-a-park program; requiring the department of natural resources to report to the legislature on the program; proposing coding for new law in Minnesota Statutes, chapter 85.

There has been appointed as such committee on the part of the House: Johnson, R.; Johnson, V. and Rukavina.

Senate File No. 1027 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 the passage by the House of the following

House Files, herewith transmitted: H.F. Nos. 1, 11, 321, 218, 1687, 655, 678 and 783.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 13, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 1: A bill for an act relating to waters; establishing a program for the enhancement, preservation, and protection of wetlands within the state; providing penalties; appropriating money; amending Minnesota Statutes 1990, sections 103A.201; 103B.311, subdivision 6; 103E.701, by adding a subdivision; 103G.005, subdivisions 15 and 18, and by adding subdivisions; 103G.221, subdivision 1; 103G.231, by adding subdivisions; and 446A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 84; 103F; and 103G; repealing Minnesota Statutes 1990, section 103G.221, subdivisions 2 and 3.

Mr. Moe, R.D. moved that H.F. No. 1 be laid on the table. The motion prevailed.

H.F. No. 11: A bill for an act relating to human services; modifying reimbursement for outpatient services provided by pediatric specialty hospitals to children under age 18 under the medical assistance and general assistance medical care programs; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Referred to the Committee on Finance.

H.F. No. 321: A bill for an act relating to marriage dissolution; requiring a summons to contain certain information; providing for court approval of certain items without a hearing; providing for payment of investigation costs; limiting joint custody; creating a summary dissolution pilot project; appropriating money for marriage dissolution education and orientation; amending Minnesota Statutes 1990, sections 518.13, by adding a subdivision; 518.167, by adding a subdivision; and 518.17, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 518.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 228, now on General Orders.

H.F. No. 218: A bill for an act relating to occupations and professions; requiring residential building contractors, remodelers, and specialty contractors to be licensed by the state; establishing a builders state advisory council; providing penalties; appropriating money; amending Minnesota Statutes 1990, section 45.027, subdivisions 1, 2, 5, 6, 7, and 8; proposing coding for new law in Minnesota Statutes, chapter 326.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 202, now on General Orders.

H.F. No. 1687: A bill for an act relating to education; establishing missions for public post-secondary systems; requiring joint administrative appointments; clarifying the powers and duties of the higher education coordinating board; creating a commission to develop a master plan and a new funding

formula; providing incentives for quality; requiring policies for credit transfer; establishing an intersystem council; creating technical college districts; requiring a study of uses of Waseca campus; appropriating money; amending Minnesota Statutes 1990, section 136A.04, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 135A and 136C.

Referred to the Committee on Education.

H.F. No. 655: A bill for an act relating to traffic regulations; establishing maximum height for rear bumpers of certain semitrailers; allowing certain equipment to be excluded from computing the maximum allowable length of a semitrailer or trailer used in a three-vehicle combination; providing an exception to the length limitation on certain vehicle combinations; limiting maximum weight allowed on certain vehicle tires; conforming state highway weight limitations to federal requirements; imposing a cost-per-mile fee on certain overweight vehicles; adding an exemption to the motor carrier act; authorizing a variance for small cargo tanks; establishing the initial motor carrier contact program; amending Minnesota Statutes 1990, sections 169.73, subdivision 4a; 169.81, subdivisions 2 and 3; 169.825, subdivisions 8 and 10; 169.86, subdivision 5; 174A.06; 221.025; 221.141, subdivision 4; and 221.033, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1990, sections 221.011, subdivisions 10, 12, 18, 25, and 28; 221.101; and 221.296.

Referred to the Committee on Finance.

H.F. No. 678: A bill for an act relating to juveniles; requiring a study of the juvenile certification process; appropriating money.

Referred to the Committee on Finance.

H.F. No. 783: A bill for an act relating to health; modifying requirements for drilling, sealing, and construction of wells, borings, and elevator shafts; amending Minnesota Statutes 1990, sections 1031.005, subdivisions 2, 22, and by adding a subdivision; 1031.101, subdivisions 2, 4, 5, and 6; 1031.105; 1031.111, subdivisions 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 5, 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 842, now on General Orders.

## REPORTS OF COMMITTEES

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

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

H.F. No. 694: A bill for an act relating to the environment; establishing an environmental enforcement account; establishing a field citation pilot project for unauthorized disposal of solid waste; authorizing background

investigations of environmental permit applicants; expanding current authority to impose administrative penalties for air and water pollution and solid waste management violations; imposing criminal penalties for knowing violations of standards related to hazardous air pollutants and toxic pollutants in water; providing that certain property is subject to forfeiture in connection with convictions for water pollution and air pollution violations; imposing criminal penalties for unauthorized disposal of solid waste; authorizing prosecution of environmental crimes by the attorney general; providing for environmental restitution as part of a sentence; increasing criminal penalties for false statements on documents related to permits and record keeping; requiring reports; appropriating money; amending Minnesota Statutes 1990, sections 18D.331, subdivision 4; 115.071, by adding a subdivision; 115.072; 115C.05; 116.07, subdivision 4d; 116.072, subdivisions 1, 2, 6, 10, and 11; 609.531, subdivision 1; and 609.671; proposing coding for new law in Minnesota Statutes, chapters 115 and 116.

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

Pages 2 and 3, delete section 5

Page 2, line 28, delete "*environmental*" and insert "*general*" and delete everything after the period

Page 2, delete line 29

Page 3, line 29, delete "*material*" and insert "*materially*"

Page 4, lines 20 and 26, delete "*felony*" and insert "*criminal*"

Page 4, after line 30, insert:

*"Subd. 2. [PERMIT APPLICANT.] For purposes of this section, a permit applicant includes a natural person, a partnership and its owners, and a corporation and its parent."*

Page 4, line 31, delete "2" and insert "3"

Page 4, line 35, delete "3" and insert "4"

Page 5, line 3, delete the period and insert "*regarding the circumstances surrounding the conviction, corrective measures to prevent recurrence, the applicant's rehabilitation, and technical and managerial experience. In making a final decision on the permit,*"

Page 5, line 6, delete "4" and insert "5"

Page 5, line 28, delete "*include a base fee covering*" and insert "*reflect reasonable and*"

Page 5, line 29, delete "*and an*" and insert a period

Page 5, delete lines 30 to 32

Page 5, line 33, delete "*prevailed.*"

Page 6, line 6, delete "*promulgated*" and insert "*adopted*"

Page 8, line 31, after "*seek*" insert "*civil*"

Page 9, line 2, after "*commissioner*" insert "*of the pollution control agency*"

Page 9, line 3, before the period, insert "*in Minnesota Statutes, section 116.072*" and delete "*must*" and insert "*shall*"

Page 9, delete line 6 and insert:

"Sec. 15. [FIELD CITATION PILOT PROJECT.]

*Subdivision 1. [AUTHORITY TO ISSUE.] Department of natural resources conservation officers may issue citations to a person who disposes of solid waste as defined in Minnesota Statutes, section 116.06, subdivision 10, at a location not authorized by law for the disposal of solid waste.*

*Subd. 2. [PENALTY AMOUNT.] The citation must impose the following penalty amounts:*

*(1) \$100 per major appliance, as defined in Minnesota Statutes, section 115A.03, subdivision 17a, up to a maximum of \$2,000;*

*(2) \$25 per waste tire, as defined in Minnesota Statutes, section 115A.90, subdivision 11, unless utilized in an agricultural pursuit, up to a maximum of \$2,000;*

*(3) \$25 per lead acid battery governed by Minnesota Statutes, section 115A.915, up to a maximum of \$2,000;*

*(4) \$1 per pound of other solid waste or \$20 per cubic foot up to a maximum of \$2,000; and*

*(5) up to \$200 for any amount of waste that escapes from a vehicle used for the transportation of solid waste if, after receiving actual notice that waste has escaped the vehicle, the person or company transporting the waste fails to collect the waste.*

*Subd. 3. [APPEALS.] Citations may be appealed under the procedures in Minnesota Statutes, section 116.072, subdivision 6, if the person requests a hearing by notifying the commissioner within 15 days after receipt of the citation. If a hearing is not requested within the 15-day period, the citation becomes a final order not subject to further review.*

*Subd. 4. [ENFORCEMENT OF FIELD CITATIONS.] Field citations may be enforced under Minnesota Statutes, section 116.072, subdivision 9.*

*Subd. 5. [CUMULATIVE REMEDY.] The authority of conservation officers to issue field citations is in addition to other remedies available under statutory or common law, except that the state may not seek penalties under any other provision of law for the incident subject to the citation."*

Page 9, line 7, before "The" insert "Subd. 6. [STUDY OF FIELD CITATION PILOT PROGRAM.]"

Page 9, line 25, delete "by local government units" and insert "at the local level"

Page 10, line 9, delete "environmental enforcement account" and insert "money appropriated to the agency in article 2, section 4"

Page 10, after line 28, insert:

"Sec. 19. [REPEALER.]

*Section 5 is repealed.*

Sec. 20. [EFFECTIVE DATE.]

*Section 19 is effective July 1, 1993."*

Re-number the sections of article 1 in sequence

Pages 10 and 11, delete section 1

Page 11, line 10, after "awards" insert "*from funds raised from private sources*"

Page 14, line 6, delete "and"

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

Page 15, after line 10, insert:

*"(b) A person who intentionally disposes of an agricultural chemical as defined in section 18D.01, subdivision 3, that is a hazardous waste as defined in section 18D.01, subdivision 5, in violation of chapter 18B, 18C, or 18D, or a standard, special order, stipulation, agreement, or schedule of compliance of the commissioner of agriculture is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$50,000, or both."*

Page 17, line 9, delete "works" and insert "works"

Page 17, line 20, reinstate the stricken language and delete the new language

Page 17, line 24, after the stricken "permit" insert "allow" and reinstate the stricken "or"

Page 17, line 30, delete "by" and insert "for compliance with"

Page 17, line 31, after "system" insert "*or state disposal system*" and reinstate the stricken "filing requirement" and delete "*or state*"

Page 17, line 32, delete the new language

Page 20, line 5, delete the first "the" and insert "a"

Page 20, line 6, after "violation" insert "*of this subdivision*"

Page 20, delete lines 12 to 19 and insert:

*"Subd. 13. [SOLID WASTE DISPOSAL.] (a) A person is guilty of a gross misdemeanor who:*

*(1) knowingly disposes of solid waste at, transports solid waste to, or arranges for disposal of solid waste at a location that does not have a required permit for the disposal of solid waste; and*

*(2) does so in exchange for or in expectation of money or other consideration."*

Page 20, after line 28, insert:

"Sec. 4. [APPROPRIATIONS.]

*Subdivision 1. [POLLUTION CONTROL AGENCY.] (a) \$890,000 is appropriated from the general fund to the pollution control agency for administration of articles 1 and 2. \$460,000 is for fiscal year 1992 and \$430,000 is for fiscal year 1993.*

*(b) \$238,000 is appropriated from the general fund to the attorney general for costs incurred under articles 1 and 2. \$119,000 is for fiscal year 1992 and \$119,000 is for fiscal year 1993.*

*Subd. 2. [DEPARTMENT OF NATURAL RESOURCES.] \$200,000 is appropriated from the general fund to the commissioner of natural resources for implementation of the field citation pilot project under article 1, section*

*15. \$100,000 is for fiscal year 1992 and \$100,000 is for fiscal year 1993. The appropriation in S.F. No. 1533 from the game and fish fund to the commissioner of natural resources for enforcement is reduced by \$100,000 in fiscal year 1992 and \$100,000 in fiscal year 1993."*

Page 20, line 30, delete "1, 3, and 4" and insert "2 and 3"

Pages 20 and 21, delete section 6

Renumber the sections of article 2 in sequence

Amend the title as follows:

Page 1, line 22, delete "18D.331, subdivision 4;"

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

## **SECOND READING OF HOUSE BILLS**

H.F. No. 694 was read the second time.

## **MOTIONS AND RESOLUTIONS**

Without objection, 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. Vickerman and DeCramer introduced—

S.F. No. 1568: A bill for an act relating to traffic regulations; authorizing the operation of recreational vehicle combinations with certain restrictions; amending Minnesota Statutes 1990, sections 169.01, by adding a subdivision; and 169.81, by adding a subdivision.

Referred to the Committee on Transportation.

Mr. Johnson, D.J. introduced—

S.F. No. 1569: A bill for an act relating to public administration; providing for an expenditure budget for taxes every two years; providing access to certain records classified under tax statutes; providing for display of a portrait of a governor in the capitol building; amending Minnesota Statutes 1990, sections 138.17, subdivision 1a; and 270.67, subdivisions 1 and 2.

Referred to the Committee on Taxes and Tax Laws. Mr. Merriam questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Mr. Johnson, D.J. introduced—

S.F. No. 1570: A bill for an act relating to taxation; income; providing a working family credit; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

## MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Metzen moved that S.F. No. 1037 be withdrawn from the Committee on Taxes and Tax Laws, given a second reading and placed on General Orders. The motion prevailed.

S.F. No. 1037: A bill for an act relating to economic development; establishing the regional seed capital program; authorizing economic development authorities to provide seed capital to small businesses; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; and 469.101, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 1160.

S.F. No. 1037 was read the second time.

## SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

## CALENDAR

H.F. No. 20: A bill for an act relating to insurance; requiring insurers to furnish a summary of claims review findings; proposing coding for new law in Minnesota Statutes, chapter 72A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 118: A bill for an act relating to occupational safety and health; honoring workers fatally injured while working on public projects; proposing coding for new law in Minnesota Statutes, chapter 182.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1657: A bill for an act relating to claims against the state; providing for payment of various claims; appropriating money.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1050: A bill for an act relating to state government; requiring certain notice of proposed executive reorganization orders; permitting the commissioner of administration to lease land to a political subdivision under some circumstances; amending Minnesota Statutes 1990, sections 16B.24, subdivision 6; and 16B.37, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 52 and nays 11, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Laidig	Mondale	Samuelson
Beckman	Frank	Langseth	Morse	Solon
Berglin	Frederickson, D.J.	Larson	Neuville	Spear
Bernhagen	Frederickson, D.R.	Lessard	Novak	Storm
Bertram	Gustafson	Luther	Piper	Stumpf
Cohen	Hottinger	Marty	Price	Traub
Dahl	Hughes	McGowan	Ranum	Vickerman
Davis	Johnson, D.J.	Mehrkins	Reichgott	Waldorf
DeCramer	Johnson, J.B.	Merriam	Renneke	
Dicklich	Kelly	Metzen	Riveness	
Finn	Kroening	Moe, R.D.	Sams	

Those who voted in the negative were:

Belanger	Berg	Day	Johnston	Olson
Benson, D.D.	Brataas	Johnson, D.E.	Knaak	Pariseau
Benson, J.E.				

So the bill passed and its title was agreed to.

H.F. No. 499: A bill for an act relating to education; providing for flagging of school records of missing children; proposing coding for new law in Minnesota Statutes, chapter 120.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 202: A bill for an act relating to public employees; defining the term "employee" for the purpose of the public employees labor relations act; providing for a leave of absence from public office or to employment without pay for certain elected officials; amending Minnesota Statutes 1990, sections 3.088, subdivision 1; 179A.03, subdivision 14.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 18, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, J.B.	Mondale	Riveness
Beckman	Dicklich	Kelly	Morse	Samuelson
Belanger	Finn	Kroening	Novak	Solon
Benson, J.E.	Flynn	Lessard	Pappas	Spear
Berglin	Frank	Luther	Pariseau	Traub
Bertram	Frederickson, D.J.	Marty	Piper	Vickerman
Chmielewski	Frederickson, D.R.	McGowan	Pogemiller	Waldorf
Cohen	Hottinger	Mehrkens	Price	
Dahl	Hughes	Metzen	Ranum	
Davis	Johnson, D.J.	Moe, R.D.	Reichgott	

Those who voted in the negative were:

Benson, D.D.	Day	Knaak	Neuville	Storm
Berg	Gustafson	Laidig	Olson	Stumpf
Bernhagen	Johnson, D.E.	Langseth	Renneke	
Brataas	Johnston	Larson	Sams	

So the bill passed and its title was agreed to.

H. F. No. 365: A bill for an act relating to courts; providing that the sheriff shall not charge for certain duties performed; amending Minnesota Statutes 1990, section 563.01, subdivision 4.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Knaak voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 1125: A bill for an act relating to law enforcement; authorizing the Mille Lacs Band of Chippewa Indians to exercise law enforcement authority within the Mille Lacs Reservation and certain trust lands; proposing coding for new law in Minnesota Statutes, chapter 626.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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	Gustafson	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	

So the bill passed and its title was agreed to.

S.F. No. 820: A bill for an act relating to the state agricultural society; providing some building and contracting exceptions; regulating real estate transactions; setting conditions for counties to assist state fair exhibits; amending Minnesota Statutes 1990, sections 37.02; 37.19; and 375.79; repealing Minnesota Statutes 1990, sections 375.80; 375.81; and 375.82.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 1127: A bill for an act relating to utilities; prohibiting multiparty line telephone service to more than two subscribers per line; proposing coding for new law in Minnesota Statutes, chapter 237.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 2, as follows:

Those who voted in the affirmative were:

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

Messrs. Frank and Samuelson voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 696: A bill for an act relating to education; revising membership requirements for joint vocational technical boards; authorizing joint vocational technical boards to appoint additional members; amending Minnesota Statutes 1990, section 136C.61, subdivision 1; and by adding a subdivision.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Waldorf voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 1197: A bill for an act relating to commerce; franchises; regulating assignments, transfers, and sales; amending Minnesota Statutes 1990, section 80C.14, subdivision 5, and by adding a subdivision.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 205: A bill for an act relating to insurance; prohibiting discrimination against American military personnel; amending Minnesota Statutes 72A.20, subdivision 8.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 289: A bill for an act relating to insurance; accident and health; establishing minimum loss ratios for certain noncomprehensive policies; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 58 and nays 6, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Day	Johnston	Mehrkens	Neuville
Brataas				

So the bill passed and its title was agreed to.

H.F. No. 459: A bill for an act relating to crimes; providing that a claimant in a forfeiture proceeding does not have to pay a filing fee; providing for appointment of qualified interpreters in forfeiture proceedings; amending Minnesota Statutes 1990, sections 609.5314, subdivisions 2 and 3; 611.31; and 611.32.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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	Gustafson	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	

So the bill passed and its title was agreed to.

H.F. No. 564: A bill for an act relating to telephones; exempting certain providers of telephone service from regulation by the public utilities commission; requiring hotels, motels, and other establishments to provide notice of separate charges for use of telephones and notice of which long distance

carriers provide service to telephones in the establishments; proposing coding for new law in Minnesota Statutes, chapters 237 and 325F.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 786: A bill for an act relating to contracts; providing for enforcement of certain contracts; making technical changes; correcting inconsistencies; clarifying certain provisions; amending Minnesota Statutes 1990, section 325E.37.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 46 and nays 20, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Kroening	Morse	Solon
Beckman	Frank	Laidig	Novak	Spear
Berglin	Frederickson, D.J.	Langseth	Pappas	Stumpf
Bertram	Frederickson, D.R.	Lessard	Piper	Traub
Cohen	Hottinger	Luther	Pogemiller	Vickerman
Dahl	Hughes	Marty	Price	Waldorf
Davis	Johnson, D.E.	Merriam	Ranum	
DeCramer	Johnson, D.J.	Metzen	Reichgott	
Dicklich	Johnson, J.B.	Moe, R.D.	Riveness	
Finn	Kelly	Mondale	Sams	

Those who voted in the negative were:

Belanger	Bernhagen	Gustafson	McGowan	Pariseau
Benson, D.D.	Brataas	Johnston	Mehrrens	Renneke
Benson, J.E.	Chmielewski	Knaak	Neuville	Samuelson
Berg	Day	Larson	Olson	Storm

So the bill passed and its title was agreed to.

H.F. No. 1189: A bill for an act relating to counties; permitting counties to spend money for broadcast facilities; amending Minnesota Statutes 1990, section 375.164.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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	Gustafson	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	

So the bill passed and its title was agreed to.

S.F. No. 109: A bill for an act relating to judicial administration; increasing fees; eliminating fees; decreasing the number of certified copies of marriage licenses prepared; expanding the probate surcharge to informal probate matters; amending Minnesota Statutes 1990, sections 357.021, subdivision 2; 517.101; and 525.5501, subdivision 2.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 3, as follows:

Those who voted in the affirmative were:

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

Messrs. Knaak, Larson and Ms. Olson voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 740: A bill for an act relating to state finance; providing for the uses of imprest funds, the cancellation of warrants, the costs of data searches, the conditions and uses of bonds, and certain account rules; appropriating money; amending Minnesota Statutes 1990, sections 13.03, subdivision 3; 15.191, subdivision 1; 16A.45, subdivision 1; 16A.641, subdivision 3; 16A.672, subdivision 9; and 16A.721, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 606: A bill for an act relating to transportation; authorizing state departments to cancel uncollectible debts up to \$200 in certain cases; allowing department of transportation to employ debt collection services; allowing department of transportation to make direct expenditures from state aid funds for administrative expenses; providing penalty for failure to pay fee for sign permit more than 30 days after fee is due; providing when estimates of certain construction projects are nonpublic data; directing the commissioner of transportation to adopt rules governing the location and breakaway standards for mailbox installations; allowing white strobe lamps to be used on highway maintenance vehicles; authorizing exchange of lands with Grand Portage Band of Chippewa Indians; abolishing conflicting requirements related to market artery highways; adding a route and changing the description of a route in the state highway system; providing a penalty; amending Minnesota Statutes 1990, sections 10.12; 13.72, subdivision 1; 161.20, subdivision 4; 162.06, subdivision 2; 162.12, subdivision 2; 169.64, by adding a subdivision; and 173.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1990, section 169.833.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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	Gustafson	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	

So the bill passed and its title was agreed to.

H.F. No. 1299: A bill for an act relating to agriculture; abolishing refund of checkoff fee paid by paddy wild rice producers; changing the definition of restricted seed potato growing area; amending Minnesota Statutes 1990, sections 17.63; and 21.1196, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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	Gustafson	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	

So the bill passed and its title was agreed to.

S.F. No. 836: A bill for an act relating to education; appropriating money for construction on the St. Cloud State University campus.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 1182: A bill for an act relating to state buildings; requiring the commissioner of finance to prepare a debt capacity forecast covering the next six fiscal years and all types of debt instruments; requiring capital facilities notes; discontinuing sale of infrastructure development bonds, consolidating debt service for infrastructure development bonds in the general fund; requiring consultation with the capitol area architectural and planning board on building projects in the capitol area; requiring the commissioner of administration to review capital budget requests for state buildings; requiring a report; setting the debt service limit for the biennium ending June 30, 1991; appropriating money; amending Minnesota Statutes 1990, sections 16A.11, subdivisions 1 and 3, and by adding subdivisions; 16A.662, subdivisions 2, 4, and 5; and 349A.10, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A and 16B.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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	Gustafson	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	

So the bill passed and its title was agreed to.

S.F. No. 1238: A bill for an act relating to the city of Richfield; authorizing the city to advance money to the commissioner of transportation to expedite construction of a frontage road within the city; authorizing an agreement between the commissioner and the city; authorizing the city to issue bonds and requiring the commissioner to pay interest on the bonds up to a certain amount.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 66 and nays 0, as follows:

Those who voted in the affirmative were:

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	Gustafson	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	

So the bill passed and its title was agreed to.

S.F. No. 1402: A bill for an act relating to higher education; authorizing a study of potential uses for the Waseca campus of the University of Minnesota; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Belanger voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 1340: A bill for an act relating to retirement; judges retirement fund; modifying the procedures for the payment of social security and retirement fund contributions; appropriating money for the payment of retirement fund employer contributions; amending Minnesota Statutes 1990, sections 355.392, subdivisions 2 and 3; and 490.123, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 100: A bill for an act relating to transportation; authorizing replacement funds for certain culverts and grading costs; authorizing certain assistance for bridge approaches from the town bridge account; amending Minnesota Statutes 1990, section 161.082, subdivision 2a.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 64 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Kroening voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 371: A bill for an act relating to crimes; child abduction; requiring certain convicted sex and kidnapping offenders to report a current address to probation officer following release from prison; requiring the publication of missing children bulletins; requiring training concerning the investigation of missing children cases; providing law enforcement officers access to medical and dental records of missing children; amending restrictions on felony prosecutions for taking, detaining, or failing to return a child; appropriating money; amending Minnesota Statutes 1990, sections 299C.52, subdivisions 1, 3, and 6; 609.115, by adding a subdivision; and 609.26, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 243 and 299C.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 65 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### 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.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Morse moved that the following members be excused for a Conference Committee on S.F. No. 1533 at 1:30 p.m.:

Messrs. Davis; Frederickson, D.R.; Laidig; Merriam and Morse. The motion prevailed.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Price moved that the following members be excused for a Conference Committee on S.F. No. 800 from 1:30 to 2:30 p.m.:

Messrs. Lessard, Merriam and Price. The motion prevailed.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Spear moved that the following members be excused for a Conference Committee on S.F. No. 880 at 3:10 p.m.:

Messrs. Kroening, McGowan and Spear. The motion prevailed.

**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 3:30 p.m.:

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

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. 1474, 559, 174 and H.F. Nos. 1119, 143, which the committee recommends to pass.

S.F. No. 1422, which the committee recommends be re-referred to the Committee on Taxes and Tax Laws.

S.F. No. 300, which the committee recommends to pass with the following amendment offered by Ms. Flynn:

Page 11, line 27, delete "1991" and insert "1992"

Page 17, line 34, strike "consulting"

Page 18, line 1, after the second "*licensed*" insert "*consulting*"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S.F. No. 300.

The roll was called, and there were yeas 33 and nays 15, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Dicklich	Hottinger	Pariseau	Spear
Berg	Finn	Hughes	Piper	Storm
Berglin	Flynn	Johnson, D.J.	Ranum	Stumpf
Bertram	Frank	Knaak	Reichgott	Traub
Cohen	Frederickson, D.J.	Luther	Riveness	Vickerman
Dahl	Frederickson, D.R.	Moe, R.D.	Sams	
Davis	Halberg	Novak	Samuelson	

Those who voted in the negative were:

Adkins	Bernhagen	Johnson, D.E.	Kroening	Marty
Belanger	Day	Johnson, J.B.	Laidig	Mondale
Benson, D.D.	Gustafson	Johnston	Larson	Neuville

The motion prevailed. So S.F. No. 300 was recommended to pass.

S.F. No. 565, which the committee recommends to pass with the following amendment offered by Mr. Stumpf:

Page 2, lines 18 and 19, delete "*between merchants or between merchant and nonmerchant and*"

Page 2, line 25, delete "*do not damage*" and insert "*is not due to damage to*"

The motion prevailed. So the amendment was adopted.

H.F. No. 752, which the committee recommends to pass with the following amendment offered by Mr. Stumpf:

Page 2, line 5, before "*The*" insert "*Notwithstanding Laws 1991, chapter 5,*"

Page 2, line 10, delete "*not less than 32 days*" and insert "*no later than May 31, 1991, and the election shall be held on Tuesday, June 18, 1991.*"

Page 2, delete lines 11 and 12

The motion prevailed. So the amendment was adopted.

H.F. No. 1147, which the committee reports progress, subject to the following motions:

Mr. Waldorf moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 14, line 3, delete "2," and delete ", and 9" and after "*to*" insert "*19 and*"

The motion prevailed. So the amendment was adopted.

Mr. Lessard moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 10, line 31, before "*At*" insert "*All professional employees as defined in section 179A.03, subdivision 13, whose primary responsibilities are in marketing are in the unclassified service. All other employees of the division are in the classified service.*"

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Adkins	Chmielewski	Hottinger	Larson	Price
Benson, D.D.	Dahl	Hughes	Lessard	Solon
Benson, J.E.	Day	Johnson, D.E.	McGowan	Vickerman
Berg	DeCramer	Johnston	Neuville	
Bertram	Finn	Knaak	Olson	
Brataas	Gustafson	Kroening	Pariseau	

Those who voted in the negative were:

Berglin	Frederickson, D.R.	Marty	Pappas	Storm
Cohen	Halberg	Merriam	Piper	Stumpf
Dicklich	Johnson, D.J.	Moe, R.D.	Ranum	Traub
Flynn	Johnson, J.B.	Mondale	Riveness	Waldorf
Frank	Kelly	Morse	Samuelson	
Frederickson, D.J.	Luther	Novak	Spear	

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

Mr. DeCramer moved to amend H.F. No. 1147, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1168.)

Page 10, delete section 15

Page 12, after line 19, insert:

"Sec. 20. [UNCLASSIFIED POSITIONS IN THE STATE LOTTERY.]

*The commissioner of employee relations, with the director of the state lottery, shall develop criteria that determine the placement of professional and managerial positions in the classified or unclassified civil service under Minnesota Statutes, section 43A.08, subdivision 1, clause (i). The commissioner shall consider criteria that recognize the unique functions of the lottery. The commissioner shall report to the legislative commission on employee relations by December 1, 1991, on the criteria that have been established and any reassignments of positions that have been required."*

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 25 and nays 24, as follows:

Those who voted in the affirmative were:

Adkins	Chmielewski	Johnson, D.E.	Larson	Pariseau
Benson, D.D.	Day	Johnson, D.J.	Lessard	Price
Benson, J.E.	DeCramer	Johnston	Neuville	Storm
Berg	Gustafson	Kelly	Novak	Stumpf
Brataas	Hughes	Knaak	Olson	Vickerman

Those who voted in the negative were:

Berglin	Finn	Halberg	Moe, R.D.	Ranum
Bertram	Flynn	Johnson, J.B.	Mondale	Riveness
Cohen	Frank	Luther	Morse	Traub
Davis	Frederickson, D.J.	Marty	Pappas	Waldorf
Dicklich	Frederickson, D.R.	Merriam	Piper	

The motion prevailed. So the amendment was adopted.

H.F. No. 1147 was then progressed.

H.F. No. 958, which the committee recommends to pass with the following amendments offered by Messrs. Berg and Morse:

Mr. Berg moved to amend H.F. No. 958, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 945.)

Page 1, after line 10, insert

"Section 1. [13.645] [AQUACULTURE PERMIT DATA.]

*The following data collected and maintained by an agency issuing aquaculture permits under sections 2 to 9 are classified as private or nonpublic: the names and addresses of customers provided in the permit application."*

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "classifying certain private data collected for aquaculture permits;"

Page 1, line 8, delete "chapter" and insert "chapters 13 and"

The motion prevailed. So the amendment was adopted.

Mr. Berg then moved to amend H.F. No. 958, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 945.)

Page 1, line 22, delete "and"

Page 1, line 24, before the period, insert ", or fish farms licensed under section 97C.209"

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend H.F. No. 958, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 945.)

Page 1, after line 10, insert:

"Section 1. [17.107] [TROPIC STATE LABELING.]

*Subdivision 1. [CERTIFICATION OF TROPIC STATE.] The commissioner, in consultation with the commissioners of the pollution control agency and natural resources, shall annually certify the trophic state of the waters used for aquatic farming. Aquatic farming waters maintained in a trophic state equal or better than:*

*(1) 25 percent of the lakes in this state over 100 acres shall be certified as "pristine waters";*

*(2) 50 percent of the lakes in this state over 100 acres shall be certified as "pure, clean, or fresh waters"; and*

*(3) 75 percent of the lakes in this state over 100 acres shall be certified as "natural waters."*

*Subd. 2. [USE OF TERMS.] A person may only use the terms "natural," "pure," "clean," "fresh," or "pristine" in describing waters used for aquaculture on labeling, advertising, or other material if the waters from which the products were raised are certified accordingly under subdivision 1. The*

*terms may be used in conjunction with other Minnesota grown labeling."*

Page 4, delete section 8 and insert:

"Sec. 9. [17.498] [RULES; FINANCIAL ASSURANCE.]

*(a) The commissioner of the pollution control agency, after consultation and cooperation with the commissioners of agriculture and natural resources, shall present proposed rules to the pollution control agency board prescribing water quality permit requirements for aquaculture facilities by May 1, 1992. The rules must consider:*

*(1) best available proven technology, best management practices, and water treatment practices that prevent and minimize degradation of waters of the state considering economic factors, availability, technical feasibility, effectiveness, and environmental impacts;*

*(2) classes, types, sizes, and categories of aquaculture facilities;*

*(3) temporary reversible impacts versus long-term impacts on water quality;*

*(4) effects on drinking water supplies that cause adverse human health concerns; and*

*(5) aquaculture therapeutics, which shall be regulated by the pollution control agency.*

*(b) Net pen aquaculture and other aquaculture facilities with similar effects must submit an annual report to the commissioner of the pollution control agency analyzing changes in water quality trends from previous years, documentation of best management practices, documentation of costs to restore the waters used for aquaculture to the trophic state existing before aquatic farming was initiated, and documentation of financial assurance in an amount adequate to pay for restoration costs. The trophic state, which is the productivity of the waters measured by total phosphorus, dissolved oxygen, algae abundance as chlorophyll-a, and secchi disk depth of light penetration, and the condition of the waters measured by raw drinking water parameters, shall be determined to the extent possible before aquatic farming is initiated. The financial assurance may be a trust fund, letter of credit, escrow account, surety bond, or other financial assurance payable to the commissioner for restoration of the waters if the permittee cannot or will not restore the waters after termination of aquatic farming operations or revocation of the permit.*

*(c) The commissioner of the pollution control agency shall submit a draft of the proposed rules to the legislative water commission by September 1, 1991. By January 15, 1992, the commissioner of the pollution control agency shall submit a report to the legislative water commission about aquaculture facilities permitted by the pollution control agency. The report must include concerns of permittees as well as concerns of the agency about permitted aquaculture facilities and how those concerns will be addressed in the proposed rules.*

*(d) Information received as part of a permit application or as otherwise requested must be classified according to chapter 13. Information about processes, aquatic farming procedures, feed and therapeutic formulas and rates, and tests on aquatic farming products that have economic value is nonpublic data under chapter 13, if requested by the applicant or permittee.*

Sec. 10. Minnesota Statutes 1990, section 18B.26, subdivision 1, is

amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not use or distribute a pesticide in this state unless it is registered with the commissioner. *Aquaculture therapeutics shall be registered and labeled in the same manner as pesticides.* Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used only with the written permission of the commissioner.

(d) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

Sec. 11. Minnesota Statutes 1990, section 25.33, subdivision 5, is amended to read:

Subd. 5. "Commercial feed" means all materials except unmixed seed, whole or processed, when not adulterated within the meaning of section 25.37, paragraphs (A), (B), (C), or (D) which are distributed for use as feed or for mixing in feed, *including feed for aquatic animals.* The commissioner by rule may exempt from this definition, or from specific provisions of sections 25.31 to 25.44, commodities such as hay, straw, stover, silage, cobs, husks, hulls, and individual chemical compounds or substances when such commodities, compounds or substances are not intermixed with other materials, and are not adulterated within the meaning of section 25.37, paragraphs (A), (B), (C), or (D)."

Page 10, line 30, delete "Sections 1 to 13 are" and insert "This act is"

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. 181, which the committee recommends to pass with the following amendment offered by Mr. Novak:

Amend H.F. No. 181, the unofficial engrossment, as follows:

Page 1, line 19, delete "*petroleum tank leakage or spill*"

Page 2, line 19, before the period, insert "*, except that if the board finds that the responsible person has made reasonable efforts to collect from an insurer and failed, the board shall reimburse the responsible person under this subdivision*"

Page 2, lines 21 and 22, delete "*petroleum tank leakage or spill*"

Page 2, line 34, delete "*there*" and insert "*in that subdivision, except where the board has knowingly provided reimbursement because the responsible person was denied coverage by the insurer*"

Page 3, lines 15 and 16, delete "*petroleum tank leakage or spill*"

The motion prevailed. So the amendment was adopted.

S.F. No. 786, which the committee recommends to pass with the following amendment offered by Mr. Frederickson, D.R.:

Page 4, line 17, strike "In addition to the above fees," and strike "minimum" and strike "\$10 or"

Page 4, line 18, strike ", whichever is greater, shall" and insert "may"

Page 7, delete section 14

The motion prevailed. So the amendment was adopted.

H.F. No. 1190, which the committee recommends to pass with the following amendment offered by Mr. Dicklich:

Amend H.F. No. 1190, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1380.)

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1990, section 103G.271, subdivision 6, is amended to read:

Subd. 6. [WATER USE PERMIT PROCESSING FEE.] (a) Except as described in paragraphs (b) to (e), a water use permit processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) 0.05 cents per 1,000 gallons for the first 50,000,000 gallons per year;
- (2) 0.10 cents per 1,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;
- (3) 0.15 cents per 1,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year; and
- (4) 0.20 cents per 1,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;
- (5) 0.25 cents per 1,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;
- (6) 0.30 cents per 1,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;
- (7) 0.35 cents per 1,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;
- (8) 0.40 cents per 1,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year; and
- (9) 0.45 cents per 1,000 gallons for amounts greater than 400,000,000 gallons per year.

(b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:

- (1) for nonprofit corporations and school districts:
  - (i) 5.0 cents per 1,000 gallons until December 31, 1991;
  - (ii) 10.0 cents per 1,000 gallons from January 1, 1992, until December 31, 1996; and

(iii) 15.0 cents per 1,000 gallons after January 1, 1997; and

(2) for all other users after January 1, 1990, 20 cents per 1,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and in no case may the fee be less than \$50. The commissioner shall notify all permittees of the fee changes authorized by this law by July 1, 1990. The commissioner is authorized to refund 1989 water use report processing fees under this subdivision.

(d) For water use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed \$175,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) \$35,000 per year for an entity holding three or fewer permits;

(ii) \$50,000 per year for an entity holding four or five permits;

(iii) \$175,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed \$750 per year; and

*(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam.*

(e) Failure to pay the fee is sufficient cause for revoking a permit. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) For once-through systems fees payable after July 1, 1993, at least 50 percent of the fee deposited in the general fund shall be used for grants, loans, or other financial assistance as appropriated by the legislature to assist in financing retrofitting of permitted once-through systems until December 31, 1999. The commissioner shall adopt rules for determining eligibility and criteria for the issuance of grants, loans, or other financial assistance for retrofitting according to chapter 14, by July 1, 1993.

(g) This subdivision applies to permits issued or effective on or after January 1, 1990."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1142, which the committee recommends to pass with the following amendments offered by Mr. Luther, Ms. Ranum and Mr. Hottinger:

Mr. Luther moved to amend H.F. No. 1142, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 969.)

Page 5, after line 29, insert:

*"(d) This section does not apply to arbitrations between employers and employees under chapter 179 or interest arbitrations under section 179A.16."*

Page 6, line 32, before the period, insert *"unless the award is issued in connection with an arbitration between an employer and employees under chapter 179 or an interest arbitration under section 179A.16"*

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend H.F. No. 1142, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 969.)

Page 1, line 20, after "provide" insert "an equitable means"

Page 1, line 27, delete "from the binding judgment"

Page 2, line 1, delete the third comma

Page 3, line 28, strike "settlement demand" and insert "notice of claim"

Page 4, line 3, strike "settlement demand" and insert "notice of claim"

Page 4, line 13, strike "settlement demand"

Page 4, line 14, before the comma, insert "notice of claim"

Page 6, line 31, after the period, insert "*If requested by a party before the close of the hearing, the arbitrators shall include in their award a brief explanation of the basis for the award, but formal findings of fact or conclusions of law are not required.*"

Page 7, line 15, delete "clause (1), (3),"

Page 7, line 16, delete "or (4)," and after "amending" insert ", correcting."

Page 8, delete lines 3 and 4

Page 8, line 5, delete "(b)"

Page 8, delete lines 8 and 9 and insert:

*"Sections 1 to 3 and 7 are effective the day following final enactment. Sections 4 and 5 are effective July 1, 1991, and apply to proceedings pending on or commenced on or after that date."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 7, after the semicolon, insert "modifying circumstances under which an arbitrator may change an award;"

Page 1, line 11, delete "sections 484.73; 484.74; and" and insert "section"

The motion prevailed. So the amendment was adopted.

Ms. Ranum moved to amend H.F. No. 1142, as amended pursuant to Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 969.)

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1990, section 169.121, subdivision 6, is amended to read:

Subd. 6. [PRELIMINARY SCREENING TEST.] When a peace officer has reason to believe from the manner in which a person is driving, operating, controlling, or acting upon departure from a motor vehicle, or has driven, operated, or controlled a motor vehicle, that the driver may be violating or has violated subdivision 1, the officer may require the driver to provide a

sample of the driver's breath for a preliminary screening test using a device approved by the commissioner of public safety for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether an arrest should be made and whether to require the tests authorized in section 169.123, but shall not be used in any court action except (1) to prove that a test was properly required of a person pursuant to section 169.123, subdivision 2; or (2) *in a civil action arising out of the operation or use of the motor vehicle*. Following the screening test additional tests may be required of the driver pursuant to the provisions of section 169.123.

The driver who refuses to furnish a sample of the driver's breath is subject to the provisions of section 169.123 unless, in compliance with section 169.123, the driver submits to a blood, breath or urine test to determine the presence of alcohol or a controlled substance.

Sec. 2. Minnesota Statutes 1990, section 169.121, is amended by adding a subdivision to read:

*Subd. 10a. [CIVIL ACTION; PUNITIVE DAMAGES.] In a civil action involving a motor vehicle accident, evidence that the accident was caused by a driver (1) with a blood alcohol concentration of .10 or more, or (2) who was under the influence of alcohol or a controlled substance and refused to take a test required under section 169.123, subdivision 2, is sufficient for the trier of fact to consider an award of punitive damages under the standards and procedures of section 549.20. A criminal charge or conviction is not a prerequisite to consideration of punitive damages under this subdivision.*

Sec. 3. Minnesota Statutes 1990, section 169.94, is amended to read:

169.94 [RECORD OF CONVICTION.]

Subdivision 1. [NOT ADMISSIBLE AS EVIDENCE; EXCEPTION.] (a) *Except as provided in paragraph (b), no record of the conviction of any person for any violation of this chapter shall be admissible as evidence in any court in any civil action.*

*(b) In any civil action arising out of a motor vehicle accident in which there is evidence that the accident was caused by a driver whose driving capacity was impaired, evidence that the driver has been convicted of violating section 169.121 or 169.129 is admissible, subject to any limitations imposed by the applicable Rules of Evidence.*

Subd. 2. [NOT TO AFFECT CREDIBILITY AS WITNESS.] *Except as provided in subdivision 1, paragraph (b), the conviction of a person upon a charge of violating any provision of this chapter or other traffic rule less than a felony shall not affect or impair the credibility of such person as a witness in any civil or criminal proceeding."*

Page 8, line 8, before "Section" insert "Sections 1, 2, and 3 are effective August 1, 1991, and apply to convictions entered and civil actions commenced on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend H.F. No. 1142, as amended pursuant to

Rule 49, adopted by the Senate May 13, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 969.)

Page 1, after line 13, insert:

"Section 1. Minnesota Statutes 1990, section 65B.525, subdivision 1, is amended to read:

Subdivision 1. Except as otherwise provided in section 72A.327, the supreme court and the several courts of general trial jurisdiction of this state shall by rules of court or other constitutionally allowable device, provide for the mandatory submission to binding arbitration of all cases at issue where the claim at the commencement of arbitration is in an amount of ~~\$5,000~~ \$10,000 or less against any insured's reparation obligor for no-fault benefits or comprehensive or collision damage coverage."

Page 3, after line 14, insert:

"Sec. 4. Minnesota Statutes 1990, section 548.36, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] For purposes of this section, "collateral sources" means payments related to the injury or disability in question made to the plaintiff *or claimant*, or on the plaintiff's *or claimant's* behalf up to the date of the verdict, by or pursuant to:

(1) a federal, state, or local income disability or workers' compensation act; or other public program providing medical expenses, disability payments, or similar benefits;

(2) health, accident and sickness, or automobile accident insurance or liability insurance that provides health benefits or income disability coverage; except life insurance benefits available to the plaintiff *or claimant*, whether purchased by the plaintiff *or claimant* or provided by others, payments made pursuant to the United States Social Security Act, or pension payments;

(3) a contract or agreement of a group, organization, partnership, or corporation to provide, pay for, or reimburse the costs of hospital, medical, dental or other health care services; or

(4) a contractual or voluntary wage continuation plan provided by employers or any other system intended to provide wages during a period of disability, except benefits received from a private disability insurance policy where the premiums were wholly paid for by the plaintiff *or claimant*.

Sec. 5. Minnesota Statutes 1990, section 548.36, subdivision 2, is amended to read:

Subd. 2. [MOTION.] In a civil action *or arbitration proceeding*, whether based on contract ~~or~~, tort, *or agreement to arbitrate* when liability is admitted or is determined by the trier of fact *or arbitrator*, and when damages include an award to compensate the plaintiff *or claimant* for losses available to the date of the verdict *or arbitration award* by collateral sources, a party may file a motion within ten days of the date of entry of the verdict *or award* requesting determination of collateral sources. If the motion is filed, the parties shall submit written evidence of, and the court *or arbitrator* shall determine:

(1) amounts of collateral sources that have been paid for the benefit of the plaintiff *or claimant* or are otherwise available to the plaintiff *or claimant*

as a result of losses except those for which a subrogation right has been asserted; and

(2) amounts that have been paid, contributed, or forfeited by, or on behalf of, the plaintiff *or claimant* or members of the plaintiff's *or claimant's* immediate family for the two-year period immediately before the accrual of the action to secure the right to a collateral source benefit that the plaintiff *or claimant* is receiving as a result of losses.

Sec. 6. Minnesota Statutes 1990, section 548.36, subdivision 3, is amended to read:

Subd. 3. [DUTIES OF THE COURT *OR ARBITRATOR*.] (a) The court *or arbitrator* shall reduce the award by the amounts determined under subdivision 2, clause (1), and offset any reduction in the award by the amounts determined under subdivision 2, clause (2).

(b) If the court *or arbitrator* cannot determine the amounts specified in paragraph (a) from the written evidence submitted, the court *or arbitrator* may within ten days request additional written evidence or schedule a conference with the parties to obtain further evidence.

(c) In any case where the plaintiff *or claimant* is found to be at fault under section 604.01, the reduction required under paragraph (a) must be made before the plaintiff's *or claimant's* damages are reduced under section 604.01, subdivision 1.

Sec. 7. Minnesota Statutes 1990, section 548.36, subdivision 4, is amended to read:

Subd. 4. [CALCULATION OF ATTORNEYS' FEES.] If the fees for legal services provided to the plaintiff *or claimant* are based on a percentage of the amount of money awarded to the plaintiff *or claimant*, the percentage must be based on the amount of the award as adjusted under subdivision 3. Any subrogated provider of a collateral source not separately represented by counsel shall pay the same percentage of attorneys' fees as paid by the plaintiff *or claimant* and shall pay its proportionate share of the costs."

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. 267, which the committee recommends to pass, subject to the following motion:

Mr. Beckman moved that the amendment made to H.F. No. 267 by the Committee on Rules and Administration in the report adopted May 10, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

S.F. No. 432, which the committee recommends to pass with the following amendment offered by Mr. Knaak:

Page 1, line 23, delete "*conclusive*" and insert "*rebuttable*"

The motion prevailed. So the amendment was adopted.

H.F. No. 317, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Amend H.F. No. 317, as amended pursuant to Rule 49, adopted by the

Senate May 2, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 227.)

Page 8, line 23, after "*asset*" insert "*and a fair return on the asset*"

The motion prevailed. So the amendment was adopted.

Mr. Moe, R.D. moved that the report of the Committee of the Whole, as kept by the Secretary, be adopted.

Mr. Waldorf requested that the report on H.F. No. 1147 be divided out.

Mr. Moe, R.D. moved that the report of the Committee of the Whole, with the exception of the report on H.F. No. 1147, be adopted. The motion prevailed.

The question was taken on the adoption of the report on H.F. No. 1147.

The roll was called, and there were yeas 15 and nays 34, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frank	McGowan	Renneke
Benson, J.E.	Day	Gustafson	Metzen	Solon
Bernhagen	DeCramer	Lessard	Neuville	Storm

Those who voted in the negative were:

Belanger	Flynn	Kelly	Novak	Riveness
Benson, D.D.	Frederickson, D.J.	Knaak	Olson	Sams
Berg	Halberg	Kroening	Pappas	Spear
Berglin	Hottinger	Larson	Pariseau	Traub
Cohen	Johnson, D.E.	Luther	Price	Vickerman
Dahl	Johnson, J.B.	Marty	Ranum	Waldorf
Finn	Johnston	Moe, R.D.	Reichgott	

The motion did not prevail.

## MOTIONS AND RESOLUTIONS - CONTINUED

### SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Mr. Moe, R.D. moved that the Senate take up the General Orders Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. 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. 806, 720 and H.F. Nos. 744, 961, which the committee recommends to pass.

S.F. No. 506, which the committee recommends to pass with the following amendments offered by Messrs. Berg; Frederickson, D.R.; Price; Kroening; Riveness; McGowan and Luther:

Mr. Berg moved to amend S.F. No. 506 as follows:

Page 16, delete section 18

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 28, delete "subdivisions 1 and" and insert "subdivision"

The motion prevailed. So the amendment was adopted.

Mr. Frederickson, D.R. moved to amend S.F. No. 506 as follows:

Page 7, line 22, after the comma, insert "*or for persons of all ages for amateur baseball or softball if equipment and uniforms do not exhibit commercial advertising,*" and strike "such" and insert "*the use of the*" and before "activities" insert "*participation in the*" and strike "do" and insert "*does*"

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend S.F. No. 506 as follows:

Page 27, line 28, after "lottery" insert ", *except a lottery conducted by an adjoining state,*"

Pages 28 and 29, delete section 39

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 18, after the semicolon, insert "authorizing dissemination of information about lotteries conducted by adjoining states;"

Page 1, line 35 and 36, delete "609.761, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

Mr. Berg then moved to amend S.F. No. 506 as follows:

Page 4, line 9, delete "and"

Page 4, line 14, delete the period and insert " *; and*

*(4) sold, offered for sale, or otherwise provided to a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value."*

Page 6, after line 21, insert:

*"Subd. 9. [REQUIRED INFORMATION.] A person to whom a license is issued under this section shall provide, in a manner prescribed by the commissioner, information required by the commissioner relating to the shipment and sale of gambling devices."*

Page 6, line 22, delete "9" and insert "10"

Page 27, after line 33, insert:

*"Clause (5) does not prohibit operation of a gambling device in a person's dwelling for amusement purposes in a manner that does not afford players an opportunity to obtain anything of value."*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Moe, R.D.	Renneke
Beckman	DeCramer	Knaak	Mondale	Riveness
Belanger	Finn	Kroening	Neuville	Solon
Benson, D.D.	Flynn	Laidig	Novak	Spear
Benson, J.E.	Frank	Langseth	Olson	Storm
Berg	Frederickson, D.J.	Lessard	Pappas	Traub
Bernhagen	Frederickson, D.R.	Luther	Pariseau	Vickerman
Bertram	Gustafson	Marty	Pogemiller	
Chmielewski	Halberg	McGowan	Price	
Cohen	Hottinger	Mehrkens	Ranum	
Dahl	Johnson, D.E.	Metzen	Reichgott	

The motion prevailed. So the amendment was adopted.

Mr. Berg then moved to amend S.F. No. 506 as follows:

Page 5, line 32, delete "\$5,000" and insert "\$3,000"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 41 and nays 6, as follows:

Those who voted in the affirmative were:

Beckman	Dahl	Johnson, D.E.	Metzen	Riveness
Belanger	Dicklich	Johnston	Moe, R.D.	Sams
Benson, D.D.	Finn	Kelly	Neuville	Spear
Benson, J.E.	Flynn	Knaak	Olson	Storm
Berg	Frank	Kroening	Pappas	Traub
Berglin	Frederickson, D.R.	Laidig	Pariseau	
Bernhagen	Gustafson	Luther	Price	
Chmielewski	Halberg	McGowan	Ranum	
Cohen	Hottinger	Mehrkens	Renneke	

Those who voted in the negative were:

Adkins	Day	Lessard	Solon	Vickerman
Bertram				

The motion prevailed. So the amendment was adopted.

Mr. Price moved to amend S.F. No. 506 as follows:

Page 1, after line 40, insert:

"Section 1. Minnesota Statutes 1990, section 240.02, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] The compensation of commission members is ~~\$35 per day~~ *for time spent on commission activities, when authorized by the commission, is the same as the compensation provided for members of other boards and commissions under section 15.0575, subdivision 3, plus expenses in the same manner and amount as provided in the commissioner's plan adopted according to section 43A.18, subdivision 2.*

Sec. 2. Minnesota Statutes 1990, section 240.09, subdivision 2, is amended to read:

Subd. 2. [OCCUPATIONAL LICENSES.] A person who participates in the management or conduct of horse racing or pari-mutuel betting for a county fair holding a class D license who is in an occupation listed in section 240.08, subdivision 1, or the rules of the commission must have a class C license from the commission except for active members, as defined in section 349.12, of nonprofit organizations who act without compensation as concession workers ~~or pari-mutuel clerks.~~

Page 2, after line 14, insert:

"Sec. 4. Minnesota Statutes 1990, section 240.18, is amended to read:  
240.18 [BREEDERS' FUND.]

*Subdivision 1. [ESTABLISHMENT; APPORTIONMENT.]* The commission shall establish a Minnesota breeders' fund with the money paid to it under section 240.15, subdivision 1. The commission, after paying the current costs of administering the fund, shall apportion the remaining net proceeds into categories corresponding with the various breeds of horses which are racing at licensed Minnesota racetracks in proportion to each category's contribution to the fund and distribute the available net proceeds in each category as follows: *provided in this section.*

~~(1)~~ *Subd. 2. [THOROUGHbred AND QUARTERHORSE CATEGORIES.]* (a) With respect to available money apportioned in the thoroughbred and quarterhorse categories, 20 percent must be expended as grants for equine research and related education at public institutions of post-secondary learning within the state: *follows:*

*(1) at least one-half in the form of grants, contracts, or expenditures for equine research and related education at the University of Minnesota school of veterinary medicine; and*

*(2) the balance in the form of grants, contracts, or expenditures for one or more of the following:*

*(i) additional equine research and related education;*

*(ii) substance abuse programs for licensed personnel at racetracks in this state; and*

*(iii) promotion and public information regarding industry and commission activities; racehorse breeding, ownership, and management; and development and expansion of economic benefits from racing.*

*(b) As a condition of a grant, contract, or expenditure under paragraph (a), the commission shall require an annual report from the recipient on the use of the funds to the commission, the chair of the house of representatives committee on general legislation, veterans affairs, and gaming, and the chair of the senate committee on gaming regulation.*

*(c) The commission shall include in its annual report a summary of each grant, contract, or expenditure under paragraph (a), clause (2), and a description of how the commission has coordinated activities among recipients to ensure the most efficient and effective use of funds.*

~~(2)~~ *(d) After deducting the amount for paragraph ~~(1)~~ (a), the balance of the available proceeds in each category may be expended by the commission to:*

~~(a)~~ *(1) supplement purses for races held exclusively for Minnesota-bred or Minnesota-foaled horses, and supplement purses for Minnesota-bred or Minnesota-foaled horses racing in nonrestricted races in that category;*

~~(b)~~ *(2) pay breeders' or owners' awards to the breeders or owners of Minnesota-bred horses in that category which win money at licensed racetracks in the state; and*

~~(c)~~ *(3) provide other financial incentives to encourage the horse breeding industry in Minnesota.*

~~(3)~~ *Subd. 3. [STANDARDbred CATEGORY.]* (a) With respect to the

available money apportioned in the standardbred category, 20 percent must be expended as follows:

(a) (1) one-half of that amount to supplement purses for standardbreds at non-pari-mutuel racetracks in the state;

(b) (2) one-fourth of that amount for the development of non-pari-mutuel standardbred tracks in the state; and

(c) (3) one-fourth of that amount as grants for equine research and related education at public institutions of post-secondary learning in the state.

(4) (b) After deducting the amount for paragraph (3) (a), the balance of the available proceeds in the standardbred category must be expended by the commission to:

(a) (1) supplement purses for races held exclusively for Minnesota-bred and Minnesota-foaled standardbreds;

(b) (2) pay breeders or owners awards to the breeders or owners of Minnesota-bred standardbreds which win money at licensed racetracks in the state; and

(c) (3) provide other financial incentives to encourage the horse breeding industry in Minnesota.

*Subd. 4. [RULES; ADVISORY COMMITTEES.]* The commission shall adopt rules governing the distribution of the fund. The commission may establish advisory committees to advise it on the distribution of money under this section, provided that the members of an advisory committee shall serve without compensation.

Sec. 5. Minnesota Statutes 1990, section 240.24, subdivision 2, is amended to read:

Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, the commission by rule shall allow the use of: (1) topical external applications that do not contain anesthetics or steroids; (2) food additives; (3) Furosemide or other pulmonary hemostatic agents if the agents are administered under the visual supervision of the veterinarian or ~~assistant~~ *a designee of the veterinarian* employed by the commission; and (4) nonsteroidal anti-inflammatory drugs, provided that the test sample does not contain more than three micrograms of the substance or metabolites thereof per milliliter of blood plasma. For purposes of this clause, "test sample" means any bodily substance including blood, urine, saliva, or other substance as directed by the commission, taken from a horse under the supervision of the commission veterinarian and in such manner as prescribed by the commission for the purpose of analysis.

The commission shall adopt emergency rules to implement the provisions of this subdivision."

Page 3, after line 23, insert:

"Sec. 8. Minnesota Statutes 1990, section 290.92, subdivision 27, is amended to read:

Subd. 27. Any holder of a class A, B, or D license issued by the Minnesota racing commission shall deduct and withhold ~~ten~~ *eight* percent of the payment of winnings which are subject to withholding as Minnesota withholding tax. For purposes of this subdivision, the term "winnings which are subject to withholding" has the meaning given in section 3402(q)(3) of the Internal

Revenue Code of 1986, as amended through December 31, 1989. For purposes of the provisions of this section, a payment to any person of winnings which are subject to withholding must be treated as if the payment was a wage paid by an employer to an employee. Every individual who is to receive a payment of winnings which are subject to withholding shall furnish the license holder with a statement, made under the penalties of perjury, containing the name, address, and social security account number of the person receiving the payment and of each person entitled to any portion of such payment. The license holder is liable for the payment of the tax required to be withheld under this subdivision and subdivision 28 but is not liable to any person for the amount of the payment."

Page 30, delete line 36

Page 31, delete "and 45" and insert "Sections 1, 2, 4, 5, 8, 12, 14 to 16, 20 to 24, 27, 29, 32, 35 to 38, 48, and 50"

Page 31, line 2, delete "3" and insert "7"

Page 31, line 4, delete "1, 20, 21, 29, and 42" and insert "3, 25, 26, 34, and 47"

Page 31, line 5, delete "12, 13, and 14" and insert "17 to 19"

Page 31, line 7, delete "39" and insert "44"

Page 31, line 9, delete "26" and insert "31"

Page 31, line 11, delete "4, 5, and 40" and insert "9, 10, and 45"

Page 31, line 12, delete "35 to 38" and insert "40 to 43"

Page 31, line 14, delete "8, 23, and 25" and insert "13, 28, and 30"

Page 31, line 15, delete "2 and 34" and insert "6 and 39"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Kroening moved to amend S.F. No. 506 as follows:

Page 1, after line 40, insert:

#### "ARTICLE 1

#### TELERACING

Section 1. Minnesota Statutes 1990, section 240.01, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] For the purposes of ~~Laws 1982, this chapter 214,~~ the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1990, section 240.01, subdivision 10, is amended to read:

Subd. 10. [RACING DAY.] "Racing day" is a day assigned by the commission on which live racing is conducted. ~~Racing day includes televised racing day.~~

Sec. 3. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

Subd. 16. [HORSEPERSON.] "Horseperson" means a person who is

*currently licensed by the commission as an owner or lessee, or a trainer.*

Sec. 4. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 17. [TELERACING FACILITY.] "Teleracing facility" means a facility at which telerace simulcasting is conducted under authority of a class E license issued by the commission.*

Sec. 5. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 18. [ON-TRACK PARI-MUTUEL BETTING.] "On-track pari-mutuel betting" means wagering conducted at a licensed racetrack, or at a class E licensed facility whose wagering system is electronically linked to a licensed racetrack.*

Sec. 6. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 19. [SIMULCASTING.] "Simulcasting" means the televised display, for pari-mutuel wagering purposes, of one or more horse races conducted at another location wherein the televised display occurs simultaneously with the race being televised.*

Sec. 7. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 20. [TELERACE SIMULCASTING.] "Telerace simulcasting" means simulcasting at a teleracing facility.*

Sec. 8. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 21. [TELERACING PROGRAM.] "Teleracing program" means a telerace simulcasting event consisting of simulcasting that includes not more than two full racing cards, plus not more than two other races.*

Sec. 9. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 22. [RACING SEASON.] "Racing season" means that portion of the calendar year starting at the beginning of the day of the first live horse race conducted by the licensee and concluding at the end of the day of the last live horse race conducted by the licensee in any year.*

*For purposes of this chapter, the racing season begins before the first Saturday in May and continues for not less than 25 consecutive weeks.*

Sec. 10. Minnesota Statutes 1990, section 240.01, is amended by adding a subdivision to read:

*Subd. 23. [FULL RACING CARD.] "Full racing card" means three or more races that are: (1) part of a horse racing program being conducted at a racetrack; and (2) being simulcast or telerace simulcast at a licensed racetrack or teleracing facility.*

Sec. 11. Minnesota Statutes 1990, section 240.03, is amended to read:

**240.03 [COMMISSION POWERS AND DUTIES.]**

The commission has the following powers and duties:

(1) to regulate horse racing in Minnesota to ensure that it is conducted

in the public interest;

(2) to issue licenses as provided in ~~Laws 1983, this chapter 214;~~

(3) to enforce all laws and rules governing horse racing;

(4) to collect and distribute all taxes provided for in ~~Laws 1983, this chapter 214;~~

(5) to conduct necessary investigations and inquiries and compel the submission of information, documents, and records it deems necessary to carry out its duties;

(6) to supervise the conduct of pari-mutuel betting on horse racing;

(7) to employ and supervise personnel under ~~Laws 1983, this chapter 214;~~

(8) to determine the number of racing days to be held in the state and at each licensed racetrack; *and*

(9) to take all necessary steps to ensure the integrity of racing in Minnesota.

Sec. 12. Minnesota Statutes 1990, section 240.05, subdivision 1, is amended to read:

Subdivision 1. [CLASSES.] The commission may issue ~~four~~ *five* classes of licenses:

(a) class A licenses, for the ownership and operation of a racetrack with horse racing on which pari-mutuel betting is conducted;

(b) class B licenses, for the sponsorship and management of horse racing on which pari-mutuel betting is conducted;

(c) class C licenses, for the privilege of engaging in certain occupations related to horse racing; ~~and~~

(d) class D licenses, for the conduct of pari-mutuel horse racing by county agricultural societies or associations; *and*

*(e) class E licenses, for the management of a teleracing facility.*

No person may engage in any of the above activities without first having obtained the appropriate license from the commission.

Sec. 13. Minnesota Statutes 1990, section 240.06, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] The commission may issue one or more class A licenses, but not more than one to any one person. An application for a class A license must be on a form the commission prescribes and must be accompanied by detailed plans and specifications of the track, buildings, fences, and other improvements. The application must contain:

(a) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders of the corporation and any of its holding corporations;

(b) if required by the commission, the names of any person or persons holding directly, indirectly, or beneficially an interest of any kind in the applicant or any of its holding corporations, whether the interest is financial, administrative, policy making, or supervisory;

(c) a statement of the assets and liabilities of the applicant;

(d) an affidavit executed by the applicant setting forth that no officer, director, or other person with a present or future direct or indirect financial or management interest in the racetrack, to the best of the applicant's knowledge:

(1) is in default in the payment of an obligation or debt to the state under ~~Laws 1983, this chapter 214;~~

(2) has ever been convicted of a felony in a state or federal court or has a state or federal felony charge pending;

(3) is or has been connected with or engaged in any illegal business;

(4) has ever been found guilty of fraud or misrepresentation in connection with racing or breeding;

(5) has ever been found guilty of a violation of a law or rule relating to horse racing, pari-mutuel betting or any other form of gambling which is a serious violation as defined by the commission's rules; or

(6) has ever knowingly violated a rule or order of the commission or a law of Minnesota relating to racing;

(e) an irrevocable consent statement, to be signed by the applicant, which states that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleadings is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commission; and

(f) an affirmative action plan establishing goals and timetables consistent with the Minnesota human rights act, chapter 363.

#### Sec. 14. [240.091] [TELERACING FACILITY LICENSE.]

*Subdivision 1. [APPLICATION.] The commission may issue one or more class E licenses to a holder of a class B license who conducts live racing at a class A facility. The commission may issue a total of not more than six class E licenses, of which not more than two may be issued before January 1, 1992. An application for a class E license must be on a form the commission prescribes and must be accompanied by detailed plans and specifications of the facility to be used, the location of the facility, and any other information relevant to the specifications of the facility and its operation, as designated by the commission. The application must also contain:*

*(1) the name and address of the applicant and, if it is a corporation or association, the names of all officers, directors, and shareholders of the corporation and any of its holding companies;*

*(2) if required by the commission, the names of any person or persons holding directly, indirectly, or beneficially, an interest of any kind in the applicant or any of its holding companies, whether the interest is financial, administrative, policy making, or supervisory;*

*(3) a statement of the assets and liabilities of the applicant;*

*(4) an affidavit of the type described in section 240.06, subdivision 1, paragraph (d);*

(5) *an irrevocable consent statement, to be signed by the applicant, that states that the applicant agrees to be bound by and subject to the authority of the commission, the rules adopted by the commission, and the laws of this state relating to the activity to be conducted; and*

(6) *an irrevocable consent statement, to be signed by the applicant, that states that suits and actions relating to the subject matter of the application or acts or omissions arising from it may be commenced against the applicant in any court of competent jurisdiction in this state by the service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown by the records of the commission.*

**Subd. 2. [HEARINGS; INVESTIGATIONS.]** *Before granting a class E license, the commission shall conduct at least one public hearing on the license application in the area where the teleracing facility is proposed to be located. The commission shall request comments on the application from: (1) the city council or town board of the city or town where the facility is proposed to be located, (2) the county board if the facility is proposed to be located outside a city, and (3) the appropriate regional development commission if one exists for the area or, if the facility is proposed to be located within the metropolitan area as defined in section 473.121, subdivision 2, the metropolitan council. The commission may conduct, or request the division of gambling enforcement to conduct, comprehensive background and financial investigations of the applicant, sources of financing, and other information appearing in the application. The costs of the investigations must be paid in the manner prescribed by section 240.06, subdivision 3. The commission has access to all criminal history data compiled by the division of gambling enforcement on class E licensees and applicants.*

**Subd. 3. [LICENSE ISSUANCE.]** (a) *If after considering the information received from the hearing and investigations, the commission determines that the applicant will manage the facility in accordance with all applicable laws and rules and will not adversely affect the public health, welfare, and safety; that the license will not create a competitive situation that will adversely affect racing and the public interest; and that the applicant is financially able to manage the licensed simulcast facility, the commission may issue a class E license to the applicant. The license is effective until revoked or suspended by the commission or relinquished by the licensee.*

(b) *As a condition of a class E license, the commission shall require that a person employed in the erection, construction, remodeling, or repairing of a teleracing facility may not be paid a lesser rate of wages than the prevailing wage rate, as defined in section 177.42, subdivision 6, in the same or most similar trade or occupation in the area.*

**Subd. 4. [FACILITIES.]** *The commission may not issue a class E license unless the design of the facility will accommodate and provide adequate seating. The operators of the facility must provide adequate parking, and make food and beverages available. The telerace simulcasts must be displayed so that spectators in attendance are afforded a clear presentation of the races.*

**Subd. 5. [CHANGES IN OWNERSHIP OR MANAGEMENT.]** *If a*

*change in the officers, directors, or other persons with a direct or indirect financial or management interest in the class B licensee, or a change of ownership of more than five percent of the class B licensee's shares, is made after the application for or issuance of a class E license, the applicant or licensee must notify the commission of the changes within five days of their occurrence and provide the affidavit required in section 240.06, subdivision 1, paragraph (d).*

*Subd. 6. [LICENSE SUSPENSION AND REVOCATION.] A class E license may be suspended or revoked as provided in section 240.06, subdivision 7. A license suspension or revocation is a contested case under sections 14.57 to 14.69 of the administrative procedure act, and is in addition to criminal penalties imposed for a violation of law or rule.*

*Subd. 7. [WORK AREAS.] A class E licensee shall provide at no cost to the commission suitable work areas for commission members, officers, employees, and agents, including agents of the division of gambling enforcement, who are directed or requested by the commission to supervise and control wagering at the licensed simulcast facility.*

Sec. 15. Minnesota Statutes 1990, section 240.10, is amended to read:

**240.10 [LICENSE FEES.]**

The fee for a class A license is \$10,000 per year. The fee for a class B license is \$100 for each assigned racing day on which racing is actually conducted, and \$50 for each ~~assigned televised racing day on which televised racing simulcasting is authorized and actually conducted takes place.~~ The fee for a class D license is \$50 for each assigned racing day on which racing is actually conducted. *The fee for a class E license is \$500 per year.* Fees imposed on class B and class D licenses must be paid to the commission at a time and in a manner as provided by rule of the commission.

The commission shall by rule establish an annual license fee for each occupation it licenses under section 240.08 but no annual fee for a class C license may exceed \$100.

License fee payments received must be paid by the commission to the state treasurer for deposit in the general fund.

Sec. 16. Minnesota Statutes 1990, section 240.11, is amended to read:

**240.11 [LICENSES NONTRANSFERABLE.]**

A license issued under ~~Laws 1983, this chapter 214~~ may not be transferred.

Sec. 17. Minnesota Statutes 1990, section 240.13, subdivision 1, is amended to read:

*Subdivision 1. [AUTHORIZED.] Class B and class D licenses give the licensees authority to conduct pari-mutuel betting on the results of races run at the licensed racetrack, and on other races as authorized by the commission under ~~subdivision 6 or 6a~~ this section.*

*A class B or class E license gives the licensee the authority to transmit and receive telecasts and conduct pari-mutuel betting on the results of horse races run at its class A facility, and of other horse races run at locations outside of the state, as authorized by the commission. A class E licensee must present, for pari-mutuel wagering purposes, all live horse races conducted at its class A facility. The class B or class E licensee may present racing programs separately or concurrently.*

*Subject to the approval of the commission, for simulcasts and telerace simulcasts the types of betting, takeout, and distribution of winnings on pari-mutuel pools of a class B or class E facility are those in effect at the sending racetrack. Pari-mutuel pools accumulated at a class E facility must be commingled with the pools at the class A facility for comparable pools on those races that are being simultaneously presented at both facilities. Pari-mutuel pools may be commingled with pools at the sending racetrack, for the purposes of determining odds and payout prices, via the totalizator computer at the class A facility.*

*The commission may not authorize a class B or class E licensee to conduct simulcasting or telerace simulcasting unless 125 days of live racing, consisting of not less than eight live races on each racing day, have been conducted at the class A facility within the preceding 12 months. The number of live racing days required may be adjusted by agreement between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months. The number of live racing days required must be reduced by one day for each assigned racing day that the licensee is unable to conduct live racing due to natural occurrences or catastrophes beyond its control.*

Sec. 18. Minnesota Statutes 1990, section 240.13, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS.] A licensee conducting pari-mutuel betting must provide at the licensed track or at the teleracing facility:

- (a) the necessary equipment for issuing pari-mutuel tickets; and
- (b) mechanical or electronic equipment for displaying information the commission requires. All mechanical or electronic devices must be approved by the commission before being used.

Sec. 19. Minnesota Statutes 1990, section 240.13, subdivision 3, is amended to read:

Subd. 3. [TYPES OF BETTING.] The commission shall by rule designate those types of pari-mutuel pools which are permitted at licensed racetracks and teleracing facilities, and no licensee may conduct any type of pari-mutuel pool which has not been so designated; ~~except as provided for in subdivision 6a.~~ *Pari-mutuel pools permitted at licensed racetracks and pari-mutuel pools designated by the commission are permitted at teleracing facilities.*

Sec. 20. Minnesota Statutes 1990, section 240.13, subdivision 4, is amended to read:

Subd. 4. [TAKEOUT; DISTRIBUTION OF WINNINGS.] A licensee conducting pari-mutuel betting must deduct from a straight pari-mutuel pool, before payments to holders of winning tickets, an amount equal to not more than 17 percent of the total money in that pool. The licensee must deduct from a multiple pari-mutuel pool, before payments to the holders of winning tickets, an amount equal to not more than 23 percent of the total money in that pool. The remaining money in each pool must be distributed among the holders of winning tickets in a manner the commission by rule prescribes for each type of pool. Breakage must be computed on the basis of payoffs rounded down to the next lowest increment of 20 10 cents, with a minimum payoff of ~~\$2.20~~ \$1.10 on a \$2 \$1 ticket, except that the licensee

may reduce the minimum payoff to ~~\$2.10~~ \$1.05 on a \$2 \$1 ticket if there is not a sufficient amount in a pool to make a minimum payoff of ~~\$2.20~~ \$1.10.

Sec. 21. Minnesota Statutes 1990, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] (a) From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:

(1) ~~For a licensee conducting a racing meeting with an average daily handle of \$500,000 or less, four percent of the average daily handle times the number of racing days in that meeting.~~

(2) ~~For a licensee conducting a racing meeting with an average daily handle of more than \$500,000 but not more than \$750,000, six percent of the average daily handle times the number of racing days in that meeting.~~

(3) ~~For a licensee conducting a racing meeting with an average daily handle of more than \$750,000, 8.4 percent of the first \$1 million in average daily handle times the number of racing days in that meeting.~~

*(1) for live races conducted at a class A facility, and for races that are part of full racing card simulcasting or full racing card telereace simulcasting that takes place within the time period of the live races, 8.4 percent;*

*(2) for simulcasts and telereace simulcasts conducted during the racing season other than as provided for in clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal; and*

*(3) for simulcasts and telereace simulcasts conducted outside of the racing season, 25 percent of the takeout remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, payment to the sending out-of-state racetrack for receipt of the signal and, before January 1, 2005, a further deduction of eight percent of all money in all pools; provided, however, that in the event that wagering on simulcasts and telereace simulcasts outside of the racing season exceeds \$125 million in any calendar year, the amount set aside for purses by this formula is increased to 30 percent on amounts between \$125,000,000 and \$150,000,000 wagered; 40 percent on amounts between \$150,000,000 and \$175,000,000 wagered; and 50 percent on amounts in excess of \$175,000,000 wagered. In lieu of the eight percent deduction, a deduction as agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing at the licensee's class A facility during the preceding 12 months, is allowed after December 31, 2004.*

The commission may by rule provide for the administration and enforcement of this subdivision. *The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three*

*percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.*

*In lieu of the amount the licensee must pay to the commission for deposit in the Minnesota breeders fund under section 240.15, subdivision 1, the licensee shall pay 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state.*

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, an amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization. The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

*(d) Money set aside for purses from wagering, during the racing season, on simulcasts and telerace simulcasts must be used for purses for live races conducted at the licensee's class A facility during the same racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state. Money set aside for purses from wagering, outside of the racing season, on simulcasts and telerace simulcasts must be for purses for live races conducted at the licensee's class A facility during the next racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state.*

*(e) Money set aside for purses from wagering on simulcasts and telerace simulcasts must be used for purses for live races involving the same breed involved in the simulcast or telerace simulcast except that money set aside for purses and payments to the breeders fund from wagering on full racing card simulcasts and full racing card telerace simulcasts of races not conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.*

*(f) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility.*

*(g) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that*

*generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses must be distributed proportionately to those breeds that have run during the preceding 12 months.*

Sec. 22. Minnesota Statutes 1990, section 240.13, subdivision 6, is amended to read:

Subd. 6. ~~[TELEVISED RACES SIMULCASTING.]~~ (a) ~~The commission may by rule permit a class B or class D licensee to conduct on the premises of the licensed racetrack pari-mutuel betting on horse races run in other states and broadcast by television on the premises. All provisions of law governing pari-mutuel betting apply to pari-mutuel betting on televised races except as otherwise provided in this subdivision or in the commission's rules. Pari-mutuel pools conducted on such televised races may consist only of money bet on the premises and may not be commingled with any other pool off the premises, except that:~~

~~(1) the licensee may pay a fee to the person or entity conducting the race for the privileges of conducting pari-mutuel betting on the race; and~~

~~(2) the licensee may pay the costs of transmitting the broadcast of the race.~~

~~(b) Pari-mutuel betting on a televised race may be conducted only on a racing day assigned by the commission. The takeout and taxes on pari-mutuel pools on televised races are as provided for other pari-mutuel pools. All televised races under this subdivision must comply with the Interstate Horse Racing Act of 1978 as found in United States Code, title 15, section 3001 and the following relevant sections. In lieu of the purse requirement established by subdivision 5, the licensee shall set aside for purses one-half of the takeout from the amount bet on televised races after the payment of fees and taxes. For the purposes of purse distribution under subdivision 5, the average daily handle shall not include amounts bet in pari-mutuel pools on televised races.~~

~~(c) A licensee may, with the approval of the commission, transmit telecasts of races the licensee conducts, for wagering purposes, to a location outside the state. The commission may allow the licensee to commingle its wagering pools with the wagering pools at a facility located outside of this state that is regulated by a state racing commission, when it transmits telecasts under this paragraph. The commission may permit an authorized licensee to conduct simulcasting or telerace simulcasting at the licensee's facility on any day authorized by the commission. All simulcasts and telerace simulcasts must comply with the Interstate Horse Racing Act of 1978, United States Code, title 15, sections 3001 to 3007. In addition to teleracing programs featuring live racing conducted at the licensee's class A facility, the class E licensee may conduct not more than seven teleracing programs per week during the racing season, unless additional telerace simulcasting is authorized by the director and approved by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months. The commission may not authorize any day for simulcasting at a class A facility during the racing season, and a licensee may not be allowed to transmit out-of-state telecasts of races the licensee conducts, unless the licensee has obtained the approval of the horsepersons' organization representing the majority of the horsepersons racing the breed involved at the licensed racetrack during the preceding 12 months. The licensee may pay fees and costs~~

to an entity transmitting a telecast of a race to the licensee for purposes of conducting pari-mutuel wagering on the race. The licensee may deduct fees and costs related to the receipt of televised transmissions from a pari-mutuel pool on the televised race, provided that one-half of any amount recouped in this manner must be added to the amounts required to be set aside for purses.

With the approval of the commission and subject to the provisions of this subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes, to locations outside the state, and the commission may allow this to be done on a commingled pool basis.

Except as otherwise provided in this section, simulcasting and telerace simulcasting may be conducted on a separate pool basis or, with the approval of the commission, on a commingled pool basis. All provisions of law governing pari-mutuel betting apply to simulcasting and telerace simulcasting except as otherwise provided in this subdivision or in the commission's rules. If pools are commingled, wagering at the licensed facility must be on equipment electronically linked with the equipment at the licensee's class A facility or with the sending racetrack via the totalizer computer at the licensee's class A facility. Subject to the approval of the commission, the types of betting, takeout, and distribution of winnings on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage for pari-mutuel pools on a televised race must be calculated in accordance with the law or rules governing the sending racetrack for these pools, and must be distributed in a manner agreed to between the licensee and the sending racetrack. Notwithstanding sections 240.13, subdivision 7, and 240.15, subdivision 5, the commission may approve procedures governing the definition and disposition of unclaimed tickets that are consistent with the law and rules governing unclaimed tickets at the sending racetrack. For the purposes of this section, "sending racetrack" is either the racetrack outside of this state where the horse race is conducted or, with the consent of the racetrack, an alternative facility that serves as the racetrack for the purpose of commingling pools.

If there is more than one class B licensee conducting racing within the seven-county metropolitan area, simulcasting and telerace simulcasting may be conducted only on races run by a breed that ran at the licensee's class A facility within the 12 months preceding the event. That portion of the takeout allocated for purses from pari-mutuel pools generated by wagering on standardbreds must be set aside and must be paid to the racing commission and used for purses as otherwise provided by this section or to promote standardbred racing or both, in a manner prescribed by the commission. In the event that a licensee conducts live standardbred racing, pools generated by live, simulcast, or telerace simulcasting at the licensee's facilities on standardbred racing are subject to the purse set aside requirements otherwise provided by law.

Contractual agreements between licensees and horsepersons' organizations entered into before the effective date of this subdivision, regarding money to be set aside for purses from pools generated by simulcasts at a class A facility, are controlling regarding purse requirements through the end of the 1992 racing season.

Sec. 23. Minnesota Statutes 1990, section 240.13, subdivision 8, is amended to read:

Subd. 8. [PROHIBITED ACTS.] A licensee may not accept a bet from

any person under the age of 18 years; and a licensee may not accept a bet of less than \$2 \$1.

Sec. 24. Minnesota Statutes 1990, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 *except that all money generated by full racing card simulcasts, or full racing card telerace simulcasts of races not conducted in this state, must be distributed as provided in section 240.18, clause (2), paragraphs (a), (b), and (c).* Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 25. Minnesota Statutes 1990, section 240.16, subdivision 1a, is amended to read:

Subd. 1a. ~~[TELEVISED RACING DAY SIMULCAST.] All races on which pari-mutuel betting is conducted on televised racing days must be presided over by an official of the commission. The official of the commission presiding over races conducted on televised racing days has the powers and duties as provided by rule. All simulcasts and telerace simulcasts are subject to the regulation of the commission. The commission may assign an official to preside over these activities and, if so assigned, the official has the powers and duties provided by rule.~~

Sec. 26. Minnesota Statutes 1990, section 240.19, is amended to read:

#### 240.19 [CONTRACTS.]

The commission shall by rule require that all contracts entered into by a class A, class B, ~~or class D, or class E~~ licensee for the provision of goods or services, including concessions contracts, be subject to commission approval. The rules must require that the contract include an affirmative action plan establishing goals and timetables consistent with the Minnesota Human Rights Act, chapter 363. The commission may require a contract holder to submit to it documents and records the commission deems necessary to evaluate the contract.

Sec. 27. Minnesota Statutes 1990, section 240.23, is amended to read:

#### 240.23 [RULEMAKING AUTHORITY.]

The commission has the authority, in addition to all other rulemaking authority granted elsewhere in ~~Laws 1983, this chapter 214,~~ to promulgate rules governing:

(a) the conduct of horse races held at licensed racetracks in Minnesota, including but not limited to the rules of racing, standards of entry, operation of claiming races, filing and handling of objections, carrying of weights, and declaration of official results;

(b) wire communications between the premises of a licensed racetrack and any place outside the premises;

(c) information on horse races which is sold on the premises of a licensed racetrack;

(d) liability insurance which it may require of all class A, class B, ~~and~~ class D, *and class E* licensees;

(e) the auditing of the books and records of a licensee by an auditor employed or appointed by the commission;

(f) emergency action plans maintained by licensed racetracks and their periodic review;

(g) safety, security, and sanitation of stabling facilities at licensed racetracks;

(h) entry fees and other funds received by a licensee in the course of conducting racing which the commission determines must be placed in escrow accounts; ~~and~~

(i) *the operation of teleracing facilities; and*

(j) any other aspect of horse racing or pari-mutuel betting which in its opinion affects the integrity of racing or the public health, welfare, or safety.

Rules of the commission are subject to chapter 14, the Administrative Procedure Act.

Sec. 28. Minnesota Statutes 1990, section 240.25, subdivision 2, is amended to read:

Subd. 2. [OFF-TRACK BETS.] (a) No person shall:

(1) for a fee, directly or indirectly, accept anything of value from another to be transmitted or delivered for wager in any licensed pari-mutuel system of wagering on horse races, or for a fee deliver anything of value which has been received outside of the enclosure of a licensed racetrack holding a race meet licensed under this chapter *or a teleracing facility*, to be placed as wagers in the pari-mutuel system of wagering on horse racing within the enclosure *or facility*; or

(2) give anything of value to be transmitted or delivered for wager in any licensed pari-mutuel system of wagering on horse races to another who charges a fee, directly or indirectly, for the transmission or delivery.

(b) *Nothing in this subdivision prohibits the conducting of pari-mutuel wagering at a licensed teleracing facility.*

Sec. 29. Minnesota Statutes 1990, section 240.27, is amended to read:

240.27 [EXCLUSION OF CERTAIN PERSONS.]

Subdivision 1. [PERSONS EXCLUDED.] The commission may exclude from any and all licensed racetracks *or licensed teleracing facilities* in the state a person who:

(a) has been convicted of a felony under the laws of any state or the United States;

(b) has had a license suspended, revoked, or denied by the commission or by the racing authority of any other jurisdiction; or

(c) is determined by the commission, on the basis of evidence presented to it, to be a threat to the integrity of racing in Minnesota.

Subd. 2. [HEARING; APPEAL.] An order to exclude a person from any

or all licensed racetracks *or licensed teleracing facilities* in the state must be made by the commission at a public hearing of which the person to be excluded must have at least five days' notice. If present at the hearing, the person must be permitted to show cause why the exclusion should not be ordered. An appeal of the order may be made in the same manner as other appeals under section 240.20.

Subd. 3. [NOTICE TO RACETRACKS.] Upon issuing an order excluding a person from any or all licensed racetracks *or licensed teleracing facilities*, the commission shall send a copy of the order to the excluded person and to all racetracks *or teleracing facilities* named in it, along with other information as it deems necessary to permit compliance with the order.

Subd. 4. [PROHIBITIONS.] It is a gross misdemeanor for a person named in an exclusion order to enter, attempt to enter, or be on the premises of a racetrack *or a teleracing facility* named in the order while it is in effect, and for a person licensed to conduct racing or operate a racetrack *or a teleracing facility* knowingly to permit an excluded person to enter or be on the premises.

Subd. 5. [EXCLUSIONS BY RACETRACK.] The holder of a license to conduct racing *or operate a teleracing facility* may eject and exclude from its premises any licensee or any other person who is in violation of any state law or commission rule or order or who is a threat to racing integrity or the public safety. A person so excluded from racetrack premises *or teleracing facility* may appeal the exclusion to the commission and must be given a public hearing on the appeal upon request. At the hearing the person must be given the opportunity to show cause why the exclusion should not have been ordered. If the commission after the hearing finds that the integrity of racing and the public safety do not justify the exclusion, it shall order the racetrack *or teleracing facility* making the exclusion to reinstate or readmit the person. An appeal of a commission order upholding the exclusion is governed by section 240.20.

Sec. 30. Minnesota Statutes 1990, section 240.28, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL INTEREST.] No person may serve on the commission or be employed by the division who has an interest in any corporation, association, or partnership which holds a license from the commission or which holds a contract to supply goods or services to a licensee or at a licensed racetrack *or a licensed teleracing facility*, including concessions contracts. No member of the commission or employee of the division may own, wholly or in part, or have an interest in a horse which races at a licensed racetrack in Minnesota. No member of the commission or employee of the division may have a financial interest in or be employed in a profession or business which conflicts with the performance of duties as a member or employee.

Sec. 31. Minnesota Statutes 1990, section 240.29, is amended to read:

240.29 [REQUIRED RACES.]

Each holder of a class B or D license must declare and schedule, on each racing day it conducts, ~~except for televised racing days,~~ at least one race which:

(a) ~~before January 1, 1988, is limited to horses which are Minnesota-bred, Minnesota foaled, or Minnesota-owned; and~~

(b) on and after January 1, 1988, is limited to horses which are Minnesota-bred or Minnesota-foaled.

If there is not a sufficient number of such horses entered in the declared race to make up an adequate slate of entries, another similarly restricted race may be substituted.

The commission shall by rule define "Minnesota-bred," "Minnesota-foaled," and "Minnesota-owned."

#### 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.*

#### Sec. 33. [REPEALER.]

*Minnesota Statutes 1990, sections 240.01, subdivision 13; 240.13, subdivision 6a; and 240.14, subdivision 1a, are repealed.*

#### Sec. 34. [EFFECTIVE DATE.]

*Sections 1 to 31 and 33 are effective the day following the final enactment.*

### ARTICLE 2

#### MISCELLANEOUS"

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Frank	Kroening	Metzen	Samuelson
Bertram	Frederickson, D.J.	Laidig	Mondale	Solon
Brataas	Frederickson, D.R.	Langseth	Novak	Stumpf
Cohen	Gustafson	Lessard	Pogemiller	Traub
Davis	Hottinger	McGowan	Price	
Flynn	Johnson, D.E.	Mehrkens	Renneke	

Those who voted in the negative were:

Beckman	Bernhagen	Knaak	Pariseau	Storm
Belanger	Day	Luther	Ranum	Vickerman
Benson, D.D.	DeCramer	Marty	Reichgott	
Benson, J.E.	Dicklich	Merriam	Riveness	
Berg	Finn	Neuville	Sams	
Berglin	Kelly	Pappas	Spear	

The motion prevailed. So the amendment was adopted.

Mr. Berg moved to amend the Kroening amendment to S.F. No. 506 adopted by the Senate May 14, 1991, as follows:

Page 5, line 17, delete "six" and insert "three"

Page 5, line 18, delete "two" and insert "one"

The question was taken on the adoption of the Berg amendment to the Kroening amendment.

The roll was called, and there were yeas 34 and nays 22, as follows:

Those who voted in the affirmative were:

Beckman	Cohen	Johnson, D.E.	Merriam	Price
Belanger	Day	Johnston	Moe, R. D.	Ranum
Benson, D.D.	DeCramer	Kelly	Neuville	Reichgott
Benson, J.E.	Finn	Knaak	Olson	Riveness
Berg	Frederickson, D.J.	Luther	Pappas	Storm
Berglin	Gustafson	Marty	Pariseau	Vickerman
Bernhagen	Halberg	McGowan	Piper	

Those who voted in the negative were:

Adkins	Frank	Langseth	Novak	Stumpf
Bertram	Frederickson, D.R.	Lessard	Renneke	Traub
Brataas	Hottinger	Mehrken	Sams	
Davis	Kroening	Metzen	Samuelson	
Flynn	Laidig	Mondale	Solon	

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

Mr. Riveness moved to amend S.F. No. 506 as follows:

Page 10, lines 16 and 17, strike "less the tax imposed by section 349.212, subdivision 6,"

The motion prevailed. So the amendment was adopted.

Mr. McGowan moved to amend the Kroening amendment to S.F. No. 506 adopted by the Senate May 14, 1991, as follows:

Page 8, line 22, delete "\$500" and insert "\$1,000"

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

Mr. Luther moved to amend S.F. No. 506 as follows:

Page 26, after line 33, insert:

"Sec. 35. Minnesota Statutes 1990, section 609.75, subdivision 1, is amended to read:

Subdivision 1. [LOTTERY.] (a) A lottery is a plan which provides for the distribution of money, property or other reward or benefit to persons selected by chance from among participants some or all of whom have given a consideration for the chance of being selected. *A participant's payment for use of a 900 telephone number or another means of communication that results in payment to the sponsor of the plan constitutes consideration under this paragraph.*

(b) An in-package chance promotion is not a lottery if all of the following are met:

(1) participation is available, free and without purchase of the package, from the retailer or by mail or toll-free telephone request to the sponsor for entry or for a game piece;

(2) the label of the promotional package and any related advertising clearly states any method of participation and the scheduled termination date of the promotion;

(3) the sponsor on request provides a retailer with a supply of entry forms or game pieces adequate to permit free participation in the promotion by the retailer's customers;

(4) the sponsor does not misrepresent a participant's chances of winning any prize;

(5) the sponsor randomly distributes all game pieces and maintains records of random distribution for at least one year after the termination date of the promotion;

(6) all prizes are randomly awarded if game pieces are not used in the promotion; and

(7) the sponsor provides on request of a state agency a record of the names and addresses of all winners of prizes valued at \$100 or more, if the request is made within one year after the termination date of the promotion.

(c) Except as provided by section 349.40, acts in this state in furtherance of a lottery conducted outside of this state are included notwithstanding its validity where conducted.

(d) The distribution of property, or other reward or benefit by an employer to persons selected by chance from among participants who have made a contribution through a payroll or pension deduction campaign to a registered combined charitable organization, within the meaning of section 309.501, as a precondition to the chance of being selected, is not a lottery if:

(1) all of the persons eligible to be selected are employed by or retirees of the employer;

(2) the cost of the property or other reward or benefit distributed and all costs associated with the distribution are borne by the employer; and

(3) the total amount actually expended by the employer to obtain the property or other rewards or benefits distributed by the employer during the calendar year does not exceed \$500."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 18, delete "prohibition" and insert "prohibitions" and after "chance" insert "and lotteries"

Page 1, line 34, delete the first "subdivision" and insert "subdivisions 1 and"

The motion prevailed. So the amendment was adopted.

Mr. Chmielewski moved to amend the fourth Berg amendment to S.F. No. 506 as follows:

Page 1, line 2, delete "\$3,000" and insert "\$1,500"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 23 and nays 26, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnston	Metzen	Stumpf
Bertram	Finn	Knaak	Mondale	Traub
Brataas	Frank	Langseth	Novak	Vickerman
Chmielewski	Halberg	Lessard	Renneke	
Davis	Johnson, J.B.	Mehrkens	Sams	

Those who voted in the negative were:

Beckman	DeCramer	Kroening	Neuville	Spear
Belanger	Flynn	Laidig	Olson	Storm
Benson, J.E.	Frederickson, D.R.	Luther	Pappas	
Berg	Gustafson	Marty	Pariseau	
Berglin	Hottinger	McGowan	Piper	
Bernhagen	Johnson, D.E.	Moe, R.D.	Riveness	

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

S.F. No. 819, which the committee recommends to pass with the following amendment offered by Mrs. Brataas:

Page 1, line 20, delete "*who are*" and insert "*with mental illness.*"

Page 1, delete line 21

Page 2, line 3, delete "*who are*" and insert "*with mental illness.*"

Page 2, delete line 4

The motion prevailed. So the amendment was adopted.

S.F. No. 966, which the committee recommends to pass with the following amendment offered by Mr. Bertram:

Page 4, after line 16, insert:

"Sec. 2. [LAKE MARIA STATE PARK; LIMITED TERM LEASE.]

*Notwithstanding Minnesota Statutes, sections 85.011, 85.012, 85.053, 86A.05, and 92.50, the commissioner of natural resources may lease up to five acres of land in Lake Maria state park to the party who deeded the land to the state for park purposes if the commissioner determines that:*

*(1) the lease will not impair public use of the park; and*

*(2) use of the leased land by the lessee will have minimal impact on the park.*

*The lease must have a term of not more than ten years, must not be renewable, and may include additional terms and conditions agreed to by the parties."*

Page 5, line 28, delete "*and 2*" and insert "*to 3*"

Page 5, line 29, delete "*4*" and insert "*5*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing the leasing of land in Lake Maria state park;"

The motion prevailed. So the amendment was adopted.

H.F. No. 833, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Amend H.F. No. 833, 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. 579.)

Pages 21 to 40, delete article 2 and insert:

## "ARTICLE 2

## AGRICULTURAL DEVELOPMENT BONDS

Section 1. Minnesota Statutes 1990, section 41B.025, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] There is created a public body corporate and politic to be known as the "Minnesota rural finance authority," which shall perform the governmental functions and exercise the sovereign powers delegated to it in sections 41B.01 to 41B.23 and chapter 41C in furtherance of the public policies and purposes declared in section 41B.01. The board of the authority consists of the commissioners of agriculture, commerce, *trade and economic development*, and finance, the state auditor, and ~~three~~ five public members appointed by the governor with the advice and consent of the senate. No public member may reside within the metropolitan area, as defined in section 473.121, subdivision 2. Each member shall hold office until a successor has been appointed and has qualified. A certificate of appointment or reappointment of any member is conclusive evidence of the proper appointment of the member.

Sec. 2. Minnesota Statutes 1990, section 41B.211, is amended to read: 41B.211 [DATA PRIVACY.]

Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding any authority loan and the name of each individual who is the recipient of a loan are private data on individuals, under chapter 13, *except that information obtained under the agricultural development bond program in sections 3 to 14 may be released as required by federal tax law.*

Sec. 3. [41C.01] [SHORT TITLE.]

*This chapter shall be called and may be cited as the "Minnesota agricultural development act."*

Sec. 4. [41C.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] *The definitions in this section apply to this chapter.*

Subd. 2. [AGRICULTURAL BUSINESS ENTERPRISE.] *"Agricultural business enterprise" means an individual or partnership with a low or moderate net worth who owns or plans to own properties, real or personal, used or useful in connection with the general processing of agricultural products or in the manufacturing, assembly, or fabrication of agricultural or agricultural-related equipment.*

Subd. 3. [AGRICULTURAL IMPROVEMENTS.] *"Agricultural improvements" means improvements, buildings, structures, or fixtures suitable for use in farming located on agricultural land, including a single-family dwelling located on agricultural land which is or will be occupied by a beginning farmer and structures attached to or incidental to the use of the dwelling.*

Subd. 4. [AGRICULTURAL LAND.] *"Agricultural land" means land suitable for use in farming.*

Subd. 5. [AUTHORITY.] *"Authority" means the Minnesota rural finance authority established in section 41B.025.*

*Subd. 6. [BEGINNING FARMER.] "Beginning farmer" means an individual or partnership with a low or moderate net worth who engages in farming or plans to engage in farming.*

*Subd. 7. [BONDS.] "Bonds" means bonds, notes, or other evidence of indebtedness issued by the authority under this chapter.*

*Subd. 8. [CONSERVATION FARM EQUIPMENT.] "Conservation farm equipment" means the specialized planters, cultivators, and tillage equipment used for reduced tillage or no-till planting of row crops.*

*Subd. 9. [DEPRECIABLE AGRICULTURAL PROPERTY.] "Depreciable agricultural property" means personal property suitable for use in farming for which an income tax deduction for depreciation is allowable in computing federal income tax under the Internal Revenue Code of 1986, as amended.*

*Subd. 10. [FARMING.] "Farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, the production of livestock, aquaculture, hydroponics, the production of forest products, or other activities designated by the authority by rules.*

*Subd. 11. [LENDING INSTITUTION.] "Lending institution" includes "eligible lender" as defined in section 41B.02 and individuals.*

*Subd. 12. [LOW OR MODERATE NET WORTH.] "Low or moderate net worth" means:*

*(1) for an individual, an aggregate net worth of the individual and the individual's spouse and minor children of less than \$200,000; or*

*(2) for a partnership, an aggregate net worth of all partners, including each partner's net capital in the partnership, and each partner's spouse and minor children of less than \$400,000. However, the aggregate net worth of each partner and that partner's spouse and minor children may not exceed \$200,000.*

#### **Sec. 5. [41C.03] [GUIDING PRINCIPLES.]**

*(a) In the performance of its duties, implementation of its powers, and selection of specific programs and projects to receive its assistance under this chapter, the authority must be guided by the principles in paragraphs (b) to (e).*

*(b) The authority shall not become an owner of real or depreciable property, except on a temporary basis if it is necessary in order to implement its programs, to protect its investments by means of foreclosure or other means, or to facilitate transfer of real or depreciable property for the use of beginning farmers.*

*(c) The authority shall exercise diligence and care in selection of projects to receive its assistance and shall apply customary and acceptable business and lending standards in selection and subsequent implementation of the projects. The authority may delegate primary responsibility for determination and implementation of the projects to any federal governmental agency that assumes any obligation to repay the loan, either directly or by insurance or guarantee.*

*(d) The authority shall establish a beginning farmer and agricultural*

*business enterprise loan program to aid in the acquisition of agricultural land and improvements and depreciable agricultural property by beginning farmers and real and personal property for an agricultural business enterprise.*

*(e) The authority shall develop programs for providing financial assistance to agricultural producers in this state.*

**Sec. 6. [41C.04] [COMBINATION PROGRAMS.]**

*Programs authorized in this chapter may be combined with any other programs authorized in this chapter or under another state or federal program in order to facilitate as far as practicable the acquisition of agricultural land and property by beginning farmers, to facilitate the implementation of permanent soil and water conservation practices and the acquisition of conservation farm equipment, and to encourage the development of agricultural business enterprises.*

**Sec. 7. [41C.05] [AGRICULTURAL DEVELOPMENT BOND BEGINNING FARMER AND AGRICULTURAL BUSINESS ENTERPRISE LOAN PROGRAM.]**

*Subdivision 1. [DEVELOPMENT OF PROGRAM.] The authority shall develop an agricultural development bond beginning farmer and agricultural business enterprise loan program to facilitate the acquisition of agricultural land and improvements and depreciable agricultural property by beginning farmers and real and personal property by an agricultural business enterprise. The authority shall exercise the powers granted to it in this chapter in order to fulfill the goal of providing financial assistance to beginning farmers and agricultural business enterprises in the acquisition of agricultural land, agricultural improvements, depreciable agricultural property, and real and personal property for an agricultural business enterprise. The authority may participate in and cooperate with programs of the farmers home administration, federal land bank, or any other agency or instrumentality of the federal government or with any program of any other state agency in the administration of the agricultural development bond beginning farmer and agricultural business enterprise loan program and in the making or purchasing of mortgage or secured loans under this chapter.*

*Subd. 2. [ELIGIBILITY; BEGINNING FARMERS.] The authority shall provide in the agricultural development bond beginning farmer and agricultural business enterprise loan program that a mortgage or a contract on behalf of a beginning farmer may be provided if the borrower qualifies under section 41B.03 and authority rules and under federal tax law governing qualified small issue bonds.*

*Subd. 3. [ELIGIBILITY; AGRICULTURAL BUSINESS ENTERPRISES.] (a) The authority shall provide in the agricultural development bond beginning farmer and agricultural business enterprise loan program that a mortgage or contract on behalf of an agricultural business enterprise may be provided if the borrower qualifies under this chapter and rules of the authority and under federal tax law governing qualified small issue bonds.*

*(b) An agricultural business enterprise is eligible for a program loan in an aggregate amount not exceeding \$250,000.*

*(c) An agricultural business enterprise is eligible for program loans only for new or expanded operations located in a community with a population*

of 5,000 or less.

**Subd. 4. [LOANS AND CONTRACTS FOR BEGINNING FARMERS AND AGRICULTURAL BUSINESS ENTERPRISES.]** (a) *The authority may:*

(1) *make loans to qualified beginning farmers for the acquisition of agricultural land, agricultural improvements, depreciable agricultural property, and real and personal property for an agricultural business enterprise. Each loan made by the authority under this program and all collateral securing the loan may be assigned as security for the authority's bond.*

(2) *enter into contracts to purchase agricultural land, agricultural improvements, depreciable agricultural property, and real and personal property for an agricultural business enterprise. Each contract entered into by the authority under this program and all obligations of the authority under the contract shall be assigned to the beginning farmer or agricultural business enterprise without recourse.*

(b) *Loan documents and contracts entered into by the authority shall contain such terms and conditions of repayment as may be agreed to between the beginning farmer or agricultural business enterprise and the individual or agricultural lender involved, and such terms and conditions as the authority may deem necessary.*

(c) *Each individual or agricultural lender purchasing a bond from the authority under this program is responsible for making their own independent credit evaluation of the beginning farmer or the agricultural business enterprise involved, and for the creation and perfection of any security interest which they deem necessary for the loan or contract to be made on behalf of the beginning farmer or the agricultural business enterprise.*

(d) *The authority shall bear no continuing responsibility for repayment of any bond issued under the program other than the assignment of its interests under the loan document made with the proceeds of the bond or the contract entered into in connection with the bond.*

**Subd. 5. [OTHER TERMS.]** *The authority may provide that loans and contracts made under this program may not be assumed or any interest in the agricultural land or improvements or depreciable agricultural property or real or personal property of an agricultural business enterprise may not be leased, sold, or otherwise conveyed without its prior written consent and may provide a due-on-sale clause with respect to the occurrence of any of the foregoing events without its prior written consent. The authority may provide by rule the grounds for permitted assumptions of loans and contracts or for the leasing, sale, or other conveyance of any interest in the agricultural land or improvements or real or personal property of an agricultural business enterprise. However, the authority shall provide and state in its loan documents and contracts that the interest rate of the loan or contracts shall increase to the then prevailing market rate if the loan or contract is assumed by anyone other than a qualified beginning farmer or agricultural business enterprise. This subdivision controls with respect to a loan or contract made under this program, notwithstanding other law.*

**Sec. 8. [41C.06] [LOAN ALLOCATION.]**

*Not more than 25 percent of the total bond allocation available for beginning farmer and agricultural business enterprise loans may be used for agricultural business enterprise loans. However, any portion of the bond*

*allocation that remains unencumbered on November 1 of each year may be made available for agricultural business enterprise loans.*

**Sec. 9. [41C.07] [BONDS.]**

*Subdivision 1. [AUTHORITY.] The authority may issue its negotiable bonds in principal amounts which, in the opinion of the authority, are necessary to provide sufficient funds for achievement of its corporate purposes, the payment of interest on its bonds, the establishment of reserves to secure its bonds, and all other expenditures of the authority incident to and necessary or convenient to carry out its purposes and powers. The bonds are investment securities and negotiable instruments within the meaning of and for all purposes of the Uniform Commercial Code.*

*Subd. 2. [PAYMENT OF BONDS.] Bonds are payable solely and only out of the money, assets, or revenues of the authority and as provided in the agreement with bondholders pledging any particular money, assets, or revenues. Bonds are not an obligation of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limitations, but are special obligations of the authority payable solely and only from the sources provided in this chapter, and the authority shall not pledge the credit or taxing power of this state or any political subdivision of this state other than the authority or make its debts payable out of any money except that of the authority.*

*Subd. 3. [RESOLUTION OF AUTHORITY.] Bonds must be authorized by a resolution of the authority. However, a resolution authorizing the issuance of bonds may delegate to an officer of the authority the power to negotiate and fix the details of an issue of bonds by an appropriate certificate of the authorized officer.*

**Subd. 4. [REQUIREMENTS.] Bonds must:**

*(1) state the date and series of the issue, be consecutively numbered and state on their face that they are payable both as to principal and interest solely out of the assets of the authority and do not constitute an indebtedness of this state or any political subdivision of this state other than the authority within the meaning of any constitutional or statutory debt limit; and*

*(2) be either registered, registered as to principal only, issued in denominations as the authority prescribes, fully negotiable instruments under the laws of this state, signed on behalf of the authority with the manual or facsimile signature of the chair or vice-chair, attested by the manual or facsimile signature of the secretary, have impressed or imprinted on them the seal of the authority or a facsimile of it, be payable as to interest at rates and at times as the authority determines, be payable as to principal at times over a period not to exceed 50 years from the date of issuance, at places and with reserved rights of prior redemption as the authority prescribes, be sold at prices, at public or private sale, and in a manner as the authority prescribes, and the authority may pay all expenses, premiums, and commissions that it considers necessary or advantageous in connection with the issuance and sale, and be issued under and subject to the terms, conditions, and covenants providing for the payment of the principal, redemption premiums, if any, interest and other terms, conditions, covenants, and protective provisions safeguarding payment, not inconsistent with this chapter, as are found to be necessary by the authority for the most advantageous sale.*

*Subd. 5. [REFUNDING.] The authority may issue its bonds for the purpose of refunding any bonds of the authority then outstanding, including the payment of any redemption premiums and any interest accrued or to accrue to the date of redemption of the outstanding bonds. Until the proceeds of bonds issued for the purpose of refunding outstanding bonds are applied to the purchase or retirement of outstanding bonds or the redemption of outstanding bonds, the proceeds may be placed in escrow and be invested and reinvested in accordance with the provisions of this chapter. The interest, income, and profits earned or realized on an investment may also be applied to the payment of the outstanding bonds to be refunded by purchase, retirement, or redemption. After the terms of the escrow have been fully satisfied and carried out, any balance of proceeds and interest earned or realized on the investments may be returned to the authority for use by it in any lawful manner. All refunding bonds shall be issued and secured and are subject to the provisions of this chapter in the same manner and to the same extent as other bonds.*

*Subd. 6. [ANTICIPATION NOTES.] The authority may issue negotiable bond anticipation notes and may renew them from time to time, but the maximum maturity of the notes, including renewals, must not exceed ten years from the date of issue of the original notes. Notes are payable from any available money of the authority not otherwise pledged or from the proceeds of the sale of bonds in anticipation of which the notes were issued. Notes may be issued for any corporate purpose of the authority. Notes must be issued in the same manner as bonds and notes and the resolution authorizing them may contain any provisions, conditions, or limitations, not inconsistent with the provisions of this subdivision, which the bonds or a bond resolution of the authority may contain. Notes may be sold at public or private sale. In case of default on its notes or violation of any obligations of the authority to the noteholders, the noteholders have all the remedies provided in this chapter for bondholders. Notes are as fully negotiable as bonds of authority.*

*Subd. 7. [FILING.] A copy of each pledge agreement by or to the authority, including without limitation each bond resolution, indenture of trust or similar agreement, or any revisions or supplements to it must be filed with the secretary of state and no further filing or other action under article 9 of the Uniform Commercial Code or any other law of the state is required to perfect the security interest in the collateral or any additions to it or substitutions for it and the lien and trust so created are binding from and after the time made against all parties having claims of any kind in tort, contract, or otherwise against the pledgor.*

*Subd. 8. [PERSONAL LIABILITY LIMITED.] Members of the authority and any person executing its bonds are not liable personally on the bonds or subject to personal liability or accountability by reason of the issuance of the authority's bonds.*

*Subd. 9. [NOTICE.] The authority shall publish a notice of intention to issue bonds in a newspaper published and of general circulation in the state. The notice shall include a statement of the maximum amount of bonds proposed to be issued and, in general, what net revenues will be pledged to pay the bonds and interest on them. An action may not be brought questioning the legality of the bonds or the power of the authority to issue the bonds or the legality of any proceedings in connection with the authorization or issuance of the bonds after 60 days from the date of publication of the notice.*

**Sec. 10. [41C.08] [RESERVE FUNDS AND APPROPRIATIONS.]**

*Subdivision 1. [AUTHORITY.] The authority may create and establish one or more special funds, each to be known as a "bond reserve fund" and shall pay into each bond reserve fund any money appropriated and made available by the state for the purpose of the fund, any proceeds of sale of bonds to the extent provided in the resolutions of the authority authorizing their issuance, and any other money that is available to the authority for the purpose of the fund from any other sources. Money held in a bond reserve fund, except as otherwise provided in this chapter, must be used as required solely for the payment of the principal of bonds secured in whole or in part by the fund or of the sinking fund payments with respect to the bonds, the purchase or redemption of the bonds, the payment of interest on the bonds, or the payments of any redemption premium required to be paid when the bonds are redeemed prior to maturity.*

*Subd. 2. [WITHDRAWALS.] Money in a bond reserve fund may not be withdrawn from it in an amount that will reduce the amount of the fund to less than the bond reserve fund requirement established for the fund, as provided in this section, except for the purpose of making payment when due of principal, interest, redemption premiums, and the sinking fund payments with respect to the bonds for the payment of which other money of the authority is not available. Any income or interest earned by, or incremental to, a bond reserve fund due to the investment of it may be transferred by the authority to other funds or accounts of the authority to the extent the transfer does not reduce the amount of that bond reserve fund below the bond reserve fund requirement for it.*

*Subd. 3. [ISSUANCE OF SECURED BONDS.] The authority may not at any time issue bonds, secured in whole or in part by a bond reserve fund if, upon the issuance of the bonds, the amount in the bond reserve fund will be less than the bond reserve fund requirement for the fund, unless the authority at the time of issuance of the bonds deposits in the fund from the proceeds of the bonds issued or from other sources an amount which, together with the amount then in the fund will not be less than the bond reserve fund requirement for the fund. For the purposes of this section, the term "bond reserve fund requirement" means, as of any particular date of computation, an amount of money required to be on deposit therein in the bond reserve fund, as provided in the resolutions of the authority authorizing the bonds with respect to which the fund is established.*

*Subd. 4. [REPAYMENT.] Amounts paid over to the authority by the state under this section constitute and must be accounted for as advances by the state to the authority and, subject to the rights of the holders of any bonds of the authority, must be repaid to the state without interest from all available operating revenues of the authority in excess of amounts required for the payment of bonds, the bond reserve fund, and operating expenses.*

*Subd. 5. [ANNUAL REPORT.] The authority shall cause to be delivered to the finance committees in the legislature within 90 days of the close of its fiscal year its annual report certified by an independent certified public accountant, who may be the accountant or a member of the firm of accountants who regularly audits the books and accounts of the authority selected by the authority. In the event that the principal amount of any bonds deposited in a bond reserve fund is withdrawn for payment of principal or interest thereby reducing the amount of that fund to less than the bond reserve fund requirement, the authority shall immediately notify the legislature of this*

*event and take steps to restore the fund to its bond reserve fund requirement from any amounts available, other than principal of a bond issue, that are not pledged to the payment of other bonds.*

**Sec. 11. [41C.09] [REMEDIES OF BONDHOLDERS.]**

*Subdivision 1. [DEFAULT.] If the authority defaults in the payment of principal or interest on an issue of bonds at maturity or upon call for redemption and the default continues for a period of 30 days or if the authority fails or refuses to comply with the provisions of this chapter, or defaults in an agreement made with the holders of an issue of bonds, the holders of 25 percent in aggregate principal amount of bonds of the issue then outstanding, by instrument filed in the office of the clerk of the county in which the principal office of the authority is located and proved or acknowledged in the same manner as a deed to be recorded, may appoint a trustee to represent the holders of the bonds for the purposes provided in this section.*

*Subd. 2. [ACTIONS.] The authority or any trustee appointed under the indenture under which the bonds are issued may, but upon written request of the holders of 25 percent in aggregate principal amount of the issue of bonds then outstanding shall:*

*(1) enforce all rights of the bondholders including the right to require the authority to carry out its agreements with the holders and to perform its duties under this chapter;*

*(2) bring suit upon the bonds;*

*(3) by action require the authority to account as if it were the trustee of an express trust for the holders;*

*(4) by action enjoin any acts or things which are unlawful or in violation of the rights of the holders; and*

*(5) declare all the bonds due and payable and, if all defaults are made good, with the consent of the holders of 25 percent of the aggregate principal amount of the issue of bonds then outstanding, annul the declaration and its consequences.*

*Subd. 3. [TRUSTEE'S POWERS.] The trustees may exercise functions specifically set forth or incident to the general representation of bondholders in the enforcement and protection of their rights.*

*Subd. 4. [NOTICE.] Before declaring the principal of bonds due and payable, the trustee shall first give 30 days' notice in writing to the governor, to the authority, and to the attorney general of the state.*

*Subd. 5. [JURISDICTION.] The district court has jurisdiction of any action by the trustee on behalf of bondholders. The venue of the action is in the county in which the principal office of the authority is located.*

*The bondholders may, to the extent provided in the resolution to which the bonds were issued or in its agreement with the authority, enforce any of the remedies in subdivision 2, clauses (1) to (5), or the remedies provided in the proceedings or agreements for and on their own behalf.*

**Sec. 12. [41C.10] [BONDS AS LEGAL INVESTMENTS.]**

*Bonds are securities in which public officers, state departments and agencies, political subdivisions, insurance companies, and other persons carrying on an insurance business, banks, trust companies, savings and loan associations, investment companies, and other persons carrying on a*

*banking business, administrators, executors, guardians, conservators, trustees, and other fiduciaries and other persons authorized to invest in bonds or other obligations of this state may properly and legally invest funds including capital in their control or belonging to them. The bonds are also securities which may be deposited with and may be received by public officers, state departments and agencies, and political subdivisions for any purpose for which the deposit of bonds or other obligations of this state is authorized.*

**Sec. 13. [41C.11] [CONFLICTS OF INTEREST.]**

*If a member or employee of the authority has an interest, either direct or indirect, in a contract to which the authority is or is to be a party or in a mortgage lender requesting a loan from or offering to sell mortgage or secured loans to the authority, the interest must be disclosed to the authority in writing and must be set forth in the minutes of the authority. The member or employee having the interest may not participate in action by the authority with respect to that contract or mortgage lender.*

**Sec. 14. [41C.12] [APPLICATION AND ORIGATION FEE.]**

*The authority may impose a reasonable application and origination fee for each loan issued under the beginning farmer and agricultural business enterprise loan program. The origination fee initially shall be set at 1.5 percent and the application fee at \$50. The authority shall review the fees annually and make adjustments as necessary. The fee must be deposited in the state treasury and credited to the general fund.*

**Sec. 15. [41C.13] [RULES.]**

*The authority may adopt rules for the administration of this chapter.*

Sec. 16. Minnesota Statutes 1990, section 474A.02, subdivision 13a, is amended to read:

**Subd. 13a. [MANUFACTURING SMALL ISSUE POOL.]** ~~“Manufacturing Small issue pool”~~ means the amount of the annual volume cap allocated under section 474A.061, that is available for the issuance of small issue bonds to finance manufacturing projects, *and the agricultural development bond beginning farmer and agricultural business enterprise loan program authorized in sections 3 to 14.*

Sec. 17. Minnesota Statutes 1990, section 474A.02, subdivision 23a, is amended to read:

**Subd. 23a. [QUALIFIED BONDS.]** “Qualified bonds” means the specific type or types of obligations that are subject to the annual volume cap. Qualified bonds include the following types of obligations as defined in federal tax law:

(a) “public facility bonds” means “exempt facility bonds” as defined in federal tax law, except for residential rental project bonds, which are those obligations issued to finance airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, facilities for the local furnishing of electric energy or gas, local district heating or cooling facilities, and qualified hazardous waste facilities;

(b) “residential rental project bonds” which are those obligations issued to finance qualified residential rental projects;

- (c) "mortgage bonds";
- (d) "small issue bonds" issued to finance manufacturing projects *and the acquisition or improvement of agricultural property under sections 3 to 14*;
- (e) "student loan bonds";
- (f) "redevelopment bonds"; and
- (g) "governmental bonds" with a nonqualified amount in excess of \$15,000,000 as set forth in section 141(b)5 of federal tax law.

Sec. 18. Minnesota Statutes 1990, section 474A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL VOLUME CAP UNDER FEDERAL TAX LAW; POOL ALLOCATIONS.] At the beginning of each calendar year after December 31, ~~1990~~ 1991, the commissioner shall determine the aggregate dollar amount of the annual volume cap under federal tax law for the calendar year, and of this amount the commissioner shall make the following allocation:

(1) \$75,000,000 to the ~~manufacturing~~ *small issue* pool, of which *\$15,000,000 must be reserved for the agricultural development bond beginning farmer and agricultural business enterprise loan program authorized under sections 3 to 14*;

(2) \$46,000,000 to the housing pool;

(3) \$10,000,000 to the public facilities pool; and

(4) amounts to be allocated as provided in subdivision 2a.

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

Sec. 19. Minnesota Statutes 1990, section 474A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] (a) An issuer may apply for an allocation under this section by submitting to the department an application on forms provided by the department, accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of one percent of the requested allocation before the last Monday in August, or in the amount of two percent of the requested allocation on or after the last Monday in August, and (5) a public purpose scoring worksheet for ~~small issue manufacturing project~~ applications. The issuer must pay the application deposit by check. The Minnesota housing finance agency *and the Minnesota rural finance authority* may apply for and receive an allocation under this section without submitting an application deposit.

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

obtained under section 474A.04, subdivision 6.

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

Sec. 20. Minnesota Statutes 1990, section 474A.061, subdivision 2b, is amended to read:

Subd. 2b. [~~MANUFACTURING SMALL ISSUE~~ POOL ALLOCATION.] From the beginning of the calendar year until the last Monday in August, the commissioner shall allocate available bonding authority from the ~~manufacturing small issue~~ pool on Monday of each week to applications received on or before the Monday of the preceding week. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed projects that receive less than 50 points are eligible to receive a proportionally reduced share of the proposed authority.

If there are two or more applications for manufacturing projects from the ~~manufacturing small issue~~ pool and there is insufficient bonding authority to provide allocations for all projects in any one week after all eligible bonding authority has been transferred as provided in section 474A.081, the available bonding authority shall be awarded by lot unless otherwise agreed to by the respective issuers.

Sec. 21. Minnesota Statutes 1990, section 474A.061, subdivision 3, is amended to read:

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

Sec. 22. Minnesota Statutes 1990, section 474A.061, subdivision 4, is amended to read:

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

through the unified pool. If the issuer notifies the department after the last Monday in November, the amount of allocation is canceled and returned for reallocation to the Minnesota housing finance agency.

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

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

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

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

No refund shall be available for allocations returned 90 or more days after receiving the allocation. This subdivision does not apply to the Minnesota housing finance agency or the *Minnesota rural finance authority*.

Sec. 23. Minnesota Statutes 1990, section 474A.091, is amended to read:

474A.091 [ALLOCATION OF UNIFIED POOL.]

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

Subd. 2. [APPLICATION.] ~~An issuer~~ *Issuers other than the Minnesota rural finance authority* may apply for an allocation under this section by submitting to the department an application on forms provided by the department accompanied by (1) a preliminary resolution, (2) a statement of bond counsel that the proposed issue of obligations requires an allocation under this chapter, (3) the type of qualified bonds to be issued, (4) an application deposit in the amount of two percent of the requested allocation, and (5) a public purpose scoring worksheet for ~~small issue manufacturing~~ applications. The issuer must pay the application deposit by check. An entitlement issuer may not apply for an allocation for public facility bonds, residential rental project bonds, or mortgage bonds under this section unless it has either permanently issued bonds equal to the amount of its entitlement allocation for the current year plus any amount carried forward from previous years or returned for reallocation all of its unused entitlement allocation. For purposes of this subdivision, its entitlement allocation includes an amount obtained under section 474A.04, subdivision 6.

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

Subd. 3. [ALLOCATION PROCEDURE.] (a) The commissioner shall allocate available bonding authority under this section on the Monday of every other week beginning with the first Monday in September through

and on the last Monday in November. Applications for allocations must be received by the department by the Monday preceding the Monday on which allocations are to be made. If a Monday falls on a holiday, the allocation will be made or the applications must be received by the next business day after the holiday.

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

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

Allocations for residential rental projects may only be made during the first allocation in September. The amount of allocation provided to an issuer for a specific manufacturing project will be based on the number of points received for the proposed project under the scoring system under section 474A.045. Proposed manufacturing projects that receive 50 points or more are eligible for all of the proposed allocation. Proposed manufacturing projects that receive less than 50 points under section 474A.045 are only eligible to receive a proportionally reduced share of the proposed authority. If there are two or more applications for manufacturing projects from the unified pool and there is insufficient bonding authority to provide allocations for all manufacturing projects in any one allocation period, the available bonding authority shall be awarded based on the number of points awarded a project under section 474A.045 with those projects receiving the greatest number of points receiving allocation first.

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

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

- (i) \$10,000,000 for any one city; or
- (ii) \$20,000,000 for any number of cities in any one county.

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

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

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

Subd. 4. [MORTGAGE BONDS.] All remaining bonding authority available for allocation under this section on December 1, is allocated to the Minnesota housing finance agency.

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

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

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

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

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

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

Subd. 6. [FINAL ALLOCATION; CARRYFORWARD.] Any bonding authority remaining unissued by the Minnesota housing finance agency after the last Monday in December is allocated to the department of finance for reallocation for qualified bonds eligible to be carried forward under federal tax law.

Sec. 24. Minnesota Statutes 1990, section 474A.14, is amended to read:  
474A.14 [NOTICE OF AVAILABLE AUTHORITY.]

The department shall publish in the State Register a notice of the amount of bonding authority in the housing, ~~manufacturing~~ small issue, and public facilities pools as soon after January 1 as possible. The department shall publish in the State Register a notice of the amount of bonding authority available for allocation in the unified pool as soon after September 1 as possible.

**Sec. 25. [APPROPRIATION.]**

*(a) \$300,000 is appropriated from the general fund to the commissioner of finance for developing and promoting the agricultural development bond program. \$150,000 is for fiscal year 1992 and \$150,000 is for fiscal year 1993.*

*(b) The approved complement of the department of finance is increased by two positions."*

Amend the title accordingly

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**

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

**INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Pogemiller introduced—

S.F. No. 1571: A bill for an act relating to the legislature; changing the boundaries of legislative districts; amending Minnesota Statutes 1990, section 2.031, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 1990, sections 2.019; and 2.042 to 2.702.

Referred to the Committee on Redistricting. Mr. Storm questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

**MEMBERS EXCUSED**

Mr. Pogemiller was excused from the Session of today from 12:00 noon to 12:55 p.m. Mr. Johnson, D.J. was excused from the Session of today at 1:30 p.m. Mr. Halberg was excused from the Session of today from 12:30 to 1:30 p.m. Mr. Hughes was excused from the Session of today at 5:30 p.m. Ms. Berglin was excused from the Session of today from 5:30 to 6:00 p.m. Mr. Sams was excused from the Session of today from 5:45 to 6:10 p.m. Ms. Johnson, J.B. was excused from the Session of today from 6:00 to 7:00 p.m. Mrs. Pariseau was excused from the Session of today from 2:30 to 3:00 p.m. and 5:00 to 5:30 p.m.

The following members were excused from today's Session for brief periods of time: Messrs. Pogemiller; Price; Frederickson, D.J. and Ms. Reichgott.

**ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 12:00 noon, Wednesday, May 15, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate