

## FIFTY-SIXTH DAY

St. Paul, Minnesota, Friday, May 17, 1991

The Senate met at 8:30 a.m. and was called to order by the President.

### CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Michelle Rem.

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.	Mehrkens	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 the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 86, 274, 962, 302 and 998.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 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. 621: A bill for an act relating to the environment; clarifying and correcting provisions relating to the legislative commission on Minnesota resources and the Minnesota environmental and natural resources trust fund; amending Minnesota Statutes 1990, sections 116P.04, subdivision 5; 116P.05; 116P.06; 116P.07; 116P.08, subdivisions 3 and 4; 116P.09, subdivisions 2, 4, and 7.

There has been appointed as such committee on the part of the House: Kahn, Osthoff and Johnson, V.

Senate File No. 621 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

Mr. President:

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

S.F. No. 1053: A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1990, sections 3C.04, subdivision 3; 14.47, subdivision 5; 15.39, subdivision 2; 15.45, subdivision 1; 16B.06, subdivision 2a; 16B.19, subdivision 2b; 16B.21, subdivision 1; 16B.405, subdivision 2; 18B.05, subdivision 1; 27.138, subdivision 4; 41A.066, subdivision 1; 60A.13, subdivision 3a; 60B.25; 62E.19, subdivision 1; 84B.09; 86B.415, subdivision 1; 89.37, subdivision 4; 97A.101, subdivision 2; 103A.405; 103B.211, subdivision 4; 103F.215, subdivision 1; 103G.545, subdivision 2; 115A.06, subdivision 4; 115B.25, subdivision 4; 115B.26, subdivisions 1 and 4; 115B.30, subdivision 1; 115B.31; 115B.32, subdivision 1; 115B.33, subdivision 1; 115B.34; 115B.36; 115C.08, subdivision 5; 115D.02; 116.733; 116J.68, subdivision 2; 121.88, subdivision 5; 123.702, subdivision 2; 124.195, subdivision 9; 124.225, subdivision 81; 124.245, subdivision 6; 124A.036, subdivision 5; 125.032, subdivision 2; 126.036; 126.071, subdivision 1; 127.19; 136.82, subdivision 1; 144.49, subdivision 8; 144.804, subdivision 1; 144.8097, subdivision 2; 144A.29, subdivisions 2 and 3; 147.01, subdivision 1; 148.03; 148.52; 148.90, subdivision 3; 150A.02, subdivision 1; 151.03; 152.022, subdivision 1; 152.023, subdivision 2; 153.02; 154.22; 156.01; 161.17, subdivision 2; 168.325, subdivision 3; 222.63, subdivision 4; 237.161, subdivision 1; 256.035, subdivision 8; 256B.059, subdivision 4; 268.38, subdivision 12; 270.42; 273.1392; 273.1398, subdivision 5a; 275.065, subdivision 1; 275.50, subdivision 5; 290A.04, subdivision 2h; 297A.25, subdivision 8; 298.17; 299A.24, subdivision 1; 299A.41, subdivision 1; 299F.361, subdivision 1; 299F.451, subdivision 1; 299F.72, subdivision 1; 317A.021, subdivision 7; 325E.045, subdivision 1; 326.04; 341.01; 354A.094, subdivision 7; 356.215, subdivision 4d; 356.216; 384.14; 386.63, subdivision 1; 400.03, subdivision 1; 423.806, subdivision 1; 446A.10, subdivision 2; 469.129, subdivision 1; 473.844, subdivision 1; 473.845, subdivision 1; 508.36;

529.16; 551.05, subdivision 1; 571.75, subdivision 2; 571.81, subdivision 2; 604.06; 609.531, subdivision 1; 609.892, subdivision 1; Laws 1990, chapter 562, article 8, section 38; chapter 602, article 2, section 10; and chapter 606, article 4, section 1, subdivisions 2 and 6; reenacting Minnesota Statutes 1988, section 169.126, subdivision 2, as amended; repealing Minnesota Statutes 1990, sections 103B.211, subdivision 5; 103I.005, subdivision 18; 117.31; 124.47; 171.015, subdivision 4; 299F.362, subdivision 8; 474A.081, subdivisions 1, 2, and 4; 593.40, subdivision 6; and 626A.21.

Senate File No. 1053 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

### CONCURRENCE AND REPASSAGE

Mr. Finn moved that the Senate concur in the amendments by the House to S.F. No. 1053 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1053 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 39 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Hottinger	Marty	Pogemiller
Beckman	Chmielewski	Hughes	McGowan	Price
Belanger	Cohen	Johnson, D.E.	Metzen	Ranum
Benson, D.D.	Day	Johnson, J.B.	Moe, R.D.	Renneke
Benson, J.E.	Finn	Johnston	Neuville	Sams
Berglin	Flynn	Langseth	Novak	Traub
Bernhagen	Frank	Larson	Olson	Vickerman
Bertram	Frederickson, D.J.	Lessard	Pariseau	

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

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

S.F. No. 561: A bill for an act relating to natural resources; authorizing certain minors to harvest wild rice without a license; amending Minnesota Statutes 1990, section 84.091, subdivision 2.

Senate File No. 561 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

### CONCURRENCE AND REPASSAGE

Mr. Lessard moved that the Senate concur in the amendments by the House to S.F. No. 561 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 561 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 38 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Bertram	Frederickson, D.J.	Marty	Price
Beckman	Brataas	Hottinger	McGowan	Ranum
Belanger	Chmielewski	Hughes	Metzen	Riveness
Benson, D.D.	Cohen	Johnson, J.B.	Moe, R.D.	Sams
Benson, J.E.	Day	Johnston	Novak	Traub
Berg	Finn	Langseth	Olson	Vickerman
Berglin	Flynn	Lessard	Pariseau	
Bernhagen	Frank	Luther	Pogemiller	

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 606:

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.

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

Brown, Kalis and Seaberg have been appointed as such committee on the part of the House.

House File No. 606 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

Ms. Johnston moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 606, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 958:

H.F. No. 958: A bill for an act relating to agriculture; providing for development of aquaculture; amending Minnesota Statutes 1990, section 17.49; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Sparby, Solberg and Bettermann have been appointed as such committee on the part of the House.

House File No. 958 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

Mr. Berg moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 958, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 202:

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.

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

Rukavina, Farrell and Girard have been appointed as such committee on the part of the House.

House File No. 202 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

Mr. Chmielewski moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 202, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 1411: A bill for an act relating to housing; requiring counseling for reverse mortgage loans; providing penalties; amending Minnesota Statutes 1990, section 47.58, by adding a subdivision.

Senate File No. 1411 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

### CONCURRENCE AND REPASSAGE

Mr. Sams moved that the Senate concur in the amendments by the House to S.F. No. 1411 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1411 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Halberg	Luther	Price
Beckman	Chmielewski	Hottinger	Marty	Renneke
Belanger	Cohen	Hughes	McGowan	Riveness
Benson, D.D.	Day	Johnson, D.E.	Mehrkins	Sams
Benson, J.E.	Dicklich	Johnson, J.B.	Metzen	Traub
Berg	Finn	Johnston	Moe, R.D.	Vickerman
Berglin	Flynn	Knaak	Novak	
Bernhagen	Frank	Larson	Pariseau	
Bertram	Frederickson, D.J.	Lessard	Pogemiller	

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1050:

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.

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

Orfield, Carruthers and Bishop have been appointed as such committee on the part of the House.

House File No. 1050 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

Mr. Marty moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1050, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 20:

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.

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

Winter, Skoglund and Abrams have been appointed as such committee on the part of the House.

House File No. 20 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

Mr. Marty moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 20, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 762: A bill for an act relating to health; changing restrictions on disclosing birth record of a child born to an unmarried woman; amending Minnesota Statutes 1990, section 144.225, subdivisions 2 and 4.

Senate File No. 762 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

Mr. Luther moved that S.F. No. 762 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 822: A bill for an act relating to the environment; responsible person for removal and remediation of hazardous waste; providing that the state, an agency of the state, or a political subdivision that acquires property through eminent domain or through negotiated purchase following the filing of eminent domain petition, or any person acquiring from the condemning authority, is not liable as a responsible person solely because of the acquisition; clarifying the status of mortgagees and contract for deed vendors as responsible persons; amending Minnesota Statutes 1990, section 115B.03, by adding subdivisions.

Senate File No. 822 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

Mr. Luther moved that S.F. No. 822 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 1178: A bill for an act relating to elections; allowing school meetings on certain election days; amending Minnesota Statutes 1990, section 204C.03, subdivision 3.

Senate File No. 1178 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

Mr. Luther moved that S.F. No. 1178 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 317:

H.F. No. 317: A bill for an act relating to marriage dissolution; clarifying

procedure for modification of certain custody orders; providing for additional child support payments; providing an alternative form of satisfaction of child support obligation; imposing a fiduciary duty and providing for compensation in cases of breach of that duty; clarifying certain mediation procedures; providing for attorneys' fees in certain cases; clarifying language concerning certain motions; imposing penalties; amending Minnesota Statutes 1990, sections 518.18; 518.551, subdivision 5; 518.57, by adding a subdivision; 518.58, subdivision 1, and by adding a subdivision; 518.619, subdivision 6; 518.64, subdivision 2; and 518.641, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

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

Wagenius, Vellenga and Seaberg have been appointed as such committee on the part of the House.

House File No. 317 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

Mr. Luther moved that H.F. No. 317 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1:

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.

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

Munger, Dille, Marsh, Kahn and Bertram have been appointed as such committee on the part of the House.

House File No. 1 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

Mr. Luther moved that H.F. No. 1 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 459:

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.

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

Greenfield, Vellenga and Macklin have been appointed as such committee on the part of the House.

House File No. 459 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

Mr. Luther moved that H.F. No. 459 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 794, 1132, 1389, 997 and 871.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 16, 1991

### **FIRST READING OF HOUSE BILLS**

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

H.F. No. 794: A bill for an act relating to traffic regulations; authorizing one-day handicapped certificates for use by vehicles transporting nursing home residents; amending Minnesota Statutes 1990, section 169.345, subdivision 3.

Referred to the Committee on Transportation.

H.F. No. 1132: A bill for an act relating to natural resources; providing for enforcement of sanctions for hunting while under the influence of alcohol or a controlled substance; amending Minnesota Statutes 1990, section 97B.065; proposing coding for new law in Minnesota Statutes, chapter 97B.

Referred to the Committee on Environment and Natural Resources.

H.F. No. 1389: A bill for an act relating to animal health; requiring a study of the feasibility of abolishing mandatory anaplasmosis testing.

Referred to the Committee on Agriculture and Rural Development.

H.F. No. 997: A bill for an act relating to port authorities; providing for extraterritorial exercise of port authority powers to assist economic development projects; authorizing affected governmental units to contribute funds in support of port authority financing; authorizing the city of Rosemount to establish a port authority; amending Minnesota Statutes 1990, section 469.062, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 469.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 871: A bill for an act relating to employment; board of electricity; clarifying definitions; providing for a complaint committee; clarifying and adding duties of the board; providing penalties; amending Minnesota Statutes 1990, sections 326.01, subdivisions 2, 3, 4, 5, 6, 6a, and by adding subdivisions; 326.241, subdivision 2; 326.242, subdivisions 1, 2, 3, 4, 5, 6, 9, 12, and by adding subdivisions; 326.244, subdivisions 4, 5, and by adding a subdivision; 326.245; and 326.246.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 688, now on General Orders.

### **MOTIONS AND RESOLUTIONS**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Kelly, Ms. Pappas, Messrs. Knaak and McGowan introduced—

S.F. No. 1579: A bill for an act relating to judges; providing for the election of unopposed incumbent judges by submitting to the voters whether they should succeed themselves; amending Minnesota Statutes 1990, sections 204B.34, subdivision 3; 204B.36, subdivision 4; and 204D.08, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 204C.

Referred to the Committee on Elections and Ethics.

Mr. Chmielewski introduced—

S.F. No. 1580: A bill for an act relating to cemeteries; requiring cemeteries to permit burial in all seasons; proposing coding for new law in Minnesota Statutes, chapter 306.

Referred to the Committee on Veterans and General Legislation.

Mses. Traub, Pappas, Mr. Hottinger, Ms. Berglin and Mr. Neuville introduced—

S.F. No. 1581: A bill for an act relating to adoption; providing for release of birth information to adopted persons; amending Minnesota Statutes 1990, sections 259.49, subdivisions 1, 4, 5, and by adding a subdivision; repealing Minnesota Statutes 1990, section 259.49, subdivisions 2 and 3.

Referred to the Committee on Judiciary.

Messrs. Kelly, Neuville, Marty and Cohen introduced—

S.F. No. 1582: A bill for an act relating to courts; altering the election districts of district judges; providing for the judges to be elected from their assignment district within the judicial district; amending Minnesota Statutes 1990, section 2.722, by adding a subdivision.

Referred to the Committee on Judiciary.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 910: A bill for an act relating to health; providing clarification of various laws relating to public health issues; providing penalties; amending Minnesota Statutes 1990, sections 115.71, subdivision 9, and by adding a subdivision; 144.698, subdivision 1; 145.43, subdivision 1a; 153A.15, subdivision 4, and by adding a subdivision; 153A.17; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 144; 147; and 176; repealing Minnesota Statutes 1990, sections 115.71, subdivision 7; 145.34; 145.35; and 153A.16.

Senate File No. 910 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 16, 1991

### CONCURRENCE AND REPASSAGE

Ms. Berglin moved that the Senate concur in the amendments by the House to S.F. No. 910 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 910: A bill for an act relating to health; providing clarification of various laws relating to public health issues; providing penalties; amending Minnesota Statutes 1990, sections 115.71, subdivision 9, and by adding a subdivision; 116C.852; 144.698, subdivision 1; 145.43, subdivision 1a; 153A.15, subdivision 4, and by adding a subdivision; 153A.17; and 268.12, subdivision 12; proposing coding for new law in Minnesota Statutes, chapters 144; 147; and 176; repealing Minnesota Statutes 1990, sections 115.71, subdivision 7; 145.34; 145.35; and 153A.16.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 38 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Day	Johnson, J.B.	Mehrkens	Riveness
Belanger	Finn	Johnston	Metzen	Sams
Benson, D.D.	Flynn	Langseth	Moe, R.D.	Samuelson
Benson, J.E.	Frank	Larson	Novak	Spear
Berglin	Halberg	Lessard	Pappas	Traub
Bertram	Hottinger	Luther	Pariseau	Vickerman
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McGowan	Price	

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

### 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 9:00 a.m.:

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

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dicklich moved that the following members be excused for a Conference Committee on H.F. No. 700 at 9:00 a.m.:

Messrs. Dicklich, Dahl, DeCramer, Mses. Olson and Pappas. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Pappas moved that S.F. No. 762 be taken from the table. The motion prevailed.

S.F. No. 762: A bill for an act relating to health; changing restrictions on disclosing birth record of a child born to an unmarried woman; amending Minnesota Statutes 1990, section 144.225, subdivisions 2 and 4.

### CONCURRENCE AND REPASSAGE

Ms. Pappas moved that the Senate concur in the amendments by the House to S.F. No. 762 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 762 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	McGowan	Renneke
Belanger	Day	Johnson, D.E.	Mehrkens	Riveness
Benson, D.D.	Finn	Johnston	Metzen	Sams
Benson, J.E.	Flynn	Kroening	Novak	Samuelson
Berg	Frank	Larson	Pappas	Solon
Berglin	Gustafson	Lessard	Pariseau	Spear
Bertram	Halberg	Luther	Pogemiller	Traub
Chmielewski	Hottinger	Marty	Price	Vickerman

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

## MOTIONS AND RESOLUTIONS - CONTINUED

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate take up the Special Orders Calendar. The motion prevailed.

### SPECIAL ORDER

H.F. No. 628: A bill for an act relating to traffic regulations; increasing the fine for violating seat belt requirements; reallocating fine receipts; amending Minnesota Statutes 1990, section 169.686, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 169.

Mr. Frank moved that the amendment made to H.F. No. 628 by the Committee on Rules and Administration in the report adopted May 16, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 628 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 35 and nays 15, as follows:

Those who voted in the affirmative were:

Belanger	Frank	Johnson, J.B.	McGowan	Pappas
Benson, J.E.	Frederickson, D.J.	Kelly	Mehrrens	Pariseau
Berglin	Gustafson	Knaak	Metzen	Pogemiller
Cohen	Halberg	Langseth	Moe, R.D.	Price
Day	Hottinger	Larson	Mondale	Ranum
Finn	Hughes	Luther	Neuville	Spear
Flynn	Johnson, D.E.	Marty	Novak	Traub

Those who voted in the negative were:

Adkins	Berg	Johnston	Reichgott	Sams
Beckman	Bertram	Kroening	Renneke	Samuelson
Benson, D.D.	Chmielewski	Lessard	Riveness	Vickerman

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 1246: A bill for an act relating to energy; expanding conservation improvement programs; extending protection against disconnection of residential utility customers during cold weather; improving energy efficiency by prohibiting incandescent lighting in certain exit signs; requiring applicants for certificates of need for large utility facilities to justify the use of nonrenewable rather than renewable energy; establishing energy conservation goals for state buildings; requiring a review of the state building code and energy standards; requiring a report to the legislature; authorizing conservation improvement financial incentive plans; making conforming amendments; prescribing penalties; appropriating money; amending Minnesota Statutes 1990, sections 16B.32; 16B.61, subdivision 3; 216B.16, subdivision 6b, and by adding a subdivision; 216B.241; 216B.243, subdivision 3, and by adding a subdivision; 216C.02, subdivision 1; and 299E011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C.

Mr. Novak moved that the amendment made to H.F. No. 1246 by the Committee on Rules and Administration in the report adopted May 16, 1991, pursuant to Rule 49, be stricken. The motion prevailed. So the

amendment was stricken.

Mr. Novak then moved to amend H.F. No. 1246 as follows:

Page 3, line 13, delete "*By December 31, 1995,*"

Page 3, delete lines 23 to 32

Page 3, line 33, delete "(c)" and insert "(b)"

Page 4, line 7, after the semicolon, insert "or"

Page 4, delete lines 8 and 9

Page 4, line 10, delete "(3)" and insert "(2)"

Page 4, line 11, delete "(d)" and insert "(c)"

Page 4, line 17, delete everything before the period

Page 4, line 31, delete "*By December 31, 1995,*"

Page 5, delete lines 7 to 16

Page 5, line 17, delete "(d)" and insert "(c)"

Page 5, line 29, delete "*Starting in 1992,*"

Page 6, line 5, delete everything before the period

Page 9, line 9, delete "two" and insert "1.75"

Page 9, line 10, delete "one" and insert ".6"

Page 12, after line 17, insert:

"Sec. 6. [TRANSITIONAL SPENDING REQUIREMENTS.]

*Notwithstanding section 2, subdivisions 1a and 1b, a public utility, municipality, or cooperative electric association governed by one of those subdivisions that spends and invests less than those subdivisions require on conservation improvements shall increase its spending and investment in accordance with this section. The utility, municipality, or association shall:*

*(1) using its 1991 gross operating revenues, apply the applicable percentage required by subdivision 1a or 1b to determine what level of spending would have been required in 1991 had those subdivisions been in effect;*

*(2) subtract from the amount computed under clause (1) the actual amount spent by the utility, municipality, or association on conservation improvements in 1991; and*

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

*After December 31, 1995, the utility, municipality, or association shall annually spend and invest the amount required by, and determined under, section 2, subdivision 1a or 1b, whichever applies."*

Renumber the sections of article 1 in sequence

Page 16, lines 17 and 21, after "bulbs" insert ", except for battery-powered back-up bulbs,"

Page 17, line 1, delete everything after "that"

Page 17, delete line 2

Page 17, line 3, delete everything before the period and insert "*it has explored the possibility of generating power by means of renewable energy sources and has demonstrated that the alternative selected is less expensive (including environmental costs) than power generated by a renewable energy source*"

Page 18, line 1, after the period, insert "*Repayments must be interest-free.*"

Page 21, after line 10, insert:

## “ARTICLE 7

### STUDIES

#### Section 1. [STUDY; PHOTOVOLTAIC DEVICES.]

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

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

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

#### Sec. 3. [LANDFILL GAS RECOVERY.]

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

#### Sec. 4. [APPROPRIATION.]

*\$55,000 is appropriated from the general fund to the commissioner of public service to cover costs associated with the studies required by sections 1 and 2."*

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend H.F. No. 1246 as follows:

Page 17, after line 6, insert:

"Sec. 2. [216B.244] [NUCLEAR POWER PLANTS; CERTIFICATE OF NEED.]

*The commission may not issue a certificate of need for the construction of a nuclear powered generating plant until the commission:*

*(1) is satisfied that a safe method is available for the permanent storage*

or other disposal of nuclear wastes; and

(2) the commission has communicated its finding with respect to clause (1) in writing to the chairs of the standing committees of the senate and the house of representatives having jurisdiction over energy and public utilities."

Renumber the sections of article 4 in sequence

Amend the title accordingly

Mr. Larson questioned whether the amendment was germane.

The President ruled that the amendment was germane.

The question was taken on the adoption of the amendment.

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

Those who voted in the affirmative were:

Berglin	Halberg	Luther	Mondale	Riveness
Cohen	Hottinger	Marty	Neuville	Sams
Flynn	Johnson, J.B.	Metzen	Pogemiller	Spear
Frederickson, D.J.	Kelly	Moe, R.D.	Price	

Those who voted in the negative were:

Adkins	Bertram	Johnson, D.E.	Lessard	Renneke
Beckman	Chmielewski	Johnston	McGowan	Samuelson
Belanger	Day	Kroening	Mehrkens	Vickerman
Benson, J.E.	Frank	Langseth	Novak	
Berg	Gustafson	Larson	Pariseau	

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

Mr. Marty then moved to amend H.F. No. 1246 as follows:

Page 3, line 17, delete ".5" and insert "2.4"

Page 3, line 20, delete "1.5" and insert "3.6"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 10 and nays 35, as follows:

Those who voted in the affirmative were:

Berglin	Flynn	Luther	Piper	Spear
Cohen	Hughes	Marty	Pogemiller	Waldorf

Those who voted in the negative were:

Adkins	Chmielewski	Johnson, D.E.	Lessard	Novak
Beckman	Day	Johnson, J.B.	McGowan	Pariseau
Belanger	Finn	Johnston	Mehrkens	Price
Benson, D.D.	Frank	Kelly	Metzen	Renneke
Benson, J.E.	Frederickson, D.J.	Kroening	Moe, R.D.	Sams
Berg	Halberg	Langseth	Mondale	Solon
Bertram	Hottinger	Larson	Neuville	Vickerman

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

Mr. Finn moved to amend H.F. No. 1246 as follows:

Page 12, after line 17, insert:

"Sec. 6. Minnesota Statutes 1990, section 239.78, is amended to read:  
239.78 [INSPECTION FEES.]

~~An inspection fee shall be charged on petroleum products when received~~

by the distributor, and on petroleum products received and held for sale or use by any person when the petroleum products have not previously been received by a licensed distributor. The department shall adjust the inspection fee to recover a person who owns petroleum products held in storage at a pipeline terminal, river terminal, or refinery shall pay an inspection fee of 75 cents for every 1,000 gallons sold or withdrawn from the terminal or refinery storage. The revenue from the fee must cover the amount appropriated for petroleum product quality inspection expenses and the amount appropriated for the inspection and testing of petroleum product measuring devices as required by this chapter. The department shall review and adjust the inspection fee as required by section 16A.128, except the review of the fee shall occur annually on or before January 1.

The commissioner of revenue shall credit the distributor a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report in a manner approved by the department. The commissioner of revenue is authorized to may collect the inspection fees along with any taxes due under chapter 296."

Page 12, after line 25, insert:

"\$1,000,000 is appropriated from the general fund to the energy and conservation account established in section 2, subdivision 2a, to be available until June 30, 1993, for programs administered by the commissioner of public service or other state agency to improve the energy efficiency of residential oil-fired heating plants in low-income households."

Renumber the sections of article 1 in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 1246 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 41 and nays 8, as follows:

Those who voted in the affirmative were:

Adkins	Flynn	Kroening	Mondale	Sams
Beckman	Frank	Langseth	Neuville	Solon
Belanger	Frederickson, D.J.	Lessard	Novak	Spear
Benson, J.E.	Halberg	Luther	Pariseau	Stumpf
Berg	Hottinger	Marty	Piper	Waldorf
Berglin	Hughes	McGowan	Pogemiller	
Brataas	Johnson, D.E.	Mehrken	Price	
Cohen	Johnson, J.B.	Metzen	Reichgott	
Finn	Kelly	Moe, R.D.	Renneke	

Those who voted in the negative were:

Benson, D.D.	Chmielewski	Gustafson	Larson	Vickerman
Bertram	Day	Johnston		

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

### SPECIAL ORDER

H.F. No. 1088: A bill for an act relating to economic development; establishing the regional seed capital program; amending Minnesota Statutes 1990, section 469.101, by adding a subdivision; proposing coding for new

law in Minnesota Statutes, chapter 116O.

Mr. Metzen moved to amend H.F. No. 1088, as amended pursuant to Rule 49, adopted by the Senate May 16, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 1037.)

Page 2, delete lines 9 to 14

Pages 2 and 3, delete section 2

Page 3, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete line 6 and insert "section 469.101,"

The motion prevailed. So the amendment was adopted.

H.F. No. 1088 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Adkins	Cohen	Johnson, D.E.	Marty	Price
Beckman	Day	Johnson, J.B.	Metzen	Reichgott
Belanger	Finn	Johnston	Moe, R.D.	Renneke
Benson, D.D.	Flynn	Kelly	Mondale	Sams
Benson, J.E.	Frank	Kroening	Neuville	Solon
Berg	Frederickson, D.J.	Langseth	Novak	Spear
Berglin	Gustafson	Larson	Pariseau	Stumpf
Bertram	Hottinger	Lessard	Piper	Vickerman
Chmielewski	Hughes	Luther	Pogemiller	

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

### SPECIAL ORDER

H.F. No. 1286: A bill for an act relating to the secretary of state; changing certain fees, deadlines, and procedures; providing for supplemental filing and information services; providing for removal of documents from the public record; clarifying certain language; amending Minnesota Statutes 1990, sections 5.03; 5.16, subdivision 5; 302A.821, subdivisions 3, 4, and 5; 303.07, subdivision 2; 303.08; 303.13, subdivision 1; 303.17, subdivision 1; 308A.131, subdivision 1; 308A.801, subdivision 6; 317A.821, subdivision 2; 317A.823; 317A.827, subdivision 1; and 331A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 5.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 35 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Marty	Price
Beckman	Finn	Johnson, D.E.	Metzen	Reichgott
Belanger	Flynn	Johnson, J.B.	Moe, R.D.	Sams
Berg	Frank	Kelly	Mondale	Solon
Berglin	Frederickson, D.J.	Kroening	Novak	Spear
Bertram	Gustafson	Langseth	Piper	Stumpf
Chmielewski	Hottinger	Luther	Pogemiller	Vickerman

Mrs. Benson, J.E. and Ms. Johnston voted in the negative.

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 1387: A bill for an act relating to public administration; permitting certain leases; requiring that legislative hearing rooms and the house and senate chambers be fitted with devices to aid the hearing-impaired; appropriating money; amending Minnesota Statutes 1990, sections 16B.61, by adding a subdivision; and 16B.24, subdivision 6.

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 34 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Cohen	Hughes	Luther	Piper
Beckman	Finn	Johnson, D.E.	Marty	Price
Belanger	Flynn	Johnson, J.B.	Mehrkins	Sams
Benson, J.E.	Frank	Johnston	Metzen	Samuelson
Berglin	Frederickson, D.J.	Kelly	Moe, R.D.	Spear
Bertram	Gustafson	Kroening	Mondale	Vickerman
Chmielewski	Hottinger	Langseth	Novak	

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 571: A bill for an act relating to retirement; Minneapolis municipal employees; making various changes reflecting benefits, administration, and investment practices of the Minneapolis employees retirement fund; amending Minnesota Statutes 1990, sections 11A.24, subdivision 1; 356.71; 422A.03, subdivision 1; 422A.05, subdivision 2c; 422A.09, subdivision 3; 422A.13, subdivision 2; and 422A.16, subdivisions 1 and 3.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 36 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Kroening	Mondale	Spear
Beckman	Flynn	Langseth	Novak	Storm
Benson, J.E.	Frank	Lessard	Piper	Stumpf
Berglin	Frederickson, D.J.	Luther	Pogemiller	Vickerman
Bertram	Hottinger	Marty	Price	
Chmielewski	Hughes	Mehrkins	Reichgott	
Cohen	Johnson, J.B.	Metzen	Sams	
Day	Johnston	Moe, R.D.	Samuelson	

So the bill passed and its title was agreed to.

## CALL OF THE SENATE

Mr. Chmielewski imposed a call of the Senate for the balance of the proceedings on H.F. No. 304. The Sergeant at Arms was instructed to bring in the absent members.

## SPECIAL ORDER

H.F. No. 304: A bill for an act relating to labor; providing that certain hiring practices by an employer during a strike or lockout are unfair labor practices; amending Minnesota Statutes 1990, sections 179.12; and 179A.13.

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

The question was taken on the passage of the bill.

Mr. Morse moved that those not voting be excused from voting. The motion did not prevail.

Mr. Halberg moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 41 and nays 20, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Bernhagen	Gustafson	Larson	Olson
Benson, D.D.	Brataas	Halberg	McGowan	Pariseau
Benson, J.E.	Day	Johnson, D.E.	Mehrkens	Renneke
Berg	Frederickson, D.R.	Johnston	Neuville	Storm

So the bill passed and its title was agreed to.

## SPECIAL ORDER

S.F. No. 598: A bill for an act relating to transportation; establishing state transportation goals and requiring periodic revisions of the state transportation plan; directing a study of rail-highway grade crossings; establishing penalties for violations of grade crossing safety laws; authorizing the commissioner of transportation to make grants and loans for the improvement of commercial navigation facilities; establishing special categories of roads and highways; authorizing local units of government to advance funds for the completion of highway projects; authorizing road authorities to enter into agreements for the construction, maintenance, and operation of toll facilities; creating a transportation services fund; specifying percentage of unrefunded motor fuel tax revenue that is attributable to use on forest roads; authorizing the use of local bridge grant funds to construct drainage structures; authorizing the commissioner of transportation to plan, acquire, construct, and equip light rail transit facilities; creating a light rail transit joint

powers board; authorizing transportation research; directing a study of highway corridors; extending the transportation study board and specifying duties; appropriating money; amending Minnesota Statutes 1990, sections 162.02, subdivision 3a; 162.09, subdivision 3a; 162.14, subdivision 6; 169.14, by adding a subdivision; 169.26; 171.13, subdivision 1, and by adding a subdivision; 173.13, subdivision 4; 174.01; 174.03, subdivision 2, and by adding a subdivision; 219.074, by adding a subdivision; 219.402; 296.16, subdivision 1a; 296.421, subdivision 8; 299D.03, subdivision 5; 473.373, subdivision 4a; 473.3993, subdivisions 2 and 3, and by adding a subdivision; 473.3994; and 473.3996; Laws 1990, chapter 610, article 1, section 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 3; 160; 161; 162; 174; 219; and 473; proposing coding for new law as Minnesota Statutes, chapter 457A; repealing Laws 1989, chapter 339, section 21.

Mr. DeCramer moved to amend S.F. No. 598 as follows:

Page 34, after line 6, insert:

“Sec. 11. [ADVISORY COUNCIL ON PARATRANSIT.]

*Subdivision 1. [CREATION; MEMBERSHIP.] The regional transit board shall establish a paratransit advisory committee consisting of the following members:*

*(1) two members representing the regional transit board, appointed by the chair of the board;*

*(2) two members representing the department of human services, appointed by the commissioner of human services;*

*(3) one member representing the department of transportation, appointed by the commissioner of transportation;*

*(4) one member representing the metropolitan transit commission, appointed by the chair of the commission;*

*(5) one member representing the council on disability, appointed by the council;*

*(6) one member representing nonprofit providers, appointed by the commissioner of human services;*

*(7) one member representing for-profit providers, appointed by the commissioner of human services;*

*(8) one member representing the senior community, appointed by the commissioner of human services;*

*(9) one member representing the metropolitan area, appointed by the chair of the metropolitan council; and*

*(10) two members representing users of paratransit, appointed by the chair of the board.*

*The committee shall expire December 31, 1991.*

*Subd. 2. [ADMINISTRATION.] The regional transit board and the department of human services shall provide staff and administrative services for the committee. The organizations whose representatives are listed in subdivision 1, clauses (4) to (8), shall provide information, staff, and technical assistance for the committee as needed.*

*Subd. 3. [STUDIES.] The committee shall study the feasibility of consolidating and coordinating existing metro mobility service trips with existing department of human services medical assistance service trips in the metropolitan area. The committee shall consult affected persons and organizations not represented by members appointed under subdivision 1, including day training and rehabilitation centers, nursing homes, and intermediate care facilities for the mentally retarded.*

*Subd 4. [REPORT.] The commissioner of human services and the chair of the regional transit board shall jointly submit the report and recommendations to the legislature and the governor no later than December 31, 1991.*

*Subd. 5. [DEFINITION.] For the purposes of this section, "metropolitan area" has the meaning given it in Minnesota Statutes, section 473.121, subdivision 2."*

Page 34, line 10, delete "11" and insert "12"

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 22, after "board;" insert "establishing a paratransit advisory council;"

The motion prevailed. So the amendment was adopted.

Ms. Pappas moved to amend S.F. No. 598 as follows:

Page 25, after line 28, insert:

**"Section 1. [161.1246][HIGHWAY RECONSTRUCTION; LIGHT RAIL TRANSIT.]**

*The commissioner of transportation shall ensure that design plans for reconstruction of interstate highways marked I-94 and I-35W provide for the consideration of light rail transit facilities as part of the reconstruction. The design for reconstruction of interstate highway I-94 may include design for a light rail transit facility, as described in the Midway Corridor draft environmental impact statement, from the Western avenue intersection near downtown St. Paul to approximately Fairview avenue. The design for reconstruction of interstate highway I-35W may include design for a light rail transit facility from the city of Minneapolis to approximately county road 42 in the city of Burnsville. The commissioner shall consult with regional railroad authorities where the highway reconstruction will occur to ensure an acceptable and feasible light rail transit facility design may be included in the highway reconstruction design."*

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 19, after the semicolon, insert "requiring the commissioner of transportation to include light rail transit facilities in the design for reconstruction of interstate highways I-94 and I-35W;"

The motion prevailed. So the amendment was adopted.

Mr. DeCramer moved to amend S.F. No. 598 as follows:

Page 25, after line 28, insert:

**"Section 1. [METROPOLITAN TRANSIT FACILITIES.]**

*The metropolitan council shall recommend all future transit facilities for the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2.*

**Sec. 2. [METROPOLITAN COUNCIL TRANSIT FACILITIES REPORT.]**

*Subdivision 1. [REPORT.] (a) By February 10, 1992, the metropolitan council shall submit to the legislature a report on metropolitan transportation development. The report must identify the major transportation patterns and corridors to be developed in the metropolitan area and recommend optimal transit modes based on information regarding current and future origin and destination patterns, ridership, access, ease of commuting, cost and cost effectiveness, potential for federal financial assistance, relationship to land development, pricing and availability of parking, air quality, and energy conservation.*

*(b) The council shall utilize existing studies and information submitted by the department of transportation and by the regional transit board in consultation with the metropolitan regional rail authorities and the metropolitan transit commission in developing its report and recommendations. The board and the department shall submit information and recommendations to the council by November 1, 1991, based on guidelines prescribed by the council that include funding policies, cost performance measures, and evaluation criteria.*

*(c) The department shall provide cost estimates for the options outlined in subdivision 2.*

**Subd. 2. [REPORT COMPONENTS.]** *The council's report on future transportation facilities shall include consideration of the following options:*

*(1) the department of transportation's five-year highway work program for the metropolitan area and uses of intelligent vehicle highway systems;*

*(2) high occupancy vehicle corridors, including reserved rights-of-way, and all potential multiple and simultaneous uses for regional railroad authority corridors or other corridors;*

*(3) enhanced bus service provided by the metropolitan transit commission and replacement service programs and the use of reserved rights-of-way for bus service; and*

*(4) light rail transit facilities, taking into consideration the most recent cost projections and ridership forecasts, or other fixed guideway transit facilities.*

**Subd. 3. [LIGHT RAIL.]** *No regional rail authority or political subdivision may begin final design for light rail transit without approval by the council.*

**Subd. 4. [REVISED TRANSPORTATION STUDIES.]** *The council shall identify for the regional transit board, regional rail authorities, and department of transportation, the existing public transportation studies that will require revision as a result of the council's report and recommendations to the legislature.*

**Subd. 5. [COMPLIANCE WITH COUNCIL RECOMMENDATIONS.]**

*All future metropolitan transit facilities must be consistent with the council's recommendations."*

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 19, after the semicolon, insert "requiring a report on metropolitan transportation development and transit development consistent with the report;"

Mr. Novak moved to amend the DeCramer amendment to S.F. No. 598 as follows:

Page 2, line 16, after the period, insert quotation marks

Page 2, delete lines 17 to 19

### CALL OF THE SENATE

Mr. DeCramer imposed a call of the Senate for the balance of the proceedings on S.F. No. 598. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Novak amendment to the DeCramer amendment.

Mr. DeCramer moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 10 and nays 26, as follows:

Those who voted in the affirmative were:

Benson, D.D.	Hughes	Kroening	Mondale	Pappas
Cohen	Kelly	Metzen	Novak	Storm

Those who voted in the negative were:

Adkins	Davis	Hottinger	Mehrkens	Spear
Beckman	Day	Johnson, D.E.	Merriam	Vickerman
Belanger	DeCramer	Larson	Morse	
Berg	Flynn	Lessard	Riveness	
Berglin	Frank	Luther	Sams	
Bertram	Frederickson, D.J.	Marty	Solon	

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

Mr. Riveness moved to amend the DeCramer amendment to S.F. No. 598 as follows:

Page 2, line 19, before the period, insert "*under subdivision 1 after August 1, 1992*"

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

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

Mr. Merriam moved to amend S.F. No. 598 as follows:

Page 11, line 18, delete "*reduced*" and insert "*lower*"

Page 12, line 5, after the period, insert "*This subdivision does not preclude an action for damages arising from negligence in the construction,*

*reconstruction, or maintenance of a natural preservation route."*

Page 12, line 24, before the period, insert "*and includes county state-aid highways and municipal state-aid streets*"

Page 12, delete lines 25 to 36

Page 13, delete lines 1 to 8 and insert:

*"Subd. 2. [RESTRICTIONS.] A road authority may not make a change in the width, grade, or alignment of a park road that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, unless:*

*(1) the road authority has the written consent of the city, county, park district, or state agency with authority over the park;*

*(2) the change is required to permit the safe travel of vehicles at the speed lawfully designated for the park road; or*

*(3) if the road is a county state-aid highway or municipal state-aid street, the change is required by the minimum state-aid standard applicable to the road.*

*Subd. 3. [LIABILITY.] A road authority and its officers and employees, are exempt from liability for any tort claim for injury to persons or property arising from travel on a park road and related to the design of the park road, if:*

*(1) the design is adopted to conform to subdivision 2;*

*(2) the design is not grossly negligent; and*

*(3) if the park road is a county state-aid highway or municipal state-aid street, the design complies with the minimum state-aid standard applicable to the road.*

*This subdivision does not preclude an action for damages arising from negligence in the construction, reconstruction, or maintenance of a park road."*

Page 16, line 2, delete "*A political*" and insert "*The political subdivision with authority over a park may establish a speed limit on a road located within the park.*"

Page 16, delete lines 3 to 5

Page 16, line 6, delete "*county.*" and after "*must*" insert "*be based on an engineering and traffic investigation prescribed by the commissioner of transportation and must*"

The motion prevailed. So the amendment was adopted.

Ms. Pappas moved to amend S.F. No. 598 as follows:

Page 33, delete section 8 and insert:

*"Sec. 8. [473.3997] [FEDERAL FUNDING; LIGHT RAIL TRANSIT.]*

*(a) By July 1, 1992, the regional transit board, the regional rail authorities, and the commissioner of transportation shall prepare a joint application for federal assistance for light rail transit facilities in the metropolitan area. The application must be reviewed and approved by the metropolitan council before it is submitted. The board, the rail authorities, and the commissioner must consult with the council in preparing the application.*

*The application may provide for metropolitan regional railroad authorities to design or construct light rail transit facilities under contract with the commissioner.*

*(b) Until the application described in paragraph (a) of this section is submitted, no political subdivision in the metropolitan area may on its own apply for federal assistance for light rail transit planning or construction."*

The motion prevailed. So the amendment was adopted.

Mr. Marty moved to amend S.F. No. 598 as follows:

Page 25, after line 37, insert:

"Sec. 2. Minnesota Statutes 1990, section 398A.04, is amended by adding a subdivision to read:

*Subd. 8a. [TAXATION RESTRICTION.] Notwithstanding subdivision 8, no authority in the metropolitan area as defined in section 473.121, subdivision 2, may use the proceeds of a tax under subdivision 8 for planning, designing, constructing, or lobbying for any purposes related to light rail transit facilities without specific authorization by the legislature. An authority in the metropolitan area may levy a tax under subdivision 8 at a rate not exceeding .01209 percent of market value of taxable property for acquisition of land related to possible construction of light rail transit facilities."*

Page 34, after line 11, insert:

"Sec. 14. [EFFECTIVE DATE.]

*Section 2 is effective for taxes levied in 1991, payable in 1992, and thereafter."*

Renumber the sections of article 7 in sequence and correct the internal references

Amend the title as follows:

Page 1, line 21, after the semicolon, insert "limiting authority to levy a tax for light rail transit;"

Page 1, line 33, after the second semicolon, insert "398A.04, by adding a subdivision;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 11 and nays 26, as follows:

Those who voted in the affirmative were:

Belanger	Halberg	Johnson, J.B.	Merriam	Renneke
Benson, D.D.	Hottinger	Marty	Morse	Waldorf
Davis				

Those who voted in the negative were:

Adkins	Day	Kroening	Metzen	Traub
Beckman	Flynn	Laidig	Mondale	Vickerman
Berg	Frank	Langseth	Novak	
Berglin	Hughes	Lessard	Pappas	
Bertram	Johnson, D.E.	Luther	Pariseau	
Cohen	Kelly	Mehrken	Samuelson	

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

S.F. No. 598 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Ms. Ranum moved that the following members be excused for a Conference Committee on H.F. No. 693 from 9:00 a.m. to 12:30 p.m.:

Messrs. Merriam, Knaak and Ms. Ranum. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Finn moved that the following members be excused for a Conference Committee on H.F. No. 551 at 1:30 p.m.:

Messrs. Laidig, Marty, Neuville, Ms. Ranum and Mr. Finn. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Samuelson moved that the following members be excused for a Conference Committee on H.F. No. 126 at 1:00 p.m.:

Messrs. Finn, Mehrkens and Samuelson. The motion prevailed.

### SPECIAL ORDER

S.F. No. 985: A bill for an act relating to workers' compensation; regulating supplementary benefits; amending Minnesota Statutes 1990, section 176.132, subdivisions 1, 2, and 3.

Mr. Gustafson moved to amend S.F. No. 985 as follows:

Delete everything after the enacting clause and insert:

#### "ARTICLE I

#### SCOPE OF COVERAGE/LIABILITY

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 11a, is amended to read:

Subd. 11a. [FAMILY FARM.] "Family farm" means any farm operation which (1) pays or is obligated to pay less than ~~\$8,000~~ \$20,000 in cash wages, exclusive of machine hire, to farm laborers for services rendered during the preceding calendar year, and (2) has total liability and medical payment coverage equal to \$300,000 and \$6,000, respectively, under a farm

*liability insurance policy.* For purposes of this subdivision, farm laborer does not include any spouse, parent or child, regardless of age, of a farmer employed by the farmer, or any executive officer of a family farm corporation as defined in section 500.24, subdivision 2, or any spouse, parent or child, regardless of age, of such an officer employed by that family farm corporation, or other farmers in the same community or members of their families exchanging work with the employer. Notwithstanding any law to the contrary, a farm laborer shall not be considered as an independent contractor for the purposes of this chapter; provided that a commercial baler or commercial thresher shall be considered an independent contractor.

Sec. 2. Minnesota Statutes 1990, section 176.041, subdivision 1a, is amended to read:

Subd. 1a. [ELECTION OF COVERAGE.] The persons, partnerships and corporations described in this subdivision may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2, clause (c), may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

(e) *A person, partnership, or corporation that receives the services of a voluntary uncompensated worker who is not required to be covered under this chapter may elect to provide coverage for that worker.*

(f) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, may elect to provide coverage for that independent contractor. A person, partnership, or corporation may charge the independent contractor a fee for providing the coverage only if the independent contractor (1) elects in writing to be covered, (2) is issued an endorsement setting forth the terms of the coverage, the name of the independent contractors, and the fee and how it is calculated.

The persons, partnerships, and corporations described in this subdivision may also elect coverage for an employee who is a spouse, parent, or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this subdivision. Coverage may be elected for a spouse, parent, or child whether or not coverage is elected for the related owner, partner, or executive director and whether or not the person, partnership, or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this subdivision shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this subdivision shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom

coverage has been elected or terminated under this subdivision. An election of coverage under this subdivision shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this subdivision shall be construed to limit the responsibilities of owners, partnerships, or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 3. Minnesota Statutes 1990, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee sustains an injury arising out of and in the course of employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or the employee's dependents shall nevertheless receive benefits as provided for in this chapter from the special compensation fund, and the commissioner has a cause of action against the employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 60 percent of all moneys paid out or to be paid out. As used in this subdivision, "employer" includes officers of corporations who have legal control, either individually or jointly with another or others, of the payment of wages. An action to recover the moneys shall be instituted unless the commissioner determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 4. Minnesota Statutes 1990, section 176.215, is amended by adding a subdivision to read:

*Subd. 1a. [EXCLUSIVE REMEDY.] The liability of a general contractor, intermediate contractor, or subcontractor who pays compensation pursuant to subdivision 1, to an injured individual who is not an employee of the general contractor, intermediate contractor, or subcontractor is exclusive and in the place of any other liability to the individual, the individual's personal representative, surviving spouse, parent, any child, dependent, next of kin, or other person entitled to recover damages on account of the individual's injury or death.*

Sec. 5. [EFFECTIVE DATE.]

*Section 1 is effective January 1, 1992. Sections 2 to 4 are effective the day following final enactment.*

## ARTICLE 2

### COMPENSATION BENEFITS

Section 1. Minnesota Statutes 1990, section 176.011, subdivision 3, is amended to read:

Subd. 3. [DAILY WAGE.] "Daily wage" means the daily wage of the employee in the employment engaged in at the time of injury but does not include tips and gratuities paid directly to an employee by a customer of the employer and not accounted for by the employee to the employer. If the amount of the daily wage received or to be received by the employee in the employment engaged in at the time of injury was irregular or difficult to determine, or if the employment was part time, the daily wage shall be computed by dividing the total amount the employee actually earned in

such employment in the last 26 weeks, by the total number of days in which the employee actually performed any of the duties of such employment, provided further, that in the case of the construction industry, mining industry, or other industry where the hours of work are affected by seasonal conditions, the weekly wage shall not be less than five times the daily wage. Where board or allowances other than tips and gratuities are made to an employee in addition to wages as a part of the wage contract they are deemed a part of earnings and computed at their value to the employee. In the case of persons performing services for municipal corporations in the case of emergency, then the normal working day shall be considered and computed as eight hours, and in cases where such services are performed gratis or without fixed compensation the daily wage of the person injured shall, for the purpose of calculating compensation payable under this chapter, be taken to be the usual going wage paid for similar services in municipalities where such services are performed by paid employees. If, at the time of injury, the employee was regularly employed by two or more employers, the employee's earnings in all such employments shall be included in the computation of daily wage. *Holiday pay and vacation pay shall not be included in the calculation of daily wage.*

Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 18, is amended to read:

Subd. 18. [WEEKLY WAGE.] "Weekly wage" is arrived at by multiplying the daily wage by the number of days and fractional days normally worked in the business of the employer for the employment involved. If the employee normally works less than five days per week or works an irregular number of days per week, the number of days normally worked shall be computed by dividing the total number of days in which the employee actually performed any of the duties of employment in the last 26 weeks by the number of weeks in which the employee actually performed such duties, provided that the weekly wage for part time employment during a period of seasonal or temporary layoff shall be computed on the number of days and fractional days normally worked in the business of the employer for the employment involved. If, at the time of the injury, the employee was regularly employed by two or more employers, the employee's days of work for all such employments shall be included in the computation of weekly wage. Occasional overtime is not to be considered in computing the weekly wage, but if overtime is regular or frequent throughout the year it shall be taken into consideration. *Holiday pay and vacation pay shall not be included in the calculation of weekly wage.* The maximum weekly compensation payable to an employee, or to the employee's dependents in the event of death, shall not exceed ~~66 2/3~~ 80 percent of the ~~product of the daily wage times the number of days normally worked~~ *employee's after-tax weekly wage*, provided that the compensation payable for permanent partial disability under section 176.101, subdivision 3, and for permanent total disability under section 176.101, subdivision 4, or death under section 176.111, shall not be computed on less than the number of hours normally worked in the employment or industry in which the injury was sustained, subject also to such maximums as are specifically otherwise provided.

Sec. 3. Minnesota Statutes 1990, section 176.011, is amended by adding a subdivision to read:

Subd. 18a. [AFTER-TAX WEEKLY WAGE.] "*After-tax weekly wage*" means the weekly wage reduced by the amounts required to be withheld by

*the Federal Insurance Contributions Act, United States Code, title 16, sections 3101 to 3126, but without regard to the yearly maximum, and by state and federal income tax laws using as the number of allowances the number of exemptions that the employee is entitled to under federal law for the employee and the employee's dependents and without additional allowances. The after-tax weekly wage must be determined as of the date of injury, and changes in dependents after that date may not be considered.*

Sec. 4. Minnesota Statutes 1990, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by section 176.101, *subdivision 3*. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, ~~whichever is due, pursuant to section 176.101,~~ shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. Prior to or at the time of commencement of the payment of ~~economic recovery compensation or lump sum or periodic payment of impairment permanent partial disability~~ compensation, the employee and employer shall be furnished with a copy of the medical report upon which the payment is based and all other medical reports which the insurer has that indicate a permanent partial disability rating, together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. ~~Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability but is payable pursuant to section 176.101. Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101. Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total disability; and no credit shall be taken for payment of economic recovery compensation or impairment compensation against liability for temporary total or future permanent total disability. Liability on the part of an employer or the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and compensation is payable accordingly, subject to section 176.101. Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to section 176.101. The right to receive temporary total, temporary partial, or permanent total disability payments vests in the injured employee or the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time~~

the disability can be ascertained and the right is not abrogated by the employee's death prior to the making of the payment.

The right to receive ~~economic recovery compensation or impairment permanent partial compensation~~ vests in an injured employee or in the employee's dependents under this chapter or, if none, in the employee's legal heirs at the time the disability can be ascertained, provided that the employee lives for at least 30 days beyond the date of the injury. ~~Upon the death of an employee who is receiving economic recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred; the employee dies prior to reaching maximum medical improvement; and the requirements and conditions under section 176.101, subdivision 3e, are not met.~~

~~Disability ratings for permanent partial disability shall be based on objective medical evidence. The right is not abrogated by the employee's death prior to the making of the payment.~~

Sec. 5. Minnesota Statutes 1990, section 176.061, subdivision 10, is amended to read:

Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, ~~economic recovery compensation, impairment compensation,~~ medical compensation, rehabilitation, death, and permanent total compensation.

Sec. 6. Minnesota Statutes 1990, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] (a) For an injury producing temporary total disability, the compensation is ~~66-2/3~~ 80 percent of the after-tax weekly wage at the time of injury.

(1) ~~provided that~~ (b) During the year commencing on October 1, 1979 1991, and each year thereafter, commencing on October 1, the maximum weekly compensation payable is 105 percent of the statewide average weekly wage for the period ending December 31, of the preceding year.

(2) (c) The minimum weekly compensation ~~benefits for temporary total disability shall be not less than 50~~ payable is 20 percent of the statewide average weekly wage or the injured employee's actual after-tax weekly wage, whichever is less. ~~In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

~~Subject to subdivisions 3a to 3u this~~ (d) Temporary total compensation shall be paid during the period of disability; ~~payment to be made at the intervals when the wage was payable, as nearly as may be; and shall cease whenever any one of the following occurs:~~

- (1) the disability ends;
- (2) the employee returns to work;
- (3) the employee retires by withdrawing from the labor market;
- (4) the employee fails to diligently search for appropriate work;
- (5) the employee refuses an offer of work that is consistent with a plan

*of rehabilitation filed with the commissioner which meets the requirements of section 176.102, subdivision 1, or, if no plan has been filed, the employee refuses an offer of work that the employee can do in the employee's physical condition; or*

*(6) 90 days pass after the employee has reached maximum medical improvement, except as provided in section 176.102, subdivision 11, paragraph (b).*

*(e) For purposes of this subdivision, the 90-day period after maximum medical improvement commences on the earlier of:*

*(1) the date that the employee receives a written medical report indicating that the employee has reached maximum medical improvement; or*

*(2) the date that the employer or insurer serves the report on the employee and the employee's attorney, if any, and files a copy with the division.*

*(f) Once temporary total disability compensation has ceased under paragraph (d), clause (1), (2), (3), or (4), it may be recommenced prior to 90 days after maximum medical improvement only as follows:*

*(1) if temporary total disability compensation ceased under paragraph (d), clause (1), it may be recommenced if the employee again becomes disabled as a result of the work-related injury;*

*(2) if temporary total disability compensation ceased under paragraph (d), clause (2), it may be recommenced if the employee is laid off or terminated for reasons other than misconduct or is medically unable to continue at the job;*

*(3) if temporary total disability compensation ceased under paragraph (d), clause (3), but the employee subsequently returned to work, it may be recommenced in accordance with paragraph (f), clause (2); or*

*(4) if temporary total disability compensation ceased under paragraph (d), clause (4), it may be recommenced if the employee begins diligently searching for appropriate work. Temporary total disability compensation recommenced under this paragraph is subject to cessation under paragraph (d).*

*Recommenced temporary total disability compensation may not be paid beyond 90 days after the employee reaches maximum medical improvement, except as provided under section 176.102, subdivision 11, paragraph (b).*

*(g) Once temporary total disability compensation has ceased under paragraph (d), clauses (5) and (6), it may not be recommenced at a later date except as provided under section 176.102, subdivision 11, paragraph (b).*

Sec. 7. Minnesota Statutes 1990, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] *(a) In all cases of temporary partial disability the compensation shall be ~~66-2/3 percent of the difference between the weekly wage of the employee at the time of injury and the wage the employee is able to earn in the employee's partially disabled condition.~~ 80 percent of the difference between the after-tax weekly wage of the employee at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition.*

*(b) ~~This Temporary partial compensation shall be paid during the period of disability except as provided in this section; payment to be made at the~~*

intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage: when the employee is working, earning less than the employee's weekly wage at the time of the injury, and the reduction in the wage the employee is able to earn in the employee's partially disabled condition is due to the injury. Except as provided in section 176.102, subdivision 11, paragraph (b), temporary partial compensation may not be paid after the employee has returned to work for 156 weeks, including weeks in which the employee has no wage loss, or after 350 weeks after the date of injury, whichever occurs first.

(c) Temporary partial compensation may not exceed the maximum rate for temporary total compensation and must be reduced to the extent that the wage the employee is able to earn in the employee's partially disabled condition plus the temporary partial disability payment otherwise payable under this subdivision exceeds 300 percent of the statewide average weekly wage.

Sec. 8. Minnesota Statutes 1990, section 176.101, is amended by adding a subdivision to read:

*Subd. 3. [PERMANENT PARTIAL DISABILITY.] (a) Compensation for permanent partial disability is as provided in this subdivision. Permanent partial disability must be rated as a percentage of the whole body in accordance with rules adopted by the commissioner under section 176.105. The percentage determined pursuant to the rules must be multiplied by the corresponding amount in the following table:*

<i>Percent of Disability</i>	<i>Amount</i>
0-25	\$ 75,000
26-30	80,000
31-35	85,000
36-40	90,000
41-45	95,000
46-50	100,000
51-55	120,000
56-60	140,000
61-65	160,000
66-70	180,000
71-75	200,000
76-80	240,000
81-85	280,000
86-90	320,000
91-95	360,000
96-100	400,000

*An employee may not receive compensation for more than a 100 percent disability of the whole body, even if the employee sustains disability to two or more body parts.*

*(b) Permanent partial disability is payable upon cessation of temporary total disability under subdivision 1. If the employee is not working, the compensation is payable in installments at the same intervals and in the same amount as the initial temporary total disability rate. If the employee returns to work, the remaining compensation is payable in a lump sum 30 days after the employee returned to work, provided the employment has not*

*been substantially interrupted by the injury for any part of the 30 days and the employee is still employed at the job at the end of the period. Permanent partial disability is not payable while temporary total compensation is being paid. Permanent partial disability is payable to permanently totally disabled employees in a lump sum at the time the disability can be ascertained.*

Sec. 9. Minnesota Statutes 1990, section 176.101, subdivision 4, is amended to read:

Subd. 4. [PERMANENT TOTAL DISABILITY.] For permanent total disability, as defined in subdivision 5, the compensation shall be ~~66-2/3~~ 80 percent of the ~~daily~~ after-tax weekly wage at the time of the injury, subject to a ~~maximum weekly compensation equal to the maximum weekly compensation for a temporary total disability and a minimum weekly compensation equal to the minimum weekly compensation rates for a temporary total disability.~~ This compensation shall be paid during the permanent total disability of the injured employee but after a total of \$25,000 of weekly compensation has been paid, the amount of the weekly compensation benefits being paid by the employer shall be reduced by the amount of any disability benefits being paid by any government disability benefit program if the disability benefits are occasioned by the same injury or injuries which give rise to payments under this subdivision. This reduction shall also apply to any old age and survivor insurance benefits. *Permanent total disability payments shall cease at retirement.* Payments shall be made at the intervals when the wage was payable, as nearly as may be. In case an employee who is permanently and totally disabled becomes an inmate of a public institution, no compensation shall be payable during the period of confinement in the institution, unless there is wholly dependent on the employee for support some person named in section 176.111, subdivision 1, 2 or 3, in which case the compensation provided for in section 176.111, during the period of confinement, shall be paid for the benefit of the dependent person during dependency. The dependency of this person shall be determined as though the employee were deceased.

Sec. 10. Minnesota Statutes 1990, section 176.101, subdivision 5, is amended to read:

Subd. 5. [~~TOTAL DISABILITY DEFINITION.~~] (a) *For purposes of subdivision 4, permanent total disability means only:*

(1) *the total and permanent loss of the sight of both eyes, the loss of both arms at the shoulder, the loss of both legs so close to the hips that no effective artificial members can be used, complete and permanent paralysis, total and permanent loss of mental faculties; or*

(2) *any other injury which totally and permanently incapacitates the employee from working at an occupation which brings the employee an income constitutes total disability.*

(b) *For purposes of paragraph (a), clause (2), "totally and permanently incapacitated" means that the employee's physical disability, in combination with the employee's age, education and training, and experience, causes the employee to be unable to secure anything more than sporadic employment resulting in an insubstantial income. Local labor market conditions may not be considered in making the total and permanent incapacitation determination.*

Sec. 11. Minnesota Statutes 1990, section 176.101, subdivision 6, is amended to read:

Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which the employee is entitled for the injury, the compensation rate for temporary total, temporary partial, a permanent total disability or economic recovery compensation shall be 105 percent of the statewide average weekly wage.

Sec. 12. Minnesota Statutes 1990, section 176.101, is amended by adding a subdivision to read:

*Subd. 9. [MOVING EXPENSES.] An injured employee who has reached maximum medical improvement and who is unable to find suitable gainful employment consistent with the individual's physical disability, in combination with the individual's age, education and training, and experience, due to local labor market conditions is eligible to receive up to \$5,000 for moving expenses, provided:*

*(1) 90 days have passed after the individual has reached maximum medical improvement;*

*(2) the individual has actually moved in order to take a new job which constitutes suitable gainful employment; and*

*(3) the new job is located at a distance greater than 35 miles from the individual's current residence.*

Sec. 13. Minnesota Statutes 1990, section 176.102, subdivision 11, is amended to read:

Subd. 11. [RETRAINING; COMPENSATION.] (a) Retraining is limited to 156 weeks. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner or compensation judge determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner or compensation judge may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner or compensation judge determines the special circumstances are no longer present.

*(b) If the employee is not working during a retraining plan that has been specifically approved under this section, temporary total compensation is payable for up to 90 days after the end of the retraining plan; except that, payment during the 90-day period is subject to cessation in accordance with section 176.101, subdivision 1, paragraph (d), clauses (1) to (5). If the employee is working during the retraining plan but earning less than at the time of injury, temporary partial compensation is payable at the rate of 80 percent of the difference between the employee's after-tax weekly wage at the time of injury and the after-tax weekly wage the employee is able to earn in the employee's partially disabled condition, subject to the maximum rate for temporary total compensation. Temporary partial compensation is not subject to either the 156-week or the 350-week limitation provided by section 176.101, subdivision 2, during the retraining plan, but is subject to those limitations before and after the plan.*

*(c) Retraining may not be approved if the employee has refused suitable*

*gainful employment, as defined by rule.*

Sec. 14. Minnesota Statutes 1990, section 176.105, subdivision 1, is amended to read:

Subdivision 1. [SCHEDULE; RULES.] (a) The commissioner of labor and industry shall by rule establish a schedule of degrees of disability resulting from different kinds of injuries. *Disability ratings under the schedule for permanent partial disability must be based on objective medical evidence. The commissioner, in consultation with the medical services review board, shall periodically review the rules adopted under this paragraph to determine whether any injuries omitted from the schedule should be compensable and amend the rules accordingly.*

*(b) No permanent partial disability compensation shall be payable except in accordance with the disability ratings established under this subdivision. The schedule may provide that minor impairments receive a zero rating.*

Sec. 15. Minnesota Statutes 1990, section 176.105, subdivision 4, is amended to read:

Subd. 4. [LEGISLATIVE INTENT; RULES; LOSS OF MORE THAN ONE BODY PART.] (a) For the purpose of establishing a disability schedule pursuant to clause (b), the legislature declares its intent that the commissioner establish a disability schedule ~~which, assuming the same number and distribution of severity of injuries, the aggregate total of impairment compensation and economic recovery compensation benefits under section 176.101, subdivisions 3a to 3u be approximately equal to the total aggregate amount payable for permanent partial disabilities under section 176.101, subdivision 3, provided, however, that awards for specific injuries under the proposed schedule need not be the same as they were for the same injuries under the schedule pursuant to section 176.101, subdivision 3. The schedule shall be determined by sound actuarial evaluation and shall be based on the benefit level which exists on January 1, 1983.~~

(b) The commissioner shall by rulemaking adopt procedures setting forth rules for the evaluation and rating of functional disability and the schedule for permanent partial disability and to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, described in section 176.101, subdivision 3, and any other body part not listed in section 176.101, subdivision 3, which the commissioner deems appropriate.

The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.

Prior to adoption of rules the commissioner shall conduct an analysis of the current permanent partial disability schedule for the purpose of determining the number and distribution of permanent partial disabilities and the average compensation for various permanent partial disabilities. The commissioner shall consider setting the compensation under the proposed schedule for the most serious conditions higher in comparison to the current schedule and shall consider decreasing awards for minor conditions in comparison to the current schedule.

The commissioner may consider, among other factors, and shall not be limited to the following factors in developing rules for the evaluation and

rating of functional disability and the schedule for permanent partial disability benefits:

(1) the workability and simplicity of the procedures with respect to the evaluation of functional disability;

(2) the consistency of the procedures with accepted medical standards;

(3) rules, guidelines, and schedules that exist in other states that are related to the evaluation of permanent partial disability or to a schedule of benefits for functional disability provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(4) rules, guidelines, and schedules that have been developed by associations of health care providers or organizations provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(5) the effect the rules may have on reducing litigation;

(6) the treatment of preexisting disabilities with respect to the evaluation of permanent functional disability provided that any preexisting disabilities must be objectively determined by medical evidence; and

(7) symptomatology and loss of function and use of the injured member.

The factors in paragraphs (1) to (7) shall not be used in any individual or specific workers' compensation claim under this chapter but shall be used only in the adoption of rules pursuant to this section.

Nothing listed in paragraphs (1) to (7) shall be used to dispute or challenge a disability rating given to a part of the body so long as the whole schedule conforms with the expressed intent of clause (a).

(c) If an employee suffers a permanent functional disability of more than one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body:

$$A + B (1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part.  $A + B (1 - A)$  is equivalent to  $A + B - AB$ .

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts incurred as described above, A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions.

Sec. 16. Minnesota Statutes 1990, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] If the deceased employee

leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse weekly workers' compensation benefits at ~~50~~ 80 percent of the *after-tax* weekly wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.

Sec. 17. Minnesota Statutes 1990, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child ~~60~~ 80 percent of the ~~daily~~ *after-tax weekly* wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse weekly benefits at ~~a the same rate which is 16-2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent,~~ for a period of ten years, including adjustments as provided in section 176.645.

Sec. 18. Minnesota Statutes 1990, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children ~~66-2/3~~ 80 percent of the ~~daily~~ *after-tax weekly* wage at the time of the injury of the deceased until the last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid weekly benefits at ~~a the same rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent,~~ for a period of ten years, adjusted according to section 176.645.

Sec. 19. Minnesota Statutes 1990, section 176.111, subdivision 12, is amended to read:

Subd. 12. [ORPHANS.] If the deceased employee leaves a dependent orphan, there shall be paid ~~55~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased, for two or more orphans there shall be paid ~~66-2/3~~ 80 percent of the ~~wages~~ *after-tax weekly wage*.

Sec. 20. Minnesota Statutes 1990, section 176.111, subdivision 14, is amended to read:

Subd. 14. [PARENTS.] If the deceased employee ~~leave~~ *leaves* no surviving spouse or child entitled to any payment under this chapter, but leaves both parents wholly dependent on *the* deceased, there shall be paid to such parents jointly ~~45~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased. In case of the death of either of the wholly dependent parents the survivor shall receive ~~35~~ 80 percent of the *after-tax* weekly wage thereafter. If the deceased employee ~~leave~~ *leaves* one parent wholly dependent on the deceased, there shall be paid to such parent ~~35~~ 80 percent of the *after-tax* weekly wage at the time of the injury of the deceased employee. The compensation payments under this section shall not exceed the actual contributions made by the deceased employee to the support of the employee's parents for a reasonable time immediately prior to the injury which caused the death of the deceased employee.

Sec. 21. Minnesota Statutes 1990, section 176.111, subdivision 15, is

amended to read:

Subd. 15. [REMOTE DEPENDENTS.] If the deceased employee leaves no surviving spouse or child or parent entitled to any payment under this chapter, but leaves a grandparent, grandchild, brother, sister, mother-in-law, or father-in-law wholly dependent on the employee for support, there shall be paid to such dependent, if but one, ~~30~~ 40 percent of the *after-tax* weekly wage at the time of injury of the deceased, or if more than one, ~~35~~ 45 percent of the *after-tax* weekly wage at the time of the injury of the deceased, divided among them share and share alike.

Sec. 22. Minnesota Statutes 1990, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$2,500~~ \$7,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, its reasonable value shall be determined and approved by the commissioner, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after reasonable notice to interested parties as is required by the commissioner. If the deceased leaves no dependents, no compensation is payable, except as provided by this chapter.

Sec. 23. Minnesota Statutes 1990, section 176.111, subdivision 20, is amended to read:

Subd. 20. [ACTUAL DEPENDENTS, COMPENSATION.] Actual dependents are entitled to take compensation in the order named in subdivision 3 during dependency until ~~66-2/3~~ 80 percent of the *after-tax* weekly wage of the deceased at the time of injury is exhausted. The total weekly compensation to be paid to full actual dependents of a deceased employee shall not exceed in the aggregate an amount equal to the maximum weekly compensation for a temporary total disability.

Sec. 24. Minnesota Statutes 1990, section 176.111, subdivision 21, is amended to read:

Subd. 21. [DEATH, BENEFITS; COORDINATION WITH GOVERNMENTAL SURVIVOR BENEFITS.] The following provision shall apply to any dependent entitled to receive weekly compensation benefits under this section as the result of the death of an employee, and who is also receiving or entitled to receive benefits under any government survivor program:

The combined total of weekly government survivor benefits and workers' compensation death benefits provided under this section shall not exceed 100 percent of the *after-tax* weekly wage being earned by the deceased employee at the time of the injury causing death; provided, however, that no state workers' compensation death benefit shall be paid for any week in which the survivor benefits paid under the federal program, by themselves, exceed 100 percent of such weekly wage provided, however, the workers' compensation benefits payable to a dependent surviving spouse shall not be reduced on account of any governmental survivor benefits payable to decedent's children if the support of the children is not the responsibility of the dependent surviving spouse.

For the purposes of this subdivision "dependent" means dependent surviving spouse together with all dependent children and any other dependents.

For the purposes of this subdivision, mother's or father's insurance benefits received pursuant to United States Code, title 42, section 402(g), are benefits under a government survivor program.

Sec. 25. Minnesota Statutes 1990, section 176.131, subdivision 8, is amended to read:

Subd. 8. [DEFINITIONS.] As used in this section, the following terms have the meanings given them:

"Physical impairment" means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment, except that physical impairment is limited to the following:

- (a) epilepsy,
- (b) diabetes,
- (c) hemophilia,
- (d) cardiac disease, provided that objective medical evidence substantiates at least the minimum permanent partial disability listed in the workers' compensation permanent partial disability schedule,
- (e) partial or entire absence of thumb, finger, hand, foot, arm, or leg,
- (f) lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) residual disability from poliomyelitis,
- (h) cerebral palsy,
- (i) multiple sclerosis,
- (j) Parkinson's disease,
- (k) cerebral vascular accident,
- (l) chronic osteomyelitis,
- (m) muscular dystrophy,
- (n) thrombophlebitis,
- (o) brain tumors,
- (p) Pott's disease,
- (q) seizures,
- (r) cancer of the bone,
- (s) leukemia,
- (t) mental retardation or other related conditions,
- (u) any other physical impairment resulting in a disability rating of at least ~~ten~~ 25 percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and
- (v) any other physical impairments of a permanent nature which the commissioner may by rule prescribe.

"Compensation" has the meaning defined in section 176.011.

"Employer" includes insurer.

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or rehabilitation.

"Mental retardation" means significantly subaverage intellectual functioning existing concurrently with demonstrated deficits in adaptive behavior that require supervision and protection for the person's welfare or the public welfare.

"Other related conditions" means severe chronic disabilities that are (i) attributable to cerebral palsy, epilepsy, autism, or any other condition, other than mental illness, found to be closely related to mental retardation because the condition results in impairment of general intellectual functioning or adaptive behavior similar to that of persons with mental retardation or requires treatment or services similar to those required for persons with mental retardation; (ii) likely to continue indefinitely; and (iii) result in substantial functional limitations in three or more of the following areas of major life activity: self-care, understanding and use of language, learning, mobility, self-direction, or capacity for independent living.

Sec. 26. Minnesota Statutes 1990, section 176.131, is amended by adding a subdivision to read:

*Subd. 13. [APPLICABLE LAW.] The right to reimbursement under this section is governed by the law in effect on the date of the subsequent injury.*

Sec. 27. Minnesota Statutes 1990, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to October 1, 1983 for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as prescribed in this section after 104 weeks have elapsed and for the remainder of the total disablement. Regardless of the number of weeks of total disability, no totally disabled person is ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, ~~except as provided by clause (b),~~ provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after October 1, 1983, and before October 1, 1987, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.

(c) An employee who has suffered a personal injury after October 1, 1987, and is permanently totally disabled as defined in section 176.101, subdivisions 4 and 5, is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving permanent total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by

*the same injury.*

Sec. 28. Minnesota Statutes 1990, section 176.132, subdivision 2, is amended to read:

Subd. 2. [AMOUNT.] (a) The supplementary benefit payable under ~~this section~~ *subdivision 1, paragraphs (a) and (b)*, shall be the difference between the amount the employee receives on or after January 1, 1976, under section 176.101, subdivision 1 or 4, and 65 percent of the statewide average weekly wage as computed annually. *The supplementary benefit payable under subdivision 1, paragraph (c), shall be the difference between:*

*(1) the amount the employee receives on or after October 1, 1991, under section 176.101, subdivision 4; plus the amount of disability benefits being paid under any government disability benefit program, provided those benefits are a result of the same injury or injuries giving rise to payments under section 176.101, subdivision 4; plus the amount of any federal old age and survivors insurance benefits; and*

*(2) 50 percent of the statewide average weekly wage, as computed annually.*

(b) In the event an eligible recipient is currently receiving no compensation or is receiving a reduced level of compensation because of a credit being applied as the result of a third party liability or damages, the employer or insurer shall compute the offset credit as if the individual were entitled to the actual benefit or ~~65~~ 50 percent of the statewide average weekly wage as computed annually, whichever is greater. If this results in the use of a higher credit than otherwise would have been applied and the employer or insurer becomes liable for compensation benefits which would otherwise not have been paid, the additional benefits resulting shall be handled according to this section.

(c) In the event an eligible recipient is receiving no compensation or is receiving a reduced level of compensation because of a valid agreement in settlement of a claim, no supplementary benefit shall be payable under this section. Attorney's fees shall be allowed in settlements of claims for supplementary benefits in accordance with this chapter.

(d) In the event an eligible recipient *under subdivision 1, paragraph (a) or (b)*, is receiving no compensation or is receiving a reduced level of compensation because of prior limitations in the maximum amount payable for permanent total disability or because of reductions resulting from the simultaneous receipt of old age or disability benefits, the supplementary benefit shall be payable for the difference between the actual amount of compensation currently being paid and 65 percent of the statewide average weekly wage as computed annually.

(e) In the event that an eligible recipient is receiving simultaneous benefits from any government disability program, the amount of supplementary benefits payable under this section shall be reduced by five percent. If the individual does not receive the maximum benefits for which the individual is eligible under other governmental disability programs due to the provisions of United States Code, title 42, section 424a(d), this reduction shall not apply.

(f) Notwithstanding any other provision in this subdivision to the contrary, if the ~~individual~~ *eligible recipient* does not receive the maximum benefits for which the individual is eligible under other governmental disability

programs due to the provision of United States Code, title 42, section 424a(d), the calculation of supplementary benefits payable to the individual shall be as provided under this section in Minnesota Statutes ~~1988~~ 1990.

Sec. 29. Minnesota Statutes 1990, section 176.132, subdivision 3, is amended to read:

Subd. 3. [PAYMENT.] The payment of supplementary benefits shall be the responsibility of the employer or insurer currently paying total disability benefits *under subdivision 1, paragraph (a) or (b), or currently paying permanent total disability benefits under subdivision 1, paragraph (c),* or any other payer of such benefits. When the eligible individual is not currently receiving benefits because the total paid has reached the maximum prescribed by law the employer and insurer shall, nevertheless, pay the supplementary benefits that are prescribed by law. The employer or insurer paying the supplementary benefit shall have the right of full reimbursement from the special compensation fund for the amount of such benefits paid.

Sec. 30. [176.178] [FRAUD.]

*Any person who, with intent to defraud, receives workers' compensation benefits to which the person is not entitled by knowingly misrepresenting, misstating, or failing to disclose any material fact is guilty of theft and shall be sentenced pursuant to section 609.52, subdivision 3.*

Sec. 31. Minnesota Statutes 1990, section 176.179, is amended to read:

**176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH RECOVERY OF OVERPAYMENTS.]**

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or the employee's survivors, and received in good faith by the employee or the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a full credit against future lump sum benefit entitlement and as a partial credit against future weekly benefits. The credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits, death benefits, or weekly payments of ~~economic recovery or impairment~~ *permanent partial* compensation shall not exceed 20 percent of the amount that would otherwise be payable.

*Where the commissioner or compensation judge determines that the mistaken compensation was not received in good faith, the commissioner or compensation judge may order reimbursement of the compensation or order a credit for the compensation against any future monetary benefits from the same injury. The credit may be up to 100 percent of the amount of monetary benefits otherwise payable. For purposes of this section, a payment is not received in good faith if it is obtained through fraud, or if the employee knew or should have known that the compensation was paid under mistake*

*of fact or law, and the employee has not refunded the mistaken compensation.*

A credit may not be applied against medical expenses due or payable.

Sec. 32. Minnesota Statutes 1990, section 176.221, subdivision 6a, is amended to read:

Subd. 6a. ~~[MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT PERMANENT PARTIAL COMPENSATION.]~~ The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivisions 9 and 11, ~~economic recovery compensation or impairment permanent partial compensation~~ are not made in a timely manner as required by law or by rule adopted by the commissioner.

Sec. 33. Minnesota Statutes 1990, section 176.645, subdivision 1, is amended to read:

Subdivision 1. ~~[AMOUNT.]~~ For injuries occurring after October 1, 1975 for which benefits are payable under section 176.101, subdivisions 1, 2 and 4, and section 176.111, subdivision 5, the total benefits due the employee or any dependents shall be adjusted in accordance with this section. On October 1, 1981, and thereafter on the anniversary of the date of the employee's injury the total benefits due shall be adjusted by multiplying the total benefits due prior to each adjustment by a fraction, the denominator of which is the statewide average weekly wage for December 31, of the year two years previous to the adjustment and the numerator of which is the statewide average weekly wage for December 31, of the year previous to the adjustment. For injuries occurring after October 1, 1975, all adjustments provided for in this section shall be included in computing any benefit due under this section. Any limitations of amounts due for daily or weekly compensation under this chapter shall not apply to adjustments made under this section. No adjustment increase made on October 1, ~~1977~~ 1991, or thereafter under this section shall exceed ~~six~~ four percent a year. In those instances where the adjustment under the formula of this section would exceed this maximum the increase shall be deemed to be ~~six~~ four percent.

Sec. 34. Minnesota Statutes 1990, section 176.645, subdivision 2, is amended to read:

Subd. 2. ~~[TIME OF FIRST ADJUSTMENT.]~~ For injuries occurring on or after October 1, 1981, the initial adjustment made pursuant to subdivision 1 ~~shall be~~ is deferred until the first anniversary of the date of the injury. *For injuries occurring on or after October 1, 1991, the initial adjustment under subdivision 1 is deferred until the third anniversary of the date of injury.*

Sec. 35. Minnesota Statutes 1990, section 176.66, subdivision 11, is amended to read:

Subd. 11. ~~[AMOUNT OF COMPENSATION.]~~ The compensation for an occupational disease is ~~66-2/3~~ 80 percent of the employee's *after-tax* weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be eligible for supplementary benefits notwithstanding the provisions of section 176.132, after four years have elapsed since the date of last significant exposure to the hazard of the occupational disease if that employee's weekly compensation rate is less than the current supplementary benefit rate.

Sec. 36. Minnesota Statutes 1990, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which the individual is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of the individual's weekly benefit amount in the form of:

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3k 2; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

✓ (5) 50 percent of a primary insurance benefit under title II of the Social Security Act, as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.231, the individual shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that the individual is not entitled to such benefits, this provision shall not apply. If the computation of reduced benefits, required by this subdivision, is not a whole dollar amount, it shall be rounded down to the next lower dollar amount.

Sec. 37. Minnesota Statutes 1990, section 353.33, subdivision 5, is amended to read:

Subd. 5. [BENEFITS PAID UNDER WORKERS' COMPENSATION LAW.] Disability benefits paid shall be coordinated with any amounts received or receivable under workers' compensation law, such as temporary total, permanent total, temporary partial, or permanent partial; ~~or economic recovery compensation~~ benefits, in either periodic or lump sum payments from the employer under applicable workers' compensation laws, after deduction of amount of attorney fees, authorized under applicable workers' compensation laws, paid by a disablitant. If the total of the single life annuity actuarial equivalent disability benefit and the workers' compensation

benefit exceeds: (1) the salary the disabled member received as of the date of the disability or (2) the salary currently payable for the same employment position or an employment position substantially similar to the one the person held as of the date of the disability, whichever is greater, the disability benefit must be reduced to that amount which, when added to the workers' compensation benefits, does not exceed the greater of the salaries described in clauses (1) and (2).

Sec. 38. [176.90] [AFTER-TAX CALCULATION.]

*For purposes of sections 176.011, subdivisions 18 and 18a; 176.101, subdivisions 1, 2, 3, and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 20, and 21; and 176.66, the commissioner shall publish by September 1 of each year tables or formulas for determining the after-tax weekly wage to take effect the following October 1. The tables or formulas must be based on the applicable federal income tax and social security laws and state income tax laws in effect on the preceding April 1. These tables or formulas are conclusive for the purposes of converting the weekly wage into after-tax weekly wage. The commissioner may contract with the department of revenue or any other person or organization in order to adopt the tables or formulas. The adoption of the tables or formulas is exempt from the administrative rulemaking provisions of chapter 14.*

Sec. 39. [REPEALER.]

*Minnesota Statutes 1990, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.111, subdivision 8a, are repealed.*

Sec. 40. [EFFECTIVE DATE.]

*This article is effective October 1, 1991; except that section 14, paragraph (b), is retroactively effective to January 1, 1984.*

### ARTICLE 3

#### LEGAL, REHABILITATION, MEDICAL PROVIDERS/BENEFITS

Section 1. Minnesota Statutes 1990, section 175.007, is amended to read:

175.007 [ADVISORY COUNCIL ON WORKERS' COMPENSATION; CREATION.]

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which consists of five representatives of employers and five representatives of employees; ~~five nonvoting members representing the general public; two persons who have received or are currently receiving workers' compensation benefits under chapter 176 and the chairs of the rehabilitation review panel and the medical services review board. The council may consult with any party it desires.~~ The commissioner shall appoint as nonvoting members ~~three representatives of insurers, one representative of medical doctors, one representative of hospitals, two legislators from the house of representatives, and two legislators from the senate. The commissioner shall be a nonvoting member and is the chairperson.~~ The terms and removal of members shall be as provided in section 15.059. The council expires as provided in section 15.059, subdivision 5.

Subd. 2. The advisory council shall ~~study and present to the legislature and the governor, on or before November 15 of each even numbered year, its findings relative to the costs, methods of financing, and the formula to be~~

used to provide supplementary compensation to workers who have been determined permanently and totally disabled prior to July 1, 1969, and its findings relative to alterations in the scheduled benefits for permanent partially disabled, and other aspects of the workers' compensation act. The council shall also study and present to the legislature and the governor on or before November 15 of 1981 and by November 15 of each even-numbered year thereafter a report on the financial, administrative and personnel needs of the workers' compensation division; advise the department in carrying out the purposes of chapter 176. The council shall submit its recommendations with respect to amendments to chapter 176 to each regular session of the legislature and shall report its views upon any pending bill relating to chapter 176 to the proper legislative committee. At the request of the chairpersons of the senate and house of representatives committees that hear workers' compensation matters, the department shall schedule a meeting of the council with the members of the committees to discuss matters of legislative concern arising under chapter 176.

Sec. 2. Minnesota Statutes 1990, section 176.011, subdivision 27, is amended to read:

Subd. 27. [ADMINISTRATIVE CONFERENCE.] An "administrative conference" is a meeting conducted by a commissioner's designee where parties can discuss on an expedited basis and in an informal setting their viewpoints concerning disputed issues arising under section ~~176.102, 176.103, 176.135, 176.136, or 176.239~~. If the parties are unable to resolve the dispute, the commissioner's designee shall issue an administrative decision under ~~that section 176.106 or 176.239~~.

Sec. 3. Minnesota Statutes 1990, section 176.081, subdivision 1, is amended to read:

Subdivision 1. [APPROVAL.] (a) A fee for legal services of 25 percent of the first \$4,000 of compensation awarded to the employee and 20 percent of the next ~~\$27,500~~ \$70,000 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in ~~clause (b)~~ paragraph (d). All fees must be calculated according to the formula under this subdivision or earned in hourly fees for representation at dispute resolution conferences under section 176.239. Hourly fees must be determined according to the criteria set forth under subdivision 5.

(b) Fees for legal services related to the same injury are cumulative and may not exceed \$15,000, except as provided under subdivision 2. No other attorney fees for any proceeding under this chapter are allowed.

(c) If the employer or the insurer or the defendant is given written notice of claims for legal services or disbursements, the claim shall be a lien against the amount paid or payable as compensation. In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed claims or portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan. Fees for administrative conferences under section 176.239 shall be determined on an hourly basis, according to the criteria in subdivision 5.

~~(b)~~ (d) An attorney who is claiming legal fees under this section for representing an employee in a workers' compensation matter shall file a statement of attorney's attorney fees with the commissioner, compensation

judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner, *shall report the number of hours spent on the case*, and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee. If a timely objection is filed, or the fee is determined on an hourly basis, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5. If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

Sec. 4. Minnesota Statutes 1990, section 176.081, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the commissioner, compensation judge, or district judge, before whom the matter was heard. An appeal of a decision by the commissioner, a compensation judge, or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested ~~and, the number of hours spent on the case~~, the basis for the request, and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 5. Minnesota Statutes 1990, section 176.081, subdivision 3, is amended to read:

Subd. 3. [REVIEW.] ~~An employee who~~ *A party that* is dissatisfied with *its* attorney fees, may file an application for review by the workers' compensation court of appeals. ~~Such~~ *The* application shall state the basis for the need of review and whether or not a hearing is requested. A copy of ~~such~~ *the* application shall be served upon the *party's* attorney ~~for the employee~~ by the court administrator and if a hearing is requested by either party, the matter shall be set for hearing. The notice of hearing shall be served upon known interested parties. ~~The attorney for the employee shall be served with a notice of the hearing.~~ The workers' compensation court of appeals shall have the authority to raise ~~the question of~~ the issue of the attorney fees at any time upon its own motion and shall have continuing jurisdiction over attorney fees.

Sec. 6. Minnesota Statutes 1990, section 176.102, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] *(a) This section only applies to vocational rehabilitation of injured employees and their spouses as provided under subdivision 1a. Physical rehabilitation of injured employees is considered treatment subject to section 176.135.*

(b) Rehabilitation is intended to restore the injured employee; ~~through physical and vocational rehabilitation,~~ so the employee may return to a job related to the employee's former employment or to a job in another work area which produces an economic status as close as possible to that the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.

Sec. 7. Minnesota Statutes 1990, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] The commissioner shall hire a director of rehabilitation services in the classified service. The commissioner shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services *and shall by rule, subject to chapter 14, establish a fee schedule or otherwise limit fees charged by qualified rehabilitation consultants and vendors. By March 1, 1993, the commissioner shall report to the legislature on the status of the commissioner's monitoring of rehabilitation services.* The commissioner may hire qualified personnel to assist in the commissioner's duties under this section and may delegate the duties and performance.

Sec. 8. Minnesota Statutes 1990, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] There is created a rehabilitation review panel composed of the commissioner or a designee, who shall serve as an ex officio member, ~~and two three members each from who shall represent both employers; and insurers, rehabilitation, and medicine;~~ one member representing chiropractors, ~~and four one member representing medical doctors, three members representing labor, two members representing rehabilitation vendors, and five members representing qualified rehabilitation consultants.~~ The members shall be appointed by the commissioner and shall serve four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chair. The panel shall review and make a determination with respect to appeals from orders of the commissioner regarding certification approval of qualified rehabilitation consultants and vendors. The hearings are de novo and initiated by the panel under the contested case procedures of chapter 14, and are appealable to the workers' compensation court of appeals in the manner provided by section 176.421.

Sec. 9. Minnesota Statutes 1990, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case

proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

~~The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.~~

Sec. 10. Minnesota Statutes 1990, section 176.102, subdivision 4, is amended to read:

Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] (a) ~~An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.~~

*For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time. A rehabilitation consultation must be provided by the employer to an injured employee upon request of the employee, the employer, or the commissioner. If a rehabilitation consultation is requested, the employer shall provide a qualified rehabilitation consultant. If the injured employee objects to the employer's selection, the employee may select a qualified rehabilitation consultant of the employee's own choosing within 30 days following the first in-person contact between the employee and the original qualified rehabilitation consultant. If the consultation indicates that rehabilitation services are appropriate under subdivision 1, the employer shall provide the services. If the consultation indicates that rehabilitation services are not appropriate under subdivision 1, the employer shall notify the employee of this determination within 14 days after the consultation.*

*(b) In order to assist the commissioner in determining whether or not to request rehabilitation consultation for an injured employee, an employer shall notify the commissioner whenever the employee's temporary total disability will likely exceed 13 weeks. The notification must be made within 90 days from the date of the injury or when the likelihood of at least a 13-week disability can be determined, whichever is earlier, and must include a current physician's report.*

*(c) The qualified rehabilitation consultant appointed by the employer or*

~~insurer~~ shall disclose in writing at the first meeting or written communication with the employee any ownership interest or affiliation between the firm which employs the qualified rehabilitation consultant and the employer, insurer, adjusting or servicing company, including the nature and extent of the affiliation or interest.

The consultant shall also disclose to all parties any affiliation, business referral or other arrangement between the consultant or the firm employing the consultant and any other party ~~to, attorney, or health care provider involved in the case~~ ~~including any attorneys, doctors, or chiropractors.~~

~~If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection. The notification shall include the name, address, and telephone number of the qualified rehabilitation consultant chosen by the employee to provide rehabilitation consultation.~~

*(d) After the initial provision or selection of a qualified rehabilitation consultant as provided under paragraph (a), the employee may choose request a different qualified rehabilitation consultant as follows:*

*(1) once during the first 60 days following the first in-person contact between the employee and the original consultant;*

*(2) once after the 60-day period referred to in clause (1); and*

*(3) subsequent requests which shall be determined granted or denied by the commissioner or compensation judge according to the best interests of the parties.*

*(e) The employee and employer shall enter into a program if one is prescribed in develop a rehabilitation plan within 30 days of the rehabilitation consultation if the qualified rehabilitation consultant determines that rehabilitation is appropriate. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner within 15 days after the plan has been developed.*

~~(b) (f) If the employer does not provide rehabilitation consultation, or the employee does not select a qualified rehabilitation consultant, as required by this section provided in paragraph (a), the commissioner or compensation judge shall notify the employer that if the employer fails to appoint provide, or the employee fails to select, whichever is applicable, a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner or compensation judge shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner or compensation judge determines the consultation is not required.~~

*(e) (g) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.*

~~(d) (h) The commissioner or compensation judge may waive rehabilitation services under this section if the commissioner or compensation judge is satisfied that the employee will return to work in the near future or that rehabilitation services will not be useful in returning an employee to work.~~

Sec. 11. Minnesota Statutes 1990, section 176.102, subdivision 6, is amended to read:

Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner or a compensation judge shall determine eligibility for rehabilitation services and shall review, approve, modify, or reject rehabilitation plans developed under subdivision 4. The commissioner or a compensation judge shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. *A plan that is not completed within six months or after \$3,000 has been paid in rehabilitation benefits must be specifically approved by the commissioner. This approval may not be waived by the parties.*

Sec. 12. Minnesota Statutes 1990, section 176.102, subdivision 7, is amended to read:

Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] (a) Upon request by the commissioner, insurer, employer or employee, medical and rehabilitation reports shall be made by the provider of the medical and rehabilitation service to the commissioner, insurer, employer, or employee.

*(b) If a rehabilitation plan has not already been filed under subdivision 4, an employer shall report to the commissioner after 90 days and before 120 days from the date of the injury, as to what rehabilitation consultation and services have been provided to the injured employee or why rehabilitation consultation and services have not been provided.*

Sec. 13. Minnesota Statutes 1990, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of rehabilitation evaluation and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books, travel, and custodial day care; and, in addition, reasonable costs of board and lodging when rehabilitation requires residence away from the employee's customary residence;

(d) Reasonable costs of travel and custodial day care during the job interview process;

(e) Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and

(f) Any other expense agreed to be paid.

*Charges for services provided by a rehabilitation consultant or vendor must be submitted on a billing form prescribed by the commissioner. No payment for the services shall be made until the charges are submitted on the prescribed form.*

## Sec. 14. [176.107] [MEDICAL AND REHABILITATION DISPUTES.]

*Any dispute for benefits under section 176.102, 176.103, 176.135, or 176.136 may be referred to the mediation services section of the department for consideration. All health care providers, qualified rehabilitation consultants, intervenors or potential intervenors, or any other third parties who have or may have an interest in the resolution of the dispute must be notified of the proceeding and requested to be in attendance. Any agreement by the parties who attend the hearing or appear by telephone conference is binding on any other party who had notice and did not participate in the hearing.*

Sec. 15. Minnesota Statutes 1990, section 176.135, subdivision 1, is amended to read:

Subdivision 1. [MEDICAL, PSYCHOLOGICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] (a) The employer shall furnish any medical, psychological, ~~chiropractic~~, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. ~~This treatment shall include treatments necessary to physical rehabilitation.~~ An employer may fulfill its obligation under this section by utilizing a certified managed care plan as provided in this chapter.

(b) *The employer shall furnish reasonably required chiropractic treatment for a maximum of 30 days from the date the employee first seeks the treatment, or 15 chiropractic treatment visits, whichever occurs first. The employer shall furnish reasonably required physical therapy treatment for a maximum of 30 days from the date the employee first seeks the treatment. Chiropractic or physical therapy treatment is compensable thereafter only with the consent of the employer or insurer, or after a specific determination by the commissioner or a compensation judge, pursuant to paragraph (f), that treatment for an additional specified period of time is reasonably required. This paragraph is effective for treatment provided after July 1, 1992.*

(c) *The employer shall pay for the reasonable value of nursing services provided by a member of the employee's family in cases of permanent total disability.*

(d) *Exposure to rabies is an injury and an employer shall furnish preventative treatment to employees exposed to rabies.*

(e) *The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches, or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of the employer's inability or refusal seasonably to ~~do so~~ provide the items required to be provided under this paragraph, the employer is liable for the reasonable expense incurred by or on behalf of the employee in providing the same, including costs of copies of any medical records or medical reports that are in existence, obtained from health care providers, and that directly relate to the items for which payment is sought under this chapter, limited to the charges allowed by subdivision 7; and attorney fees incurred by the employee. No action to recover the cost*

of copies may be brought until the commissioner adopts a schedule of reasonable charges under subdivision 7. Attorney's fees shall be determined on an hourly basis according to the criteria in section 176.081, subdivision 5. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability.

~~(b) (f)~~ Both the commissioner and the compensation judges have authority to make determinations under this section in accordance with ~~sections 176.106 and section 176.305 and to issue orders approving mediated settlements in accordance with section 176.107.~~

Sec. 16. Minnesota Statutes 1990, section 176.135, subdivision 1a, is amended to read:

Subd. 1a. [NONEMERGENCY SURGERY; SECOND SURGICAL OPINION.] The employer is required to furnish surgical treatment pursuant to subdivision 1 when the surgery is reasonably required to cure and relieve the effects of the personal injury or occupational disease. An employee may not be compelled to undergo surgery. If an employee desires a second opinion on the necessity of the surgery, the employer shall pay the costs of obtaining the second opinion. Except in cases of emergency surgery, the employer or insurer may require the employee to obtain a second opinion on the necessity of the surgery, at the expense of the employer, before the employee undergoes surgery. Failure to obtain a second surgical opinion, *if required by the employer or insurer*, shall not be reason for nonpayment of the charges for the surgery. ~~The employer is required to pay the reasonable value of the surgery,~~ unless the commissioner or compensation judge determines that the surgery is not reasonably required.

Sec. 17. Minnesota Statutes 1990, section 176.135, subdivision 5, is amended to read:

Subd. 5. [OCCUPATIONAL DISEASE MEDICAL ELIGIBILITY.] Notwithstanding section 176.66, an employee who has contracted an occupational disease is eligible to receive compensation under this section even if the employee is not disabled from earning full wages at the work at which the employee was last employed.

*Payment of compensation under this section shall be made by the employer and insurer on the date of the employee's last exposure to the hazard of the occupational disease. Reimbursement for medical benefits paid under this subdivision or subdivision 1a is allowed from the employer and insurer liable under section 176.66, subdivision 10, only in the case of disablement.*

Sec. 18. Minnesota Statutes 1990, section 176.135, subdivision 6, is amended to read:

Subd. 6. [COMMENCEMENT OF PAYMENT.] As soon as reasonably possible, and no later than 30 calendar days after receiving the bill, the employer or insurer shall pay the charge or any portion of the charge which is not denied, *or deny all or a part of the charge on the basis of excessiveness or noncompensability, or specify the additional data needed,* with written notification to the employee and the provider. *explaining the basis for denial. All or part of a charge must be denied if any of the following conditions exist:*

- (1) the injury or condition is not compensable under this chapter;*
- (2) the charge or service is excessive under this section or section 176.136;*

(3) the provider is not enrolled with or certified by the department in accordance with rules adopted under section 176.183;

(4) the charges are not submitted on the prescribed billing form; or

(5) additional medical records or reports are required under subdivision 7 to substantiate the nature of the charge and its relationship to the work injury.

If payment is denied under clause (3), (4), or (5), the employer or insurer shall reconsider the charges in accordance with this subdivision within 30 calendar days after receiving additional medical data, a prescribed billing form, or documentation of enrollment or certification as a provider.

Sec. 19. Minnesota Statutes 1990, section 176.135, subdivision 7, is amended to read:

Subd. 7. [MEDICAL BILLS AND RECORDS.] Health care providers shall submit to the insurer an itemized statement of charges on a billing form prescribed by the commissioner. Health care providers ~~other than hospitals~~ shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury; ~~provided, however, that hospitals must submit any copies of records or reports requested under subdivision 6.~~ Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. ~~Charges for copies provided under this subdivision shall be reasonable.~~ The commissioner shall adopt a schedule of reasonable charges by ~~emergency rules rule.~~

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

Sec. 20. [176.1351] [MANAGED CARE.]

Subdivision 1. [APPLICATION.] Any health care provider, health care providers, or business entities providing health care services may make written application to the commissioner to become certified to provide managed care to injured workers for injuries and diseases compensable under this chapter. Each application for certification shall be accompanied by a reasonable fee prescribed by the commissioner. A certificate is valid for the period the commissioner prescribes unless revoked or suspended. Application for certification shall be made in the form and manner and shall set forth information regarding the proposed plan for providing services as the commissioner may prescribe. The information shall include, but not be limited to:

(a) a list of the names of all health care providers who will provide services under the managed care plan, together with appropriate evidence of compliance with any licensing or certification requirements for those providers to practice in this state;

(b) a description of the places and manner of providing services under the plan;

(c) a description of the places and manner of providing other related optional services the applicants wish to provide; and

(d) satisfactory evidence of ability to comply with any financial requirements to ensure delivery of service in accordance with the plan which the

*commissioner may prescribe.*

*Subd. 2. [CERTIFICATION.] The commissioner shall certify a health care provider, health care providers, or business entities providing health care services to provide managed care under a plan if the commissioner finds that the plan:*

*(a) proposes to provide services that meet quality, continuity, and other treatment standards prescribed by the commissioner and will provide all medical and health care services that may be required by this chapter in a manner that is timely, effective, and convenient for the worker;*

*(b) provides appropriate financial incentives to reduce service costs and utilization without sacrificing the quality of service;*

*(c) provides adequate methods of peer review, utilization review, and dispute resolution to prevent inappropriate or not medically necessary treatment, to exclude from participation in the plan those individuals who violate these treatment standards, and to provide for the resolution of such medical disputes as the commissioner considers appropriate;*

*(d) provides a program for early return to work for injured workers involving, where appropriate, cooperative efforts by the workers, the employer, and the managed care organizations to promote workplace health and safety consultative and other services;*

*(e) provides a timely and accurate method of reporting to the commissioner necessary information regarding medical and health care service cost and utilization to enable the commissioner to determine the effectiveness of the plan;*

*(f) authorizes workers to receive compensable medical treatment from a health care provider who is not a member of the managed care organization, but who maintains the worker's medical records and with whom the worker has a documented history of treatment, if that health care provider agrees to refer the worker to the managed care organization for any specialized treatment, including physical therapy, to be furnished by another provider that the worker may require and if that health care provider agrees to comply with all the rules, terms, and conditions regarding services performed by the managed care organization. Nothing in this paragraph is intended to limit the worker's right to change health care providers prior to the filing of a workers' compensation claim; and*

*(g) complies with any other requirement the commissioner determines is necessary to provide quality medical services and health care to injured workers.*

*Subd. 3. [REVOCATION, SUSPENSION, AND REFUSAL TO CERTIFY.] The commissioner shall refuse to certify or shall revoke or suspend the certification of any health care provider or group of medical service providers to provide managed care if the commissioner finds that the plan for providing medical or health care services fails to meet the requirements of this section, or service under the plan is not being provided in accordance with the terms of a certified plan.*

*Subd. 4. [REVIEW.] (a) Utilization review, quality assurance, and peer review activities pursuant to this section and authorization of medical services to be provided by other than an attending physician pursuant to this chapter shall be subject to review by the commissioner or the commissioner's designated representatives. Data generated by or received in connection*

*with these activities, including written reports, notes or records of any such activities, or of the commissioner's review shall be confidential, and shall not be disclosed except as considered necessary by the commissioner in the administration of this section. The commissioner may report professional misconduct to an appropriate licensing board.*

*(b) No data generated by utilization review, quality assurance, or peer review activities pursuant to this section or the commissioner's review thereof shall be used in any action, suit, or proceeding except to the extent considered necessary by the commissioner in the administration of this chapter.*

*(c) A person participating in utilization review, quality assurance, or peer review activities pursuant to this section shall not be examined as to any communication made in the course of such activities or the findings thereof, nor shall any person be subject to an action for civil damages for affirmative actions taken or statements made in good faith.*

*(d) No person who participates in forming managed care plans, collectively negotiating fees, or otherwise solicits or enters into contracts in a good faith effort to provide medical or health care services according to the provisions of this section shall be examined or subject to administrative or civil liability regarding any such participation except pursuant to the commissioner's active supervision of such activities and the managed care organization. Before engaging in such activities, the person shall provide notice of intent to the commissioner on a prescribed form.*

*(e) The provisions of this section shall not affect the confidentiality or admission in evidence of a claimant's medical treatment records.*

*Subd. 5. [RULES.] The commissioner in cooperation with the commissioners of the department of health, department of commerce, and department of human services, shall adopt such rules as may be necessary to carry out the provisions of this section.*

*Sec. 21. Minnesota Statutes 1990, section 176.136, subdivision 1, is amended to read:*

*Subdivision 1. [SCHEDULE.] (a) The commissioner shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the commissioner shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups.*

*(b) The procedures established by the commissioner shall must limit, in accordance with subdivisions 1a and 1b, the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135; based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the commissioner for determining whether or not the charge for a health service is excessive shall must be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall must incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees.*

Sec. 22. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

*Subd. 1a. [RELATIVE VALUE FEE SCHEDULE.] The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The medical fee schedule effective on October 1, 1990, shall remain in effect until the commissioner adopts a new schedule by permanent rule, but shall remain in effect no later than June 1, 1993. The commissioner shall adopt permanent rules regulating fees, except fees limited by subdivision 1b, by implementing a relative value fee schedule to be effective on October 1, 1992, or as soon thereafter as possible. The conversion factors for the relative value fee schedule shall reasonably reflect a 15 percent overall reduction from 1991 charges, based on a sample of the most common services billed in the first six months of 1991 that is large enough to be statistically valid.*

*After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1, by the percentage change in the statewide average weekly wage as set forth in section 176.645, subdivision 1. The commissioner shall annually give notice in the State Register of the adjusted conversion factors. This notice shall be in lieu of the requirements of chapter 14.*

Sec. 23. Minnesota Statutes 1990, section 176.136, is amended by adding a subdivision to read:

*Subd. 1b. [LIMITATION OF LIABILITY.] (a) The liability of the employer for treatment, articles, and supplies provided to an employee while an inpatient or outpatient at a hospital or an outpatient at a same-day surgical facility or emergency room shall be limited to 85 percent of the amount charged.*

*(b) For the services rendered under paragraph (a) by a hospital with 100 or fewer licensed acute care beds, the liability of employers shall be the actual hospital charges.*

*(c) The liability of the employer for the treatment, articles, and supplies that are not limited by subdivision 1a or paragraph (a) shall be limited to the provider's actual charge, or the charges that prevail in the same community for similar treatment, articles, and supplies furnished to an injured person when paid for by the injured person, whichever is lower. On this basis, the commissioner or compensation judge may determine the reasonable value of all treatment, services, and supplies, and the liability of the employer is limited to that amount.*

Sec. 24. Minnesota Statutes 1990, section 176.136, subdivision 2, is amended to read:

*Subd. 2. [EXCESSIVE FEES.] If the employer or insurer determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter unless the commissioner, compensation judge, or court of appeals determines otherwise. In such a case, the health care provider may initiate an action under this chapter for recovery of the amounts deemed excessive by the employer or insurer, but the employer or insurer shall have the burden of proving excessiveness.*

*A charge for a health service or medical service is excessive if it:*

*(1) exceeds the maximum permissible charge pursuant to subdivision 1 or section 176.135, subdivision 1a;*

*(2) is for a service provided at a level, duration, or frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards;*

*(3) is for a service that is outside the scope of practice of the particular provider or is not generally recognized within the particular profession of the provider as of therapeutic value for the specific injury or condition treated; or*

*(4) is otherwise deemed excessive or inappropriate pursuant to rules adopted pursuant to this chapter.*

*Where the sole issue in dispute is whether medical fees are excessive, the only parties to the proceeding shall be the health care provider and employer or insurer. The rights of an employee shall not be affected by a determination under this subdivision.*

Sec. 25. Minnesota Statutes 1990, section 176.305, subdivision 1, is amended to read:

Subdivision 1. [HEARINGS ON PETITIONS.] The petitioner shall serve a copy of the petition on each adverse party personally or by first class mail. The original petition shall then be filed with the commissioner together with an appropriate affidavit of service. When any petition has been filed with the workers' compensation division, the commissioner shall, within ten days, refer the matter presented by the petition for a settlement conference under this section, for ~~an administrative~~ a mediation conference under section ~~176.106~~ 176.107, or for hearing to the office.

Sec. 26. Minnesota Statutes 1990, section 176.351, subdivision 2a, is amended to read:

Subd. 2a. [SUBPOENAS NOT PERMITTED.] A member of the rehabilitation review panel or medical services board or an employee of the department who has conducted an administrative, mediation, or settlement conference, or hearing under section ~~176.106~~ 176.107 or 176.239, shall not be subpoenaed to testify regarding the conference, hearing, or concerning a mediation session. A member of the rehabilitation review panel, medical services board, or an employee of the department may be required to answer written interrogatories limited to the following questions:

(a) Were all statutory and administrative procedural rules adhered to in reaching the decision?

(b) If the answer to question (a) is no, what deviations took place?

(c) Did the person making the decision consider all the information presented prior to rendering a decision?

(d) Did the person making the decision rely on information outside of the information presented at the conference or hearing in making the decision?

(e) If the answer to question (d) is yes, what other information was relied upon in making the decision?

In addition, for a hearing with a compensation judge and with the consent

of the compensation judge, an employee of the department who conducted an administrative conference, hearing, or mediation session, may be requested to answer written interrogatories relating to statements made by a party at the prior proceeding. These interrogatories shall be limited to affirming or denying that specific statements were made by a party.

Sec. 27. Minnesota Statutes 1990, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before the commissioner and shall provide a stenographer or an audio magnetic recording device to make the record of the proceedings.

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision. This subdivision does not apply to any administrative conference or other proceeding before the commissioner which may be heard de novo in another proceeding including but not limited to proceedings under section ~~176.106~~ 176.107 or 176.239.

Sec. 28. Minnesota Statutes 1990, section 176.442, is amended to read:  
176.442 [APPEALS FROM DECISIONS OF COMMISSIONER.]

Except for a commissioner's decision which may be heard de novo in another proceeding including but not limited to a decision from an administrative conference under section ~~176.102, 176.103, 176.106,~~ 176.239, or a summary decision under section 176.305, any decision or determination of the commissioner affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers' compensation court of appeals. A person aggrieved by the determination may appeal to the workers' compensation court of appeals by filing a notice of appeal with the commissioner in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 29. Minnesota Statutes 1990, section 176.82, is amended to read:  
176.82 [ACTION FOR CIVIL DAMAGES FOR OBSTRUCTING  
EMPLOYEE SEEKING BENEFITS.]

*Subdivision 1.* [GENERALLY.] Any person discharging or threatening to discharge an employee for seeking workers' compensation benefits or in any manner intentionally obstructing an employee seeking workers' compensation benefits is liable in a civil action for damages incurred by the employee including any diminution in workers' compensation benefits caused by a violation of this section including costs and reasonable attorney fees, and for punitive damages not to exceed three times the amount of any compensation benefit to which the employee is entitled. Damages awarded under this section shall not be offset by any workers' compensation benefits to which the employee is entitled.

*Subd. 2. [REFUSAL TO REHIRE.] Any employer who without reasonable cause refuses to rehire an employee who is injured in the course of employment, where suitable employment is available within the employee's physical and mental limitations, upon order of the department and in addition to other benefits, has exclusive liability to pay to the employee the wages lost during the period of the refusal, not exceeding six months wages or a maximum of \$15,000. In determining the availability of suitable employment, the continuance in business of the employer shall be considered and any written rules promulgated by the employer with respect to seniority or the provisions of any collective bargaining agreement with respect to seniority shall govern.*

Sec. 30. Minnesota Statutes 1990, section 176.83, subdivision 5, is amended to read:

*Subd. 5. [EXCESSIVE MEDICAL SERVICES.] In consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.*

*If it is determined by the payer that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer, and the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program unless the commissioner or compensation judge determines at a hearing or administrative conference that the level, frequency, or cost was not excessive in which case the insurer, self-insurer, or group self-insurer shall make the payment deemed reasonable.*

*A health or rehabilitation provider who is determined by the rehabilitation review panel or medical services review board, after hearing, to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under this chapter. A prohibition imposed on a provider under this subdivision may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing certifying body.*

~~*The rules adopted under this subdivision shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause.*~~

Sec. 31. Minnesota Statutes 1990, section 176.83, is amended by adding a subdivision to read:

*Subd. 5a. [REPORTING.] Rules requiring insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this section and chapter 176.*

Sec. 32. Minnesota Statutes 1990, section 176.83, subdivision 6, is amended to read:

Subd. 6. [CERTIFICATION OF MEDICAL PROVIDERS.] Rules establishing procedures and standards for the certification *or enrollment* of physicians, chiropractors, *osteopaths*, podiatrists, and other health care providers, *which may include hospitals and other business entities providing health care services*, in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter.

*After the rules for provider enrollment have been promulgated, a provider must be enrolled in accordance with the rules to receive payment for services rendered under section 176.135. An unenrolled provider may not receive payment or attempt to collect from any source, including the employee, any insurer or self-insured employer, the special compensation fund, or any government program. Retroactive enrollment must be permitted pursuant to guidelines established by rule. A list of currently enrolled providers must be given to all self-insured employers and insurers. The list must be made available to others upon request.*

Sec. 33. [REPEALER.]

*Minnesota Statutes 1990, sections 176.106; 176.135, subdivision 3; and 176.136, subdivision 5, are repealed.*

Sec. 34. [EFFECTIVE DATE.]

*This article is effective October 1, 1991; except that section 1 is effective January 1, 1992.*

## ARTICLE 4

### COURTS/JURISDICTION

Section 1. Minnesota Statutes 1990, section 15A.083, subdivision 7, is amended to read:

Subd. 7. [WORKERS' COMPENSATION COURT OF APPEALS AND COMPENSATION JUDGES.] Salaries of judges of the workers' compensation court of appeals are the same as the salary for district judges as set under section 15A.082, subdivision 3. Salaries of compensation judges are 75 80 percent of the salary of district court judges. The chief workers' compensation settlement judge at the department of labor and industry may be paid an annual salary that is up to five percent greater than the salary of workers' compensation settlement judges at the department of labor and industry. *The assistant chief administrative law judge for workers' compensation at the office of administrative hearings shall be paid in conformity with the salary provisions of the managerial plan under section 43A.18, but the minimum salary shall be equal to the salary of a compensation judge.*

Sec. 2. Minnesota Statutes 1990, section 176.061, is amended by adding a subdivision to read:

*Subd. 6a. [JURISDICTION.] Notwithstanding section 573.02 or any other law to the contrary, the commissioner or compensation judge has jurisdiction to order the distribution of proceeds in accordance with subdivision 6 in all cases except where the district court has awarded a specific amount in satisfaction of the employer's subrogation interest or has specifically denied the employer's subrogation interest.*

Sec. 3. [176.2615] [SMALL CLAIMS COURT.]

*Subdivision 1. [PURPOSE.] There is established in the department of labor and industry a small claims court, to be presided over by settlement judges for the purpose of settling small claims.*

*Subd. 2. [ELIGIBILITY.] The claim is eligible for determination in the small claims court if referred by the commissioner or if all parties agree to submit to its jurisdiction; and*

*(1) the claim is for rehabilitation benefits only under section 176.102 or medical benefits only under section 176.135; or*

*(2) the claim in its total amount does not equal more than \$5,000; and*

*(3) where the claim is for apportionment or for contribution or reimbursement, no counterclaim in excess of \$5,000 is asserted.*

*Subd. 3. [TESTIMONY; EXHIBITS.] At the hearing a settlement judge shall hear the testimony of the parties and consider any exhibits offered by them and may also hear any witnesses introduced by either party.*

*Subd. 4. [APPEARANCE OF PARTIES.] A party may appear on the party's own behalf without an attorney, or may retain and be represented by a duly admitted attorney who may participate in the hearing to the extent and in the manner that the settlement judge considers helpful. Attorney fees awarded under this subdivision are included in the overall limit allowed under section 176.081, subdivision 1.*

*Subd. 5. [EVIDENCE ADMISSIBLE.] At the hearing the settlement judge shall receive evidence admissible under the rules of evidence. In addition, in the interest of justice and summary determination of issues before the court, the settlement judge may receive, in the judge's discretion, evidence not otherwise admissible. The settlement judge, on the judge's own motion, may receive into evidence any documents which have been filed with the department.*

*Subd. 6. [SETTLEMENT.] A settlement judge may attempt to conciliate the parties. If the parties agree on a settlement, the judge shall issue an order in accordance with that settlement.*

*Subd. 7. [DETERMINATION.] If the parties do not agree to a settlement, the settlement judge shall summarily hear and determine the issues and issue an order in accordance with section 176.305, subdivision 1a. Any determination by a settlement judge is not res judicata with respect to any other proceeding between or among the parties under this chapter, nor may it be considered as evidence in any other proceeding.*

*Subd. 8. [COSTS.] The prevailing party is entitled to costs and disbursements as in any other workers' compensation case.*

Sec. 4. Minnesota Statutes 1990, section 176.461, is amended to read:  
176.461 [SETTING ASIDE AWARD.]

Except when a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or if as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five working days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief administrative law judge for assignment to a compensation

judge, who shall make findings of fact, conclusions of law, and an order of award or disallowance of compensation or other order based on the pleadings and the evidence produced and as required by the provisions of this chapter or rules adopted under it.

*As used in this section, the phrase "for cause" is limited to the following grounds:*

*(1) a mutual mistake of fact that was not discoverable at the time of the award;*

*(2) newly discovered evidence that was not discoverable at the time of the award;*

*(3) fraud; or*

*(4) a substantial change in medical condition since the time of the award that was clearly not anticipated and could not reasonably have been anticipated at the time of the award.*

Sec. 5. Minnesota Statutes 1990, section 480A.06, subdivision 3, is amended to read:

Subd. 3. [CERTIORARI REVIEW.] The court of appeals shall have jurisdiction to issue writs of certiorari to all agencies, public corporations and public officials, except the tax court ~~and the workers' compensation court of appeals~~. The court of appeals shall have jurisdiction to review decisions of the commissioner of jobs and training, pursuant to section 268.10.

Sec. 6. Minnesota Statutes 1990, section 480A.06, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE REVIEW.] The court of appeals shall have jurisdiction to review on the record: the validity of administrative rules, as provided in sections 14.44 and 14.45; ~~and~~ the decisions of administrative agencies in contested cases, as provided in sections 14.63 to 14.69; ~~and workers' compensation cases and peace officer death benefits cases, as provided under chapters 176 and 176A.~~

Sec. 7. [TRANSFER OF JURISDICTION AND PERSONNEL.]

*The jurisdiction of the workers' compensation court of appeals, as provided under Minnesota Statutes, section 175A.01, subdivision 5, is transferred to the court of appeals. All contracts, books, plans, papers, records, and property of every description of the workers' compensation court of appeals relating to its transferred responsibilities and within its jurisdiction or control are transferred to the court of appeals; except that all case files are transferred to the clerk of the appellate courts. All classified employees and staff attorneys of the workers' compensation court of appeals must be given preference in the employment of personnel required to staff the increased caseload of the court of appeals as a result of transfer of jurisdiction under this section.*

Sec. 8. [INCREASED JUDGES.]

*The number of judges on the court of appeals as of January 1, 1992, shall be increased by five.*

Sec. 9. [INSTRUCTION TO REVISOR.]

*In every instance in Minnesota Statutes in which the term "workers'*

*compensation court of appeals" appears, the revisor of statutes shall change that reference to the "court of appeals."*

Sec. 10. [REAPPROPRIATION.]

*\$ . . . . . is reappropriated from the special compensation fund, as a result of the savings to that fund in fiscal years 1992 and 1993 due to the abolition of the workers' compensation court of appeals, to the court of appeals for the purposes of this article.*

Sec. 11. [REPEALER.]

*Minnesota Statutes 1990, sections 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; and 175A.10, are repealed.*

Sec. 12. [EFFECTIVE DATE.]

*This article is effective January 1, 1992; except that section 1 is effective July 1, 1991.*

ARTICLE 5

WORKERS' COMPENSATION INSURANCE

Section 1. Minnesota Statutes 1990, section 79.095, is amended to read:  
79.095 [APPOINTMENT OF ACTUARY.]

The commissioner ~~shall~~ may employ the services of a casualty ~~actuary~~ *actuaries* experienced in ~~worker's~~ *workers'* compensation whose duties shall include but not be limited to investigation of complaints by insured parties relative to rates, rate classifications, or discriminatory practices of an insurer. The salary of ~~the an~~ *an* actuary employed pursuant to this section is not subject to the provisions of section 43A.17, subdivision 1.

Sec. 2. Minnesota Statutes 1990, section 79.251, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNED RISK PLAN; PARTICIPATION.] ~~(1) An assigned risk plan review board is created for the purposes of review of the operation of section 79.252 and this section. The state fund mutual insurance company and all insurers authorized to write workers' compensation and employers' liability insurance in this state shall participate in a plan providing for the equitable apportionment of insurance coverage to employers who have been rejected for insurance coverage by a licensed insurer in the manner set forth in section 79.252.~~

*Subd. 1a. [BOARD OF GOVERNORS.] (1) The operation of the assigned risk plan is subject to the supervision of the board of governors of the plan. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.*

*(2) The board shall consist of six members to be appointed by the commissioner of commerce. Three members shall be insureds holding policies or contracts. One member shall be an insured holding a policy or contract of coverage issued pursuant to subdivision 4. Two Five members shall be insurers pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b). The commissioner shall be the sixth member and shall vote.*

*Initial appointments to the board shall be made by September January 1, 1984 1992, and terms shall be for three years duration. Removal, the*

filling of vacancies and compensation of the members ~~other than the commissioner~~ shall be as provided in section 15.059.

(3) ~~The assigned risk plan review board~~ shall audit the reserves established (a) for individual cases arising under policies and contracts of coverage issued under subdivision 4 and (b) for the total book of business issued under subdivision 4.

(4) ~~The assigned risk plan review board shall monitor the operations of section 79.252 and this section and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections prepare a plan of operation for the assigned risk plan subject to the approval of the commissioner. The policy forms, rates, merit rating, rating plans, and classification and rating systems of the assigned risk plan shall be those filed for use by the Minnesota workers' compensation insurers rating association, and approved by the commissioner, subject to the requirements of this chapter.~~

*The board shall meet quarterly, or more frequently if necessary, to review plan enrollment, plan administration, rate adequacy, loss ratios, and reserving practices. No later than June 30 of each year, the board shall file an annual report with the legislature and the workers' compensation insurers association. The report must be signed by each member of the board. The report must include an actuarial evaluation of the plan by a fellow of the casualty actuarial society who shall be retained and paid by the board.*

(5) ~~All insurers and self-insurance administrators issuing policies or contracts under subdivision 4 shall pay to the commissioner a .25 percent assessment on premiums for policies and contracts of coverage issued under subdivision 4 for the purpose of defraying the costs of the assigned risk plan review board. Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.~~

(6) ~~The assigned risk plan and the assigned risk plan review board of governors shall not be deemed a state agency.~~

Sec. 3. Minnesota Statutes 1990, section 79.251, subdivision 2, is amended to read:

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] *The board of governors, subject to approval by the commissioner of commerce, shall develop an appropriate merit rating plan which shall be applicable to all nonexperience rated insureds holding policies or contracts of coverage issued pursuant to subdivision 4, and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall must provide a maximum merit credit or debit adjustment equal to ten percent of earned premium. The actual adjustment may vary with insured's loss experience.*

Sec. 4. Minnesota Statutes 1990, section 79.251, subdivision 3, is amended to read:

Subd. 3. [RATES.] ~~Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. (a) The commissioner board of governors shall annually, not later than January 1 of each year, establish the file with the commissioner a schedule of rates applicable to for use in determining premiums charged employers in the assigned risk plan business at least 30 days prior to their effective date. Assigned risk premiums shall rates must not be lower than rates generally charged by insurers for the business. The~~

~~commissioner shall fix the compensation received by the agent of record. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.~~

*(b) The rates filed by the board shall be deemed to meet the requirements of this chapter unless disapproved by the commissioner within 30 days after the filing is made. In disapproving a filing made pursuant to this section, the commissioner shall have the same authority, and follow the same procedure, as in disapproving a filing pursuant to section 79.58.*

*(c) The board shall fix the compensation received by the agent of record. Agent compensation shall be established at a level that is neither an incentive nor a disincentive to place an employer in the assigned risk plan. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.*

Sec. 5. Minnesota Statutes 1990, section 79.251, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATION.] ~~The commissioner~~ *the board of governors* shall enter into service contracts as necessary or beneficial for accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or contracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional, administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services shall be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.

*Each insurer or self-insured administrator who performs services pursuant to this subdivision shall be required to report loss experience data to the Minnesota workers' compensation insurers association in accordance with the statistical plan and rules of the organization as approved by the commissioner, and shall keep a record of the premium and losses paid under each workers' compensation policy written in Minnesota in the form required by the commissioner.*

Sec. 6. Minnesota Statutes 1990, section 79.251, subdivision 5, is amended to read:

Subd. 5. [ASSESSMENTS.] ~~The commissioner shall assess~~ All insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), *shall be assessed* an amount sufficient to fully fund the obligations of the assigned risk plan, ~~if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations~~ *annual report of the board of governors reveals a deficit in the plan. The assessment must be made within 30 days of the date the annual report of the board is filed.* The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.

Sec. 7. Minnesota Statutes 1990, section 79.252, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a ~~two nonaffiliated licensed insurance company companies~~, pursuant to subdivision 2. *One of these two rejections must come from the insurance company that most recently provided workers' compensation coverage to the employer, unless the employer had no previous coverage. Each rejection must be in writing and must be obtained within 60 days before the date of application to the assigned risk plan. In addition, the rejections must also show the name of the insurance company and the representative contacted.*

Sec. 8. Minnesota Statutes 1990, section 79.252, subdivision 3, is amended to read:

Subd. 3. [COVERAGE.] (a) Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.

*(b) Policies issued by the assigned risk plan pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The board of governors may apply for and obtain any licensure required in any other state to issue that coverage.*

Sec. 9. Minnesota Statutes 1990, section 79.252, subdivision 5, is amended to read:

Subd. 5. [RULES.] The commissioner may adopt rules, including ~~emergency~~ temporary rules, as may be necessary to implement section 79.251 and this section.

Sec. 10. Minnesota Statutes 1990, section 79.55, subdivision 2, is amended to read:

Subd. 2. [EXCESSIVENESS.] ~~No premium is excessive in a competitive market. In the absence of a competitive market,~~ Premiums are excessive if the expected underwriting profit, together with expected income from invested reserves for the market in question, that would accrue to an insurer would be unreasonably high in relation to the risk undertaken by the insurer in transacting the business.

Sec. 11. Minnesota Statutes 1990, section 79.56, is amended by adding a subdivision to read:

*Subd. 5. [RATE REGULATION.] (a) Whenever an insurer files a change in its existing rate level or rating plan, the commissioner may hold a hearing to determine if the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. The hearing must be conducted pursuant to chapter 14. The commissioner shall give notice of intent to hold a hearing within 90 days of the filing of the change. It is the responsibility of the insurer to show that the rate level or rating plan is not excessive, inadequate, or unfairly discriminatory. The rate level or rating plan is effective unless it is determined as a result of the hearing that the rate level or rating plan is excessive, inadequate, or unfairly discriminatory. Upon such a finding, the rate level or rating plan is retroactively rescinded and any premiums collected under it must be refunded. This subdivision does not apply to any changes resulting from assessments for the assigned risk plan, reinsurance association, guarantee fund, special compensation fund, or statutory benefit level changes*

to sections 176.101, subdivisions 1, 2, and 4, 176.111, 176.132, and 176.645 as a result of annual adjustments in the statewide average weekly wage. The disapproval of a rate level or rating plan under this subdivision must be done in the same manner as under section 70A.11, except that the standards of section 79.55 apply.

(b) Notwithstanding paragraph (a), if the commissioner of labor and industry petitions the commissioner for a hearing pursuant to this subdivision, the commissioner must hold a hearing if the commissioner of labor and industry certifies that the hearing is necessary because a decision of the supreme court or enactment of a statute has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner of labor and industry must make a *prima facie* showing that law change has effected a substantial change in the basis upon which the existing rate levels or rating plan was filed.

(c) Notwithstanding paragraph (a), the commissioner may hold a hearing if the commissioner determines that the hearing is necessary because of circumstances which result in a substantial change in the basis upon which the existing rate levels or rating plan was filed. The commissioner must make a *prima facie* showing that the circumstances resulted in a substantial change in the basis upon which the existing rate levels or rating plan was filed.

Sec. 12. [79.565] [PARTICIPATION.]

An employer, or person representing a group of employers, that will be directly affected by a change in an insurer's existing rate level or rating plan filed under section 79.56, subdivision 5, and the commissioner of labor and industry, must be allowed to participate in any hearing under that subdivision challenging the change in rate level or rating plan as being excessive, inadequate, or unfairly discriminatory.

Sec. 13. Minnesota Statutes 1990, section 79.58, subdivision 2, is amended to read:

Subd. 2. [RATING PLANS.] The commissioner may disapprove a rating plan of a data service organization if, after a hearing conducted pursuant to chapter 14, the commissioner finds that it is excessive, inadequate, or unfairly discriminatory. The rating plan is effective until disapproved. It is the responsibility of the data service organization to show that the rating plan is not excessive, inadequate, or unfairly discriminatory. Any order of disapproval shall require the data service organization to use an alternative rating plan until approval of a rating plan by the commissioner. The commissioner shall not approve any rating plan based upon any data other than Minnesota data, except that other data may be utilized as a supplement to Minnesota data when the commissioner determines that an exceptional case requires such data to establish the statistical credibility of an occupational classification.

Sec. 14. Minnesota Statutes 1990, section 79.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED ACTIVITY.] Any data service organization shall perform the following activities:

(a) File statistical plans, including classification definitions, amendments to the plans, and definitions, with the commissioner for approval, and assign each compensation risk written by its members to its approved classification

for reporting purposes;

(b) Establish requirements for data reporting and monitoring methods to maintain a high quality data base;

(c) Prepare and distribute a periodic report, in a form prescribed by the commissioner, on ratemaking including, but not limited to the following elements:

(i) development factors and alternative derivations;

(ii) trend factors and alternative derivations and applications;

(iii) pure premium relativities for the approved classification system for which data are reported, provided that the relativities for insureds engaged in similar occupations and presenting substantially similar risks shall, if different, differ by at least ten percent; and

(iv) an evaluation of the effects of changes in law on loss data.

The report shall also include explicit discussion and explanation of methodology, alternatives examined, assumptions adopted, and areas of judgment and reasoning supporting judgments entered into, and the effect of various combinations of these elements on indications for modification of an overall pure premium rate level change. The pure premium relativities and rate level indications shall not include a loading for expenses or profit and no expense or profit data or recommendations relating to expense or profit shall be included in the report or collected by a data service organization;

(d) Collect, compile, summarize, and distribute data from members or other sources pursuant to a statistical plan approved by the commissioner;

(e) Prepare merit rating plan and calculate any variable factors necessary for utilization of the plan. Such a plan may be used by any of its members, at the option of the member provided that the application of a plan shall not result in rates that are unfairly discriminatory;

(f) Provide loss data specific to an insured to the insured at a reasonable cost;

(g) Distribute information to an insured or interested party that is filed with the commissioner and is open to public inspection; ~~and~~

(h) Assess its members for operating expenses on a fair and equitable basis;

(i) *Separate the incurred but unreported losses of its members;*

(j) *Separate paid and outstanding losses of its members;*

(k) *Provide information indicating cases in which its members have established a reserve in excess of \$50,000;*

(l) *File information based solely on Minnesota data concerning its members' premium income, indemnity, and medical benefits paid.*

Sec. 15. [79.65] [DATA SERVICE ORGANIZATIONS; COVERAGE.]

*Subdivision 1. [EXAMINATION BY COMMISSIONER.] Data service organizations are subject to all the provisions of this chapter. The commissioner or an authorized representative of the commissioner may visit the rating association at any reasonable time and examine, audit, or evaluate the rating association's operations, records, and practices. For purposes of this section, "authorized representative of the commissioner" includes*

*employees of the department of commerce or labor and industry or other parties retained by the commissioner. An examination under this section may be done of any member of data service organizations for purposes of workers' compensation insurance regulation.*

*Subd. 2. [COSTS AND EXPENSES.] The commissioner may order and the data service organization shall pay the costs and expenses of any examination, audit, or evaluation conducted pursuant to subdivision 1. If no order is issued, a sum sufficient to pay these costs and expenses is appropriated from the special compensation fund to the commissioner of commerce.*

**Sec. 16. [79.70] [INVESTIGATIONS AND SUBPOENAS.]**

*Subdivision 1. [GENERAL POWERS.] In connection with the administration of this chapter, the commissioner of commerce may:*

*(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate this chapter or any rule or order under this chapter, or to aid in the enforcement of this chapter, or in the prescribing of rules or forms under this chapter;*

*(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;*

*(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the administration of this chapter;*

*(4) conduct investigations and hold hearings for the purpose of compiling information with a view to recommending changes in this chapter to the legislature;*

*(5) examine the books, accounts, records, and files of every licensee under this chapter and of every person who is engaged in any activity regulated under this chapter; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;*

*(6) publish information which is contained in any order issued by the commissioner; and*

*(7) require any person subject to this chapter to report all sales or transactions that are regulated under this chapter. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction.*

*Subd. 2. [POWER TO COMPEL PRODUCTION OF EVIDENCE.] For the purpose of any investigation, hearing, or proceeding under this chapter, the commissioner or a designated representative may administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the commissioner considers relevant or material to the inquiry.*

*Subd. 3. [COURT ORDERS.] In case of a refusal to appear or a refusal to obey a subpoena issued to any person, the district court, upon application by the commissioner, may issue to any person an order directing that person*

*to appear before the commissioner, or the officer designated by the commissioner, to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Failure to obey the order of the court may be punished by the court as a contempt of court.*

**Subd. 4. [SCOPE OF PRIVILEGE.]** *No person is excused from attending and testifying or from producing any document or record before the commissioner, or from obedience to the subpoena of the commissioner or any officer designated by the commissioner or in a proceeding instituted by the commissioner, on the ground that the testimony or evidence required may tend to incriminate that person or subject that person to a penalty or forfeiture. No person may be prosecuted or subjected to a penalty or forfeiture for a transaction, matter, or thing concerning which the person is compelled, after claiming the privilege against self-incrimination, to testify or produce documentary or other evidence except that the individual is not exempt from prosecution and punishment for perjury or contempt committed in testifying.*

**Subd. 5. [LEGAL ACTIONS; INJUNCTIONS; CEASE AND DESIST ORDERS.]** *(a) Whenever it appears to the commissioner that any person has engaged in or is about to engage in any act or practice constituting a violation of this chapter, or any rule or order adopted under this chapter, the commissioner has the powers indicated under paragraphs (b) and (c).*

*(b) The commissioner may bring an action in the name of the state in the district court of the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter, or any rule or order adopted or issued under this chapter, or the commissioner may refer the matter to the attorney general or the county attorney of the appropriate county. Upon a proper showing, a permanent or temporary injunction, restraining order, or other appropriate relief must be granted.*

*(c) The commissioner may issue and serve an order requiring a person to cease and desist from violations of this chapter, or any rule or order adopted or issued under this chapter. The order must give reasonable notice of the rights of the person to request a hearing and must state the reasons for the entry of the order. A hearing must be held not later than seven days after the request for the hearing is received by the commissioner. Within 20 days after receiving the administrative law judge's report, the commissioner shall issue a further order vacating the cease and desist order or making it permanent as the facts require. If no hearing is requested within 30 days of service of the order, the order will become final and will remain in effect until it is modified or vacated by the commissioner. Unless otherwise provided, all hearings must be conducted in accordance with chapter 14. If a person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person is in default, and the proceeding may be determined against that person upon consideration of the cease and desist order, the allegations of which may be considered to be true. The commissioner may adopt rules of procedure concerning all proceedings conducted under this paragraph.*

**Subd. 6. [VIOLATIONS AND PENALTIES.]** *The commissioner may impose a civil penalty not to exceed \$2,000 per violation upon a person who violates this chapter, unless a different penalty is specified under this chapter.*

**Subd. 7. [ACTIONS AGAINST LICENSEES.]** *In addition to any other actions authorized by this section, the commissioner may, by order, deny, suspend, or revoke the authority or license of a person subject to this chapter,*

or censure that person if the commissioner finds that the order is in the public interest or the person has violated this chapter.

*Subd. 8. [POWERS ADDITIONAL.] The powers contained in subdivisions 1 to 8 are in addition to all other powers of the commissioner.*

**Sec. 17. [79.75] [ACCESS TO INSURER.]**

*The commissioner, or the designated person, shall have free access during normal business hours to all books, records, securities, documents, and any or all papers relating to the property, assets, business, and affairs of any company, applicant, association, or person that may be examined pursuant to this chapter for the purpose of ascertaining, appraising, and evaluating the assets, conditions, affairs, operations, ability to fulfill obligations, and compliance with all the provisions of law of the company or person insofar as any of the above pertain to the business of insurance of a person, organization, or corporation transacting, having transacted, or being organized to transact business in this state. Every company or person being examined including officers, directors, and agents, shall provide to the commissioner or the designated person convenient and free access at all reasonable hours at its office to all books, records, securities, documents, and any or all papers relating to the property, assets, business, and affairs of the company or person. The officers, directors, and agents of the company or person shall facilitate the examination and aid in the examination so far as it is in their power to do so.*

**Sec. 18.** Minnesota Statutes 1990, section 176A.03, is amended by adding a subdivision to read:

*Subd. 3. [COVERAGE OUTSIDE STATE.] Policies issued by the fund pursuant to this chapter may also provide workers' compensation coverage required under the laws of states other than Minnesota, including coverages commonly known as "all states coverage." The fund may apply for and obtain any licensure required in any other state in order to issue the coverage.*

**Sec. 19.** Minnesota Statutes 1990, section 221.141, subdivision 1, is amended to read:

**Subdivision 1. [FINANCIAL RESPONSIBILITY OF CERTAIN CARRIERS.]** No motor carrier and no interstate carrier shall operate a vehicle until it has obtained and has in effect the minimum amount of financial responsibility required by this section. Policies of insurance, surety bonds, other types of security, and endorsements must be continuously in effect and must remain in effect until canceled. Before providing transportation, the motor carrier or interstate carrier shall secure and cause to be filed with the commissioner and maintain in full effect, both a certificate of insurance in a form required by the commissioner, evidencing public liability insurance in the amount prescribed, and acceptable evidences of compliance with the workers' compensation insurance coverage requirements of section 176.181, subdivision 2, by providing the name of the insurance company, the policy number, and the dates of coverage, or the permit to self-insure. The insurance must cover injuries and damage to persons or property resulting from the operation or use of motor vehicles, regardless of whether each vehicle is specifically described in the policy. This insurance does not apply to injuries or death to the employees of the motor carrier or to property being transported by the carrier. The commissioner shall require cargo insurance for certificated carriers, except those carrying passengers exclusively. The commissioner may require a permit carrier to file cargo insurance when the

commissioner deems necessary to protect the users of the service.

**Sec. 20. [NOTICE OF INTENT TO CHALLENGE RATE LEVEL CHANGE.]**

*Notwithstanding Minnesota Statutes, section 79.56, subdivision 5, the commissioner shall have an additional 90 days to give notice of intent to hold a hearing pursuant to that section. This section applies only to challenges to an insurer's change in existing rate levels or rating plan filed between the date the 1992 report required under Minnesota Statutes, section 79.60, is approved by the commissioner of commerce and six months thereafter.*

**Sec. 21. [MANDATED REDUCTIONS.]**

*(a) As a result of the workers' compensation law changes in articles 1 to 4 and the resulting savings to the costs of Minnesota's workers' compensation system, an insurer's approved schedule of rates in effect on October 1, 1991, must be reduced by 17 percent and applied by the insurer to all policies issued, renewed, or outstanding on or after that date. An insurer may not adjust its filed rating plan to recoup the 17 percent mandated rate reduction under this section. The reduction must be computed on the basis of a 17 percent premium reduction prorated to the expiration of that policy. An insurer shall provide a written notice by November 1, 1991, to all employers having an outstanding policy with the insurer as of October 1, 1991, that reads as follows: "As a result of the changes in the workers' compensation insurance system enacted by the 1991 legislature, you are entitled to a credit or refund to your current premium in an amount of \$ . . . . . which reflects a 17 percent mandated premium reduction prorated to the expiration of your policy."*

*(b) No rate increases may be filed between April 1, 1991, and January 1, 1992.*

*(c) The commissioner of labor and industry shall survey Minnesota employers to determine if the mandated workers' compensation insurance rate reductions required under this section have been implemented by insurers, both as to amount and in a manner that is uniform and nondiscriminatory between employers having similar risks with respect to a particular occupational classification. The commissioner shall present a report detailing the findings and conclusions to the legislature by March 1, 1992.*

**Sec. 22. [ADJUSTMENT.]**

*Within 60 days of final enactment of this legislation, the board shall determine whether any adjustment in the assigned risk rates in effect as of the date of enactment are required by this section.*

**Sec. 23. [REPEALER.]**

*Minnesota Statutes 1990, sections 79.54; 79.57; and 79.58, subdivision 1, are repealed.*

**Sec. 24. [EFFECTIVE DATE.]**

*This article is effective January 1, 1992; except that section 21, paragraphs (a) and (c), are effective October 1, 1991; and section 21, paragraph (b), is effective the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to workers' compensation; regulating benefits,

providers, dispute resolution, and insurance; appropriating money; imposing penalties; amending Minnesota Statutes 1990, sections 15A.083, subdivision 7; 79.095; 79.251, subdivisions 1, 2, 3, 4, and 5; 79.252, subdivisions 1, 3, and 5; 79.55, subdivision 2; 79.56, by adding a subdivision; 79.58, subdivision 2; 79.61, subdivision 1; 175.007; 176.011, subdivisions 3, 11a, 18, 27, and by adding a subdivision; 176.021, subdivision 3; 176.041, subdivision 1a; 176.061, subdivision 10, and by adding a subdivision; 176.081, subdivisions 1, 2, and 3; 176.101, subdivisions 1, 2, 4, 5, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 3a, 4, 6, 7, 9, and 11; 176.105, subdivisions 1 and 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, 20, and 21; 176.131, subdivision 8, and by adding a subdivision; 176.132, subdivisions 1, 2, and 3; 176.135, subdivisions 1, 1a, 5, 6, and 7; 176.136, subdivisions 1, 2, and by adding subdivisions; 176.179; 176.183, subdivision 1; 176.215, by adding a subdivision; 176.221, subdivision 6a; 176.305, subdivision 1; 176.351, subdivision 2a; 176.421, subdivision 7; 176.442; 176.461; 176.645, subdivisions 1 and 2; 176.66, subdivision 11; 176.82; 176.83, subdivisions 5, 6, and by adding a subdivision; 176A.03, by adding a subdivision; 221.141, subdivision 1; 268.08, subdivision 3; 353.33, subdivision 5; and 480A.06, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1990, sections 79.54; 79.57; 79.58, subdivision 1; 175A.01; 175A.02; 175A.03; 175A.04; 175A.05; 175A.06; 175A.07; 175A.08; 175A.09; 175A.10; 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; 176.106; 176.111, subdivision 8a; 176.135, subdivision 3; and 176.136, subdivision 5."

Mr. Frank questioned whether the amendment was germane.

The President ruled that the amendment was not germane.

### CALL OF THE SENATE

Mr. Gustafson imposed a call of the Senate for the balance of the proceedings on S.F. No. 985. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Gustafson appealed the decision of the President.

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

Mr. Gustafson moved that those not voting be excused from voting.

The question was taken on the adoption of the motion.

The roll was called, and there were yeas 29 and nays 23, as follows:

Those who voted in the affirmative were:

Adkins	Brataas	Halberg	Larson	Pariseau
Beckman	Davis	Johnson, D.E.	McGowan	Renneke
Belanger	Day	Johnston	Mehrkens	Sams
Benson, J.E.	DeCramer	Knaak	Morse	Storm
Berg	Frederickson, D.R.	Laidig	Neuville	Vickerman
Bertram	Gustafson	Langseth	Olson	

Those who voted in the negative were:

Berglin	Frank	Lessard	Mondale	Solon
Chmielewski	Hottinger	Luther	Pappas	Traub
Dahl	Hughes	Merriam	Piper	Waldorf
Finn	Johnson, J.B.	Metzen	Riveness	
Flynn	Kroening	Moe, R.D.	Samuelson	

The motion did not prevail.

The roll was called on the appeal of the decision of the President.

There were yeas 32, and nays 32, as follows.

Those who voted in the affirmative were:

Berglin	Frederickson, D.J.	Lessard	Pappas	Solon
Chmielewski	Hottinger	Luther	Piper	Spear
Cohen	Hughes	Marty	Pogemiller	Traub
Dahl	Johnson, D.J.	Metzen	Price	Waldorf
Finn	Johnson, J.B.	Moe, R.D.	Reichgott	
Flynn	Kelly	Mondale	Riveness	
Frank	Kroening	Novak	Samuelson	

Those who voted in the negative were:

Adkins	Bertram	Halberg	McGowan	Sams
Beckman	Brataas	Johnson, D.E.	Mehrrens	Storm
Belanger	Davis	Johnston	Merriam	Stumpf
Benson, D.D.	Day	Knaak	Neuville	Vickerman
Benson, J.E.	DeCramer	Laidig	Olson	
Berg	Frederickson, D.R.	Langseth	Pariseau	
Bernhagen	Gustafson	Larson	Renneke	

The decision of the President was sustained.

S.F. No. 985 was then progressed.

### SPECIAL ORDER

H.F. No. 2: A bill for an act relating to health care; creating a bureau of health care access; establishing the Minnesotans' health care plan; establishing an office of rural health; requiring rural health initiatives; requiring data and research initiatives; restricting underwriting and premium rating practices; providing a health insurance plan for small employees; requiring initiatives related to health professional education; appropriating money; amending Minnesota Statutes 1990, sections 16A.124, subdivision 4; 43A.17, subdivision 9; 43A.23, by adding a subdivision; 136A.1355, subdivisions 2 and 3; 144.147, subdivisions 1 and 4; 144.581, subdivision 1; 144.698, subdivision 1; 144.8093; 145.61, subdivision 5; 145.64; 176.011, subdivision 9; 256.969, subdivision 6a; 290.01, subdivision 19b; and 447.31, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 16B; 62A; 62J; 144; and 144A; proposing coding for new law as Minnesota Statutes, chapter 62K.

Ms. Berglin moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Pages 1 to 12, delete article 1 and insert:

#### "ARTICLE 1

#### HEALTH DEPARTMENT DUTIES

Section 1. [16B.065] [STATE CONTRACTORS AND VENDORS; HEALTH COVERAGE FOR EMPLOYEES.]

*To participate in a state contract or otherwise provide goods or services*

to a state agency, the contractor, vendor, or service provider must offer health coverage to its employees that meets the terms and conditions for employer eligibility in the Minnesotans' health care plan in article 2, section 4. The contractor, vendor, or service provider may obtain health coverage through the Minnesotans' health care plan or an alternative source.

**Sec. 2. [62A.301] [UNIFORM POLICY FORMS.]**

*The commissioner shall adopt rules prescribing uniform policy forms for all policies of accident and health insurance, health maintenance contracts regulated under chapter 62D, health benefit certificates offered through a fraternal beneficiary association regulated under chapter 64B, and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, in order to give the insurance purchaser a reasonable opportunity to compare the cost of insuring with various insurers. This section does not apply to policies designed primarily to provide coverage payable on a per diem, fixed indemnity, or nonexpense incurred basis, or policies that provide only accident coverage.*

**Sec. 3. [62J.03] [DEFINITIONS.]**

*Subdivision 1. [SCOPE.] For purposes of this chapter, the following terms have the meanings given them.*

*Subd. 2. [GROUPS; DEFINITIONS.] The definitions of small group, medium-sized group, large group, and group sponsor in this section are subject to United States Code, title 26, sections 414(b), 414(c), and 414(m), and federal regulations related to those sections, when a group sponsor or sponsors alter, reform, or redefine a group or groups to avoid or to take advantage of community rating. The commissioners of commerce and health may adopt rules to supplement those federal statutes and regulations to prevent qualification as a large, medium-sized, or small group through the use of separate organizations, multiple organizations, employee leasing, or other arrangements.*

*Subd. 3. [ADULT.] "Adult" means a person 18 years of age or older.*

*Subd. 4. [CHILD.] "Child" means a person under 18 years of age.*

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

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

*Subd. 7. [GROUP SPONSOR.] "Group sponsor" means an employer or other entity described in section 62A.10, subdivision 1, as an eligible purchaser of health coverage.*

*Subd. 8. [HEALTH COVERAGE.] "Health coverage" means a policy or contract providing health and accident benefit under chapter 62A, 62C, 62D, 62E, 62H, or 64B; under section 471.617, subdivision 2; or through the state plan. Health coverage does not include a policy or contract designed primarily to provide coverage on a per diem, fixed annuity, or nonexpense-incurred basis, or that provides only accident coverage.*

*Subd. 9. [HEALTH PLAN COMPANY.] "Health plan company" means any entity governed by chapter 62A, 62C, 62D, 62E, 62H, or 64B, or section 471.617, subdivision 2, that offers, sells, issues, or renews health coverage in this state. Health plan company does not include an entity that sells only policies designed primarily to provide coverage on a per diem, fixed annuity,*

or nonexpense-incurred basis, or policies that provide only accident coverage.

*Subd. 10. [HEALTH PROFESSIONAL.] In benefit set descriptions, references to services performed by "health professionals" include services performed by any qualified health professionals acting within their licensed, certified, or registered scope of practice, including but not limited to: medical doctors, nurse practitioners, physician assistants, certified nurse midwives, chiropractors, podiatrists, physical therapists, occupational therapists, speech therapists, and audiologists.*

*Subd. 11. [INDIVIDUAL.] "Individual" means an individual or family that applies to a health plan company or the state plan for health coverage on an individual or family basis.*

*Subd. 12. [INTERMEDIATE BENEFIT SET.] "Intermediate benefit set" means the health care benefits specified in article 3, sections 2 to 11.*

*Subd. 13. [INTERMEDIATE BENEFIT SET, PART A.] "Intermediate benefit set, part A" means the health care benefits specified in article 3, sections 2 to 7, as limited by section 11.*

*Subd. 14. [INTERMEDIATE BENEFIT SET, PART B.] "Intermediate benefit set, part B" means the health care benefits specified in article 3, sections 8 to 10, as limited by section 11.*

*Subd. 15. [LARGE GROUP.] "Large group" means a group of 100 or more employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.*

*Subd. 16. [MEDIUM-SIZED GROUP.] "Medium-sized group" means a group of not fewer than 30 nor more than 99 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.*

*Subd. 17. [MINIMUM INSURANCE BENEFIT SET.] "Minimum insurance benefit set" means the health care benefits that must be included in health coverage offered, sold, issued, or renewed by health plan companies, as specified in article 3, section 14.*

*Subd. 18. [MINNESOTA RESIDENT.] "Minnesota resident" means a person whose principal place of residence is Minnesota and who (1) is employed in Minnesota; or (2) has resided in Minnesota for at least 90 consecutive days.*

*Subd. 19. [SMALL GROUP.] "Small group" means a group of not fewer than two nor more than 29 employees or members of a group sponsor that applies for or obtains health coverage from a health plan company or the state plan. Owners of sole proprietorships, partnerships, and other unincorporated entities are employees for purposes of this definition. Dependents of employees or members do not count for purposes of this definition.*

*Subd. 20. [STATE PLAN.] "State plan" means the Minnesotans' health care plan administered by the commissioner of health.*

*Subd. 21. [SUPPLEMENTAL BENEFIT SET.] "Supplemental benefit set" means the health care benefits available through the state plan that exceed the intermediate benefit set, as specified in article 3, section 15.*

*Subd. 22. [UNIVERSAL BASIC BENEFIT SET.] "Universal basic benefit set" means the health care benefits specified in article 3, section 12.*

**Sec. 4. [62J.04] [BUREAU OF HEALTH CARE ACCESS.]**

*Subdivision 1. [DUTIES.] The bureau of health care access in the department shall undertake the design and implementation of the Minnesotans' health care plan and perform the duties assigned under this chapter. The bureau of health care access is under the supervision of a deputy commissioner appointed by the commissioner of health. The commissioner may also use any powers granted under other laws to carry out the duties assigned in this chapter.*

*Subd. 2. [CONTRACTS.] When entering into contracts with health plans and health care providers, the department is not subject to the competitive bidding requirements in section 16B.07.*

*Subd. 3. [EMPLOYEES.] The commissioner shall hire employees to carry out the duties of the department specified under this chapter.*

*Subd. 4. [RULES.] The commissioner may adopt permanent and emergency rules as necessary to carry out the duties assigned in this chapter.*

**Sec. 5. [62J.05] [HEALTH CARE PLAN ADMINISTRATION.]**

*Subdivision 1. [GENERAL POWERS AND DUTIES.] The commissioner shall:*

- (1) administer the Minnesotans' health care plan;*
- (2) contract with providers, insurers, and health plans to provide coverage or health care to participants in state health programs administered by the commissioner and specify or negotiate the terms of the contracts;*
- (3) administer the reinsurance pool in article 2, section 9;*
- (4) coordinate the health care programs administered by the commissioner with the medical assistance program administered by the commissioner of human services;*
- (5) have the authority to clarify and refine the terms of the intermediate benefit set, the supplemental benefit set, the minimum insurance benefit set, and the universal basic benefit set, including the authority to waive copayments, or establish a sliding scale copayment schedule that will result in reduced copayments, for enrollees with federal adjusted gross incomes below 185 percent of the federal poverty guideline;*
- (6) coordinate the mental health benefits of the health care programs administered by the commissioner with county-based mental health programs provided under the community social services act, and recommend changes to the state plan and community social services act programs that will improve the state plan's mental health benefits and minimize duplication with county-based programs;*
- (7) provide assistance to the commissioner of human services in order to secure waivers of federal requirements for federally subsidized health care programs as necessary to further the state's health care access goals and improve coordination between governmental health care programs;*

(8) coordinate the health care programs administered by the commissioner with other state and local health care programs in order to make the most effective use of the state's market leverage and expertise in contracting and working with health plans and health care providers, and recommend to the legislature any changes needed to: (i) improve the effectiveness of public health care purchasing; and (ii) streamline and consolidate government health care programs;

(9) with the advice of the health care expenditure advisory committee, establish an overall, statewide limit on total public and private health care spending in Minnesota and limits on annual health care spending increases, require compliance of all participants in the health care system with the spending limits, and make recommendations to the governor and the legislature regarding legislation or other actions that are needed to contain health care spending within the limits established by the commissioner. All participants in the health care system are required to take action necessary to ensure that total health care spending and increases in spending remain within the limits established by the commissioner; and

(10) incorporate practice standards developed by the health care analysis unit under article 4, section 1, into the administration of the Minnesotans' health care plan and specifications for contracts with health plans and providers for coverage and services to enrollees.

Subd. 2. [MONITORING OF EMPLOYERS.] *The commissioner shall conduct surveys and other activities to monitor changes over time, if any, in employers' behavior in providing subsidized health coverage. Detailed surveys of employer behavior must be conducted at least annually. After each survey is completed, the findings and an analysis of the positive or negative impact, if any, on the costs of the Minnesotans' health care plan resulting from changes in employers' behavior, and recommendations regarding actions necessary to address changes, must be reported to the commissioners of finance and revenue and to the chairs of the senate finance and house of representatives appropriations committees and the senate and house of representatives tax committees. If the commissioner anticipates that there will be increased state costs associated with a significant decrease in employer-subsidized health coverage, the commissioner shall submit draft legislation to raise additional revenues through an employer-paid payroll tax to the chairs of the senate finance and house of representatives appropriations committees and the senate and house of representatives tax committees.*

Subd. 3. [CHANGES IN FEDERAL HEALTH CARE PROGRAMS.] *The commissioner, in cooperation with the commissioner of human services, shall identify and pursue changes in federal health care programs that would allow them to be merged or more effectively coordinated with the health care programs administered by the department of commerce. The commissioner of commerce and the commissioner of human services may seek federal waivers, develop partnerships with federal health programs, and seek changes in federal programs.*

Sec. 6. [62J.06] [TECHNOLOGY AND BENEFITS ADVISORY COMMITTEE.]

Subdivision 1. [MEMBERSHIP.] *The commissioner shall convene a technology and benefits advisory committee consisting of 15 members including consumers, health care providers and payors, a representative of the medical technology industry, and experts in medical ethics. Advisory committee*

*members are appointed by the governor. The governor shall ensure that appointments result in a balance of interests on the committee. The commissioner shall make recommendations for appointments. The advisory committee is governed by section 15.059 except that it does not expire.*

*Subd. 2. [DUTIES.] The technology and benefits advisory committee is responsible for periodically reviewing, analyzing, and evaluating health care technology, benefits, and coverage and making recommendations to the commissioner and the legislature. The committee's recommendations must be based on the following principles: (1) universal and equitable access to health care procedures and technologies; (2) maintenance of an appropriate balance between expenditures for primary and preventive care, and expenditures for high-cost cases; (3) promotion of high quality and cost-effective health care; and (4) adherence to budget targets. The committee shall solicit comments and recommendations from interested persons during its deliberations. The committee is responsible for reviewing, analyzing, and making recommendations concerning at least the following:*

- (i) the universal basic benefit set;*
- (ii) the intermediate benefit set;*
- (iii) the supplemental benefit set;*
- (iv) the minimum insurance benefit set;*
- (v) coverage for new procedures and technologies;*
- (vi) state mandated benefits applicable to insurers and other health plan companies;*
- (vii) benefit levels in other state health coverage programs; and*
- (viii) coverage and health care standards for cases subject to the reinsurance pool in article 2, section 9, which would be binding on the reinsurance pool.*

**Sec. 7. [62J.07] [HEALTH CARE EXPENDITURES ADVISORY COMMITTEE.]**

*Subdivision 1. [MEMBERSHIP.] The health care expenditures advisory committee is a permanent committee consisting of 15 members appointed by the governor. Committee members include representatives of health insurers, health maintenance organizations, and other health plan companies; state agencies that administer government health programs; health care providers; labor; business; and consumer groups. The commissioner shall make recommendations to the governor regarding appointments to the committee. The governor shall ensure that appointments result in a balance of interests on the committee. The committee is governed by section 15.059, except that it does not expire.*

*Subd. 2. [DUTIES.] The health care expenditures advisory committee shall make recommendations to the commissioner for an overall statewide limit on total public and private health care spending in Minnesota and limits on annual health care spending increases.*

*Subd. 3. [STAFF AND SUPPLIES.] The commissioner shall provide the advisory committee with staff support and supplies.*

**Sec. 8. [62J.08] [PLANNING AND DEVELOPMENT.]**

*Subdivision 1. [REQUIRED ACTIVITIES.] The commissioner shall*

*begin planning and development for the state plan July 1, 1991. The commissioner shall use an implementation schedule that will lead to enrollment of eligible individuals, families, and employee groups statewide beginning January 1, 1993. Planning and development activities include:*

*(1) development of outreach, enrollment, and eligibility determination procedures;*

*(2) commencement of outreach activities;*

*(3) planning, development, and acquisition of necessary computer systems, including forms, software, and training;*

*(4) development of health plan contractor specifications and issuance of requests for proposals;*

*(5) negotiating and executing health plan contracts;*

*(6) planning, development, and preparation of systems for direct health care delivery management by the state or planning for the use of existing administrative systems in the department of human services, as necessary;*

*(7) preparations, requests for proposals, contract negotiations, and other activities relating to the reinsurance pool; and*

*(8) other appropriate planning and development activities.*

*Subd. 2. [TERMS OF PROGRAM CONSOLIDATION.] In carrying out the merger, transfer, or reconfiguration of existing health care and health coverage programs, as described in this section, the commissioner shall:*

*(1) ensure that health care benefits will not be diminished for enrollees and clients of current programs;*

*(2) assist current program enrollees and clients with the procedures necessary to maintain comparable health care benefits;*

*(3) ensure that financial obligations for public hospitals and other health care providers that serve the enrollees and clients of current programs will not increase as a result of the merger or transfer; and*

*(4) ensure coordination between the state plan, local public health departments, public hospitals, and other health care providers that serve the enrollees and clients of current programs in the areas of outreach, patient education, case management, and related services.*

*Subd. 3. [SHORT-TERM PROGRAM MERGERS.] (a) By July 1, 1993, or six months after the state plan begins statewide enrollment, whichever is later, the commissioner, with assistance from the commissioner of human services, shall take action necessary to merge the children's health plan into the state plan.*

*(b) By July 1, 1994, the commissioner, with assistance from the commissioner of human services, shall take action necessary to merge the general assistance medical care program into the state plan.*

*Subd. 4. [SHORT-TERM PROGRAM TRANSFERS.] By July 1, 1994, or one year after the state plan begins statewide enrollment, whichever is later, the commissioner, with assistance from the commissioner of human services, shall take action necessary to transfer part of the responsibilities and functions of the following programs to the state plan, to the extent that the state plan provides or will provide duplicate services: the services for children with handicaps program, the maternal and child health program,*

and the consolidated chemical dependency treatment fund. For chemical dependency coverage under the state plan, the commissioner shall:

(1) adopt the consolidated chemical dependency treatment fund's process for patient evaluation and referral, to the extent possible within the state plan's managed care arrangements; and

(2) coordinate services with the consolidated chemical dependency treatment fund to ensure nonduplication of services and ease of transfer between the programs.

**Subd. 5. [MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION.]** Effective January 1, 1993, or when the state plan begins statewide enrollment, whichever is later, no additional enrollments are permitted in the Minnesota comprehensive health association; and current enrollees may remain enrolled in the Minnesota comprehensive health association, may enroll in the state plan, or may obtain health care coverage in the private market. By January 1, 1992, the commissioner, with assistance from the commissioner of commerce, shall make recommendations to the legislature on whether this requirement should be changed to allow new enrollees in the Minnesota comprehensive health association after January 1, 1993, or the date of statewide enrollment in the state plan. Enrollees in the state plan may choose the intermediate benefit set or both the intermediate and the supplemental benefit sets. The commissioner, with assistance from the commissioner of commerce, shall determine whether or not to include the Minnesota comprehensive health association in longer-term program transfers as stated in subdivision 7, after evaluating the rate of disenrollment from the Minnesota comprehensive health association. If the commissioner recommends merger, transfer, reconfiguration, or other changes to the Minnesota comprehensive health association, the changes must be made consistent with the requirements in subdivision 2.

**Subd. 6. [MEDICAL ASSISTANCE.]** By July 1, 1995, the commissioner, with assistance from the commissioner of human services, shall take action necessary to merge all or part of the medical assistance program into the state plan, to the extent that a merger is permitted by federal waivers and will improve the cost-effectiveness of public health care purchasing and streamline and consolidate government health care programs.

**Subd. 7. [LONGER-TERM PROGRAM TRANSFERS.]** By July 1, 1995, the commissioner, with assistance from the commissioners of employee relations, corrections, and other affected agencies, shall take action necessary to transfer part of the responsibilities and functions of the following programs to the state plan: state and local government employee health benefits programs, corrections system health programs, the health care component of the Minnesota crime victims reparations board program, and other health care and health coverage programs sponsored by state or local government. The transfers must be limited to responsibilities and functions that the state plan provides or will provide, and to transfers that will improve the cost-effectiveness of public health care purchasing and streamline and consolidate government health care programs. The transfers must not limit the scope of collective bargaining concerning health benefits, or require community rating of employee health benefits.

**Subd. 8. [LONGER-TERM PROGRAM RECONFIGURATION.]** By July 1, 1995, the commissioner of health, with assistance from the commissioners of labor and industry, commerce, and other affected agencies, shall take action necessary to reconfigure the following programs: the health care

*component of workers' compensation coverage, and the health care component of motor vehicle and motorcycle coverage. The program reconfigurations must be carried out in a way that significantly improves the cost-effectiveness of public and private health care purchasing and streamlines and consolidates public and private health care programs.*

*Subd. 9. [LEGISLATION.] The commissioner shall submit proposed legislation to the legislature by January 1, 1994, concerning the transfer of responsibilities and functions of state employee health benefits programs. In preparing this legislation the commissioner shall consult with, and obtain the agreement of, the commissioner of employee relations and the joint labor-management committee on health plans. If the commissioner determines that additional legislation is necessary to fully implement the Minnesotans' health care plan and other activities and requirements established in this chapter, the commissioner shall submit proposed legislation to the legislature by the dates indicated. The proposed legislation must include, but is not limited to, technical changes necessary to:*

*(1) merge into the state plan the children's health plan, to be submitted by January 1, 1992, and the general assistance medical care program, to be submitted by January 1, 1993;*

*(2) transfer to the state plan part of the responsibilities and functions of the services for children with handicaps program, the maternal and child health program, and the consolidated chemical dependency treatment fund, to be submitted by January 1, 1993;*

*(3) enforce the spending limits established under section 5, subdivision 1, clause (9), to be submitted by January 1, 1992;*

*(4) transfer to the department part of the responsibilities and functions of local government employee health benefits programs, corrections system health programs, the health care component of the Minnesota crime victims reparations board program, and other health care and health coverage programs sponsored by state and local government, to be submitted by January 1, 1994;*

*(5) reconfigure the health care components of the workers' compensation coverage and motor vehicle coverage, as described in subdivision 8, to be submitted by January 1, 1994; and*

*(6) transfer to the department all or part of the responsibilities and functions of the medical assistance program, and to support the state's efforts to secure waivers of federal requirements for federally subsidized health care programs, to be submitted by January 1, 1994.*

*Subd. 10. [ASSISTANCE FROM OTHER AGENCIES.] At the request of the commissioner of health, the commissioners of commerce, state planning, human services, employee relations, labor and industry, corrections, finance, and other affected agencies shall provide assistance in planning, development, and implementation.*

#### **Sec. 9. [STUDIES AND REPORTS.]**

*Subdivision 1. [HEALTH CARE DELIVERY SYSTEM REFORM.] The health care expenditures advisory committee shall study and make recommendations regarding further reforms to the health care delivery system in Minnesota. The advisory committee shall solicit the comments, advice, and participation from communities with an interest in accessible, affordable health care. The commissioner shall submit a report on the recommendations*

*of the advisory committee to the legislature by January 1, 1993.*

**Subd. 2. [HEALTH PLAN REGULATION.]** *The commissioner of health and the commissioner of commerce shall develop a plan for the functional division of regulatory authority over health plans. This plan must be presented to the legislature by January 1, 1992. The plan must allow each commissioner to exercise independent authority to the greatest extent possible and must minimize jurisdictional overlaps. The plan must provide the commissioner of commerce with primary authority for regulating the financial integrity and corporate structure of health plans and must provide the commissioner of health with primary authority for regulating health care delivery and health care quality.*

**Subd. 3. [STANDARD CLAIM FORMS AND UTILIZATION REVIEW PROCEDURES.]** *The commissioner shall recommend to the legislature a standard claim form for ambulatory care by January 1, 1993, and standards for certain types of utilization review procedures by January 1, 1994. These recommendations must not have the effect of limiting innovation and improvement in health care delivery management, or compromising the purposes for which information is collected.*

**Sec. 10. [REPEALER.]**

*Minnesota Statutes, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55, relating to the catastrophic health expense protection program, are repealed.*

**Sec. 11. [EFFECTIVE DATE.]**

*Section 1 is effective July 1, 1996, and applies to contracts entered into or renewed, or goods or services provided, after that date. Sections 4 and 7 are effective July 1, 1991. Section 6 is effective January 1, 1992. Section 8 is repealed effective July 1, 1995. Section 9 is repealed effective January 1, 1994.*

## ARTICLE 2

### MINNESOTANS' HEALTH CARE PLAN

**Section 1. [62J.09] [CREATION.]**

*The Minnesotans' health care plan is created to provide health coverage to individuals, families, and employers who do not have access to other affordable health coverage.*

**Sec. 2. [62J.10] [ELIGIBILITY OF INDIVIDUALS AND FAMILIES.]**

*To be eligible to obtain coverage through the state plan, individuals and families must be Minnesota residents and have no other health coverage or must have coverage that primarily supplements, rather than duplicates, the intermediate benefit set. A Minnesota resident individual or family may switch from private health coverage to the state plan provided the transfer does not result in simultaneous coverage under both the state plan and another health care plan. The individual or family must contribute to the cost of health coverage as provided in section 3.*

**Sec. 3. [62J.11] [INDIVIDUAL AND FAMILY PREMIUMS.]**

**Subdivision 1. [SLIDING SCALE AND ENROLLEE PREMIUMS.]** *Each individual and family enrolled in the state plan shall pay a premium set in relation to income and family size. The commissioner shall establish a sliding scale to determine the amount of the premium each individual or family*

*must pay to obtain health coverage through the state plan. The sliding scale must use the federal poverty guidelines as the primary unit of measurement, and must be based on an individual's or family's income, as defined in section 290A.03, subdivision 3, clauses (1) and (2). The commissioner shall determine income on the basis of a period of time, such as the prior four months, which takes into account an applicant's current financial status. The sliding scale must be designed so that individuals and families with incomes less than 25 percent of the federal poverty level pay 0.75 percent of their income, and those with incomes between 250 percent and 275 percent of the federal poverty level pay 4.5 percent of their income. Individuals and families with incomes over 275 percent of the federal poverty guideline or \$40,000, whichever is less, are not eligible for a subsidized premium and must pay 100 percent of the cost of coverage through the state plan. In addition to payments under the sliding scale, enrollees may be required to make greater payments depending on the health plan chosen. The commissioner shall pass on differences in premiums between health plans to enrollees, except that the commissioner may limit differences in charges to enrollees if necessary to prevent enrollment that exceeds the capacity of certain plans.*

**Subd. 2. [ADJUSTMENTS TO THE INCOME LIMIT AND SLIDING SCALE.]** *The commissioner shall adjust the sliding scale and the maximum income limit for subsidized coverage to reflect changes in prevailing income levels, health coverage costs, and benefit levels.*

**Subd. 3. [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.]** *To be eligible for subsidized coverage, an individual or family must not have access to subsidized health coverage through an employer, unless the amount of employer subsidy toward the cost of coverage is less than an amount determined by the commissioner. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this section.*

**Subd. 4. [NO SUBSIDY AVAILABLE FOR MEDICARE SUPPLEMENT COVERAGE.]** *An individual eligible for Medicare benefits must pay 100 percent of the cost of obtaining Medicare supplement coverage through the state plan, regardless of income.*

**Subd. 5. [STATE FUNDS MAY NOT BE USED FOR ABORTION.]** *State funds must not be used to pay for an abortion, except as allowed under section 256B.0625, subdivision 16.*

**Subd. 6. [COVERAGE MUST NOT DISPLACE FEDERALLY SUBSIDIZED HEALTH COVERAGE.]** *Subsidized state plan coverage must not displace subsidized health coverage through a federally supported health program. The commissioner shall establish procedures and requirements to allow coordinated, limited, or supplemental participation in the Minnesotans' health care plan, including limited subsidies, of participants in federally supported health programs to the extent necessary to provide coverage comparable to coverage provided to other state plan enrollees without displacing federal benefits.*

**Subd. 7. [MUST BE A PERMANENT MINNESOTA RESIDENT.]** *To be eligible for a subsidy, individuals and families must be permanent residents of Minnesota. A permanent Minnesota resident is a Minnesota resident who considers Minnesota to be the person's principal place of residence and*

*intends to remain in the state permanently or for a long period of time and not as a temporary or short-term resident. An individual or family that moved to Minnesota primarily to obtain medical treatment or health coverage for a preexisting condition is not a permanent resident and is not entitled to subsidized coverage through the state plan.*

*Subd. 8. [PERIOD UNINSURED.] To be eligible for a subsidy, individuals must have had no health coverage for at least four months prior to application. The commissioner may change this eligibility criterion for subsidized coverage without complying with rulemaking requirements in order to remain within the limits of available appropriations.*

*Subd. 9. [SUBSIDIZED COVERAGE.] The intermediate benefit set, part A, shall be provided on a subsidized basis through the state plan to qualified individuals and families. The provision of, and terms of eligibility for, subsidized health coverage are subject to the limits of available appropriations.*

*Subd. 10. [ASSET LIMITATIONS AND TRANSFER PROHIBITIONS.] The commissioner shall adopt by rule asset limitations and transfer prohibitions to be applied in determining an individual's or family's eligibility for a subsidy.*

#### **Sec. 4. [62J.12] [ELIGIBILITY OF EMPLOYERS.]**

*Subdivision 1. [GROUP COVERAGE.] An employer is eligible to enroll its employees in the state plan as a group in order to offer its employees health coverage under the Minnesotans' health care plan. To be eligible to participate, an employer must pay Minnesota unemployment insurance premiums and have two or more covered employees, including the owner, or, if a sole proprietor, have at least one employee covered by unemployment insurance and include himself or herself in the group for purposes of health coverage. A self-employed person with no employees may not participate as an employer but may participate as an individual or family. The employer must collect employees' share of premiums and remit them to the commissioner along with the employer's contribution. Sliding scale premium subsidies as described in section 3 do not apply to group coverage. The commissioner shall establish conditions for enrollment of employer groups. Conditions may include, but are not limited to, minimum employer contributions toward coverage for employees and their families, minimum standards for employee eligibility, and eligibility waiting periods for new employees. The commissioner may establish special conditions and procedures for employers who are health care providers participating in state health care programs after considering the impact of article 1, section 1, and of different levels of employer contributions toward employee health coverage, on state health care program reimbursement rates and obligations. The commissioner shall make use of administrative systems for group coverage for employers that will identify and enroll enrollees in a manner comparable to individual, nongroup enrollment in order to enhance the portability of coverage to an individual policy or to another employer covered through the state plan, and to minimize administrative costs associated with frequent reissuing of policies.*

*Subd. 2. [COVERAGE OF PART-TIME AND SEASONAL EMPLOYEES.] The commissioner shall establish conditions, procedures, and a special accounting mechanism to allow employers to defray the cost of coverage for part-time and seasonal employees through the state plan without including these employees in the employer's health benefits program. This is the only circumstance under which an employer subsidy toward the cost of*

*employee health coverage and a state subsidy for health coverage through the state plan may be combined. Employers that have terminated health benefits for part-time or seasonal employees within the three years before application are not eligible to participate in the part-time or seasonal employee enrollment system. Part-time or seasonal employees on whose behalf employer contributions have been submitted must obtain coverage through the state plan as individuals or families rather than as an employee group. The employer contributions must be used to reduce the premium that the employee would otherwise have owed, and will be in addition to any individual premium subsidy to which the employee would otherwise be entitled. The commissioner shall establish definitions and standards for part-time and seasonal employees as necessary to implement this subdivision.*

**Sec. 5. [62J.13] [PROVISION OF HEALTH CARE SERVICES; MANAGED CARE.]**

*In areas of the state where managed care health plans operate, the commissioner must deliver health care through contracts with managed care health plans. The commissioner may solicit bids and contract separately for dental care services, which may be provided by the same health plan that provides other services. Health plans may bid and contract to provide only dental care services or to provide only non-dental services. In order to qualify for participation in the state plan, a managed care health plan must meet the specifications in this section.*

*(a) The health plan must demonstrate to the satisfaction of the commissioner that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees.*

*(b) The health plan must have sufficient provider network capacity to adequately serve enrollees and prospective enrollees.*

*(c) The health plan must have established procedures adequate to manage the delivery of health care. The procedures must incorporate clear standards of practice or protocols where they exist. The procedures must also require enrollees to register with a specific primary care clinic which will coordinate referrals, hospitalizations, and other health care delivery. A plan that has not established these procedures may participate in the program if the plan demonstrates to the satisfaction of the commissioner that an alternative, comparably effective system of case management has been established. A managed care health plan that has not established procedures satisfactory to the commissioner may participate in the program if the plan agrees to implement satisfactory procedures within three years from the date it is accepted for participation by the commissioner.*

*(d) The health plan must demonstrate a long-term commitment to improving the quality and efficiency of health care.*

*(e) The health plan must have established programs to educate enrollees about appropriate use of the health care system. The programs may include self-care education, telephone nurse access, encouragement of healthy lifestyles, and encouragement of conformance to prescribed courses of treatment.*

*(f) Health plans must notify enrollees by mail when coverage limits under the intermediate benefit set have been reached and explain that payment for future services in excess of the coverage limits are the responsibility of the patient.*

*(g) The health plan must include appropriate use of nonphysician providers within its overall framework of managed care. Nothing in this section is intended to limit access to chiropractic care under article 3, section 3, subdivision 2, subject to reasonable managed care protocols and criteria for determining appropriate use of chiropractic care.*

**Sec. 6. [62J.14] [AREAS WITHOUT SATISFACTORY MANAGED CARE HEALTH PLANS.]**

*In areas of the state where the commissioner determines satisfactory managed care health plans are not available, the commissioner shall make health care available using one or more of the options specified in this section.*

*(a) The commissioner may recruit or encourage managed care health plans to serve the area.*

*(b) The commissioner may establish managed care health plans through direct contracts with existing clinics or other health care providers in the area consistent with the specifications and objectives of the state plan.*

*(c) The commissioner may pay providers on a fee-for-service basis, using the department of human services claims processing system, health care utilization review system, and other managed care procedures. When developing the payment system, the commissioner shall investigate the proposed Medicare resource-based relative value scale as the basis for a new fee schedule and the possibility of collective bargaining with health care providers. Participating providers must be required to operate under the department's managed care standards and procedures. Payment will be based on a fee schedule to be established by the commissioner with payments established at a level to ensure that program costs in the area are lower than under a managed care system. Providers must be required to accept program enrollees as a condition of serving patients covered by any health coverage program financed by state or local government, including public employee health benefit programs. Providers must be prohibited from billing enrollees for any portion of health care charges not reimbursed by the commissioner, except to collect copayments and deductibles or to charge for services that exceed coverage limits, to the extent these are specified in the state plan.*

*(d) The commissioner may establish health care clinics to provide services using managed care procedures.*

**Sec. 7. [62J.15] [ENCOURAGEMENT OF PARTICIPATION OF PROVIDERS SERVING LOW-INCOME PERSONS.]**

*The commissioner shall encourage expansion or development of health plans that include providers currently serving low-income, uninsured state residents, including nonprofit community clinics, public health departments, and public hospitals. The commissioner's managed care specifications must apply to these providers when serving program enrollees.*

**Sec. 8. [62J.16] [HEALTH PLAN COMPENSATION; RESERVE FUND; PREMIUM DETERMINATION.]**

*Subdivision 1. [HEALTH PLAN COMPENSATION.] The commissioner shall establish health plan payment arrangements in order to create financial incentives to improve the effectiveness and efficiency of health care delivery. Health plan companies under contract with the state plan may not vary the benefits included in the intermediate benefit set in order to reduce the cost*

of premiums. Participating health plan companies must assume responsibility for health care delivery and must assume financial risk, subject to the limits established through the reinsurance pool. To prevent uncertainty regarding the mix and cost of enrollees from resulting in higher charges in the state plan during the plan's first three years of operation, the commissioner may share risk above or below the health plan company's expected costs for state plan enrollees, to the extent that such risk sharing would reduce charges in the state plan. The commissioner is responsible for collecting premium payments from individuals, families, and employers, and health plan reimbursement may not be linked to collection of premium payments.

Subd. 2. [RESERVE FUND.] *The commissioner shall establish a reserve fund to ensure that state funding will be available to fully satisfy the state's payment and risk-sharing obligations in the event the costs of coverage through the state plan are higher than expected. The reserve fund shall be established as an account within the general fund, and shall not exceed 8.33 percent of estimated total premiums for state plan coverage in the current fiscal year. The reserve fund shall include funds appropriated for this purpose, and any excess of state plan revenues more than expenses. The reserve fund shall remain available from year to year and does not cancel, except for funds in excess of the designated limit at the end of each fiscal year.*

Subd. 3. [PREMIUM DETERMINATION.] *The commissioner shall establish the premium rates charged in the state plan. In establishing premium rates the commissioner shall take into account differences in administrative costs for different classes of enrollment, and the need to maintain rates in the state plan that are competitive with the private market. The premium rates shall include: (1) an amount for health care delivery and health plan administration determined for each health plan company through bids or negotiations; (2) an amount for state plan administrative services provided by the department or other state agencies, not to exceed five percent of total premium; and (3) any additional amount determined to be necessary by the commissioner to ensure that funds will be available to fully satisfy the state's payment and risk-sharing obligations.*

#### Sec. 9. [62J.17] [OUTREACH ACTIVITIES.]

Subdivision 1. [OUTREACH TO INDIVIDUALS.] *The commissioner shall establish outreach activities to inform state residents about public and private sources of health coverage and to assist them in obtaining coverage. Outreach activities must include the following:*

*(1) health coverage information and counseling services provided throughout the state and through a toll-free telephone number; and*

*(2) ongoing publicity and advertising activities.*

Subd. 2. [OUTREACH TO EMPLOYERS.] *The commissioner shall establish outreach activities to inform employers about the Minnesotans' health care plan and other sources of health care coverage and to assist them to obtain or expand coverage for their employees. Outreach activities must be directed at the types of employers determined by the commissioner to be most interested in joining the state plan.*

#### Sec. 10. [62J.18] [ENROLLMENT EDUCATION AND ASSISTANCE.]

*The commissioner shall provide enrollment education and assistance to*

*state residents. The assistance may include written materials, workshops, and individual assistance. Educational programs and assistance must be designed to serve persons who are not proficient in English or who have special communication needs. The program must provide information on the following topics in addition to information provided at the discretion of the commissioner:*

- (1) basic and supplemental coverage offered by the state plan;*
- (2) features of specific health plans offered by the state plan, including information on obtaining health care within health plans and descriptions of provider networks;*
- (3) differences between individual and group coverage;*
- (4) premiums associated with each plan and premium payment procedures and obligations; and*
- (5) actions enrollees must take if eligibility status changes.*

Sec. 11. [62J.19] [APPLICATION FORMS AND PROCEDURES.]

*Subdivision 1. [PROCEDURES.] The commissioner shall accept application forms submitted by mail or in person. Applicants must include payment equal to one month of premium costs with the completed application. Applicants who are employed full-time by an employer who participates in the state plan must apply through the employer. Part-time and seasonal employees of an employer who participates in the state plan may participate on an individual basis as provided in section 4, subdivision 2.*

*Subd. 2. [FORMS.] Application must be made on forms supplied by the commissioner. The commissioner shall design the form in order to collect the minimum amount of information necessary to administer the program. A more detailed form may be designed for use by applicants potentially eligible for federally subsidized health care programs and other state programs.*

*Subd. 3. [AVAILABILITY OF FORMS.] The commissioner shall make application forms available throughout Minnesota at state government offices; at hospitals, clinics, and other health care provider offices, especially where large numbers of low-income persons are served; with individual income tax forms; with applications for a driver's license, state identification card, or motor vehicle registration; with school and college registration materials; at food shelves; at the offices of insurers, health maintenance organizations, and other health plan companies; at school district offices; at public and private elementary schools; at community health offices; and at women, infants, and children (WIC) program sites.*

Sec. 12. [62J.20] [ELIGIBILITY DETERMINATION.]

*Subdivision 1. [ELIGIBILITY VERIFICATION.] The emphasis of eligibility verification procedures must be on achieving enrollment and coverage as soon after application as possible. To this end, confirmation of income and other information provided by the applicant shall be on a random check or special case basis, and shall occur primarily through use of personal data that the state gathers, such as income tax and property tax records, for other purposes. The commissioner may use individuals' social security numbers as identifiers for purposes of administering the plan.*

*Subd. 2. [APPLICANT INFORMATION.] Applicants shall submit evidence of family income, earned and unearned, for use in determining the*

*amount of the premium and eligibility for a subsidy. Enrollees shall report changes in eligibility status as they occur.*

*Subd. 3. [FRAUD.] If subsequent to enrollment an enrollee in the state plan is found to have provided fraudulent information, the commissioner may disenroll the enrollee if the enrollee has sufficient, alternate coverage, but must maintain enrollment for those without alternate coverage. In all cases, the commissioner may recover premiums not paid due to fraud.*

*Subd. 4. [REVERIFICATION.] Eligibility for the state plan must be redetermined annually. The commissioner must use mail and other, simple means of obtaining information from enrollees, then engage in random checkups of the accuracy of information provided.*

**Sec. 13. [62J.21] [ENROLLMENT.]**

*Subdivision 1. [COVERAGE EFFECTIVE DATE.] Coverage becomes effective on the next first or 15th of a month, whichever comes first, after the commissioner transfers enrollment information to the health plan selected by the applicant. The transfer to the health plan must occur no later than two weeks after the commissioner receives a completed application and payment of one month of premium costs.*

*Subd. 2. [ENROLLMENT CONFIRMATION.] No more than two weeks shall elapse between the time the commissioner receives a completed application and the applicant is notified of acceptance, rejection, or unusual delay and the reasons why. Refusal to provide a health history will not disqualify an applicant from the state plan. The commissioner shall operate a toll-free telephone service to confirm individual enrollment in the state plan. The service must be available to assist enrollees, health plans, and providers.*

**Sec. 14. [62J.22] [OPEN ENROLLMENT.]**

*The commissioner shall establish an annual open enrollment period during which enrollees must be allowed to transfer between health plans. Enrollees may not transfer between plans during other periods unless their place of residence changes and their current plan does not provide coverage in the new location.*

**Sec. 15. [62J.23] [PREMIUM PAYMENTS; APPLICATION.]**

*The premium payment procedures established in sections 16 and 17 apply to coverage purchased through the Minnesotans' health care plan by an individual or an employer. State plan coverage shall be canceled for failure to pay premiums.*

**Sec. 16. [62J.24] [PAYMENTS FROM INDIVIDUALS.]**

*Subdivision 1. [AUTOMATIC PAYMENTS.] The commissioner shall establish an automatic premium payment system and shall require enrollees not receiving group coverage through an employer to make payments through the automatic system whenever practical. The system may include automatic payment through:*

- (1) automatic bank account debiting;*
- (2) automatic income withholding for employees, modeled after the system used for child support enforcement;*
- (3) automatic collections through the state income tax system, including*

*automatic deductions for employees and estimated payments for self-employed enrollees;*

- (4) automatic deductions from unemployment compensation benefits; or*
- (5) other methods developed by the commissioner.*

*Subd. 2. [MANUAL PAYMENTS.] The commissioner may allow manual payments directly from enrollees to the commissioner for enrollees:*

- (1) making their initial premium payment with their application form;*
- (2) expected to remain on the program for a short period of time; or*
- (3) for whom automatic payments are impractical.*

*Subd. 3. [PAYMENT PERIODS.] Premiums shall be paid on a monthly basis. The commissioner shall encourage enrollees to make premium payments covering longer periods of time whenever practical.*

**Sec. 17. [62J.25] [EMPLOYER ENROLLMENT.]**

*Subdivision 1. [ENROLLMENT OF EMPLOYEES.] Employers seeking to participate in the state plan must apply to the commissioner to enroll their employees. A person enrolled under this method ceases to be covered as a member of the employer's group when employment with the employer is discontinued. The commissioner shall establish procedures to convert enrollees from group coverage to individual coverage when they cease employment with an employer who participates in the program unless the enrollee can provide evidence of coverage through a new employer or through some other plan.*

*Subd. 2. [COLLECTION OF PREMIUMS.] The commissioner shall require employers participating in the state plan to collect the employees' share of premiums and pay the employees' share and the employers' share directly to the commissioner.*

*Subd. 3. [TECHNICAL ASSISTANCE TO EMPLOYERS.] The commissioner must provide technical assistance to employers participating in the state plan. Technical assistance must be targeted to employers who do not currently offer employee health benefits or for whom technical assistance services are not readily available. The assistance must be provided at cost and may include assistance on the following:*

- (1) designing and establishing a health benefit program;*
- (2) administering state and federal continuation coverage requirements; and*
- (3) establishing tax-sheltered premium accounts for employees.*

**ARTICLE 3**

**COVERED SERVICES**

**THE INTERMEDIATE BENEFIT SET**

**Section 1. [62J.29] [AUTHORITY TO OFFER COVERAGE.]**

*Health plan companies participating in the state plan are authorized to offer, sell, issue, and renew the intermediate benefit set, parts A and B, and the supplemental benefit set subject to the terms established by the commissioner, notwithstanding any contrary provisions of chapter 62A, 62C, 62D, 62E, 62J, or other laws governing health coverage.*

**Sec. 2. [62J.30] [PART A COVERED SERVICES: PREVENTIVE CARE.]**

*(a) The intermediate benefit set covers expenses for the following preventive care services for all intermediate benefit set enrollees:*

*(1) prenatal and postnatal care;*

*(2) well baby exams for children under one year of age;*

*(3) immunizations; and*

*(4) selected tests, screenings, and examinations that are demonstrated to be cost-effective components of a preventive care program, including but not limited to: Pap tests for women age 18 and older at intervals recommended by the American Cancer Society; and mammograms for women age 50 and older at intervals recommended by the American Cancer Society.*

*(b) The intermediate benefit set covers the following services for children, if the services are provided as part of an early and periodic screening, diagnosis, and treatment (EPSDT) regimen:*

*(1) routine physical exams and well child exams, including the cost of laboratory and X-ray services associated with the exam;*

*(2) eye exams conducted by a licensed ophthalmologist or optometrist;*

*(3) hearing exams; and*

*(4) speech exams.*

**Sec. 3. [62J.31] [PART A COVERED SERVICES: PRIMARY MEDICAL CARE; CHIROPRACTIC AND PODIATRIC CARE; PRESCRIPTION DRUGS; INJECTIONS; SUPPLIES.]**

*Subdivision 1. [PRIMARY MEDICAL CARE.] The intermediate benefit set covers a total of up to eight visits per year provided by primary care physicians, nurse practitioners, and physician assistants. "Visits" include office visits, home visits, and visits in a custodial facility. For the purpose of this benefit, "primary care physicians" include only general and family practitioners, internists, pediatricians, obstetricians, and gynecologists, when serving in a primary care, rather than a consultative, capacity. Additional visits are covered when they are an alternative to inpatient care. The limit on visits does not apply to children.*

*Subd. 2. [CHIROPRACTIC AND PODIATRIC CARE.] The intermediate benefit set covers care provided by doctors of chiropractic and podiatry. The total number of visits provided by doctors of chiropractic, podiatry, and health professionals is subject to the visit limits in section 4, subdivision 1.*

*Subd. 3. [PRESCRIPTION DRUGS.] The intermediate benefit set covers outpatient prescription drugs ordered by an authorized prescriber, including the dispensing fee, from a formulary specified by the commissioner. Adult prescriptions are subject to a \$5 copayment. The commissioner shall establish a broader formulary for children. There is no copayment for prescriptions for children.*

*Subd. 4. [THERAPEUTIC INJECTIONS.] The intermediate benefit set covers therapeutic injections administered by a qualified health professional from a formulary specified by the commissioner. Therapeutic injections administered to adults are subject to a \$5 copayment. The commissioner*

*shall establish a broader formulary for children. There is no copayment for therapeutic injections administered to children.*

**Subd. 5. [MEDICAL EQUIPMENT AND SUPPLIES FOR CHILDREN.]** *The intermediate benefit set covers the following medical equipment and supplies for children:*

*(1) appliances and equipment, including but not limited to orthotics, canes, crutches, glucosan, glucometers, intermittent positive pressure machines, rib belts for the treatment of an accident or illness, walkers, and wheelchairs;*

*(2) prosthetics and artificial parts that replace missing body parts or improve body function;*

*(3) one pair of eyeglasses every two years, unless more often if recommended by a qualified health professional. Contact lenses are not covered; and*

*(4) hearing aids.*

**Sec. 4. [62J.32] [PART A COVERED SERVICES: ADDITIONAL OUTPATIENT SERVICES.]**

**Subdivision 1. [OUTPATIENT SPECIALIST AND THERAPY SERVICES.]** *The intermediate benefit set covers a total of up to eight visits and consultations per year, excluding visits as defined in section 3, subdivision 1, provided by qualified health professionals, including but not limited to: medical doctors, nurse practitioners, physician assistants, certified nurse midwives, chiropractors, podiatrists, physical therapists, occupational therapists, speech therapists, and audiologists. Additional visits are covered when they are an alternative to inpatient care. The limit on visits and consultations does not apply to children.*

**Subd. 2. [OUTPATIENT SURGICAL SERVICES.]** *The intermediate benefit set covers health professional and institutional outpatient surgical services, including surgery performed in a hospital outpatient department, physician's office, or freestanding surgical facility. This benefit includes services by an anesthesiologist or anesthesiologist for outpatient surgeries.*

**Subd. 3. [RADIOLOGY AND PATHOLOGY SERVICES.]** *The intermediate benefit set covers radiology and pathology services performed by a hospital outpatient department or a freestanding surgical facility. This benefit also provides for professional services provided by a qualified health professional when X-rays and laboratory procedures are performed in a physician's office, hospital outpatient department, or freestanding surgical facility.*

**Subd. 4. [CARDIOVASCULAR TESTS AND PROCEDURES.]** *The intermediate benefit set covers therapeutic services, cardiography, cardiac catheterization, and other cardiovascular services performed or ordered by a qualified health professional.*

**Subd. 5. [ALLERGY TESTING AND IMMUNOTHERAPY FOR CHILDREN.]** *The intermediate benefit set covers professional services and materials associated with allergy testing and immunotherapy provided to children, when administered by a qualified health professional.*

**Subd. 6. [DIALYSIS PROCEDURES.]** *The intermediate benefit set covers services by a qualified health professional for dialysis treatment, including hemodialysis, peritoneal dialysis, and miscellaneous dialysis procedures.*

*Subd. 7. [MISCELLANEOUS TESTS AND PROCEDURES.] The intermediate benefit set covers the following additional professional services: biofeedback services, gastroenterology services, otorhinolaryngology services, vestibular functions tests, noninvasive peripheral vascular diagnostic studies, pulmonary services, neurology services, chemotherapy services, and dermatology services.*

**Sec. 5. [62J.33] [PART A COVERED SERVICES: MENTAL HEALTH AND ALCOHOL OR DRUG DEPENDENCY CARE; OUTPATIENT.]**

*Subdivision 1. [OUTPATIENT MENTAL HEALTH.] The intermediate benefit set covers up to ten hours per year of outpatient mental health therapy by a qualified professional. Two hours of group therapy count as one hour of individual therapy. Additional hours are covered when they are an alternative to inpatient care.*

*Subd. 2. [OUTPATIENT ALCOHOL AND DRUG DEPENDENCY TREATMENT.] The intermediate benefit set covers up to ten hours per year of outpatient treatment of alcohol or drug dependency by a qualified health professional or outpatient treatment program. Two hours of group treatment count as one hour of individual treatment.*

**Sec. 6. [62J.34] [COVERED SERVICES: MATERNITY.]**

*Subdivision 1. [INPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers 80 percent of the cost of maternity inpatient care, consisting of room, board, and ancillary services. After a patient's total copayment for covered hospital services for inpatient maternity care reaches \$500 per pregnancy, the intermediate benefit set covers 100 percent of additional services. This copayment is separate from the copayment for nonmaternity inpatient care. This benefit covers vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary services. This subdivision includes only hospital inpatient services. This subdivision does not cover neonatal care or services associated with premature birth.*

*Subd. 2. [OUTPATIENT MATERNITY; HOSPITAL SERVICES.] The intermediate benefit set covers outpatient treatment of miscarriages, testing procedures such as amniocentesis and ultrasound, and other medically necessary procedures. This subdivision covers only use of hospital facilities and services by hospital employees.*

*Subd. 3. [HEALTH PROFESSIONALS; OBSTETRICAL CARE.] The intermediate benefit set covers health professional services for vaginal and caesarean deliveries, complications of pregnancy, miscarriages, and other medically necessary procedures. This benefit includes delivery care, surgical care, and anesthesia. This benefit does not include standard prenatal and postnatal visits, which the intermediate benefit set covers as preventive care in section 2.*

**Sec. 7. [62J.35] [PART A COVERED SERVICES: CHILDREN'S DENTAL CARE.]**

*This benefit provides for preventive and nonpreventive services for children.*

*(a) The intermediate benefit set covers preventive services which include oral examinations, X-rays, fluoride applications, teeth cleaning, and other laboratory and diagnostic tests.*

(b) *The intermediate benefit set covers 80 percent of the cost of basic nonpreventive services which include emergency treatment, space maintainers, simple extractions, surgical extractions, oral surgery, anesthesia services, restorations, periodontics, and endodontics.*

(c) *The intermediate benefit set covers 50 percent of the cost of major nonpreventive services which include inlays and crowns, dentures and other removable prosthetics, bridges and other fixed prosthetics, denture and bridge repair, and other prosthetics.*

**Sec. 8. [62J.36] [PART B COVERED SERVICES: MENTAL HEALTH AND ALCOHOL OR DRUG DEPENDENCY CARE; INPATIENT.]**

*Subdivision 1. [INPATIENT HOSPITAL SERVICES.] The intermediate benefit set covers 80 percent of the cost of inpatient hospitalization for treatment of mental disorders and alcohol and drug dependency. After a family's total copayment for all covered inpatient benefits, including mental health and drug dependency and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.*

*Subd. 2. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.] The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided for treatment of mental disorders and alcohol and drug dependency on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of a qualified health professional. Consultations by nonphysicians are covered if provided by appropriate health professionals.*

**Sec. 9. [62J.37] [PART B COVERED SERVICES: EMERGENCY CARE.]**

*Subdivision 1. [HOSPITAL EMERGENCY ROOM.] After a \$50 copayment paid by the insured, the intermediate benefit set covers hospital services for outpatient emergency medical care performed on an emergency basis in the emergency area of a hospital outpatient department or urgent care center. The \$50 copayment is waived if the person is admitted to a hospital within 24 hours for a condition related to the emergency care. This subdivision does not include health professional services, which are covered in subdivision 2.*

*Subd. 2. [HEALTH PROFESSIONALS; EMERGENCY ROOM CARE.] The intermediate benefit set covers emergency services by qualified health professionals performed in the emergency area of a hospital outpatient department or urgent care center.*

*Subd. 3. [AMBULANCE.] The intermediate benefit set covers 80 percent of the cost of licensed ambulance service. Ambulance service for maternity care is not covered except when medically necessary.*

**Sec. 10. [62J.38] [PART B COVERED SERVICES: HOSPITAL INPATIENT AND HOME HEALTH CARE.]**

**Subdivision 1. [GENERAL COPAYMENT AND BENEFIT LIMIT; HOSPITALIZATION.]** *The intermediate benefit set covers 80 percent of the cost of general inpatient hospitalization. After a family's total copayment for all covered inpatient benefits, including mental health and all other categories of covered inpatient care, except maternity, exceeds \$2,500 in one calendar year, the intermediate benefit set covers 100 percent of additional services. After the intermediate benefit set has paid \$70,000 in inpatient benefits of any kind except maternity for a person within a calendar year, the intermediate benefit set will cover no further inpatient benefits, except maternity, of any kind for that person for that calendar year.*

**Subd. 2. [HOSPITAL INPATIENT SERVICES.]** *The intermediate benefit set covers, subject to subdivision 1, hospital services, including inpatient room, board, and ancillary services. The covered room charges are for a semiprivate room, except as otherwise provided in section 62E.06, subdivision 1, paragraph (c), clause (4). Ancillary services include use of surgical and intensive care facilities, inpatient nursing care, pathology and radiology procedures, drugs, supplies, physical therapy, and other services normally provided by hospitals. Ancillary services do not include care by health professionals, whether or not employed by the hospital. This subdivision does not include maternity and related neonatal care, alcohol and drug abuse treatment, or inpatient confinement for nursing or custodial care.*

**Subd. 3. [INPATIENT HEALTH PROFESSIONAL SURGERY.]** *The intermediate benefit set covers, subject to subdivision 1, services by surgeons, assistant surgeons, anesthesiologists, anesthesiologists, and other qualified health professionals for surgery and related procedures, including normal presurgical and postsurgical examinations, for inpatient nonmaternity surgery.*

**Subd. 4. [INPATIENT HEALTH PROFESSIONAL RADIOLOGY AND PATHOLOGY.]** *The intermediate benefit set covers, subject to subdivision 1, services by physicians for radiology and pathology evaluation performed on an inpatient basis.*

**Subd. 5. [INPATIENT HEALTH PROFESSIONAL SERVICES; VISITS AND CONSULTATIONS.]** *The intermediate benefit set covers, subject to subdivision 1, physician services for visits, consultations, and other care provided on an inpatient basis at a hospital or approved extended care facility. This benefit also provides for the care of critically ill patients in a variety of settings that require the constant attention of the physician. Consultations by nonphysicians are covered if provided by appropriate health professionals.*

**Subd. 6. [EXTENDED CARE FACILITIES.]** *The intermediate benefit set covers, subject to subdivision 1, room, board, and ancillary services at an approved extended care facility that is the extended care unit of a hospital or an independent skilled nursing facility. This benefit covers only noncustodial care.*

**Subd. 7. [PRIVATE DUTY NURSING; HOME HEALTH CARE.]** *The intermediate benefit set covers, subject to subdivision 1, private duty nursing and home health visits by a home health professional if prescribed by the attending physician. Custodial care is not covered.*

**Sec. 11. [62J.39] [EXCLUDED SERVICES.]**

**Subdivision 1. [MEDICAL NECESSITY.]** *The intermediate benefit set does not cover services that are not medically necessary.*

*Subd. 2. [OTHER EXCLUDED SERVICES.] Regardless of medical necessity, the intermediate benefit set does not cover the following services:*

- (1) expenses listed under section 62E.06, subdivision 1, paragraph (c);*
- (2) inpatient treatment of alcoholism, chemical dependency, or drug addiction;*
- (3) treatment of temporomandibular joint disorder;*
- (4) treatment of craniomandibular disorder;*
- (5) orthodontia care;*
- (6) experimental procedures;*
- (7) custodial care;*
- (8) personal comfort or beautification;*
- (9) treatment for obesity;*
- (10) in vitro fertilization;*
- (11) artificial insemination;*
- (12) reversal of voluntary sterilization; and*
- (13) transsexual surgery.*

**Sec. 12. [62J.40] [UNIVERSAL BASIC BENEFIT SET.]** *The universal basic benefit set is a uniform standard of health coverage that will be available to all Minnesotans. The commissioner shall determine the content of the universal basic benefit set, with the advice of the technology and benefits advisory committee. The universal basic benefit set must include:*

- (1) the benefits contained in the intermediate benefit set, including but not limited to full coverage for prenatal care, immunizations, and other preventive care as currently mandated for health maintenance organizations; and*
- (2) all or part of the mandated benefits currently required under chapters 60A, 62A, 62C, 62D, and 62E, as appropriate, based on an analysis of the requirements using the principles stated in article 1, section 6, subdivision 2.*

**Sec. 13. [62J.41] [AVAILABILITY OF INTERMEDIATE BENEFIT SET.]**

*The intermediate benefit set is available only to individuals and to small groups containing no more than 29 employees or members. The intermediate benefit set may be offered through the state plan, and through the private market only by health plan companies participating in the state plan. Health plan companies participating in the state plan and providing dental coverage only may offer through the private market the dental care component of the intermediate benefit set or the universal basic benefit set without being required to offer the nondental components of the benefit sets.*

*The intermediate benefit set, part A, is available only to individuals and families who receive a state premium subsidy for participation in the state plan, under article 2, section 3. Individuals and families covered by the intermediate benefit set, part A, may purchase the intermediate benefit set, part B, at their own expense, under terms established by the commissioner.*

**Sec. 14. [62J.42] [MINIMUM INSURANCE BENEFIT SET.]**

*For all health plan companies except those governed by chapter 62D, the minimum insurance benefit set is a number two qualified plan, as defined in section 62E.06, subdivision 2. For the purposes of this requirement, actuarial equivalence must not be used. For health plan companies governed by chapter 62D, the minimum insurance benefit set is the set of benefits required under chapter 62D. Except as provided in section 13, no health coverage may be offered, sold, issued, or renewed to any Minnesota resident or to any group in Minnesota unless the coverage meets or exceeds the requirements of the minimum insurance benefit set.*

**Sec. 15. [62J.43] [SUPPLEMENTAL BENEFIT SET.]**

*The supplemental benefit set includes the benefits commonly included in group health coverage offered by health maintenance organizations operating under chapter 62D that are not included in the intermediate benefit set. The commissioner shall establish, by rule, uniform provisions for the supplemental benefit set. The state plan and health plan companies participating in the state plan must make the supplemental benefit set available as an option to any individual or group covered by the intermediate benefit set. For groups too large to qualify for the intermediate benefit set, the intermediate benefit set combined with the supplemental benefit set will be the only benefit set available through the state plan.*

**Sec. 16. [62J.44] [MEDICARE SUPPLEMENT COVERAGE.]**

*The commissioner shall make arrangements for medicare supplement coverage to be offered through the state plan, subject to the managed care and other provisions of article 2.*

**Sec. 17. [EFFECTIVE DATE.]**

*Sections 1 to 16 are effective on July 1, 1992."*

Page 50, after line 11, insert:

*"Subd. 3. [COMMISSIONER OF HEALTH.] \$6,130,000 the first year and \$11,250,000 the second year is appropriated from the general fund to the commissioner of health for the biennium ending June 30, 1993, for the costs of implementing the Minnesotans' health care plan and other duties established in this act.*

*Subd. 4. [COMMISSIONER OF HUMAN SERVICES.] \$109,000 the first year and \$502,000 the second year is appropriated from the general fund to the commissioner of human services for the biennium ending June 30, 1993, for duties established in this act. Of this appropriation, \$400,000 the second year is for the costs associated with increased enrollments in the medical assistance program.*

*Subd. 5. [COMMISSIONER OF COMMERCE.] \$164,000 the first year and \$152,000 the second year is appropriated from the general fund to the commissioner of commerce for the biennium ending June 30, 1993, for duties established in this act."*

Renumber the articles in sequence and correct the internal references

Amend the title accordingly

**CALL OF THE SENATE**

Ms. Berglin imposed a call of the Senate for the balance of the proceedings on H.F. No. 2. The Sergeant at Arms was instructed to bring in the absent

members.

Mr. Vickerman moved to amend the Berglin amendment to H.F. No. 2 as follows:

Page 7, line 6, delete everything after the period

Page 7, delete lines 7 to 13

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

The question recurred on the Berglin amendment, as amended.

Mr. Moe, R.D. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 35 and nays 22, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Johnson, D.J.	Luther	Piper
Beckman	Finn	Johnson, J.B.	Marty	Pogemiller
Berglin	Flynn	Kelly	Metzen	Riveness
Bertram	Frederickson, D.J.	Knaak	Moe, R.D.	Sams
Chmielewski	Hottinger	Kroening	Morse	Traub
Cohen	Hughes	Larson	Novak	Vickerman
Davis	Johnson, D.E.	Lessard	Pappas	Waldorf

Those who voted in the negative were:

Belanger	Brataas	Gustafson	McGowan	Pariseau
Benson, D.D.	Dahl	Halberg	Mehrkins	Storm
Benson, J.E.	Day	Johnston	Merriam	
Berg	Frank	Laidig	Neuville	
Bernhagen	Frederickson, D.R.	Langseth	Olson	

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

Mr. Riveness moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 23, line 33, delete "and"

Page 24, line 3, before the period, insert "; and

*(11) Chiropractic services for the diagnosis or treatment of illnesses, injuries, or conditions within the chiropractic scope of practice as defined in section 148.01. Examination by, or referral from, a medical physician shall not be a condition of receipt of chiropractic care under this subdivision"*

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 46 and nays 4, as follows:

Those who voted in the affirmative were:

Adkins	Finn	Johnson, J.B.	Metzen	Sams
Beckman	Flynn	Johnston	Morse	Solom
Belanger	Frank	Kelly	Novak	Storm
Benson, J.E.	Frederickson, D.R.	Knaak	Olson	Stumpf
Bernhagen	Gustafson	Kroening	Pappas	Traub
Bertram	Halberg	Laidig	Pariseau	Vickerman
Cohen	Hottinger	Larson	Pogemiller	
Davis	Hughes	Lessard	Price	
Day	Johnson, D.E.	Luther	Renneke	
DeCramer	Johnson, D.J.	Mehrkins	Riveness	

Ms. Berglin, Mrs. Brataas, Mr. Merriam and Ms. Piper voted in the negative.

The motion prevailed. So the amendment was adopted.

Mr. Luther moved to amend the Berglin amendment to H.F. No. 2, adopted by the Senate May 17, 1991, as follows:

Page 25, line 16, delete "*The emphasis of*"

Page 25, delete lines 17 and 18

Page 25, line 19, delete "*To this end,*"

Page 25, line 20, delete everything after "*shall*"

Page 25, line 21, delete "*case basis, and shall*"

Page 25, line 31, delete "*subsequent to enrollment*"

Page 25, line 32, delete "*fraudulent*" and insert "*false information or failed to update required*"

Page 25, line 33, delete "*may*" and insert "*shall*" and delete "*if the*"

Page 25, delete line 34

Page 25, line 35, delete everything before the period

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

Mr. Luther then moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 19, line 1, before the period, insert "*, except that a small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two employees or the employees are family members*"

Page 22, after line 9, insert:

"*Subd. 7. [MINIMUM ANTICIPATED LOSS RATIO.] No health plan company may offer a small employer plan based on a minimum anticipated loss ratio of less than 75 percent.*"

Page 23, line 2, after the period, insert "*Each small employer plan may also offer eligible employees the option of purchasing coverage with a deductible of up to \$1,500 per individual and \$3,000 per family, at a reduced cost.*"

The motion prevailed. So the amendment was adopted.

Mr. Luther then moved to amend the Berglin amendment to H.F. No. 2, adopted by the Senate May 17, 1991, as follows:

Page 18, line 5, after the period, insert "*By January 1, 1992, the commissioner shall develop, and submit to the legislature in a report, the specific asset limitations and transfer prohibitions the commissioner proposes to adopt by rule.*"

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

Mr. Waldorf moved to amend the Berglin amendment to H.F. No. 2, adopted by the Senate May 17, 1991, as follows:

Page 17, line 4, after "*abortion*" insert "*and abortion related services*"

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

Mr. Luther moved to amend the Berglin amendment to H.F. No. 2, adopted by the Senate May 17, 1991, as follows:

Page 11, delete lines 9 to 14

Page 11, line 15, delete "market."

Page 11, line 17, delete "this requirement should be changed" and after "to" insert "continue to"

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

Mr. Luther then moved to amend the Berglin amendment to H.F. No. 2, adopted by the Senate May 17, 1991, as follows:

Pages 14 and 15, delete section 10

Renumber the sections of article 1 in sequence

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

Mr. Benson, D.D. moved to amend H.F. No. 2, the unofficial engrossment, as follows:

Page 43, line 27, after the period, insert "*In addition, if a resident participating in the loan forgiveness program serves at least four weeks during a year of residency substituting for a rural physician to temporarily relieve the rural physician of his or her rural practice commitments to enable the rural physician to take a vacation, engage in activities outside the practice area, or otherwise be relieved of his or her rural practice commitments, the participating resident may designate up to an additional \$2,000, above the \$10,000 maximum, for each year of residency during which the resident substitutes for a rural physician for four or more weeks.*"

The motion prevailed. So the amendment was adopted.

H.F. No. 2 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 51 and nays 12, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Belanger	Brataas	Johnston	Neuville	Samuelson
Benson, D.D.	Day	Mehrkins	Pariseau	Storm
Bernhagen	Gustafson			

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

### 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.

Pursuant to Rule 22, Mr. Laidig moved to be excused from voting on H.F. No. 303. The motion prevailed.

### CALENDAR

H.F. No. 303: A bill for an act relating to waste management; making changes to state and local government responsibility and authority for waste management; placing emphasis on waste reduction and recycling; adjusting waste facility siting processes; amending Minnesota Statutes 1990, sections 3.195, subdivision 1; 16B.122; 16B.61, subdivision 3a; 115A.02; 115A.03, subdivision 17a; 115A.06, subdivision 2; 115A.14, subdivision 4; 115A.15, subdivisions 7 and 9; 115A.151; 115A.411, subdivision 1; 115A.46, subdivision 1, and by adding a subdivision; 115A.49; 115A.53; 115A.551, subdivisions 1 and 4; 115A.552, subdivisions 1, 2, and by adding a subdivision; 115A.554; 115A.557, subdivision 4; 115A.64, subdivision 2; 115A.67; 115A.83; 115A.84, subdivision 2; 115A.86, subdivision 5, and by adding a subdivision; 115A.882; 115A.9162, subdivision 2; 115A.919; 115A.923, subdivisions 1 and 1a; 115A.931; 115A.94, subdivision 4; 115A.9561; 115A.96, subdivision 6; 115B.04, subdivision 4; 115B.22, subdivision 8; 116.07, subdivision 4j; 325E.042, subdivision 2; 325E.115, subdivision 1; 325E.1151, subdivision 3; 400.08, subdivision 1; 473.803, subdivision 2; 473.811, subdivisions 1, 3, and 5; 473.823, subdivision 5; 473.845, subdivision 4; 473.848, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1990, sections 16B.125; 325E.045; and 473.844, subdivision 3; Laws 1989, chapter 325, section 72, 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 543: A bill for an act relating to human services; providing funding for various pilot projects.

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

So the bill passed and its title was agreed to.

H.F. No. 1009: A bill for an act relating to natural resources; authorizing additions to and deletions from certain state parks; authorizing nonpark use of a portion of certain parks; authorizing the sale of certain deleted lands.

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 60 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

H.F. No. 930: A bill for an act relating to economic development; changing the name of the Greater Minnesota Corporation; adding duties; providing for a new structure for the board of directors; amending Minnesota Statutes 1990, sections 116O.03, subdivision 2; 116O.04, subdivision 2; 116O.05, subdivision 2; and 116O.09, subdivision 3, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 1990, sections 116J.970; 116J.971; and 116O.03, subdivision 2a.

With the unanimous consent of the Senate, Mr. Bernhagen moved to amend H.F. No. 930, as amended pursuant to Rule 49, adopted by the Senate May 16, 1991, as follows:

(The text of the amended House File is identical to S.F. No. 982.)

Page 3, delete section 5

Page 8, after line 2, insert:

**"Sec. 17. [TRANSFER.]**

*The following programs are transferred from the department of trade and economic development to Minnesota Technology, Inc.: Minnesota Project Outreach Corporation, Minnesota Project Innovation, Inc., Minnesota Quality Council, Minnesota Inventors' Congress, Minnesota High Technology Corridor Corporation, and the office of science and technology. The provisions of Minnesota Statutes, section 15.039, apply to this transfer."*

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

H.F. No. 930 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

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

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

S.F. No. 1317: A bill for an act relating to employment; modifying the family leave law; amending Minnesota Statutes 1990, sections 181.940, subdivision 2; and 181.9413.

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	Reichgott
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	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
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. 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.

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	Reichgott
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	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
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. 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.

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	Reichgott
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	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
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.

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

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	Johnston	Metzen	Renneke
Beckman	DeCramer	Kelly	Moe, R.D.	Riveness
Belanger	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
Chmielewski	Hughes	Marty	Piper	Vickerman
Cohen	Johnson, D.E.	McGowan	Pogemiller	Waldorf
Dahl	Johnson, D.J.	Mehrkens	Price	
Davis	Johnson, J.B.	Merriam	Reichgott	

So the bill passed and its title was agreed to.

S.F. No. 93: A bill for an act relating to natural resources; limiting certain fees charged to towns in connection with town road projects; amending Minnesota Statutes 1990, section 103G.301, 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 59 and nays 1, as follows:

Those who voted in the affirmative were:

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

Mr. Merriam voted in the negative.

So the bill passed and its title was agreed to.

S.F. No. 494: A bill for an act relating to crimes; driving while intoxicated; authorizing counties to create pilot programs to provide intensive probation for repeat violators of the driving while intoxicated laws; increasing the chemical dependency assessment charge for repeat violators of the driving while intoxicated laws; appropriating money; amending Minnesota Statutes 1990, section 169.121, subdivision 5a.

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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 414: A bill for an act relating to alcohol and drug abuse; establishing a community prevention grant program; proposing coding for new law in Minnesota Statutes, chapter 144.

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	Reichgott
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	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
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.

S.F. No. 666: A bill for an act relating to agriculture; lowering the fee for licensed lawn service applicators; authorizing a surcharge on sanitizers and disinfectants; abolishing surcharges on pesticides that are less than \$10; changing certain reimbursement figures and deadlines of the agricultural chemical response compensation board; continuing integrated pest management and groundwater research; appropriating money; amending Minnesota Statutes 1990, sections 18E.03, subdivisions 4 and 5; 18E.04, subdivisions 4 and 5; and 18E.05, subdivision 3.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Reichgott
Beckman	Day	Johnston	Metzen	Renneke
Belanger	DeCramer	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
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. 1353: A bill for an act relating to economic development; establishing an international partnership program in the Minnesota trade office; authorizing a partnership program project; proposing coding for new law in Minnesota Statutes, chapter 116J.

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 62 and nays 2, as follows:

Those who voted in the affirmative were:

Adkins	Davis	Johnson, J.B.	Merriam	Renneke
Beckman	Day	Johnston	Metzen	Riveness
Belanger	DeCramer	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	Stumpf
Bernhagen	Frederickson, D.R.	Larson	Pappas	Traub
Bertram	Gustafson	Lessard	Pariseau	Vickerman
Brataas	Hottinger	Luther	Piper	Waldorf
Chmielewski	Hughes	Marty	Pogemiller	
Cohen	Johnson, D.E.	McGowan	Price	
Dahl	Johnson, D.J.	Mehrkens	Reichgott	

Messrs. Neuville and Storm voted in the negative.

So the bill passed and its title was agreed to.

H.F. No. 99: A bill for an act relating to transportation; designating trunk highway No. 61 and the Lake City rest area as disabled American veterans highway and rest area; authorizing special license plates for certain military personnel; amending Minnesota Statutes 1990, sections 161.14, by adding a subdivision; 168.12, subdivision 2c, and by adding a subdivision; and 168.123, 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 62 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

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

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 858, 1129, 1238, 84, 820, 971 and 1064.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1991

Mr. President:

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

S.F. No. 449: A bill for an act relating to retirement; Duluth teachers retirement fund association and St. Paul teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, sections 2 and 3; and Laws 1990, chapter 570, article 7, section 4.

Senate File No. 449 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1991

Mr. Solon moved that S.F. No. 449 be laid on the table. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House File, herewith transmitted: H.F. No. 31.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

### FIRST READING OF HOUSE BILLS

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

H.F. No. 31: A bill for an act relating to public safety; creating the Minnesota advisory council on fire protection systems; requiring licensing and certifying of the fire protection industry; providing for rules and an exemption; providing for fees; imposing a penalty; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 299M.

Referred to the Committee on Governmental Operations.

### REPORTS OF COMMITTEES

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

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

S.F. No. 1517: A bill for an act relating to taxation; authorizing the department of trade and economic development to issue obligations to finance construction of aircraft maintenance and repair facilities; providing tax credits for job creation; providing an exemption from sales tax for certain equipment and materials; authorizing establishment of tax increment financing districts in the cities of Duluth and Hibbing; authorizing the metropolitan airports commission to operate outside the metropolitan area; amending Minnesota Statutes 1990, sections 290.06, by adding a subdivision; and 473.608, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 297A; proposing coding for new law as Minnesota Statutes, chapter 116R.

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

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### AIRCRAFT MAINTENANCE AND ENGINE

#### REPAIR FACILITIES: STATE FINANCING

Section 1. [116R.01] [DEFINITIONS.]

*Subdivision 1. [APPLICATION.] The definitions in this section apply to sections 1 to 16.*

*Subd. 2. [BONDS.] "Bonds" means the bonds authorized under section 2, subdivision 1, or bonds issued to refund these bonds, except for deficiency bonds.*

*Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of finance.*

*Subd. 4. [DEFICIENCY BONDS.] "Deficiency bonds" means the bonds authorized under section 13, subdivision 3, or bonds issued to refund these bonds.*

Sec. 2. [116R.02] [BOND ISSUE; SALE AUTHORIZATION.]

*Subdivision 1. [SALE AUTHORIZATION.] The commissioner of finance, upon the request of the commissioner of trade and economic development, may issue and sell revenue bonds as provided under sections 1 to 15 in one or more series or issues for the purposes provided in this section in the aggregate principal amount of up to \$350,000,000. Proceeds of the bonds and investment income on the proceeds are appropriated in the amounts and for the purposes specified in subdivisions 2, 5, and 6 and section 4.*

*Subd. 2. [LOAN, LEASE, AND REVENUE AGREEMENTS.] (a) The commissioner may loan the proceeds of the bonds or make other loans or enter into lease agreements or other revenue agreements for the facilities described in subdivisions 5 and 6. The commissioner may provide for servicing of the loans and agreements, the times they are payable and the amounts of payments, the amount of the loans and agreements, their security, and other terms, conditions, and provisions necessary or convenient in connection with them and may enter into all necessary contracts and security instruments in connection with them. The commissioner shall seek to obtain the best available security for the loans or agreements. The facilities described in subdivisions 5 and 6 may be pledged as collateral for the loans made and bonds issued under sections 1 to 15.*

*(b) To reduce the risk that state general funds will be needed to pay debt service on the state guaranteed bonds, the commissioner must require that the financing arrangements include a coverage test satisfactory to the commissioner so that the sum of the value of the assets and other security pledged to the payment of bonds is no less than 125 percent of the outstanding state guaranteed bonds. Assets and other security that may be taken into account include (1) net unencumbered value of the project and any collateral or third party guaranty, including a letter of credit, pledged or otherwise furnished by a user of the project or by a benefitted airline company as security for the payment of rent, (2) bond proceeds, including earnings thereon, and (3) prepayments of rent, after making such adjustments the commissioner determines to be appropriate to take into account any outstanding bonds secured by a lien on the project or rent that is prior to the lien thereon that is securing the state guaranteed bonds. The commissioner may adopt the method of valuing the assets and other security as the commissioner determines to be appropriate, including valuation of the project as its original cost less depreciation.*

*Subd. 3. [APPLICATION; DATA PRACTICES.] (a) An applicant may file a written application with the commissioner and the commissioner of trade and economic development for a loan or lease agreement or other revenue agreement for either or both of the aircraft facilities described in subdivisions 5 and 6. The commissioner and the commissioner of trade and economic development shall exercise due diligence in the review and approval of each application. In general, an application must provide information similar to that required by an investment banking or other financial institution considering a project for debt financing. The applicant shall submit a report prepared by a nationally recognized consultant familiar with the airline industry and its financing to the commissioner and the commissioner of trade and economic development with the written application. The selection of the consultant must be approved by the commissioner. The report must project the available revenues of the lessees of both of the facilities described in subdivisions 5 and 6, or either of them, that are at least sufficient during each year of the term of the proposed applicable bonds to pay when due all financial obligations of the lessee or lessees*

*under the leases. The report must include the factors on which the projection is based.*

*(b) Except as otherwise provided in this subdivision, the following data required under sections 1 to 16 or submitted in connection with the application or any agreement authorized under this act is nonpublic data: business plans, financial statements, customer lists, and market and feasibility studies paid for with nonpublic money. The commissioner or the commissioner of trade and economic development may make the data accessible to any person, agency, or public entity if the commissioner or the commissioner of trade and economic development determines that access is required under state or federal securities law or is necessary for the person, agency, or public entity to perform due diligence in connection with the provision of financial assistance to the facilities described in subdivisions 5 and 6.*

*Subd. 4. [SECURITY.] (a) If so provided in the commissioner's order or any indenture authorizing the applicable series of bonds, up to \$125,000,000 principal amount of bonds for the facility described in subdivision 5 and up to \$50,000,000 principal amount of bonds for the facility described in subdivision 6 may be secured by either of the following methods:*

*(1) upon the occurrence of any deficiency in a debt service reserve fund for a series of bonds as provided in section 13, subdivision 3, the commissioner shall issue and sell deficiency bonds in a principal amount not to exceed the lesser of \$175,000,000 or the outstanding principal amount of the bonds secured by the debt service reserve fund; or*

*(2) the bonds may be directly secured by a pledge of the full faith, credit, and taxing power of the state and issued as general obligation revenue bonds of the state in accordance with the Minnesota Constitution, article XI, sections 4 to 7.*

*Deficiency bonds and bonds issued under clause (2) must be issued in accordance with and subject to sections 16A.641, 16A.66, 16A.672, and 16A.675, except for subdivision 5 of section 16A.641 and except that the bonds may be sold at public or private sale at a price or prices determined by the commissioner as provided in section 13, subdivision 3.*

*(b) At the request of the commissioner, St. Louis county shall by resolution of its county board, unconditionally and irrevocably pledge as a general obligation, its full faith, credit, and taxing power to pay or secure payment of principal and interest due on up to \$12,600,000 principal amount of revenue bonds for the facility described in subdivision 5 and principal and interest due on up to \$15,000,000 principal amount of revenue bonds for the facility described in subdivision 6. The general obligation and pledge of St. Louis county are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the St. Louis county general obligation is not subject to and shall not be taken into account for purposes of any levy limitations. The general obligation and the bonds secured by the general obligation may be issued without an election. Except for sections 475.61 and 475.64, chapter 475 does not apply to the general obligation or the bonds secured by the general obligation.*

*(c) Bonds and deficiency bonds issued under sections 1 to 15 and any indenture entered into in connection with the issuance of the bonds are not subject to section 16B.06.*

*Subd. 5. [USE OF PROCEEDS; AIRCRAFT MAINTENANCE FACILITY.] The proceeds of the bonds issued in a principal amount not to exceed*

*\$250,000,000 must be used to finance the costs related to the planning, construction, improvement, or equipping of a heavy maintenance facility for aircraft and facilities subordinate and related to the facility to be located at the Duluth international airport and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The bond proceeds are appropriated to the commissioner for the purposes specified in this subdivision. The facility must be owned by the metropolitan airports commission and leased for the benefit of an airline company for use as a heavy maintenance base. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility or any interest in or part of the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility, or any part of the facility, may be leased or sold to another person for any lawful purpose, subject to the approval of the commissioner, provided that the approval of the commissioner is not required if a bond trustee has taken possession of the facility as a result of the default.*

*The ownership of the facility by the owner must not create any liability of the owner for payment of the debt service on the bonds. The owner may require as a condition of entering the lease of the facility that the lessee or other party pay all costs, expenses, or any other obligations of ownership.*

**Subd. 6. [USE OF PROCEEDS; AIRCRAFT ENGINE REPAIR FACILITY.]** *The proceeds of the bonds issued in a principal amount not to exceed \$100,000,000 must be used to finance the costs related to the planning, construction, improvement, or equipping of an aircraft engine repair facility and facilities subordinate and related to the facility to be located at the Chisholm-Hibbing municipal airport in the city of Hibbing and any costs of issuance, reserves, credit enhancement, or an initial period of interest payments related to the bonds or the facility. The bond proceeds are appropriated to the commissioner for the purposes specified in this subdivision. The facility must be owned by the owner of the Chisholm-Hibbing municipal airport, but may be leased, with or without a purchase option, to any person for the primary purpose of repairing aircraft engines or components. With the approval of the commissioner, the owner of the facility may place a mortgage or security interest lien on the facility. The mortgage is exempt from the mortgage registry tax imposed under chapter 287. In the event of a default under the loan, lease agreement, or other revenue agreement, the facility may be leased to another person for any lawful purpose or sold, subject to the approval of the commissioner.*

**Subd. 7. [AGREEMENT OF LESSEE.]** *Before issuing the bonds for the facilities, approving financial assistance, or entering into loan, lease, or other revenue agreements for the facilities described in subdivisions 5 and 6, the commissioner shall determine that the lessee and, if necessary, other corporations affiliated with by common ownership with the lessee have agreed to requirements satisfactory to the commissioner respecting: (1) aircraft noise abatement, and (2) the retention and location in the state, for at least the term of the lease, of employees, domestic and international operations, and facilities, including headquarters facilities, of the lessee or other affiliated corporation.*

**Subd. 8. [ENVIRONMENTAL ASSESSMENT.]** *Notwithstanding any other law or rule, no environmental review must be completed prior to the approval of an application and the issuance of a conditional commitment*

*for the loan, or the taking of any other action permitted by sections 1 to 15, including the issuance of bonds, which is considered necessary or desirable by the commissioner to prepare for a final commitment and to make it effective. Environmental review, to the extent required by law, shall be made in conjunction with the issuance by state agencies of environmental permits for the project. Permits may be applied for prior to the issuance of a conditional commitment. Action shall be taken as expeditiously as possible on environmental review and all permits required.*

**Sec. 3. [116R.03] [GENERAL POWERS.]**

*For the purpose of exercising the specific powers authorized under sections 1 to 15 and effectuating the other purposes of sections 1 to 15, the commissioner may:*

*(1) acquire, hold, pledge, assign, or dispose of real or personal property or any interest in property, including a mortgage or security interest in a facility described in section 2, subdivision 5 or 6;*

*(2) enter into agreements, contracts, or other transactions with any federal or state agency, any person, and any domestic or foreign partnership, corporation, association, or organization, including contracts or agreements for administration and implementation of all or part of sections 1 to 15;*

*(3) acquire real property, or an interest therein, by purchase or foreclosure, where the acquisition is necessary or appropriate;*

*(4) enter into agreements with lenders, borrowers, or the issuers of securities for the purpose of regulating the development and management of any facility financed in whole or in part by the proceeds of bonds or loans;*

*(5) enter into agreements with other appropriate federal, state, or local governmental units; and*

*(6) contract with, use, or employ any federal, state, regional, or local public or private agency or organization, legal counsel, financial advisors, investment bankers or others, upon terms the commissioner considers necessary or desirable, to assist in the exercise of any of the powers authorized under sections 1 to 15 and to carry out the objectives of sections 1 to 15 and may pay for the services from bond proceeds or otherwise available department money.*

**Sec. 4. [116R.04] [REVENUE BONDS; PURPOSES, TERMS, APPROVAL.]**

*Subdivision 1. [BONDS.] The commissioner from time to time may issue negotiable bonds in one or more series or issues in a principal amount which, in the opinion of the commissioner of trade and economic development, is necessary to provide sufficient funds for achieving the purposes of sections 1 to 15, including the construction of a heavy maintenance facility for aircraft to be located at the Duluth international airport, the financing of an aircraft engine repair facility in the city of Hibbing, the payment of interest on bonds of the commissioner, the establishment of reserves to secure the bonds, and the payment of all other expenditures of the commissioner and the owner of a financed facility incident to and necessary or convenient to carry out the purposes and powers of sections 1 to 15. The bonds may be issued as bonds or notes or in any other form authorized by law. Except as provided in section 2, subdivision 4, paragraph (a), and section 4, subdivision 3, sections 16A.31 to 16A.675 do not apply to the bonds authorized under section 2.*

*Subd. 2. [REFUNDING OF BONDS.] The commissioner from time to time may issue bonds for the purpose of refunding any bonds then outstanding, including the payment of any redemption premiums thereon, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the bonds to be refunded, to the redemption of such outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may, pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any such escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on any such investment may also be applied to the payment of the bonds to be refunded, interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the general fund or, if applicable, the state bond fund, for use in any lawful manner. All refunding bonds issued under the provisions of this subdivision must be issued and secured in the manner provided by order of the commissioner, provided that any refunding bonds may be secured in any manner by which the refunded bonds were secured and payable from any source from which the refunded bonds were secured.*

*Subd. 3. [KIND OF BONDS.] All bonds issued under this section must be issued in the form and manner provided in section 16A.672.*

*Subd. 4. [COMPLIANCE WITH FEDERAL LAW.] The commissioner may covenant and agree with the holders of the bonds issued under this section that the state will comply, insofar as possible, with the provisions of the United States Internal Revenue Code now or hereafter enacted that are applicable to the bonds and that establish conditions under which the interest to be paid on the bonds will not be includable in gross income for federal tax purposes.*

*Subd. 5. [TAXABILITY OF INTEREST.] Interest on the bonds authorized by this section may be issued without regard to whether the interest to be paid on them is includable in gross income for federal tax purposes.*

**Sec. 5. [116R.05] [BONDS; ORDERS AUTHORIZING, ADDITIONAL TERMS, SALE.]**

*Subdivision 1. [TERMS.] The bonds must be authorized by an order or orders of the commissioner, bear such date or dates, mature at such time or times, bear interest at such rate or rates, be in such denominations, be in such form, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States, at such place or places within or without the state, and be subject to such terms of redemption or purchase prior to maturity as the order or orders may provide, or as may be provided in any indenture or indentures of trust. If, for any reason, whether existing at the date of issue of any bonds or at the date of making or purchasing any loan or securities from the proceeds or after that date, the interest on any bonds is or becomes subject to federal income taxation, this shall not impair or affect the validity of the provisions made for the security of the bonds. The bonds may be sold at public or private sale at a price or prices determined by the commissioner. The underwriting discount, spread, or commission paid or allowed to the underwriters of the bonds, however, must be an amount not in excess of the amount determined by the*

*commissioner to be reasonable in the light of the risk assumed and the expenses of issuance, if any, required to be paid by the underwriters or prevailing market conditions and practices.*

*Subd. 2. [SOURCES OF PAYMENT.] Except as otherwise provided for bonds issued under section 2, subdivision 4, paragraph (a), the bonds are payable solely from the following sources and only to the extent provided in the order or indenture authorizing or securing the bonds:*

*(1) revenues of any nature derived from the ownership, lease, operation, sale, foreclosure, or refinancing of a facility described in section 2, subdivision 5 or 6;*

*(2) repayments of any loans made under sections 1 to 15;*

*(3) proceeds of any bonds or deficiency bonds;*

*(4) amounts in any account or accounts authorized by section 11 or 12;*

*(5) amounts paid by St. Louis county under its obligations referred to in section 2, subdivision 4;*

*(6) investment income on any of the sources specified in clauses (1) to (7);*

*(7) amounts payable under any insurance policy, guaranty, letter of credit, or other instrument securing the bonds; and*

*(8) any other revenues which the commissioner may pledge, but not including state appropriations unless the appropriation is specifically designated for that purpose.*

*Subd. 3. [NOT A STATE DEBT.] Except as provided in section 2, subdivision 4, paragraph (a), no bond shall constitute a debt of the state within the meaning of any statutory or constitutional limitation or pledge the full faith and credit of the state, and no holder of any bonds may compel any exercise of the taxing power of the state to pay principal, premiums, or interest for the bonds, nor to enforce payment of principal, premiums, or interest against any property of the state, except for property expressly pledged, mortgaged, encumbered, or appropriated for this purpose.*

#### **Sec. 6. [116R.06] [BONDS; OPTIONAL ORDER AND CONTRACT PROVISIONS.]**

*Any order authorizing any bonds or any issue of bonds or any indenture may contain provisions, which may be a part of the contract with the holders of the bonds, as to the matters referred to in this section.*

*(a) It may pledge or create a lien on money or property and any money held in trust or otherwise by others to secure the payment of the bonds or of any series or issue of bonds, subject to any agreements with bondholders which exist.*

*(b) It may provide for the custody, collection, securing, investment, and payment of money.*

*(c) It may set aside reserves or sinking funds and provide for their regulation and disposition and may create other special funds into which money may be deposited.*

*(d) It may limit the loans and securities to which the proceeds of sale of bonds may be applied and may pledge repayments thereon to secure the payment of the notes or bonds or of any series or issue of notes or bonds.*

(e) *It may limit the issuance of additional bonds, the terms upon which additional bonds may be issued and secured, and the refunding of outstanding or other bonds.*

(f) *It may prescribe the procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent to the amendment or abrogation, and the manner in which that consent may be given.*

(g) *It may vest in a trustee or trustees property, rights, powers, and duties in trust determined by the commissioner, which may include any or all of the rights, powers, and duties of the bondholders, or may limit the rights, powers, and duties of the trustee. It may make contracts with a trustee or trustees authorizing the trustee or trustees to invest in investments that may be invested in by the state board of investment under section 11A.24, and apply, or dispose of and use money in any account.*

(h) *It may define the acts or omissions to act which constitute a default in the obligations and duties of the commissioner and may provide for the rights and remedies of the holders of bonds in the event of a default, and provide any other matters of like or different character, consistent with the general laws of the state and other provisions of sections 1 to 15, which in any way affect the security or protection of the bonds and the rights of the bondholders.*

#### Sec. 7. [116R.07] [PLEDGES.]

*Any pledge made by the commissioner is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.*

#### Sec. 8. [116R.08] [BONDS; NONLIABILITY OF INDIVIDUALS.]

*The commissioner and the commissioner's staff and any person executing the bonds are not personally liable on the bonds or subject to any personal liability or accountability by reason of their issuance.*

#### Sec. 9. [116R.09] [BONDS; PURCHASE AND CANCELLATION.]

*The commissioner, subject to agreements with bondholders which may then exist, has power out of any funds available for the purpose to purchase bonds of the commissioner at a price not exceeding (a) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (b) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.*

#### Sec. 10. [116R.10] [STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.]

*The state pledges and agrees with the holders of any bonds issued under sections 1 to 15, that the state will not limit or alter the rights vested in the commissioner to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders*

*until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner may include this pledge and agreement of the state in any agreement with the holders of bonds issued under sections 1 to 15.*

**Sec. 11. [116R.11] [AIRCRAFT FACILITIES FUNDS AND DEBT SERVICE ACCOUNTS.]**

*Subdivision 1. [FUNDS.] The commissioner or any trustee appointed by the commissioner under sections 1 to 15 shall establish and maintain an aircraft facilities fund for each of the facilities described in section 2, subdivisions 5 and 6. Except for amounts required by the commissioner to be deposited in a debt service account, proceeds of each issue of bonds authorized under section 2, subdivision 1, must be deposited in a separate account, debt service reserve, or other account designated by the commissioner. Money in the account is appropriated to the commissioner. The commissioner or the owner of each facility described in section 2, subdivisions 5 and 6, may withdraw proceeds of bonds for application to the appropriated purposes in the manner provided by order of the commissioner or in any indenture authorized by order of the commissioner. The commissioner may establish whatever accounts might be necessary to carry out sections 1 to 15.*

*Subd. 2. [ACCOUNTS.] The state treasurer or any trustee appointed by the commissioner under sections 1 to 15 shall maintain permanently on official books and records debt service accounts separate from all other funds and accounts, to record all receipts and disbursements of money for principal and interest payments on each series of bonds. No later than the due date of each principal and interest payment on the bonds, the commissioner shall withdraw from the proceeds of the bonds, or from revenues on hand and available for the purpose, and shall deposit in the debt service accounts the amount, if any, required in the account by the order of the commissioner or any indenture authorized by an order of the commissioner. All amounts in any debt service account are appropriated for the payment of principal, premiums, and interest for the bonds to which the account relates.*

**Sec. 12. [116R.12] [POWERS AND DUTIES OF TRUSTEE.]**

*Subdivision 1. [GENERAL.] The trustee, if any, designated in any indenture or order securing an issue of bonds may, in the trustee's own name, if so provided in the indenture or order:*

*(1) enforce all rights of the bondholders, including the right to require the commissioner to collect fees, charges, interest, and payments on leases, loans, or interests therein held by the commissioner and eligible securities purchased by it adequate to carry out any agreement as to, or pledge of, those fees, charges, and payments, and to require the commissioner to carry out any other agreements with the holders of the bonds and to perform the duties required under sections 1 to 15;*

*(2) bring suit upon the bonds;*

*(3) require the commissioner to account as if it were the trustee of any express trust for the holders of the bonds;*

*(4) enjoin any acts or things which may be unlawful or in violation of*

*the rights of holders of the bonds; or*

*(5) upon a default as defined in any bond, order, or indenture, declare all the bonds due and payable, enforce any remedy available under law, and if all defaults are made good, the trustee may annul the declaration and consequences.*

*Subd. 2. [ADDITIONAL POWERS.] In addition to the powers in subdivision 1, the trustee has all of the powers necessary or appropriate for the exercise of any functions specifically set forth in this section or incident to the general representation of bondholders in the enforcement and protection of their rights.*

*Subd. 3. [VENUE.] The venue of any action or proceedings brought by a trustee is in Ramsey county.*

**Sec. 13. [116R.13] [DEBT SERVICE RESERVE ACCOUNT.]**

*Subdivision 1. [AUTHORITY.] The commissioner or a trustee appointed by the commissioner may create, maintain, and establish a special account or accounts for the security of one or more or all series of the bonds, which accounts are known as debt service reserve accounts. The commissioner may pay into each debt service reserve account:*

*(1) any money appropriated by the state only for the purposes of that account;*

*(2) any proceeds of sale of bonds to the extent provided in the order or indenture authorizing their issuance;*

*(3) any money directed to be transferred by the commissioner to that debt service reserve account; and*

*(4) any other money made available to the commissioner for the purpose of that account from any other source.*

*Subd. 2. [USE OF MONEY.] The money held in or credited to each debt service reserve account, except as provided in this section, must be used solely for the payment of the principal of bonds of the commissioner as the bonds mature or otherwise become due, the purchase of the bonds, the payment of interest on the bonds, the payment of any premium required when the bonds are redeemed before maturity, or any rebate amounts owing to the United States government in accordance with any applicable covenant to comply with federal tax laws; provided, that money in a debt service reserve account may not be withdrawn at any time in an amount which would reduce the amount of the account to less than any amount which the commissioner determines to be reasonably necessary for the purposes of the account, except for the purpose of paying principal, premium, or interest due on bonds secured by the account, for the payment of which other money is not available.*

*Subd. 3. [GENERAL OBLIGATION BONDS.] (a) If the amount in any debt service reserve account falls below the minimum required in an order of the commissioner or indenture for the applicable series of bonds and the order or indenture so provides, the commissioner shall issue as promptly as practicable, but in no event later than six months after the occurrence of the deficiency, general obligation bonds in accordance with the Minnesota Constitution, article XI, section 7, and section 2, subdivision 4; section 16A.641, subdivisions 1 to 4 and 6 to 13; sections 16A.66, section 16A.672; and section 16A.675, except as otherwise provided in this section and unless*

*provision is made for restoring the deficiency from other sources. Section 16A.641, subdivision 5, does not apply to the issuance of bonds authorized under this subdivision. Proceeds of the bonds not required for payment of costs related to the issuance of the bonds must be deposited in the debt service reserve account, except that accrued interest must be deposited as provided in section 16A.641, subdivision 7, paragraph (b).*

*(b) The underwriting discount, spread, or commission paid or allowed to the underwriters or placement agents of deficiency bonds and bonds described in section 2, subdivision 4, paragraph (a), must be an amount not in excess of the amount determined by the commissioner to be reasonable in light of the risk assumed and the expense of issuance, if any, required to be paid by the underwriters, placement agents, or prevailing market conditions and practices.*

*Subd. 4. [LIMITATION.] If the commissioner creates a debt service reserve account for the security of any series of bonds, the commissioner may not issue any additional bonds which are similarly secured if the amount of any of the debt service reserve accounts at the time of issuance does not equal or exceed the minimum amount, if any, required by the resolution creating that account, unless the commissioner deposits in each account at the time of issuance, from the proceeds of the bonds or otherwise, an amount which, together with the amount then in the account, will not be less than the minimum amount required.*

*Subd. 5. [EXCESS MONEY.] To the extent consistent with the orders and indentures securing outstanding bonds, the commissioner may, at the close of any fiscal year, transfer to any other account from any debt service reserve account, any excess in that account over the amount considered by the commissioner to be reasonably necessary for the purpose of the account.*

*Subd. 6. [CONSTRUCTION.] Nothing in this section may be construed to limit the right of the commissioner to create and establish by order or indenture other accounts or security in addition to debt service reserve accounts which are necessary or desirable in connection with any bonds or programs.*

#### **Sec. 14. [116R.14] [CONSTRUCTION.]**

*Sections 1 to 15 are necessary for the welfare of the state of Minnesota and its inhabitants; therefore, they shall be liberally construed to effect their purpose.*

#### **Sec. 15. [116R.15] [SEVERABILITY; ACTIONS.]**

*Each of the provisions of sections 1 to 15, and each application thereof to particular circumstances, is severable. If any provision or application is found to be unconstitutional and void, it is the intention that the remaining provisions and applications shall be valid and enforceable to the full extent possible under section 645.20.*

#### **Sec. 16. [116R.16] [TECHNICAL ADVISORY COMMITTEE.]**

*Subdivision 1. [MEMBERSHIP.] The commissioner of trade and economic development shall establish a technical advisory committee. For the facility described in section 2, subdivision 5, the advisory committee shall provide project oversight to the affected jurisdictions regarding project status, effectiveness, and financial conditions. The advisory committee consists of the following members:*

(1) a representative of the department of trade and economic development appointed by the commissioner to act as chairperson of the advisory committee;

(2) a representative of the metropolitan airports commission appointed by the metropolitan airports commission;

(3) a representative of the city of Duluth appointed by the mayor of Duluth; and

(4) two representatives of St. Louis county appointed by the St. Louis county board of commissioners.

Subd. 2. [TERMS.] *The membership terms, removal, and filling of vacancies is as provided in section 15.059.*

Subd. 3. [DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT DUTIES.] *The commissioner of trade and economic development shall monitor, evaluate, and prepare reports on the progress and financial status of the facility described in section 2, subdivision 5; convene meetings of the advisory committee on a quarterly basis; and provide information and assistance to the advisory committee as is reasonably necessary.*

Subd. 4. [REPORTS.] *The commissioner of trade and economic development shall submit an annual report to the legislature by January 1 of each year and provide other reports to the individually represented jurisdictions as appropriate.*

Sec. 17. Minnesota Statutes 1990, section 290.06, is amended by adding a subdivision to read:

Subd. 24. [CREDIT FOR JOB CREATION.] *A corporation that leases and operates a heavy maintenance base for aircraft that is owned by the state of Minnesota or one of its political subdivisions, or an engine repair facility described in section 2, subdivision 6, or both, may take a credit against the tax due under this chapter. For the first taxable year when the facility has been in operation for at least three consecutive months, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. For each of the succeeding four taxable years, the credit is equal to \$5,000 multiplied by the number of persons employed by the corporation on a full-time basis at the facility on the last day of the taxable year, not to exceed the number of persons employed by the corporation on a full-time basis at the facility on the date 90 days before the last day of the taxable year. If the credit provided under this subdivision exceeds the tax liability of the corporation for the taxable year, the excess amount of the credit may be carried over to each of the ten taxable years succeeding the taxable year. The entire amount of the credit must be carried to the earliest taxable year to which the amount may be carried. The unused portion of the credit must be carried to the following taxable year. No credit may be carried to a taxable year more than ten years after the taxable year in which the credit was earned.*

Sec. 18. [297A.2571] [AIRCRAFT FACILITY MATERIALS; EXEMPTIONS.]

*Materials, equipment, and supplies used or consumed in constructing, or incorporated into the construction of, a heavy maintenance facility for*

*aircraft that is to be owned by the state of Minnesota or one of its political subdivisions and leased by an airline company, or an aircraft engine repair facility described in section 2, subdivision 6, are exempt from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision. Except for equipment owned or leased by a contractor, all machinery, equipment, tools, accessories, appliances, contrivances, furniture, fixtures, and all tangible personal property of any other nature or description necessary to the construction and equipping of that facility in order to provide those services is also exempt.*

Sec. 19. Minnesota Statutes 1990, section 360.013, subdivision 5, is amended to read:

Subd. 5. "Airport" means any area, of land or water, except a restricted landing area, which is designed for the landing and takeoff of aircraft, whether or not facilities are provided for the shelter, surfacing, or repair of aircraft, or for receiving or discharging passengers or cargo, and all appurtenant areas used or suitable for airport buildings or other airport facilities, *including facilities described in section 2, subdivision 6*, and all appurtenant rights of way, whether heretofore or hereafter established.

Sec. 20. Minnesota Statutes 1990, section 360.032, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION.] Every municipality is hereby authorized, through its governing body, to acquire property, real or personal, for the purpose of establishing, constructing, and enlarging airports and other air navigation facilities and to acquire, establish, construct, enlarge, improve, maintain, equip, operate, and regulate such airports and other air navigation facilities and structures and other property incidental to their operation, either within or without the territorial limits of such municipality and within or without this state; to make, prior to any such acquisition, investigations, surveys, and plans; to construct, install, and maintain airport facilities for the servicing *and repair of aircraft and facilities authorized under section 2, subdivision 6*, and for the comfort and accommodation of air travelers; and to purchase and sell equipment and supplies as an incident to the operation of its airport properties. It may not acquire, or take over any airport or other air navigation facility owned or controlled by any other municipality of the state without the consent of such municipality. It may use for airport purposes any available property that is now or may at any time hereafter be owned or controlled by it. Such air navigation facilities as are established on airports shall be supplementary to and coordinated in design and operation with those established and operated by the federal and state governments. It may assist other municipalities in the construction of approach roads leading to any airport or restricted landing area owned or controlled by it. *In financing the facility described under section 2, subdivision 6, it may borrow money from the state or otherwise assist in the financing of the facility and for that purpose may exercise the powers specified under sections 469.152 to 469.165.*

Sec. 21. Minnesota Statutes 1990, section 360.038, subdivision 4, is amended to read:

Subd. 4. [LEASED PROPERTY.] To lease for a term not exceeding 30 years such airports ~~or~~, other air navigation facilities *or facilities authorized under section 2, subdivision 6*, or real property acquired or set apart for airport purposes, to private parties, any municipal or state government or

the national government, or any department of either thereof, for operation; to lease or assign for a term not exceeding 99 years to private parties, any municipal or state government, or the national government, or any department of either thereof, for operation or use consistent with the purposes of sections 360.011 to 360.076, space, area, improvements, or equipment on such airports; notwithstanding any other provisions in this subdivision, to lease ground area for a term not exceeding 99 years to private persons for the construction of structures which in its opinion are essential and necessary to serve aircraft, persons and things engaged in or incidental to aeronautics, including but not limited to shops, hangars, offices, restaurants, hotels, motels, factories, storage space, and any and all other structures necessary or essential to and consistent with the purposes of sections 360.011 to 360.076, to sell any part of such airports, other air navigation facilities, or real property to any municipal or state government, or to the United States or any department or instrumentality thereof, for aeronautical purposes incidental thereto, and to confer the privileges of concessions of supplying upon its airports goods, commodities, things, services, and facilities; provided that in each case in so doing the public is not deprived of its rightful, equal, and uniform use thereof.

Sec. 22. Minnesota Statutes 1990, section 473.608, subdivision 1, is amended to read:

Subdivision 1. The corporation, subject to the conditions and limitations prescribed by law, shall possess all the powers as a body corporate necessary and convenient to accomplish the objects and perform the duties prescribed by sections 473.601 to 473.679, including but not limited to those hereinafter specified. These powers, except as limited by section 473.622, may be exercised at any place within 35 miles of the city hall of either Minneapolis or St. Paul, and in the metropolitan area, *and in the city of Duluth for the purpose of owning, leasing, constructing, equipping, operating, borrowing money from the state for, or otherwise financing the facility described in section 2, subdivision 5.*

*A state loan to finance the facility described in section 2, subdivision 5, must be made on terms and conditions as the commissioner of finance, the commissioner of trade and economic development, and the commission determine to be appropriate. The state loan is not subject to and may not be counted against any limitation on the principal amount of revenue bonds or general obligation revenue bonds that the commission may issue under sections 473.601 to 473.679.*

Sec. 23. [CITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT.]

*Subdivision 1. [AUTHORIZATION.] The city of Duluth may create a tax increment financing district, as provided in this subdivision, on property located at the Duluth international airport. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 5, is proposed to be located. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.*

*Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota*

*Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.*

*(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district and money in any of the funds specified in section 54(a) of the Duluth City Charter that are pledged by the governing body of the city of Duluth for this purpose must be used to pay debt service on the obligations or debt incurred to finance any portion of the facilities described in section 2, subdivision 5, in a principal amount not to exceed \$47,600,000.*

*(c) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.*

**Sec. 24. [CITY OF HIBBING; TAX INCREMENT FINANCING DISTRICT.]**

*Subdivision 1. [AUTHORIZATION.] (a) The city of Hibbing may create a tax increment financing district, as provided in this subdivision, on property located in the city of Hibbing. Except as provided otherwise in this section, the provisions of Minnesota Statutes, sections 469.174 to 469.179, shall apply to the district. The district shall consist of parcels on which the facility described in section 2, subdivision 6, is proposed to be located and with the approval of the St. Louis county board, any other adjoining areas into which expansion of the facility or development caused by the facility may be expected to occur. The city or any of its authorities or agencies listed in Minnesota Statutes, section 469.174, subdivision 2, may be the "authority" for purposes of Minnesota Statutes, sections 469.174 to 469.179.*

*(b) By resolution of the governing bodies of St. Louis county and the city of Chisholm and without an election, either or both St. Louis county and the city of Chisholm may treat an obligation or any portion thereof, of the city of Hibbing issued under Minnesota Statutes, section 469.178, subdivision 2, as a general obligation of St. Louis county or the city of Chisholm, by unconditionally and irrevocably pledging their full faith and credit and taxing power. Except for Minnesota Statutes, sections 475.61 and 475.64, the pledge is not subject to Minnesota Statutes, chapter 475. The obligations, the pledge of St. Louis county, and the pledge of the city of Chisholm are not subject to and shall not be taken into account for purposes of any debt limitation. A levy of taxes for the obligations is not subject to and shall not be taken into account for purposes of any levy limitations. The obligations may be sold at public or private sale.*

*Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be a redevelopment district as defined in Minnesota Statutes, section 469.174, subdivision 10, except that the durational limit under Minnesota Statutes, section 469.176, subdivision 1, paragraph (e), shall be extended to 30 years.*

*(b) Notwithstanding Minnesota Statutes, section 469.176, subdivision 4j, the revenue derived from tax increments from this district and the proceeds of obligations secured by or payable from the tax increments, after reduction for costs of issuance, reserves, and capitalized interest, may be used to pay debt service on the obligations or debt incurred to finance any portion of the facilities described in section 2, subdivision 6.*

*(c) The provisions of Minnesota Statutes, section 273.1399, do not apply to the district.*

**Sec. 25. [PURPOSE.]**

*The purpose of sections 1 to 18 is to foster long-term economic growth and job creation by financing an aircraft maintenance facility and an aircraft engine repair facility, to encourage and facilitate the retention and expansion of airports and other air navigation facilities, airline corporations' facilities, operations and services in the state; to prevent the loss of jobs, and encourage and promote the creation of additional jobs in the state in the airline industry and in other businesses in the state served or affected by the airline industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the state; and to ensure the preservation, growth, and diversification of the tax base of the state. State bonds are authorized to be issued and the proceeds of their sale are appropriated under the authority of article XI, section 5, clauses (a) and (g), of the Minnesota Constitution. In authorizing the financing of the aircraft facilities, the legislature is acting in all respects for the benefit of the people of the state of Minnesota to serve the public purpose of fostering economic development within the state.*

**Sec. 26. [EFFECTIVE DATE; LOCAL APPROVAL.]**

*Section 2, subdivision 4, paragraph (b), is effective on the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of St. Louis county. Section 17 is effective for taxable years beginning after December 31, 1991.*

**ARTICLE 2****METROPOLITAN AIRPORTS COMMISSION****Section 1. [473.6021] [PUBLIC NECESSITY AND PURPOSE FOR ISSUANCE OF BONDS.]**

*In order to accomplish the public purposes set forth in section 473.602; to encourage and facilitate the retention and expansion of airline corporations' facilities, operations, and services in the metropolitan area and the state; to prevent the loss of jobs and encourage and promote the creation of additional jobs in the state in the airline industry and in other businesses in the state served or affected by the airline industry; to promote the continued growth, and reduce the potential for and effects of a decline of economic activity in the metropolitan area and the state; and to ensure the preservation, growth, and diversification of the tax base of the metropolitan area and the state; it is necessary and appropriate and in the public interest to authorize the commission to take the actions described in section 473.667, subdivision 11, and section 3.*

**Sec. 2. Minnesota Statutes 1990, section 473.667 is amended by adding a subdivision to read:**

**Subd. 11. [ADDITIONAL BONDS.] (a)** *With the approval of the commissioner of finance and the commissioner of trade and economic development, the commission may issue general obligation revenue bonds for the purposes of:*

*(1) acquiring by purchase real and personal properties located within the metropolitan area that are related to airline operations to be leased to airline corporations, or to other corporations affiliated by common ownership with airline corporations, for use in connection with their airline operations, including real and personal properties for use as flight training facilities; and*

(2) financing or refinancing the costs of real and personal properties owned by the commission to be leased to airline corporations and used in connection with the operations of the airline corporations at airports under the commission's jurisdiction.

Prior to the issuance of the general obligation revenue bonds, the commission shall enter into a lease with the airline corporations, or with other corporations affiliated by common ownership with airline corporations, for the use of the acquired real and personal properties referenced in clause (1), and shall enter into a revenue agreement with the airline corporation for the use of the properties financed or refinanced referenced in clause (2).

(b) In addition to the covenants and agreements otherwise required or negotiated by the commission, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline corporation, also by the airline corporation, satisfactory to the commission providing for:

(1) the payment of rents in amounts and at times adequate to pay the principal and interest as due on the general obligation revenue bonds issued to acquire, finance, or refinance the properties and to pay the commission's costs and expenses of issuing the bonds and acquiring and owning the properties, and otherwise satisfying the requirements of section 469.155, subdivision 5;

(2) the adequate security for payment of rents so that the net unencumbered value of the leased property described in paragraph (a), clause (1), and other collateral pledged to the commission from time to time by the airline corporation, as independently appraised at the time of issuance and periodically to the satisfaction of the commission during the term of the general obligation revenue bonds, is a percentage of the principal amount of the outstanding general obligation revenue bonds under this subdivision as determined by the commission; provided that the percentage determined by the commission must not be less than 125 percent;

(3) the retention and location of employees, operations, domestic and international, and facilities, including headquarters, of the airline corporation in the metropolitan area and the state for periods that may exceed the term of the lease and aircraft noise abatement; and

(4) early repayment, or the establishment of a defeasance account to provide for timely repayment, of the general obligation revenue bonds upon the occurrence of events and upon terms and conditions as are satisfactory to the commission, together with financial requirements and covenants satisfactory to the commission.

(c) The purchase price of the acquired properties described in paragraph (a), clause (1), must be in an amount equivalent to a percentage of its then fair market value as determined by the commission; provided that the percentage shall not exceed 85 percent. The portion of the general obligation revenue bonds attributable to the financing or refinancing of the property described in paragraph (a), clause (2), must be in an amount equivalent to a percentage of its then fair market value as determined by the commission; provided that the percentage shall not exceed 85 percent. The principal amount of the general obligation revenue bonds issued under this subdivision, including any debt service reserve account or other reserve account, is limited to \$270,000,000 in excess of the amount authorized by subdivision 2; provided that the sum of the original principal amounts of the general

*obligation revenue bonds issued under this subdivision, and the revenue bonds issued under section 3, shall not exceed \$390,000,000. Before the commission may issue the general obligation revenue bonds described in this subdivision, the commission shall have received, in form and substance satisfactory to the commission, reports described in section 3, subdivision 3, relating to the general obligation revenue bonds.*

**Sec. 3. [473.6671] [REVENUE BONDS.]**

*Subdivision 1. [AUTHORIZATION.] (a) With the approval of the commissioner of finance and the commissioner of trade and economic development, the commission may issue revenue bonds for the purpose of:*

*(1) acquiring by purchase real and personal properties located within the metropolitan area that are related to airline operations to be leased to airline corporations, or to other corporations affiliated by common ownership with airline corporations, for use in connection with their airline operations, including real and personal properties for use as flight training facilities; and*

*(2) financing or refinancing the costs of real and personal properties owned by the commission to be leased to airline corporations and used in connection with the operations of the airline corporations at airports under the commission's jurisdiction.*

*Prior to the issuance of the revenue bonds, the commission shall enter into a lease with the airline corporations, or with other corporations affiliated by common ownership with airline corporations, for the use of such acquired real and personal properties referenced in clause (1), and shall enter into a revenue agreement with the airline corporation for the use of the properties financed or refinanced referenced in clause (2).*

*(b) In addition to the covenants and agreements otherwise required or negotiated by the commission, the leases and revenue agreements for the properties must contain covenants and agreements by the airline corporation, and if the user is not the airline corporation, also by the airline corporation, satisfactory to the commission providing for:*

*(1) the payment of rents in amounts and at times adequate to pay the principal and interest as due on the revenue bonds issued to acquire, finance, or refinance the properties and to pay the commission's costs and expenses of issuing the bonds and acquiring and owning the properties, and otherwise satisfying the requirements of section 469.155, subdivision 5;*

*(2) the retention and location of employees, operations, domestic and international, and facilities, including headquarters, of the airline corporation in the metropolitan area and the state for periods that may exceed the term of the lease and aircraft noise abatement; and*

*(3) early repayment, or the establishment of a defeasance account to provide for timely repayment, of the general obligation revenue bonds upon the occurrence of events and upon terms and conditions as are satisfactory to the commission, together with financial requirements and covenants satisfactory to the commission.*

*(c) The sum of the original principal amounts of the revenue bonds issued under this subdivision, and the general obligation revenue bonds issued under section 473.667, subdivision 11, shall not exceed \$390,000,000. Except as provided in this section, the revenue bonds must be issued in the manner and are subject to the requirements of chapter 475; provided that*

*compliance with the requirements of section 475.60 is at the discretion of the commission.*

*Subd. 2. [SECURITY AND SOURCE OF PAYMENT.] The revenue bonds described in subdivision 1 are payable solely from and secured by the revenues derived by the commission from the leases upon the properties described in subdivision 1, paragraph (a), clause (1), the revenue agreements upon the properties described in subdivision 1, paragraph (a), clause (2), and other revenues as the commission may designate and pledge which are derived from the ownership and operation of its airports, air navigation facilities, and other facilities; provided that the pledge and application of all revenues to the payment and security of the revenue bonds are subject and subordinate to the first and prior charge thereon for the payment and security of the commission's general obligation revenue bonds as provided in section 473.667. The revenue bonds shall not be payable from or charged upon any funds or assets of the commission other than the commission revenues expressly pledged to their payment. An owner of the revenue bonds may not compel any exercise of the taxing power of the commission, the state, or any other taxing jurisdiction. Each bond must state in substance the limited nature of the obligations. The revenue bonds may be further secured by an assignment of leases with respect to the properties acquired, financed, or refinanced by the revenue bonds, and (i) with respect to the properties described in subdivision 1, paragraph (a), clause (1), by a mortgage and security agreement upon the properties and by other collateral as is pledged to secure the obligations of the airline corporation or other lessee under the leases on the properties, and (ii) with respect to the properties described in subdivision 1, paragraph (a), clause (2), by other collateral as is pledged to secure the obligations of the airline corporation under the revenue agreements. In the resolution or other instrument providing for the issuance of the revenue bonds, the commission may provide for or require the creation of accounts from sources specified by the commission for the payment and security of the revenue bonds, including a debt service reserve account, separate from the accounts maintained for payment of the general obligation revenue bonds. The sources specified by the commission may include a portion of the proceeds of the revenue bonds or payment by the airline corporation. The leases described in subdivision 1, paragraph (a), clause (1), and the revenue agreements described in subdivision 1, paragraph (a), clause (2), must provide that if the commission determines to pledge any of its revenues to secure the revenue bonds, including revenues deposited into a debt service reserve account for the revenue bonds, the airline corporation concurrently shall pledge assets to the commission as security for repayment of the pledged revenues so that the net unencumbered values of the pledged assets, as independently appraised at the time of issuance and periodically to the satisfaction of the commission during the term of the revenue bonds, is a percentage of the amount of commission revenues so pledged as determined by the commission; provided that the percentage shall not be less than 125 percent.*

*Subd. 3. [DUE DILIGENCE CONDITIONS.] Before the commission may issue the revenue bonds described in subdivision 1, the commission must receive, in form and substance satisfactory to the commission:*

*(1) a report of audit of the commission's financial records for the fiscal year most recently ended or, if this is not yet available, a report for the preceding year, prepared by a nationally recognized firm of certified public accountants, showing that the net revenues received that year, computed as*

*the gross receipts less any refunds of rates, fees, charges, and rentals for airport and air navigation facilities and service, and less the aggregate amount of current expenses, paid or accrued, of operation and maintenance of property and carrying on the commission's business and activities, equaled or exceeded the maximum amount of then outstanding bonds of the commission and interest thereon to become due in any future fiscal year;*

*(2) a written report prepared by a nationally recognized consultant on airport management and financing, projecting available revenues of the airline corporation at least sufficient during each year of the term of the proposed revenue bonds to pay when due all financial obligations of the airline corporation under the revenue agreements and leases described in subdivision 1 and stating the factors on which the projection is based; and*

*(3) a written report prepared by a nationally recognized consultant on airport management and financing, projecting available revenues of the commission at least sufficient during each year of the term of the proposed revenue bonds to pay all principal and interest when due on the revenue bonds, and stating the estimates of air traffic, rate increases, inflation, and other factors on which the projection is based.*

*The commission shall submit the reports required under this subdivision to the commissioner of finance and the commissioner of trade and economic development.*

Sec. 4. Minnesota Statutes, section 473.667, is amended by adding a subdivision to read:

*Subd. 12. [BONDS FOR HEAVY MAINTENANCE FACILITY.] With the approval of the commissioner of finance and the commissioner of trade and economic development, the commission may issue general obligation revenue bonds for the purpose of constructing a heavy maintenance facility for aircraft to be located at Minneapolis-St. Paul International Airport. The heavy maintenance facility must be owned by the commission and leased to and operated by airline corporations, for use by airline corporations in connection with their airline operations. The principal amount of the general obligation revenue bonds issued under this subdivision, including any debt service reserve account or any other reserve account, is limited to \$230,000,000 in excess of the amount authorized by subdivision 2.*

Sec. 5. [473.680] [TAX INCREMENT FINANCING DISTRICT FOR HEAVY MAINTENANCE FACILITY.]

*Subdivision 1. [AUTHORIZATION.] The commission may create a tax increment financing district as provided in this subdivision on property located at the Minneapolis-St. Paul International Airport. Except as otherwise provided in this section, the provisions of sections 469.174 to 469.179 apply to the district. The district shall consist of parcels on which the heavy maintenance facility described in section 473.667, subdivision 12, is proposed to be located. The commission is the "authority" for purposes of sections 469.174 to 469.179.*

*Subd. 2. [CHARACTERISTICS OF THE DISTRICT.] (a) The district shall be an economic development district as defined in section 469.174, subdivision 12.*

*(b) Notwithstanding section 469.176, subdivision 4c, the revenue derived from tax increment from the district must be used to pay debt service on general obligation revenue bonds issued by the commission under section*

473.667, subdivision 12.

Sec. 6. [EFFECTIVE DATES; APPLICATION.]

*Sections 1 to 5 are effective the day following final enactment and shall apply to bonds issued under sections 1 to 5 and bonds issued to refund the bonds. This act applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."*

Amend the title as follows:

Page 1, line 3, delete "trade and economic development" and insert "finance"

Page 1, line 9, after "Hibbing" insert "and on property located at the Minneapolis-St. Paul International Airport"

Page 1, line 11, after the semicolon, insert "authorizing the metropolitan airports commission to issue obligations to finance construction of aircraft maintenance facilities;"

Page 1, line 12, delete "and" and insert "360.013, subdivision 5; 360.032, subdivision 1; 360.038, subdivision 4;"

Page 1, line 13, after the semicolon, insert "and 473.667, by adding subdivisions;"

Page 1, line 14, delete "chapter 297A" and insert "chapters 297A and 473"

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

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

S.F. No. 1174: A bill for an act relating to water; setting a minimum water use processing fee for water use permits issued for irrigation; amending Minnesota Statutes 1990, section 103G.271, subdivision 6.

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

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

H.F. No. 1109: A bill for an act relating to economic development; creating Advantage Minnesota, Inc.; requiring a report to the legislature; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

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

H.F. No. 761: A bill for an act relating to education; permitting the state board of technical colleges to develop training materials for people who provide services to people with developmental disabilities; creating an advisory task force; requiring a report.

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

Page 1, line 8, delete "TRAINING" and insert "EDUCATION"

Page 1, line 12, delete "training" in both places and insert "education"

Page 1, line 15, delete "TRAINING AND"

Page 1, line 17, delete "training and"

Page 1, line 20, delete "training" and insert "education"

Page 2, lines 4 and 7, delete "training" and insert "education"

Page 2, line 12, delete "and training"

Amend the title as follows:

Page 1, line 3, delete "training" and insert "education"

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

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

S.F. No. 513: A bill for an act relating to the military; providing for issuance of a state ribbon to certain participants in the Persian Gulf War; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 190.

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

Page 1, line 17, delete "\$ . . . . ." and insert "\$750"

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

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

H.F. No. 222: A bill for an act relating to international trade; establishing a regional international trade service center pilot project; appropriating money.

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

Delete everything after the enacting clause and insert:

"Section 1. [44A.12] [REGIONAL INTERNATIONAL TRADE SERVICE CENTERS.]

*Subdivision 1. [ESTABLISHMENT.] A regional international trade service center is established in each of the six regions designated under section 116N.08, subdivision 2, to provide assistance in the area of international trade to area businesses and businesses within the metropolitan area, as defined in section 473.121, subdivision 2. Overall administration of the centers shall be provided by the Minnesota World Trade Center Corporation.*

*Subd. 2. [DUTIES.] The regional international trade service centers shall have at least the following duties:*

*(1) to provide timely personalized assistance to businesses exporting or planning to export goods and services, and to concentrate on providing direct assistance at the place of business;*

*(2) to establish and maintain access to a current library and resource center containing material relating to international trade and trade lead*

information;

(3) to establish contractual relationships with the Greater Minnesota Corporation; small business development centers; and public higher education institutions, their foreign-based campuses, and affiliates, for referrals between these entities and the regional center for technical assistance;

(4) to enter into a formal agreement with the National Association of Small Business International Trade Educators as a state chapter, thus accessing a national pool of small business international trade expertise;

(5) to provide a calendar of regularly scheduled trade workshops and seminars for regional businesses, and establish and act as regional recruiters for a privately funded international education academy, in cooperation with the United States Department of Commerce, small business development centers, the Small Business Administration, and public higher education institutions;

(6) to conduct annual regional surveys of the international trade service requirements of all existing exporters in the region, to perform a needs assessment of new-to-export companies that are beginning to export or participate in an international trade program, to research regional product and service firms that have export potential and to contact and contract with them for service programs, and to contract with each of the entities in this clause for an annual program;

(7) to design with available local, state, and federal service providers a computer-based service menu and annual service program for each client;

(8) to organize and conduct six regional trade workshops each year to provide international trade and export education, and participate in other trade workshops;

(9) to recruit businesses and economic development professionals in the region for the full schedule of United States Department of Commerce foreign trade missions, catalog shows, and foreign international trade fairs;

(10) to establish direct FAX communication links for business communication with United States Department of Commerce overseas posts in 154 countries;

(11) to act as the "hot line" regional export information center for regional businesses, higher educational institutions, and economic development offices, small business development commissions, and chambers of commerce;

(12) to create partnerships with regional higher education institutions to expand international business, trade, and world cultural curriculum; and

(13) to follow up on an individual basis on trade leads.

*Subd. 3. [STAFF.] Each center shall have a professional staff that is experienced in providing expert international trade assistance to small businesses, with prior experience in the private sector in exporting goods and services.*

*Subd. 4. [MATCHING FUNDS.] Each center must seek matching money from federal, state, and local public and private sources."*

Delete the title and insert:

"A bill for an act relating to international trade; establishing regional

international trade service centers; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 44A."

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

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

S.F. No. 862: A bill for an act relating to retirement; Minneapolis municipal employees; changing interest and salary assumptions and the target date for amortization of unfunded liabilities; providing for certain postretirement adjustments; providing for lawsuits brought by the state and political subdivisions for breaches of fiduciary duty; providing for certain optional annuities; increasing survivor benefits; amending Minnesota Statutes 1990, sections 356.215, subdivisions 4d and 4g; 422A.05, by adding subdivisions; 422A.101; 422A.17; and 422A.23, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 356.

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

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 1990, section 275.125, subdivision 6a, is amended to read:

Subd. 6a. [MINNEAPOLIS CIVIL SERVICE RETIREMENT LEVY.] (1) In addition to the excess levy authorized in subdivision 6, in 1976 any district within a city of the first class which was authorized in 1975 to make a retirement levy under Minnesota Statutes 1974, section 275.127 and chapter 422A may levy an amount per pupil unit which is equal to the amount levied in 1975 payable 1976, under Minnesota Statutes 1974, section 275.127 and chapter 422A, divided by the number of pupil units in the district in 1976-1977.

(2) In 1979 and each year thereafter, any district which qualified in 1976 for an extra levy under clause (1) shall be allowed to levy the same amount as levied for retirement in 1978 under this clause reduced each year by ten percent of the difference between the amount levied for retirement in 1971 under Minnesota Statutes 1971, sections 275.127 and 422.01 to 422.54 and the amount levied for retirement in 1975 under Minnesota Statutes 1974, section 275.127 and chapter 422A.

(3) *In 1991 and each year thereafter, a district to which this subdivision applies may levy an additional amount required for contributions to the Minneapolis employees retirement fund as a result of the maximum dollar amount limitation on state contributions to the fund imposed under section 422A.101, subdivision 3. The additional levy shall not exceed the most recent amount certified by the board of the Minneapolis employees retirement fund as the district's share of the contribution requirement in excess of the maximum state contribution under section 422A.101, subdivision 3.*

Sec. 2. Minnesota Statutes 1990, section 275.50, subdivision 5a, is amended to read:

Subd. 5a. [SPECIAL LEVIES; LOCAL.] "Special levies" also includes those portions of ad valorem taxes levied by the following governmental subdivisions for the years and purposes given in the cited laws:

(1) Goodhue county for the county historical society as provided in Laws

1990, chapter 604, article 3, section 50;

(2) the city of Windom for a municipal hospital as provided in Laws 1990, chapter 604, article 3, section 51;

(3) Koochiching county for ambulance service as provided in Laws 1990, chapter 604, article 3, section 52;

(4) Douglas county for solid waste management as provided in Laws 1990, chapter 604, article 3, section 53;

(5) the city of Bemidji and Beltrami county to pay bonds for an airport terminal as provided in Laws 1990, chapter 604, article 3, section 57;

(6) Ramsey county to pay bonds for a facility for the arts and sciences as provided in Laws 1990, chapter 604, article 3, section 58;

(7) the city of Rosemount for an armory as provided in Laws 1990, chapter 604, article 3, section 59;

(8) the cities of Maple Grove, Brooklyn Park, Brooklyn Center, and Coon Rapids for peace officer salaries and benefits as provided in Laws 1990, chapter 604, article 3, section 60; ~~and~~

(9) a city described in and for debt service as provided in Laws 1990, chapter 604, article 3, section 61; ~~and~~

*(10) the city of Minneapolis for certain retirement fund contributions as provided in section 18."*

Page 6, line 25, after "*subdivision*" insert "*or suits by the retirement board on behalf of one or more of the funds*"

Page 6, after line 31, insert:

"Sec. 8. Minnesota Statutes 1990, section 422A.06, subdivision 1, is amended to read:

Subdivision 1. [CREATION; DIVISIONS OF FUND.] For the purposes of this chapter, there ~~shall be a~~ *is established the* Minneapolis employees retirement fund; ~~hereafter referred to as the retirement fund.~~ *The That* retirement fund ~~shall be~~ *is* subdivided into (1) a deposit accumulation fund, (2) a survivor benefit fund, (3) a disability benefit fund, and (4) a retirement benefit fund. The expense of the administration of the retirement fund ~~shall must~~ be paid from the deposit accumulation fund; ~~less the amount as the retirement board may charge against income of the retirement fund from investments as the cost of handling the investments of the retirement fund.~~

Sec. 9. Minnesota Statutes 1990, section 422A.06, subdivision 3, is amended to read:

Subd. 3. [DEPOSIT ACCUMULATION FUND.] The deposit accumulation fund ~~shall consist~~ *consists* of the assets held in the fund, increased by amounts contributed by or for employees, amounts contributed by the city, amounts contributed by municipal activities supported in whole or in part by revenues other than taxes and amounts contributed by any public corporation, amounts paid by the state and by income from investments. There ~~shall must~~ be paid from the fund the amounts required to be transferred to the retirement benefit fund, or the disability benefit fund, refunds of contributions, death benefits payable on death before retirement ~~which that~~ are not payable from the survivors' benefit fund, postretirement increases in retirement allowances granted ~~pursuant to~~ *under* Laws 1965, chapter 688,

or Laws 1969, chapter 859, and expenses of the administration of the retirement fund ~~which were not charged by the retirement board against the income of the retirement fund from investments as the cost of handling the investments of the retirement fund.~~"

Page 6, line 32, after "422A.101," insert "subdivision 1,"

Page 6, delete lines 34 and 35

Page 7, line 18, after "actuary" insert "*, including any amounts related to investment activities other than actual investment transaction amounts*"

Page 7, line 28, strike "June 30," and delete "2020" and insert "*the applicable amortization target date*" and strike "an" and insert "*the applicable*"

Page 7, line 29, strike "of" and delete "six" and strike "percent compounded annually" and insert "*assumption specified in section 356.215, subdivision 4d,*"

Page 7, line 35, strike "(5)" and insert "(6)"

Page 8, after line 7, insert:

"Sec. 11. Minnesota Statutes 1990, section 422A.101, subdivision 1a, is amended to read:"

Page 8, line 34, strike "June 30," and delete "2020" and insert "*the applicable amortization target date*"

Page 9, line 7, strike "June 30," and delete "2020" and insert "*the applicable amortization target date*"

Page 9, after line 24, insert:

"Sec. 12. Minnesota Statutes 1990, section 422A.101, subdivision 2, is amended to read:"

Page 10, line 11, strike "June 30," and delete "2020" and insert "*the applicable amortization target date*"

Page 11, after line 17, insert:

"Sec. 13. Minnesota Statutes 1990, section 422A.101, subdivision 2a, is amended to read:"

Page 11, line 24, strike "June 30," and delete "2020" and insert "*the applicable amortization target date*"

Page 12, delete lines 5 to 32 and insert:

"Sec. 14. Minnesota Statutes 1990, section 422A.101, is amended by adding a subdivision to read:"

Page 12, line 34, before "If" insert "*(a) If the total of contributions under subdivisions 1a, 2, and 2a and any state appropriation to the Minneapolis employees retirement fund is less than the financial requirements of the fund under subdivision 1, the difference must be allocated by the retirement board to the employers identified in subdivisions 1a and 2, other than units of metropolitan government, and paid to the fund by them. Each employer's share of the excess is proportionate to the employer's share of the fund's unfunded actuarial accrued liability, as disclosed in the annual*

*actuarial valuation prepared by the actuary retained by the legislative commission on pensions and retirement, compared to the total unfunded actuarial accrued liability attributed to all employers identified in subdivisions 1a and 2, other than units of metropolitan government. Payments must be made in four equal installments, occurring on March 15, July 15, September 15, and November 15 annually.*

(b)”

Page 15, after line 31, insert:

“Sec. 18. [CITY OF MINNEAPOLIS; SPECIAL LEVY.]

*For taxes levied in 1991, payable in 1992, the city of Minneapolis may levy an amount equal to the amount required to be paid by the city for contributions to the Minneapolis employees retirement fund as a result of the maximum dollar amount limitation on state contributions to the fund imposed under Minnesota Statutes, section 422A.101, subdivision 3. The levy under this section shall not exceed the most recent amount certified by the board of the Minneapolis employees retirement fund as the city's share of the contribution requirement in excess of the maximum state contribution under Minnesota Statutes, section 422A.101, subdivision 3.*

Sec. 19. [APPROPRIATION; SUPPLEMENTAL BENEFITS.]

*\$550,000 for fiscal year 1992 and \$550,000 for fiscal year 1993 is appropriated from the general fund to the commissioner of finance for payment of the supplemental benefits authorized by section 5.*

Sec. 20. [APPROPRIATION.]

*There is appropriated from the general fund to the Minneapolis employees retirement fund for the fiscal years indicated the following:*

<i>Fiscal Year Ending</i>	<i>Fiscal Year Ending</i>
<i>June 30, 1992</i>	<i>June 30, 1993</i>
<i>\$10,455,000</i>	<i>\$10,455,000</i>

*Payment of the appropriation must be made in four equal installments, occurring on March 15, July 15, September 15, and November 15, annually.*

Sec. 21. [REPEALER.]

*Minnesota Statutes 1990, sections 422A.101, subdivision 3, is repealed.”*

Page 15, delete lines 33 to 36 and insert:

*“(a) Sections 6 to 10, 14, and 21 are effective on the day following final enactment. Sections 3, 4, 11, and 13 are effective following approval of all of those sections by the city council of the city of Minneapolis and compliance with Minnesota Statutes, section 645.021. Sections 4, 15, 16, and 17 are effective following approval by the city council of the city of Minneapolis and compliance with Minnesota Statutes, section 645.021.*

*(b) Section 6 applies to all claims pending on the effective date of the section or filed on or after that date. Section 16, if approved, applies to all benefit payments made after the effective date of the section, including payments to persons who became surviving spouses or surviving children before that date.”*

Page 16, delete lines 1 to 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the second semicolon, insert "providing for additional employer contributions; providing levy authority to pay for additional contributions to retirement funds; appropriating money;"

Page 1, line 10, after "sections" insert "275.125, subdivision 6a; 275.50, subdivision 5a;"

Page 1, line 12, after the first semicolon, insert "422A.06, subdivisions 1 and 3;" and before the second semicolon, insert ", subdivisions 1, 1a, 2, 2a, and by adding a subdivision"

Page 1, line 14, before the period, insert "; repealing Minnesota Statutes 1990, section 422A.101, subdivision 3"

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

## **SECOND READING OF SENATE BILLS**

S.F. Nos. 1174, 513 and 862 were read the second time.

## **SECOND READING OF HOUSE BILLS**

H.F. Nos. 1109, 761 and 222 were read the second time.

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

## **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Hottinger introduced—

S.F. No. 1583: A bill for an act relating to the municipal board; providing for the composition of boards to consider annexations; amending Minnesota Statutes 1990, section 414.031, by adding a subdivision.

Referred to the Committee on Local Government.

Mr. Hottinger introduced—

S.F. No. 1584: A bill for an act relating to the municipal board; providing for hearings of contested annexation matters; amending Minnesota Statutes 1990, section 414.031, by adding a subdivision.

Referred to the Committee on Local Government.

Messrs. Solon, Hottinger, Belanger, Larson and Metzen introduced—

S.F. No. 1585: A bill for an act relating to insurance; credit life; regulating the amount of insurance that is sold; amending Minnesota Statutes 1990, section 62B.04, subdivision 1.

Referred to the Committee on Commerce.

Messrs. Davis, Bertram and Sams introduced—

S.F. No. 1586: A bill for an act proposing an amendment to the Minnesota Constitution, article X, requiring use of a portion of the proceeds of the state lottery for property tax relief programs.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Bertram and Samuelson introduced—

S.F. No. 1587: A bill for an act relating to human services; authorizing medical assistance coverage of nursing care provided to a patient in the last stage of a terminal illness; amending Minnesota Statutes 1990, section 256B.0625, subdivision 2.

Referred to the Committee on Health and Human Services.

Mr. DeCramer introduced—

S.F. No. 1588: A bill for an act relating to transportation; authorizing municipalities to create transportation utilities; proposing coding for new law in Minnesota Statutes, chapter 444.

Referred to the Committee on Transportation.

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Merriam moved that H.F. No. 459 be taken from the table. The motion prevailed.

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.

Mr. Merriam moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 459, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Merriam moved that S.F. No. 1178 be taken from the table. The motion prevailed.

S.F. No. 1178: A bill for an act relating to elections; allowing school meetings on certain election days; amending Minnesota Statutes 1990, section 204C.03, subdivision 3.

### **CONCURRENCE AND REPASSAGE**

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 1178 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 1178 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Solon moved that S.F. No. 449 be taken from the table. The motion prevailed.

S.F. No. 449: A bill for an act relating to retirement; Duluth teachers retirement fund association and St. Paul teachers retirement fund association; proposing coding for new law in Minnesota Statutes, chapter 354A; repealing Laws 1985, chapter 259, sections 2 and 3; and Laws 1990, chapter 570, article 7, section 4.

### CONCURRENCE AND REPASSAGE

Mr. Solon moved that the Senate concur in the amendments by the House to S.F. No. 449 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 449 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott moved that H.F. No. 317 be taken from the table. The motion prevailed.

H.F. No. 317: A bill for an act relating to marriage dissolution; clarifying

procedure for modification of certain custody orders; providing for additional child support payments; providing an alternative form of satisfaction of child support obligation; imposing a fiduciary duty and providing for compensation in cases of breach of that duty; clarifying certain mediation procedures; providing for attorneys' fees in certain cases; clarifying language concerning certain motions; imposing penalties; amending Minnesota Statutes 1990, sections 518.18; 518.551, subdivision 5; 518.57, by adding a subdivision; 518.58, subdivision 1, and by adding a subdivision; 518.619, subdivision 6; 518.64, subdivision 2; and 518.641, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapter 518.

Ms. Reichgott moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 317, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Davis moved that H.F. No. 1 be taken from the table. The motion prevailed.

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. Davis moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. Kelly moved that S.F. No. 520 be taken from the table. The motion prevailed.

S.F. No. 520: A bill for an act relating to legal services; requesting the supreme court to study the feasibility of adopting rules governing the delivery of legal services by specialized legal assistants; amending Minnesota Statutes 1990, section 481.02, subdivision 3.

Mr. Kelly moved that the Senate do not concur in the amendments by the House to S.F. No. 520, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. Merriam moved that S.F. No. 822 be taken from the table. The motion prevailed.

S.F. No. 822: A bill for an act relating to the environment; responsible person for removal and remediation of hazardous waste; providing that the state, an agency of the state, or a political subdivision that acquires property through eminent domain or through negotiated purchase following the filing of eminent domain petition, or any person acquiring from the condemning

authority, is not liable as a responsible person solely because of the acquisition; clarifying the status of mortgagees and contract for deed vendors as responsible persons; amending Minnesota Statutes 1990, section 115B.03, by adding subdivisions.

### CONCURRENCE AND REPASSAGE

Mr. Merriam moved that the Senate concur in the amendments by the House to S.F. No. 822 and that the bill be placed on its repassage as amended.

Mr. Knaak moved that the Senate do not concur in the amendments by the House to S.F. No. 822, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion did not prevail.

The question recurred on the motion of Mr. Merriam. The motion prevailed.

S.F. No. 822: A bill for an act relating to the environment; clarifying that certain persons who own or have the capacity to influence operation of property are not responsible persons under the environmental response and liability act solely because of ownership or the capacity to influence operation; amending Minnesota Statutes 1990, section 115B.03, by adding subdivisions.

Was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 43 and nays 10, as follows:

Those who voted in the affirmative were:

Adkins	Day	Hughes	Merriam	Price
Beckman	DeCramer	Johnson, D.E.	Metzen	Riveness
Benson, J.E.	Finn	Johnson, J.B.	Moe, R.D.	Sams
Bertram	Flynn	Kelly	Mondale	Stumpf
Brataas	Frank	Langseth	Morse	Traub
Chmielewski	Frederickson, D.J.	Lessard	Novak	Vickerman
Cohen	Frederickson, D.R.	Luther	Pappas	Waldorf
Dahl	Gustafson	Marty	Piper	
Davis	Hottinger	McGowan	Pogemiller	

Those who voted in the negative were:

Belanger	Bernhagen	Knaak	Neuville	Pariseau
Benson, D.D.	Johnston	Laidig	Olson	Storm

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 236,

and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 236 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 236

A bill for an act relating to eminent domain; allowing entry onto land for environmental testing before beginning eminent domain proceedings; amending Minnesota Statutes 1990, section 117.041.

May 15, 1991

The Honorable Robert Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 236, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H.F. No. 236 be further amended as follows:

Page 4, line 5, of the unofficial engrossment (UEH0236-1), delete "*assumed*" and insert "*estimated*"

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

House Conferees: (Signed) Loren A. Solberg, Jean Wagenius, Art Seaberg

Senate Conferees: (Signed) Randy C. Kelly, William P. Luther, Fritz Knaak

Mr. Kelly moved that the foregoing recommendations and Conference Committee Report on H.F. No. 236 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 236 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 633, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 633 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 633

A bill for an act relating to watercraft; regulating the use and operation of personal watercraft; amending Minnesota Statutes 1990, section 86B.005, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 86B.

May 15, 1991

The Honorable Robert Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 633, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 633 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1: Minnesota Statutes 1990, section 86B.005, is amended by adding a subdivision to read:

*Subd. 14a. [PERSONAL WATERCRAFT.] "Personal watercraft" means a motorboat that:*

*(1) is powered by an inboard motor powering a water jet pump or by an outboard or propeller-driven motor; and*

*(2) is designed to be operated by a person or persons sitting, standing,*

*or kneeling on the craft, rather than in the conventional manner of sitting or standing inside a motorboat.*

Sec. 2. Minnesota Statutes 1990, section 86B.005, is amended by adding a subdivision to read:

*Subd. 16a. [SLOW-NO WAKE.] "Slow-no wake" means operation of a watercraft at the slowest possible speed necessary to maintain steerage, but in no case greater than five miles per hour.*

Sec. 3. [86B.313] [PERSONAL WATERCRAFT REGULATIONS.]

*Subdivision 1. [GENERAL REQUIREMENTS.] In addition to requirements of other laws relating to watercraft, it is unlawful to operate or to permit the operation of a personal watercraft:*

*(1) without each person on board the personal watercraft wearing a United States Coast Guard approved Type I, II, III, or V personal flotation device;*

*(2) between sunset and 8:00 a.m.;*

*(3) within 100 feet of a shoreline, dock, swimmer, or swimming diving raft or a moored, anchored, or nonmotorized watercraft at greater than slow-no wake speed;*

*(4) while towing a person on water skis, a kneeboard, an inflatable craft, or any other device unless an observer is on board;*

*(5) without the lanyard-type engine cutoff switch being attached to the person, clothing, or personal flotation device of the operator, if the personal watercraft is equipped by the manufacturer with such a device;*

*(6) if any part of the spring-loaded throttle mechanism has been removed, altered, or tampered with so as to interfere with the return-to-idle system;*

*(7) to chase or harass wildlife;*

*(8) through emergent or floating vegetation at other than a slow-no wake speed;*

*(9) in a manner that unreasonably or unnecessarily endangers life, limb, or property, including weaving through congested watercraft traffic, jumping the wake of another watercraft within 100 feet of the other watercraft; or*

*(10) in any other manner that is not reasonable and prudent.*

*Subd. 2. [AGE OF OPERATOR.] Except in the case of an emergency, a person under the age of 13 years may not operate or be permitted to operate a personal watercraft, regardless of horsepower, unless there is a person 18 years of age or older on board the craft. It is unlawful for the owner of a personal watercraft to permit the personal watercraft to be operated contrary to this subdivision.*

*Subd. 3. [OPERATOR'S PERMIT.] Except in the case of an emergency, a person 13 years of age or over but less than 18 years of age may not operate a personal watercraft, regardless of horsepower, without possessing a valid watercraft operator's permit as required by section 86B.305, unless there is a person 18 years of age or older on board the craft. In addition to the permit requirement, a person 13 years of age operating a personal watercraft must maintain unaided observation by a person 18 years of age or older. It is unlawful for the owner of a personal watercraft to permit the personal watercraft to be operated contrary to this subdivision.*

*Subd. 4. [DEALERS AND RENTAL OPERATIONS.] (a) A dealer of personal watercraft shall distribute a summary of the laws and rules governing the operation of personal watercraft and, upon request, shall provide instruction to a purchaser regarding:*

*(1) the laws and rules governing personal watercraft; and*

*(2) the safe operation of personal watercraft.*

*(b) A person who offers personal watercraft for rent:*

*(1) shall provide a summary of the laws and rules governing the operation of personal watercraft and provide instruction regarding the laws and rules and the safe operation of personal watercraft to each person renting a personal watercraft; and*

*(2) shall provide a United States Coast Guard approved Type I, II, III, or V personal flotation device and any other required safety equipment to all persons who rent a personal watercraft at no additional cost.*

#### Sec. 4. [EFFECTIVE DATE.]

*Sections 1 to 3 are effective 30 days after final enactment, except that section 3, subdivision 4, paragraph (b), clause (1), is effective 60 days after final enactment."*

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

House Conferees: (Signed) Anthony G. "Tony" Kinkel, Mary Jo McGuire, Kevin P. Goodno

Senate Conferees: (Signed) Bob Lessard, Harold R. "Skip" Finn, Gen Olson

Mr. Lessard that the foregoing recommendations and Conference Committee Report on H.F. No. 633 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 633 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

**MESSAGES FROM THE HOUSE - CONTINUED**

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 809, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 809 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

**CONFERENCE COMMITTEE REPORT ON H.F. NO. 809**

A bill for an act relating to counties; fixing various fees for documents; amending Minnesota Statutes 1990, sections 357.18, subdivision 1; 508.82; and 508A.82.

May 14, 1991

The Honorable Robert Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 809, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment

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

House Conferees: (Signed) Edgar Olson, Bill Schreiber, Marvin K. Dauner

Senate Conferees: (Signed) John C. Hottinger, Betty A. Adkins, Thomas M. Neuville

Mr. Hottinger moved that the foregoing recommendations and Conference Committee Report on H.F. No. 809 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 809 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 50 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 478, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 478 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 478

A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections; clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental procedures for absentee ballots and mail balloting; requiring notarized affidavits of candidacy; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines; authorizing an experimental school board election; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201.

May 16, 1991

The Honorable Robert Vanasek  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes

President of the Senate

We, the undersigned conferees for H.F. No. 478, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 478 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1990, section 97A.485, subdivision 1a, is amended to read:

Subd. 1a. [DEER LICENSE; ABSENTEE BALLOT APPLICATION.] *The commissioner and agents shall include with every license have available for each person purchasing a license to take deer with firearms or by archery, sold or issued during a general election year, an application for an absentee ballots and a voter registration card ballot. At the time of purchase, the commissioner or the commissioner's agent shall ask whether the person purchasing the license wants an application for an absentee ballot. The commissioner shall obtain absentee ballot application forms from the secretary of state and distribute them to the commissioner's agents.*

Sec. 2. [135A.16] [PROVISIONS TO FACILITATE VOTING.]

*Subdivision 1. [IDENTIFICATION CARDS.] All post-secondary institutions that enroll students accepting state or federal financial aid may provide every full-time student a student identification card that contains the enrolling student's photograph and name.*

*Subd. 2. [RESIDENTIAL HOUSING LIST.] All post-secondary institutions that enroll students accepting state or federal financial aid may prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus. The list shall include each student's current address. The list shall be certified and sent to the appropriate county auditor or auditors for use in election day registration as provided under section 201.061, subdivision 3.*

Sec. 3. Minnesota Statutes 1990, section 200.02, is amended by adding a subdivision to read:

*Subd. 21. [LOCAL ELECTION OFFICIAL.] "Local election official" means the municipal clerk or principal officer charged with duties relating to elections.*

Sec. 4. Minnesota Statutes 1990, section 201.061, subdivision 3, is amended to read:

Subd. 3. [ELECTION DAY REGISTRATION.] An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration card, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) showing a ~~drivers~~ driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) showing any document approved by the secretary of state as proper identification; or

(3) showing one of the following:

(i) a current valid student identification card from a post-secondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.16 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct sign an oath in the presence of the election judge vouching that the voter personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day.

A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration card.

Sec. 5. Minnesota Statutes 1990, section 201.091, subdivision 1, is amended to read:

Subdivision 1. [MASTER LIST.] Each county auditor shall prepare and maintain a current list of registered voters in each precinct in the county which is known as the master list. The master list must be created by entering each completed voter registration card received by the county auditor into the statewide registration system. It must show the name, residence address, and date of birth of each voter registered in the precinct. The information contained in the master list may only be made available to ~~election public officials for purposes related to election administration, to the state court administrator for jury selection, and in response to public officials authorized to carry out a law enforcement duties inquiry concerning a violation of or failure to comply with any criminal statute or state or local tax statute.~~

Sec. 6. Minnesota Statutes 1990, section 201.091, subdivision 4, is amended to read:

Subd. 4. [PUBLIC INFORMATION LISTS.] The county auditor shall make available for inspection a public information list which must contain the name, address, and voting history of each registered voter in the county. The telephone number must be included on the list if provided by the voter. The public information list may also include information on voting districts. The county auditor may adopt reasonable rules governing access to the list. No individual inspecting the public information list shall tamper with or alter it in any manner. No individual who inspects the public information list or who acquires a list of registered voters prepared from the public information list may use any information contained in the list for purposes unrelated to elections, political activities, or law enforcement. The secretary of state may provide copies of the public information lists and other information from the statewide registration system for uses related to elections, political activities, or in response to a law enforcement inquiry from a public official concerning a failure to comply with any criminal statute or any state or local tax statute.

Before inspecting the public information list or obtaining a list of voters or other information from the list, the individual shall provide identification to the public official having custody of the public information list and shall state in writing that any information obtained from the list will not be used for purposes unrelated to elections, political activities, or law enforcement.

Requests to examine or obtain information from the public information lists or the statewide registration system must be made and processed in the manner provided in the rules of the secretary of state.

*Upon receipt of a written request and a copy of the court order, the secretary of state may withhold from the public information list the name of any registered voter placed under court-ordered protection.*

Sec. 7. Minnesota Statutes 1990, section 201.13, subdivision 1, is amended to read:

Subdivision 1. ~~[LOCAL REGISTRAR OF VITAL STATISTICS COMMISSIONER OF HEALTH, REPORTS OF DECEASED RESIDENTS.] The local registrar of vital statistics in each county or municipality commissioner of health shall report monthly to the county auditor secretary of state the name and, address, date of birth, and county of residence of each individual 18 years of age or older who has died while maintaining residence in that county or municipality Minnesota since the last previous report. The secretary of state shall determine if any of the persons listed in the report are registered to vote and shall prepare a list of those registrants for each county auditor. The county auditor shall change the status of those registrants to "deceased" in the statewide registration system. Upon receipt of the report list, the county auditor shall remove from the files the original and duplicate registration cards of the voters reported to be deceased and make the appropriate changes in the data base of the central statewide registration system.~~

Sec. 8. [201.1611] [POST-SECONDARY INSTITUTION VOTER REGISTRATION.]

*Subdivision 1. [FORMS.] All post-secondary institutions that enroll students accepting state or federal financial aid shall provide voter registration forms to each student upon payment of tuition, fees, and activities funds at the commencement of fall quarter. The forms must contain spaces for the information required in section 201.071, subdivision 1, and applicable rules of the secretary of state. The institutions may request these forms from the secretary of state.*

*Subd. 2. [STUDENT VOTER REGISTRATION.] Upon registration or receipt of payment of fees, students must be asked if they want to register to vote at the same time. A copy of each completed voter registration form must be sent to the county auditor of the county in which the voter maintains residence or to the secretary of state as soon as possible. All completed voter registration forms must be forwarded to the county auditor within five days and in no case later than 21 days before the general election.*

Sec. 9. Minnesota Statutes 1990, section 203B.02, is amended by adding a subdivision to read:

*Subd. 1a. [EXPERIMENTAL PROCEDURES.] A county board may authorize any eligible voter in the county to vote by absentee ballot without qualification by submitting a written request to the county auditor between August 1, 1991 and November 30, 1992, notwithstanding the provisions of subdivision 1. The county auditor shall notify the secretary of state immediately after the adoption of such a resolution of authorization by the county board.*

*The application for absentee ballots must include the voter's name, residence address in the county, address to which the ballots are to be mailed, the date of the request, and the voter's signature.*

*The county auditor shall maintain a record of the number of applications for absentee ballots submitted under this subdivision. No later than January 15, 1993, the secretary of state shall prepare a report to the legislature on the implementation of this subdivision.*

*Assistance to voters in marking absentee ballots is subject to section 204C.15, subdivision 1.*

Sec. 10. Minnesota Statutes 1990, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION PROCEDURES.] Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be accepted if it is signed and dated by the applicant, contains the applicant's residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. *An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device, at the discretion of the auditor or clerk.*

Sec. 11. Minnesota Statutes 1990, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. [CANDIDATES IN STATE AND COUNTY GENERAL ELECTIONS.] Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period. *Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer.* Candidates for presidential electors may file petitions on or before the state primary day. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing. Affidavits and petitions for offices to be voted on in only one county shall be filed with the county auditor of that county. Affidavits and petitions for offices to be voted on in more than one county shall be filed with the secretary of state.

Sec. 12. Minnesota Statutes 1990, section 204B.16, subdivision 6, is amended to read:

Subd. 6. [PUBLIC FACILITIES.] Every statutory city, home rule charter city, county, town, school district, and other public agency, including the University of Minnesota and other public colleges and universities, shall make their facilities, including parking, available for the holding of city, county, school district, state, and federal elections, *subject to the approval of the local election official.* A charge for the use of the facilities may be imposed in an amount that does not exceed the lowest amount charged to any public or private group.

Sec. 13. Minnesota Statutes 1990, section 204B.16, is amended by adding a subdivision to read:

*Subd. 7. [APPROPRIATE FACILITIES.] The facilities provided in accordance with subdivision 6 shall be sufficient in size to accommodate all election activities and the requirements of subdivision 5. The space must be separated from other activities within the building. The local election official may approve space in two connecting rooms for registration and balloting activities. Except in the event of an emergency making the approved space unusable, the public facility may not move the election from the space approved by the local election official without prior approval. In addition to the requirements of subdivision 5, the public facility must make remaining parking spaces not in use for regularly scheduled activities available for voters.*

Sec. 14. Minnesota Statutes 1990, section 204B.32, is amended to read:  
204B.32 [ELECTION EXPENSES; PAYMENT.]

*Subdivision 1. [PAYMENT.] (a) The secretary of state shall pay the compensation for presidential electors, the cost of printing the pink paper ballots, and all necessary expenses incurred by the secretary of state in connection with elections.*

*(b) The counties shall pay the compensation prescribed in section 204B.31, clauses (b) and (c), the cost of printing the canary ballots, the white ballots, the pink ballots when machines are used, the state partisan primary ballots, and the state and county nonpartisan primary ballots, all necessary expenses incurred by county auditors in connection with elections, and the expenses of special county elections.*

*(c) Subject to subdivision 2, the municipalities shall pay the compensation prescribed for election judges and sergeants at arms, the cost of printing the municipal ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the municipal clerks in connection with elections, except special county elections.*

*(d) The school districts shall pay the compensation prescribed for election judges and sergeants-at-arms, the cost of printing the school district ballots, providing ballot boxes, providing and equipping polling places and all necessary expenses of the school district clerks in connection with school district elections not held in conjunction with state elections. When school district elections are held in conjunction with state elections, the school district shall pay the costs of printing the school district ballots, providing ballot boxes and all necessary expenses of the school district clerk.*

All disbursements under this section shall be presented, audited, and paid as in the case of other public expenses.

*Subd. 2. [ALLOCATION OF COSTS.] Municipalities or counties may allocate the costs of conducting elections to school districts for payment of their proportionate share of such expenses for elections held at the same time as the regular municipal or county primary and general election. Allocated costs include expenses for election equipment and supplies; polling locations; personnel (including election judge compensation and the portion of salaries of election administrative and technical employees attributable to the preparation and conduct of the election); transportation related to the conduct of the election; required election notices and newspaper publication of election information; communications devices; and postage*

(including mailings to election judges and for absentee voter applications and ballots).

Sec. 15. Minnesota Statutes 1990, section 204B.35, is amended by adding a subdivision to read:

*Subd. 5. [COMBINED LOCAL ELECTIONS.] Municipalities shall determine the voting method in combined local elections when other election jurisdictions located wholly or partially within the municipality schedule elections on the same date as the regular municipal primary or general election.*

Sec. 16. Minnesota Statutes 1990, section 204B.45, is amended by adding a subdivision to read:

*Subd. 1a. [EXPERIMENTAL MAIL BALLOTING; AUTHORIZATION.] The secretary of state may authorize Ramsey and Kittson counties to conduct elections entirely by mail on an experimental basis. A request from a county board seeking authorization to conduct an experimental mail election must be submitted to the secretary of state at least 90 days prior to the election. The county auditor must pay all costs related to mailing the ballots to and from the voters.*

*The secretary of state shall prepare a report to the legislature on the implementation of this subdivision by January 15, 1993.*

Sec. 17. Minnesota Statutes 1990, section 204C.19, subdivision 2, is amended to read:

*Subd. 2. [BALLOTS; ORDER OF COUNTING.] Except as otherwise provided in this subdivision, the ballot boxes shall be opened, the votes counted, and the total declared one box at a time in the following order: the white box, the pink box, the canary box, the light green box, the blue box, the buff box, the goldenrod box, the gray box, and then the other kinds of ballots voted at the election. If enough election judges are available to provide counting teams of four or more election judges for each box, more than one box may be opened and counted at the same time. The election judges on each counting team shall be evenly divided between the major political parties. The numbers entered on the summary sheet shall not be considered final until the ballots in all the boxes have been counted and corrections have been made if ballots have been deposited in the wrong boxes.*

Sec. 18. Minnesota Statutes 1990, section 204C.40, subdivision 2, is amended to read:

*Subd. 2. [TIME OF ISSUANCE; CERTAIN OFFICES.] No certificate of election shall be issued until ~~42 days~~ seven days after the canvassing board has declared the result of the election. In case of a contest, an election certificate shall not be issued until a court of proper jurisdiction has finally determined the contest. This subdivision shall not apply to candidates elected to the office of state senator or representative.*

Sec. 19. Minnesota Statutes 1990, section 205.07, subdivision 1, is amended to read:

*Subdivision 1. [DATE.] The municipal general election in each statutory city shall be held on the first Tuesday after the first Monday in November in every even-numbered year; ~~except that.~~ Notwithstanding any provision of law to the contrary and subject to the provisions of this section, the*

governing body of a statutory city may, by ordinance passed at a regular meeting held before September 1 of any year, elect to hold the election on the first Tuesday after the first Monday in November in each odd-numbered year. A city which was a village on January 1, 1974 and before that date provided for a system of biennial elections in the odd-numbered year shall continue to hold its elections in that year until changed in accordance with this section. When a city changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election so as to conform as soon as possible to the regular schedule provided in section 412.02, subdivision 1. Whenever the time of the municipal election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made.

Sec. 20. Minnesota Statutes 1990, section 205.07, is amended by adding a subdivision to read:

*Subd. 3. [EFFECT OF ORDINANCE; REFERENDUM.] An ordinance changing the year of the municipal election is effective 240 days after passage and publication or at a later date fixed in the ordinance. Within 180 days after passage and publication of the ordinance, a petition requesting a referendum on the ordinance may be filed with the city clerk. The petition shall be signed by eligible voters equal in number to ten percent of the total number of votes cast in the city at the last municipal general election. If the requisite petition is filed within the prescribed period, the ordinance shall not become effective until it is approved by a majority of the voters voting on the question at a general or special election held at least 60 days after submission of the petition. If the petition is filed, the governing body may reconsider its action in adopting the ordinance.*

Sec. 21. Minnesota Statutes 1990, section 205.16, subdivision 4, is amended to read:

*Subd. 4. [NOTICE TO AUDITOR.] At least ~~30~~ 45 days prior to every municipal election, the municipal clerk shall provide a written notice to the county auditor, including the date of the election and the offices and questions to be voted on at the election.*

Sec. 22. Minnesota Statutes 1990, section 205A.04, is amended to read:  
205A.04 [GENERAL ELECTION.]

*Subdivision 1. [SCHOOL DISTRICT GENERAL ELECTION.] Except as may be provided in a special law or charter provision to the contrary, the general election in each school district must be held on the third Tuesday*

in May, unless the school board provides by resolution for holding the school district general election on the first Tuesday after the first Monday in November. When the time of a school district's general election is changed from May to November, the terms of all board members shall be lengthened to expire on January 1; when the time of a school district's general election is changed from November to May, the terms of all board members shall be shortened to expire on July 1. Whenever the time of a school district election is changed, the school district clerk shall immediately notify in writing the county auditor or auditors of the counties in which the school district is located and the secretary of state of the change of date.

*Subd. 2. [EXPERIMENTAL ELECTION; AUTHORIZATION.] The school board in independent school district No. 271 may, by resolution, designate the first Tuesday after the first Monday in November of either the odd-numbered or the even-numbered year as the date for its general election, and may reduce the existing terms of school board members to provide for staggered four-year terms thereafter. The resolution shall provide that, to the extent mathematically possible, the same number of board members is chosen at each election, exclusive of those chosen to fill vacancies for unexpired terms. Whenever the year of a school district election is changed, the school district clerk shall immediately notify in writing the county auditors of Hennepin and Scott counties and the secretary of state of the change of date. The secretary of state shall report to the legislature by January 15, 1993, on the implementation of this subdivision.*

Sec. 23. Minnesota Statutes 1990, section 205A.07, subdivision 3, is amended to read:

*Subd. 3. [NOTICE TO AUDITOR.] At least 30 45 days prior to every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election and the offices and questions to be voted on at the election. For the purposes of meeting the timelines of this section, in a bond election, a notice, including a proposed question, may be provided to the county auditor prior to receipt of a review and comment from the commissioner of education and prior to actual initiation of the election.*

Sec. 24. Minnesota Statutes 1990, section 211B.04, is amended to read:

**211B.04 [CAMPAIGN LITERATURE MUST INCLUDE DISCLAIMER.]**

(a) A person who participates in the preparation or dissemination of campaign material other than as provided in section 211B.05, subdivision 1, that does not prominently include the name and address of the person or committee causing the material to be prepared or disseminated in a disclaimer substantially in the form provided in paragraph (b) or (c) is guilty of a misdemeanor.

(b) Except in cases covered by paragraph (c), the required form of disclaimer is: "Prepared and paid for by the . . . . . committee, . . . . (address)" for material prepared and paid for by a principal campaign committee, or "Prepared and paid for by the . . . . . committee, . . . . (address), in support of . . . . . (insert name of candidate or ballot question)" for material prepared and paid for by a person or committee other than a principal campaign committee."

(c) In the case of broadcast media, the required form of disclaimer is:

“Paid for by the . . . . . committee.”

(d) Campaign material that is not circulated on behalf of a particular candidate or ballot question must also include in the disclaimer either that it is “in opposition to . . . . . (insert name of candidate or ballot question . . . . .)”; or that “this publication is not circulated on behalf of any candidate or ballot question.”

(e) This section does not apply to objects stating only the candidate’s name and the office sought, fundraising tickets, or personal letters that are clearly being sent by the candidate.

(f) This section does not modify or repeal section 211B.06.

Sec. 25. Minnesota Statutes 1990, section 447.32, subdivision 2, is amended to read:

Subd. 2. [ELECTIONS.] *Except as provided in this chapter, the Minnesota election law applies to hospital district elections, as far as practicable. Regular elections must be held in each hospital district at the same time, in the same election precincts, and at the same polling places as general elections of state and county officers. Alternatively, the hospital board may by resolution fix a date for an election, not later than December 7 just before the expiration of board members’ terms.* It may establish the whole district as a single election precinct or establish two or more different election precincts and polling places for the elections. If there is more than one precinct, the boundaries of the election precincts and the locations of the polling places must be defined in the notice of election, either in full or by reference to a description or map on file in the office of the clerk.

Special elections may be called by the hospital board ~~at any time~~ to vote on any matter required by law to be submitted to the voters. *A special election may not be conducted either during the 30 days before and the 30 days after the state primary or state general election, or during the 20 days before and the 20 days after the regularly scheduled election of any municipality wholly or partially within the hospital district.* Special elections must be held within the election precinct or precincts and at the polling place or places designated by the board. In the case of the first election of officers of a new district, precincts and polling places must be set by the governing body of the most populous city or town included in the district.

Advisory ballots may be submitted by the hospital board on any question it wishes, concerning the affairs of the district, but only at a regular election or at a special election required for another purpose.

Sec. 26. Minnesota Statutes 1990, section 447.32, subdivision 3, is amended to read:

Subd. 3. [ELECTION NOTICES.] *At least two weeks before the first day to file affidavits of candidacy, the clerk of the district shall publish a notice stating the first and last day on which affidavits of candidacy may be filed, the places for filing the affidavits and the closing time of the last day for filing. The clerk shall post a similar notice in at least one conspicuous place in each city and town in the district at least ten days before the first day to file affidavits of candidacy.*

The notice of each election must be posted in at least one public and conspicuous place within each city and town included in the district *at least ten days before the election.* It must be published in the official newspaper of the district or, if a paper has not been designated, in a legal newspaper having

general circulation within the district, at least ~~one week~~ *two weeks* before the election. Failure to give notice does not invalidate the election of an officer of the district. A voter may contest a hospital district election in accordance with chapter 209. Chapter 209 applies to hospital district elections.

Sec. 27. Minnesota Statutes 1990, section 447.32, subdivision 4, is amended to read:

Subd. 4. [CANDIDATES; BALLOTS; CERTIFYING ELECTION.] A person who wants to be a candidate for the hospital board shall file an ~~application to be placed on the ballot as a candidate~~ *affidavit of candidacy* for the election either as member at large or as a member representing the city or town where the candidate resides. The ~~application~~ *affidavit of candidacy* must be filed with the city or town clerk not more than ~~60 or less than 45 days~~ *ten weeks nor less than eight weeks* before the election. ~~Applications~~ *The city or town clerk must be forwarded immediately forward the affidavits of candidacy* to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town *immediately after the last day of the filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 12:00 p.m. on the day after the last day to file affidavits of candidacy.*

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must contain the names of the proposed candidates for each office, the length of the term of each office, and an additional blank space for the insertion of another name by the voter. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers or on a different ballot. The hospital board may also authorize the use of voting machines subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. They may be paid by the district at a rate set by the board. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 28. [EFFECTIVE DATE.]

*Sections 19 and 20 are effective the day following final enactment and apply to all ordinances passed within 180 days prior to the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to elections; changing requirement of absentee ballot applications for deer hunters; facilitating voting by certain students; defining certain terms; providing for use of certain facilities for elections;

clarifying uses to be made of lists of registered voters; requiring commissioner of health to report deaths to secretary of state; authorizing facsimile applications for absentee ballots; authorizing certain experimental election procedures; requiring notarized affidavits of candidacy; providing for allocation of certain election expenses; providing for voting methods in combined local elections; providing order of counting gray box ballots; changing time for issuance of certificates of election; clarifying effect of changing the year of municipal elections; changing certain deadlines and procedures in school district elections; authorizing an experimental school board election; changing disclaimer language; changing procedures for hospital district elections; amending Minnesota Statutes 1990, sections 97A.485, subdivision 1a; 200.02, by adding a subdivision; 201.061, subdivision 3; 201.091, subdivisions 1 and 4; 201.13, subdivision 1; 203B.02, by adding a subdivision; 203B.04, subdivision 1; 204B.09, subdivision 1; 204B.16, subdivision 6, and by adding a subdivision; 204B.32; 204B.35, by adding a subdivision; 204B.45, by adding a subdivision; 204C.19, subdivision 2; 204C.40, subdivision 2; 205.07, subdivision 1, and by adding a subdivision; 205.16, subdivision 4; 205A.04; 205A.07, subdivision 3; 211B.04; and 447.32, subdivisions 2, 3, and 4; proposing coding for new law in Minnesota Statutes, chapters 135A and 201."

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

House Conferees: (Signed) Harold Lasley, Linda Scheid, Tom Osthoff, Ron Abrams, Loren A. Solberg

Senate Conferees: (Signed) Jerome M. Hughes, William P. Luther, Lawrence J. Pogemiller, Dean E. Johnson, Pat Piper

Mr. Hughes moved that the foregoing recommendations and Conference Committee Report on H.F. No. 478 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 478 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 800 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S.F. NO. 800**

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

May 16, 1991

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Robert Vanasek  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 800, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 800 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [84.967] [ECOLOGICALLY HARMFUL SPECIES; DEFINITION.]

*For the purposes of section 1 to 4, "ecologically harmful exotic species" means non-native aquatic plants or wild animals that can naturalize, have high propagation potential, are highly competitive for limiting factors, and cause displacement of, or otherwise threaten, native plants or native animals in their natural communities.*

Sec. 2. [84.968] [ECOLOGICALLY HARMFUL EXOTIC SPECIES MANAGEMENT PLAN.]

*By January 1, 1993, a long-term statewide ecologically harmful exotic species management plan must be prepared by the commissioner of natural resources and address the following:*

- (1) coordinated detection and prevention of accidental introductions;*
- (2) coordinated dissemination of information about ecologically harmful exotic species among resource management agencies and organizations;*
- (3) a coordinated public awareness campaign regarding ecologically harmful exotic animals and aquatic plants;*
- (4) a process, where none exists, to designate and classify ecologically harmful exotic species into the following categories:*
  - (i) undesirable wild animals that must not be sold, propagated, possessed, or transported; and*
  - (ii) undesirable aquatic exotic plants that must not be sold, propagated, possessed, or transported;*
- (5) coordination of control and eradication of ecologically harmful exotic species on public lands and public waters; and*

*(6) development of a list of exotic wild animal species intended for non-agricultural purposes, or propagation for release by state agencies or the private sector.*

**Sec. 3. [84.969] [COORDINATING PROGRAM, GRANTS, AND REGIONAL COOPERATION.]**

*Subdivision 1. [COORDINATING PROGRAM.] The commissioner of natural resources shall establish a statewide coordinating program to prevent and curb the spread of ecologically harmful exotic animals and aquatic plants.*

*Subd. 2. [GRANTS.] The coordinating program created in subdivision 1 may accept gifts, donations, and grants to accomplish its duties and must seek available federal grants through the federal Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990. A portion of these funds shall be used to implement the plan under section 2.*

*Subd. 3. [REGIONAL COOPERATION.] The governor may cooperate, individually and regionally, with other state governors in the midwest for the purposes of ecologically harmful exotic species management and control*

**Sec. 4. [84.969] [RULEMAKING.]**

*The commissioner of natural resources may adopt rules, including emergency rules, to restrict the introduction, propagation, use, possession, and spread of ecologically harmful exotic animals and aquatic plants in the state.*

**Sec. 5. Minnesota Statutes 1990, section 97A.445, subdivision 2, is amended to read:**

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

- (1) a resident of a state hospital;
- (2) a patient of a United States Veterans Administration hospital;
- (3) an inmate of a state correctional facility; ~~and~~

*(4) a resident of a licensed nursing or boarding care home, a person who is enrolled in and regularly participates in an adult day care program or other similar organized activity sponsored by a licensed nursing or boarding care home, or a resident of a licensed board and lodging facility; and*

*(5) a resident of a drug or alcohol residential treatment program under the age of 20.*

**Sec. 6. Minnesota Statutes 1990, section 97A.535, subdivision 1, is amended to read:**

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

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

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

Sec. 7. Minnesota Statutes 1990, section 97B.055, subdivision 3, is amended to read:

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

Sec. 8. Minnesota Statutes 1990, section 97B.106, is amended to read:  
97B.106 [CROSSBOW PERMITS FOR HUNTING.]

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

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

Sec. 9. Minnesota Statutes 1990, section 97B.935, subdivision 3, is amended to read:

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

Sec. 10. [CHECKS OF TRAIERED BOATS.]

(a) *The commissioner of natural resources shall establish a two-year program of at least five checks per year of trailered boats. The purpose of the checks is to inspect boats and trailers for Eurasian water milfoil fragments, and to inform and educate the boat owners about Eurasian water milfoil and other exotic species and how to prevent their spread.*

(b) *The commissioner shall assess the effectiveness of the program established in paragraph (a), keep records on the occurrence of Eurasian water*

*milfoil fragments or other exotic species, and report to the legislature by January 1, 1993.*

Sec. 11. [PILOT PROJECT FOR TAKING TWO DEER.]

*(a) Notwithstanding Minnesota Statutes, section 97B.301, in the 1991 and 1992 hunting seasons, the commissioner must allow a person to take two deer per season, one by firearm and one by archery, in the counties of Marshall, Kittson, and Roseau. A person taking two deer under this section must obtain a license for each method of hunting.*

*(b) The commissioner shall conduct a study on the provisions of paragraph (a) including, but not limited to, a review of the impact on the deer population, the participation and satisfaction of hunters, and the success ratio. By February 15, 1993, the commissioner must report on the study to the house and senate committees with jurisdiction over natural resources.*

Sec. 12. [TAGGING REPORT.]

*The commissioner must review the tagging requirement in Minnesota Statutes, section 97A.535, subdivision 1, and report to the house and senate committees with jurisdiction over natural resources by February 15, 1993, on any recommended changes to the requirement.*

Sec. 13. [EFFECTIVE DATE.]

*Section 5 is effective the day following its final enactment. Sections 7 to 9 are effective August 1, 1991. Section 6 is effective August 1, 1992."*

Delete the title and insert:

"A bill for an act relating to natural resources; requiring a plan and program for control of ecologically harmful species of plants and animals; revising certain provisions relating to the taking, possession, and transportation of wild animals; requiring reports; amending Minnesota Statutes 1990, sections 97A.445, subdivision 2; 97A.535, subdivision 1; 97B.055, subdivision 3; 97B.106; and 97B.935, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 84."

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

Senate Conferees: (Signed) Leonard R. Price, Gene Merriam, Bob Lessard

House Conferees: (Signed) Brad Stanius, Wally Sparby, Leo J. Reding

Mr. Price moved that the foregoing recommendations and Conference Committee Report on S.F. No. 800 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 800 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1027 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON 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.

May 15, 1991

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Robert Vanasek  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1027, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1027 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [85.045] [ADOPT-A-PARK PROGRAM.]

*Subdivision 1. [CREATION.] The Minnesota adopt-a-park program is established. The commissioner shall coordinate the program through the regional offices of the department of natural resources.*

*Subd. 2. [PURPOSE.] The purpose of the program is to encourage business and civic groups or individuals to assist, on a volunteer basis, in improving and maintaining state parks, monuments, historic sites, and trails.*

*Subd. 3. [AGREEMENTS.] (a) The commissioner shall enter into informal agreements with business and civic groups or individuals for volunteer services to maintain and make improvements to real and personal property in state parks, monuments, historic sites, and trails in accordance with plans devised by the commissioner after consultation with the groups.*

*(b) The commissioner may erect appropriate signs to recognize and express appreciation to groups and individuals providing volunteer services under the adopt-a-park program.*

*(c) The commissioner may provide assistance to enhance the comfort and safety of volunteers and to facilitate the implementation and administration of the adopt-a-park program.*

*(d) This section is not subject to chapter 14.*

*Subd. 4. [WORKER DISPLACEMENT PROHIBITED.] The commissioner may not enter into any agreement that has the purpose of or results in the displacement of public employees by volunteers participating in the adopt-a-park program under this section. The commissioner must certify to the appropriate bargaining agent that the work performed by a volunteer will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.*

#### Sec. 2. [STUDY AND REPORT.]

*The department of natural resources shall study and report to the appropriate committees of the senate and house of representatives by March 1, 1992, on the implementation of the program established in section 1. The study must focus on major elements of the program, including liability for personal injury or property damage, the relationship between program participants and departmental employees, project selection, program costs, support services for program volunteers, and recognition of accomplishments. The report must be accompanied by recommended legislation for improving the program.*

#### Sec. 3. [EFFECTIVE DATE.]

*This act is effective the day following final enactment."*

Delete the title and insert:

*"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; ensuring that the program does not conflict with public employee duties; proposing coding for new law in Minnesota Statutes, chapter 85."*

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

Senate Conferees: (Signed) Leonard R. Price, Gene Merriam, Cal Larson

House Conferees: (Signed) Bob Johnson, Virgil J. Johnson, Tom Rukavina

Mr. Price moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1027 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1027 as read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

Without objection, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 289:

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.

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

Skoglund, Hartle and Winter have been appointed as such committee on the part of the House.

House File No. 289 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 289, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 181:

H.F. No. 181: A bill for an act relating to the environment; adding reimbursement requirements for the petroleum tank release cleanup account; providing for insurance subrogation rights; amending Minnesota Statutes 1990, sections 115C.04, subdivision 3; 115C.09, subdivision 3; and 115C.10, subdivision 1.

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

Sparby, Jennings and Johnson, V. have been appointed as such committee on the part of the House.

House File No. 181 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

Mr. Novak moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 181, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 702:

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

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

Sparby, Nelson, S. and Hugoson have been appointed as such committee on the part of the House.

House File No. 702 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

Mr. Sams moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 702, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 887:

H.F. No. 887: A bill for an act relating to game and fish; setting conditions under which a hunter may take two deer; amending Minnesota Statutes

1990, section 97B.301, subdivision 4.

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

Reding, Sparby and Stanius have been appointed as such committee on the part of the House.

House File No. 887 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

Mr. Berg moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 887, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 1142:

H.F. No. 1142: A bill for an act relating to courts; regulating the use of certain tests; permitting certain punitive damages; directing the supreme court to establish an alternative dispute resolution program and adopt rules; setting conditions for alternative dispute resolution guidelines; providing for interest on arbitration awards; allowing an arbitrator or the court to modify an award based on an error of law; providing arbitration procedures; amending Minnesota Statutes 1990, sections 169.121, subdivision 6, and by adding a subdivision; 494.015; 494.03; 549.09; 572.10; 572.15; and 572.16; proposing coding for new law in Minnesota Statutes, chapter 484; repealing Minnesota Statutes 1990, sections 484.73; 484.74; and 494.01, subdivisions 3 and 5.

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

Carruthers, Pugh and Swenson have been appointed as such committee on the part of the House.

House File No. 1142 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1142, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 83, 268 and 1216.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 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. 526: A bill for an act relating to crime; sentencing; clarifying and revising the intensive community supervision program; amending Minnesota Statutes 1990, sections 244.05, subdivision 6; 244.12; 244.13; 244.14; and 244.15.

There has been appointed as such committee on the part of the House: McGuire, Greenfield and Seaberg.

Senate File No. 526 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 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. 351: A bill for an act relating to peace officers; guaranteeing peace officers certain rights when a formal statement is taken for disciplinary purposes; proposing coding for new law in Minnesota Statutes, chapter 626.

There has been appointed as such committee on the part of the House: Carruthers, Macklin and Milbert.

Senate File No. 351 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 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. 1295: A bill for an act relating to Ramsey county; creating a Ramsey county local services study commission; setting its duties.

There has been appointed as such committee on the part of the House: Orenstein, McGuire and Valento.

Senate File No. 1295 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 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. 765: A bill for an act relating to transportation; clarifying parking provisions for physically disabled persons; authorizing special license plates for motorcycles; authorizing tinted windshields for medical reasons; abolishing requirement to impound vehicle registration certificates; making technical changes; amending Minnesota Statutes 1990, sections 168.021, subdivision 1; 168.041; 169.123, subdivision 5b; 169.345, subdivision 1; 169.346, subdivisions 1 and 2; 169.71, subdivision 4; 169.795; and 171.29, subdivision 3.

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

Senate File No. 765 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 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. 931: A bill for an act relating to waste management; requiring counties to prepare and amend solid waste management plans; requiring counties and solid waste facilities to develop and implement problem materials management plans; prohibiting issuance and renewal of certain permit if plans are not developed and implemented; amending Minnesota Statutes 1990, sections 115A.03, subdivision 24a; 115A.46, subdivisions 1 and 2; 115A.956; 115A.96, subdivision 6; 116.07, subdivisions 4j and 4k; 473.149, subdivision 1; and 473.803, subdivision 1.

There has been appointed as such committee on the part of the House: Orfield, Pugh and Ozment.

Senate File No. 931 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 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. 208: A bill for an act relating to motor vehicles; providing for seven-year, in transit license plates for motor vehicle dealers; amending Minnesota Statutes 1990, sections 168.12, subdivision 1; 168.27, subdivisions 16 and 17; and 297B.035, subdivision 2.

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

Senate File No. 208 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 17, 1991

### **MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Langseth moved that S.F. No. 217, No. 1 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Pogemiller moved that S.F. No. 364, No. 19 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Pogemiller moved that S.F. No. 363, No. 20 on General Orders, be stricken and returned to its author. The motion prevailed.

Mr. Lessard moved that S.F. No. 441, No. 23 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Mr. Kelly moved that S.F. No. 404, No. 33 on General Orders, be stricken and returned to its author. The motion prevailed.

### **RECESS**

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

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

### **APPOINTMENTS**

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

H.F. No. 20: Messrs. Marty, Belanger and Metzen.

H.F. No. 202: Messrs. Chmielewski, Riveness and McGowan.

H.F. No. 606: Ms. Johnston, Messrs. DeCramer and Langseth.

H.F. No. 958: Messrs. Berg; Frederickson, D.R. and Morse.

H.F. No. 1: Messrs. Davis, Merriam, Berg, Vickerman and Renneke.

H.F. No. 317: Ms. Reichgott, Messrs. Spear and Neuville.

H.F. No. 459: Messrs. Merriam, Spear and Neuville.

H.F. No. 1050: Messrs. Marty, Merriam and Frederickson, D.R.

S.F. No. 520: Messrs. Kelly, McGowan and Marty.

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

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Davis moved that the following members be excused for a Conference Committee on H.F. No. 1 at 7:00 p.m.:

Messrs. Berg, Davis, Merriam, Renneke and Vickerman. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Cohen moved that the following members be excused for a Conference Committee on S.F. No. 525 from 2:15 to 4:30 p.m.:

Messrs. Spear, Kelly, McGowan, Marty and Cohen. The motion prevailed.

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated S.F. No. 338 a Special Order to be heard immediately.

### SPECIAL ORDER

S.F. No. 338: A bill for an act relating to retirement; various public employee pension plans; providing for the continuation of surviving spouse benefits in the event of remarriage in certain circumstances; modifying the surviving spouse benefit of the legislators retirement plan; modifying the duties and functions of the consulting actuary retained by the legislative commission on pensions and retirement; modifying the various public pension plan actuarial reporting requirements; amending Minnesota Statutes 1990, sections 3.85, subdivision 11; 3A.04, subdivision 1; 352B.11, subdivision 2; 352C.04, subdivisions 1 and 4; 353.01, subdivision 20; 353.31, subdivision 1; 353.657, subdivision 2; 353B.11, subdivision 6; 354.05, subdivision 15; 354.46, subdivision 1; 354A.011, subdivision 26; 356.20, subdivision 4; 356.215, subdivisions 1, 2, 3, 4, 4a, 4b, 4d, 4e, 4f, 4g, 4h, 4i, 4j, 4k, 5, 6, and 7; repealing Minnesota Statutes 1990, sections 352.85, subdivision 6; 352.86, subdivision 4; and 353A.09, subdivision 7.

Mr. Waldorf moved to amend S.F. No. 338 as follows:

Page 4, line 9, strike everything after "old"

Page 4, line 10, strike everything before the period

Page 11, line 6, delete "*spouse*" and insert "*spouses*"

Page 20, line 20, after the stricken "section" insert "*must*" and reinstate the stricken "be included in the"

Page 20, line 21, reinstate the stricken language

Page 20, line 24, strike the period

Page 20, line 30, delete the new language

Page 20, line 31, delete “*calculations*”

Page 22, line 23, reinstate the stricken “*valuations*” and delete “*valuation*”

Page 22, line 24, delete “*calculations*”

Page 23, line 9, reinstate the stricken “*valuations*” and delete “*valuation*”

Page 23, lines 10, 12, and 34, delete “*calculations*”

Page 23, line 25, reinstate the stricken language and delete the new language

Page 24, lines 2, 6, 8, 16, 18, and 27, delete “*calculations*”

Page 25, lines 2, 9, 19, and 26, delete “*calculations*”

Page 26, lines 4, 12, and 18, delete “*calculations*”

Page 28, line 18, delete “*calculations*”

Page 31, line 6, delete “*calculations*”

Page 32, line 1, delete “*calculations*”

Page 33, lines 7, 13, 29, and 32, delete “*calculations*”

Page 34, line 2, delete everything after the first comma

Page 34, line 3, delete “*results*” and insert “*studies*”

Page 34, lines 25 and 33, delete “*valuation calculations*” and insert “*valuations*”

Page 35, line 1, delete “*calculations*”

Page 35, lines 5, 10, and 13, delete “*valuation calculations*” and insert “*valuations*”

The motion prevailed. So the amendment was adopted.

Mr. Waldorf then moved to amend S.F. No. 338 as follows:

Page 36, after line 1, insert:

### “ARTICLE 3

#### MISCELLANEOUS RETIREMENT PROVISIONS

Section 1. Minnesota Statutes 1990, section 354B.01, is amended by adding a subdivision to read:

*Subd. 1a. [SUPPLEMENTAL PLAN.] “Supplemental plan” means the supplemental retirement plan established in sections 354B.06 to 354B.08.*

Sec. 2. [354B.055] [RULES.]

*The state university system and the community college system may adopt rules to administer the provisions of sections 354B.06 to 354B.08. The systems may deposit member contributions in a nontreasury account established under chapter 136, an account or accounts established under section 11A.17, or other appropriate accounts of the state board of investment for investment under procedures established by the state board of investment.*

**Sec. 3. [354B.06] [SUPPLEMENTAL RETIREMENT PLAN.]**

*Subdivision 1. [ESTABLISHMENT.] The supplemental retirement plan for personnel employed by the state university board and the state board for community colleges who are in the unclassified service of the state commencing July 1 following the completion of the second year of their full-time contract is governed by this section. An unclassified employee employed by the state university board or the state board for community colleges in subsidized on-the-job training, work experience, or public service employment as an enrollee under the federal Comprehensive Employment and Training Act is not included in the supplemental retirement plan provided for in this section after March 30, 1978, unless the unclassified employee has as of the later of March 30, 1978, or the date of employment sufficient service credit in the retirement fund providing primary retirement coverage to meet the minimum vesting requirements for a deferred retirement annuity, or the board agrees in writing to make the employer contribution required by this section on account of that unclassified employee from revenue sources other than funds provided under the federal Comprehensive Employment and Training Act, or the unclassified employee agrees in writing to make the employer contribution required by this section in addition to the member contribution.*

*Subd. 2. [REDEMPTIONS.] The chancellor of the state university system and the chancellor of the state community college system shall redeem all shares in the accounts of the Minnesota supplemental investment fund held on behalf of personnel in the supplemental plan who elect an investment option other than the supplemental investment fund, except that shares in the guaranteed return account may not be redeemed until the expiration dates for the guaranteed investment contracts. The chancellors shall transfer the cash realized to the financial institutions selected by the state university board and the community college board under section 354B.05.*

**Sec. 4. [354B.07] [SALARY DEDUCTIONS, MATCHING FUNDS.]**

*Subdivision 1. [DEDUCTIONS.] The state university board and the state board for community colleges shall deduct from the salary of each person described in section 354B.06 a sum equal to five percent of the person's annual salary paid between \$6,000 and \$15,000. The deduction must be made in the same manner as other retirement deductions are made from the salary of the person. The employer shall make a contribution to the plan on behalf of every covered person in an amount equal to the deductions made from the salary of the person. If an agreement is made under section 356.24 for additional employer contributions, an amount equal to the additional employer contribution must be deducted from the person's annual salary above \$15,000 as specified in this subdivision. Two percent of the amount of the salary deductions and employer contributions may be used by the state university board and the state board for community colleges for payment of necessary and reasonable administrative expenses.*

*Subd. 2. [ADMINISTRATION.] The chancellor of the state university system and the chancellor of the state community college system shall administer the supplemental retirement plan for their employees. The chancellors shall invest contributions made under this section, less amounts used for administrative expenses, as authorized by law. The retirement contributions and death benefits provided by annuity contracts or custodial accounts purchased by the chancellors are owned by the plan and must be paid in accordance with the annuity contracts or custodial accounts.*

**Sec. 5. [354B.08] [TAX SHELTER PROVISIONS.]**

*Subdivision 1. [AGREEMENTS; ADJUSTMENTS.] For the purpose of, and to permit the participation in a tax shelter under provisions of sections 501(c) and 403(b) and related provisions of the Internal Revenue Code, the state university board and the board for community colleges may enter into agreements to reduce or adjust salaries downward for persons defined in section 354B.06, subdivision 1, and to pay as employer an amount equivalent to the salary reduction in the same manner as deductions would have been paid by the person under section 354B.07, subdivision 1.*

*Subd. 2. [RULES.] Subject to the approval of their governing boards, the chancellors of the state university system and community college system may adopt rules and procedures consistent with sections 354B.06 to 354B.08 which permit, if possible, participation in a tax shelter under provisions of the Internal Revenue Code.*

**Sec. 6. [TRANSFER.]**

*The executive director of the teachers retirement association shall transfer the administrative records of the supplemental retirement plan to the chancellor of the state university system and the chancellor of the state community college system on July 1, 1991.*

**Sec. 7. [PURCHASE OF PRIOR SERVICE CREDIT.]**

*Subdivision 1. [ELIGIBILITY.] Notwithstanding the limitations in Minnesota Statutes, section 353.27, subdivision 12, a member of the public employees retirement association born on August 22, 1956, who was employed by the city of Minneapolis as a construction equipment operator beginning on June 24, 1983, on a temporary or seasonal basis, and who first became eligible for public employees retirement association membership during 1985, but for whom no employee or employer contributions were made until September 1986, may purchase allowable service credit from the public employees retirement association for the period of eligible service between January 1985 and September 1986 upon receipt by the association of the amount specified in subdivision 2.*

*Subd. 2. [PURCHASE PAYMENT AMOUNT.] To purchase credit for prior eligible service under subdivision 1, there must be paid to the public employees retirement association an amount equal to the present value, on the date of payment, of the amount of the additional retirement annuity obtained by purchase of the additional service credit. Calculation of this amount must be made using the applicable preretirement interest rate specified in Minnesota Statutes, section 356.215, subdivision 4d, and the mortality table adopted for the fund. The calculation must assume continuous future service in the association until, and retirement at, the age at which the minimum requirements of the retirement association for normal retirement or retirement with an annuity unreduced for retirement at an early age, including Minnesota Statutes, section 356.30, are met with the additional service credit purchased. The calculation must also assume a future salary history that includes annual salary increases at the salary increase rate specified in section 356.215, subdivision 4d. The member must establish in the records of the association proof of the service for which the purchase of prior service is requested. The manner of the proof of service must be in accordance with procedures prescribed by the executive director of the association. The portion of the total cost of the purchase to be paid by the member is specified in subdivision 3. The remaining portion of total cost*

is to be paid by the employer, as specified in subdivision 4.

*Subd. 3. [MEMBER PAYMENT.] To receive credit for the eligible service between January 1985 and September 1986, the member must pay an amount equal to the employee contribution rate or rates in effect during the period or periods of prior eligible non-credited service, applied to the actual salary rate in effect during the period or periods of prior service, plus six percent interest compounded annually from the date on which the contributions would otherwise have been made to the date on which the payment is made. Payment must be made in one lump sum before July 1, 1992.*

*Subd. 4. [EMPLOYER PAYMENT; SERVICE CREDIT.] Within 60 days of receipt by the association of the member contribution specified in subdivision 3, the city of Minneapolis shall pay an amount equal to the difference between the amount specified in subdivision 2 and the member payment specified in subdivision 3. This amount must be paid in one lump sum. The period of allowable service may be credited to the account of the person only after the receipt of full payment by the executive director.*

**Sec. 8. [REPEALER.]**

*Minnesota Statutes 1990, sections 136.80; 136.81; 136.82; 136.83; 136.84; 136.85; and 136.87, are repealed.*

**Sec. 9. [EFFECTIVE DATE.]**

*Sections 1 to 6 and 8 are effective July 1, 1991. Section 7 is effective the day following final enactment."*

Amend the title as follows:

Page 1, line 10, after the semicolon, insert "recodifying the state university-community college supplemental retirement plan; authorizing a purchase of prior service credit;"

Page 1, line 17, after the first semicolon, insert "354B.01, by adding a subdivision;"

Page 1, line 19, after "7;" insert "proposing coding for new law in Minnesota Statutes, chapter 354B;"

Page 1, line 20, after "sections" insert "136.80; 136.81; 136.82; 136.83; 136.84; 136.85; 136.87;"

The motion prevailed. So the amendment was adopted.

Mr. Waldorf then moved to amend S.F. No. 338 as follows:

Page 1, line 33, reinstate the stricken language and delete the new language

Page 2, line 13, reinstate the stricken language

The motion prevailed. So the amendment was adopted.

S.F. No. 338 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 40 and nays 0, as follows:

Those who voted in the affirmative were:

Adkins	DeCramer	Hughes	Luther	Olson
Beckman	Finn	Johnson, D.E.	Marty	Pogemiller
Benson, J.E.	Frank	Johnson, D.J.	McGowan	Price
Bernhagen	Frederickson, D.J.	Johnson, J.B.	Mehrkens	Sams
Bertram	Frederickson, D.R.	Knaak	Merriam	Storm
Chmielewski	Gustafson	Laidig	Mondale	Stumpf
Davis	Halberg	Langseth	Morse	Vickerman
Day	Hottinger	Larson	Novak	Waldorf

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

Pursuant to Rule 10, Mr. Moe, R.D., Chair of the Committee on Rules and Administration, designated H.F. No. 655 a Special Order to be heard immediately.

### SPECIAL ORDER

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.

Mr. DeCramer moved to amend H.F. No. 655, the unofficial engrossment, as follows:

Page 11, lines 19 to 24, reinstate the stricken language

Page 16, after line 4, insert:

"Sec. 8. Minnesota Statutes 1990, section 221.031, is amended by adding a subdivision to read:

*Subd. 9. [OUT-OF-SERVICE CRITERIA ADOPTED BY REFERENCE.] The North American Uniform Driver, Vehicle, and Hazardous Materials Out-Of-Service Criteria developed and adopted by the Federal Highway Administration and the commercial vehicle safety alliance are adopted in Minnesota."*

Page 17, after line 14, insert:

"Sec. 11. Minnesota Statutes 1990, section 221.605, is amended by adding a subdivision to read:

*Subd. 3. [OUT-OF-SERVICE CRITERIA ADOPTED BY REFERENCE.] The North American Uniform Driver, Vehicle, and Hazardous Materials Out-Of-Service Criteria developed and adopted by the Federal Highway Administration and the commercial vehicle safety alliance are adopted in Minnesota."*

Sec. 12. [REPEALER.]

*Minnesota Statutes 1990, section 169.825, subdivision 10, paragraph (d), is repealed July 1, 1992."*

Page 17, line 16, delete "9" and insert "12"

Renumber the sections in sequence and correct the internal references

Amend the title as follows

Page 1, line 12, after the semicolon, insert "adopting federal out-of-service criteria for motor carriers;"

Page 1, line 18, delete "and" and insert "221.031, by adding a subdivision;"

Page 1, line 19, before "proposing" insert "and 221.605, by adding a subdivision;"

Page 1, line 20, before the period, insert "; repealing Minnesota Statutes 1990, section 169.825, subdivision 10, paragraph (d)"

The motion prevailed. So the amendment was adopted.

Mr. DeCramer then moved to amend H.F. No. 655, the unofficial engrossment, as follows:

Page 14, after line 14, insert:

"Sec. 7. Minnesota Statutes 1990, section 171.12, subdivision 6, is amended to read:

Subd. 6. [CERTAIN CONVICTIONS NOT RECORDED.] The department shall ~~not~~ keep on the record of a driver any conviction for a violation of ~~section 169.141 unless the violation consisted of a speed greater than ten miles per hour in excess of the lawful speed designated under that section~~ any law regulating the maximum speed at which a vehicle may be driven. *However, the commissioner of public safety shall not allow information to be divulged to any person or organization, however organized, that issues private passenger vehicle insurance, as defined in section 65B.001, when the information relates to a violation consisting of driving at a speed of not more than ten miles per hour in excess of the lawful speed."*

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 12, after the semicolon, insert "removing restrictions on recording certain convictions and prohibiting disclosure;"

Page 1, line 17, after the second semicolon, insert "171.12, subdivision 6;"

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 25 and nays 21, as follows:

Those who voted in the affirmative were:

Benson, J.E.	Flynn	Johnson, J.B.	Marty	Neuville
Bernhagen	Frank	Knaak	McGowan	Olson
Cohen	Frederickson, D.R.	Laidig	Mehrkens	Price
Davis	Gustafson	Langseth	Merriam	Reichgott
DeCramer	Hughes	Luther	Mondale	Storm

Those who voted in the negative were:

Adkins	Bertram	Hottinger	Moe, R.D.	Vickerman
Beckman	Brataas	Johnson, D.J.	Morse	
Belanger	Day	Johnston	Novak	
Benson, D.D.	Finn	Kroening	Pariseau	
Berg	Frederickson, D.J.	Lessard	Sams	

The motion prevailed. So the amendment was adopted.

Mr. DeCramer then moved to amend H.F. No. 655, the unofficial engrossment, as follows:

Page 1, after line 21, insert:

“Section 1. [169.175] [RADAR DETECTORS.]

*Subdivision 1. [PROHIBITION.] A person shall not sell or use a radar detection device or operate a motor vehicle that is equipped with a radar detection device.*

*Subd. 2. [DEFINITION.] For purposes of this section, a “radar detection device” is a device to detect radar or other devices used by law enforcement personnel to measure the speed of motor vehicles on roads and highways.*

*Subd. 3. [EVIDENCE.] The presence of a radar detection device in or on a motor vehicle is prima facie evidence of a violation of this section.*

*Subd. 4. [DEFENSE.] It is a defense if it is proven by a preponderance of the evidence that the device at the time of the alleged offense had no power source and was not accessible for use by the driver or any passenger in the vehicle. This section does not apply to peace officers in the course of their official duties.”*

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “prohibiting radar detectors;”

Page 1, line 20, delete “chapter” and insert “chapters 169 and”

The motion prevailed. So the amendment was adopted.

Mr. Morse moved to amend H.F. No. 655, the unofficial engrossment, as follows:

Page 1, after line 21, insert:

“Section 1. Minnesota Statutes 1990, section 169.64, is amended by adding a subdivision to read:

*Subd. 8. [GREEN LIGHTS.] A privately owned vehicle operated by a first responder may be equipped with a flashing green light. The flashing green light may be displayed on the vehicle only at the site of an emergency. A first responder must apply to the local authority under which the first responder operates for authorization to display a green light.”*

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert “authorizing the use of flashing green lights by first responders;”

Page 1, line 15, after “sections” insert “169.64, by adding a subdivision;”

The motion prevailed. So the amendment was adopted.

Mr. Morse then moved to amend H. F. No. 655, the unofficial engrossment, as follows:

Page 16, line 4, before the period, insert “;

*(p) the delivery of newspapers, as defined in section 331A.01, subdivision 5, for distribution in vehicles of 12,000 pounds gross vehicle weight or less”*

Page 17, after line 14, insert:

“Sec. 10. [TEMPORARY AUTHORITY; CHARTER CARRIERS OF PASSENGERS.]

*(a) The transportation regulation board may issue a temporary permit to a motor carrier to operate as a charter carrier of passengers within the seven-county metropolitan area if the board finds that:*

*(1) the service to be provided under the temporary certificate will be provided during the month of January 1992 in connection with or related to the 1992 National Football League championship game or during the last week in March through the second week in April 1992 in connection with or related to the 1992 NCAA Men's Basketball Final Four Tournament;*

*(2) the petitioner for the temporary permit is fit and able to conduct the proposed operations; and*

*(3) the petitioner's vehicles meet the applicable safety standards of the commissioner of transportation.*

*(b) Notwithstanding Minnesota Statutes, section 221.121, subdivision 2, a holder of a temporary permit under this section is not required to seek a permanent permit from the board. The board may charge a registration fee of not more than \$10 for each vehicle that will be operated under authority of the permit. All permits issued by the board under this section expire on a date specified in the permit, but not later than January 31, 1992.*

*(c) All provisions of Minnesota Statutes, chapter 221, not inconsistent with this section, apply to permits issued under this section.*

*(d) In granting temporary permits under this section, the board shall, to the maximum feasible extent, give priority to Minnesota-based carriers.*

Sec. 11. [REPEALER.]

*Section 10 is repealed April 15, 1992.”*

Page 17, line 16, delete “9” and insert “10”

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 12, delete “an exemption” and insert “exemptions”

Page 1, line 15, after the semicolon, insert “authorizing a temporary charter carrier permit;”

The motion prevailed. So the amendment was adopted.

Mr. Mehrkens moved to amend H. F. No. 655, the unofficial engrossment, as follows:

Page 17, after line 14, insert:

“Sec. 10. [COMMON CARRIER SERVICE; ENFORCEMENT MORATORIUM.]

*Subdivision 1. [MORATORIUM.] Until June 1, 1992, the commissioner of transportation shall not bring an enforcement action, and the transportation regulation board shall not issue nor seek to enforce a cease and desist order under Minnesota Statutes, section 221.293, against a holder of an irregular route common carrier permit on the grounds that the carrier is providing service as a regular route common carrier, as defined in Minnesota Statutes, section 221.011, subdivision 9, if the service is:*

*(1) transportation of commodities described in the carrier's irregular route common carrier permit order over a route or in a territory authorized in the order; and*

*(2) a continuation of service provided by the carrier to customers served at any time during the 12 months preceding the effective date of this act.*

*Subd. 2. [EXPANSION OF OPERATIONS PROHIBITED.] Nothing in this section shall be construed to prohibit the commissioner of transportation or the transportation regulation board from enforcing the provisions of Minnesota Statutes or rules governing service provided by the holder of an irregular route common carrier permit that does not conform to the requirements of subdivision 1, clause (1) or (2)."*

Page 17, line 17, after the period, insert "Section 10 is effective the day following final enactment."

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Mr. Hottinger moved to amend H.F. No. 655, the unofficial engrossment, as follows:

Page 14, after line 14, insert:

"Sec. 7. Minnesota Statutes 1990, section 221.011, is amended by adding a subdivision to read:

*Subd. 33. [ARMORED CARRIER.] "Armored carrier" means a motor carrier that transports for hire, in armored vehicles occupied by one or more armed guards, currency, coin, securities, precious metals, commercial paper, or other valuable commodities or documents under a contract of carriage."*

Page 16, after line 16, insert:

"Sec. 10. Minnesota Statutes 1990, section 221.121, is amended by adding a subdivision to read:

*Subd. 6c. [ARMORED CARRIERS.] Notwithstanding subdivision 1, the board shall, after notice and hearing, issue a permit to operate as an armored carrier if it determines that the applicant for the permit is fit and able to conduct the proposed operations and that the applicant's vehicles meet the safety standards established by the department."*

Page 17, line 16, delete "9" and insert "11"

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 15, after the semicolon, insert "providing for armored carrier permits;"

Page 1, line 18, before "221.025" insert "221.011, by adding a subdivision;" and delete "and" and after the second semicolon, insert "and 221.121, by adding a subdivision;"

The motion prevailed. So the amendment was adopted.

H.F. No. 655 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 36 and nays 12, as follows:

Those who voted in the affirmative were:

Adkins	Frederickson, D.R.	Kelly	Merriam	Pariseau
Belanger	Gustafson	Knaak	Metzen	Pogemiller
Benson, J.E.	Halberg	Laidig	Moe, R.D.	Price
Bernhagen	Hottinger	Langseth	Mondale	Reichgott
Day	Hughes	Luther	Morse	
DeCramer	Johnson, D.E.	Marty	Neuville	
Flynn	Johnson, J.B.	McGowan	Novak	
Frank	Johnston	Mehrkens	Olson	

Those who voted in the negative were:

Beckman	Chmielewski	Frederickson, D.J.	Lessard	Sams
Berg	Davis	Larson	Pappas	Vickerman
Bertram	Finn			

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

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 12:

H.F. No. 12: A bill for an act relating to insurance; regulating reinsurance and other insurance practices, investments, guaranty funds, and holding company systems; providing examination authority and reporting requirements; adopting various NAIC model acts and regulations; prescribing penalties; amending Minnesota Statutes 1990, sections 60A.02, by adding a subdivision; 60A.03, subdivision 5; 60A.031; 60A.07, subdivision 5d, and by adding a subdivision; 60A.09, subdivision 5, and by adding a subdivision; 60A.10, subdivision 2a; 60A.11, subdivisions 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 26, and by adding a subdivision; 60A.12, by adding a subdivision; 60A.13, subdivision 1; 60A.14, subdivision 1; 60A.27; 60B.25; 60B.37, subdivision 2; 60C.02, subdivision 1; 60C.03, subdivisions 6, 8, and by adding a subdivision; 60C.04; 60C.06, subdivision 1; 60C.09, subdivision 1; 60C.13, subdivision 1; 60C.14, subdivision 2; 60E.04, subdivision 7; 61A.25, subdivisions 3, 5, 6, and by adding subdivisions; 61A.28, subdivisions 1, 2, 3, 6, 8, 11, 12, and by adding a subdivision; 61A.281, by adding a subdivision; 61A.283; 61A.29; 61A.31; 62E.14, by adding a subdivision; 61B.12, by adding subdivisions; 62D.044; 62D.045, subdivision 1; 68A.01, subdivision 2; 72A.061, subdivision 1; 79.34, subdivision 1; and 609.902, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A, 60D, 62A, and 72A; proposing

coding for new law as Minnesota Statutes, chapters 60H, 60I, and 60J; repealing Minnesota Statutes 1990, sections 60A.076; 60A.09, subdivision 4; 60A.12, subdivision 2; 60D.01 to 60D.08; 60D.10 to 60D.13; and 61A.28, subdivisions 4 and 5.

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

Skoglund, Winter, Knickerbocker, Hausman and Carruthers have been appointed as such committee on the part of the House.

House File No. 12 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 17, 1991

Mr. Luther moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 12, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

### RECESS

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

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

### APPOINTMENTS

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

H.F. No. 181: Messrs. Novak, Mondale and Ms. Johnson, J.B.

H.F. No. 289: Messrs. Luther, Hottinger and Larson.

H.F. No. 702: Messrs. Sams, Beckman and Renneke.

H.F. No. 887: Messrs. Berg; Frederickson, D.R. and Lessard.

H.F. No. 1142: Mr. Luther, Ms. Ranum and Mr. Halberg.

H.F. No. 12: Messrs. Luther, Solon, Larson, Hottinger and Ms. Flynn.

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

### MEMBERS EXCUSED

Messrs. Bernhagen and Johnson, D.J. were excused from the Session of today. Mr. Frederickson, D.R. was excused from the Session of today from 8:30 to 11:30 a.m. Mr. Storm was excused from the Session of today from 8:30 to 10:45 a.m. Ms. Ranum was excused from the Session of today at 12:30 p.m. Mr. Beckman was excused from the Session of today from 1:15 to 2:15 p.m. Ms. Traub was excused from the Session of today from 10:00 a.m. to 2:00 p.m. and at 6:50 p.m. Mr. Laidig was excused from the Session

of today from 8:30 a.m. to 2:00 p.m. Mr. Mondale was excused from the Session of today from 8:30 to 11:00 a.m. Mr. Dicklich was excused from the Session of today at 2:30 p.m. Mr. Davis was excused from the Session of today from 8:30 a.m. to 1:30 p.m. Mr. Halberg was excused from the Session of today from 5:30 to 6:30 p.m. Mr. Gustafson was excused from the Session of today from 5:00 to 5:30 p.m. Mr. Frederickson, D.J. was excused from the Session of today from 2:30 to 5:00 p.m. Mr. Novak was excused from the Session of today from 2:30 to 3:40 p.m. Mr. Riveness was excused from the Session of today at 7:00 p.m.

The following members were excused from today's Session for brief periods of time: Ms. Reichgott, Messrs. Price; Pogemiller; Frederickson, D.J. and Ms. Johnson, J.B.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 8:30 a.m., Saturday, May 18, 1991. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate